

Romania: corporate statements regarding ultimate beneficial owner(s)

1. Background

Law no. 129/2019 for the prevention and combating of money laundering and terrorism financing, and for the amendment and supplementation of certain legislative acts (“**Law 129/2019**”) requires Romanian companies subject to registration with the Romanian Trade Registry (with the exception of national companies and companies fully or majority owned by the State) to submit statements on their ultimate beneficial owners with the Romanian Trade Registry.

Such statement must be submitted in the following scenarios:

- (i) upon the incorporation of the relevant company;
- (ii) annually, within 15 days as of the approval of the annual financial statements; and
- (iii) in case of a change of the identification details of the ultimate beneficial owners, within 15 days as of date of the occurrence of the change.

A grace period of 12-months as of the entry into force of Law 129/2019 was granted to companies already incorporated upon the enactment of the same.

Failure to submit the statement is an administrative offence punished by fines between RON 5,000 (approximately EUR 1,040) and RON 10,000 (approximately 2,080).

Should the companies fail to submit the statement after the relevant fine is imposed, the competent court can order the dissolution of such companies.

The registry where the Trade Registry will register the ultimate beneficial owners was not operational upon the entry into force of Law 129/2019.

2. Update from the Romanian Trade Registry and compliance process

The Romanian Trade Registry (the “RTR”) has recently announced that the registry where ultimate beneficial owners are registered is now functional. The RTR also provided the relevant guidance in order to assist companies in complying with their obligation.

Romanian companies must therefore identify their ultimate beneficial owners. On a case by case basis, these consist either of:

- (i) the individual(s) holding at least 25% plus one of the shares or participating in the equity of the company; or
- (ii) the individual(s) who ensure(s) the management of the company, if, after exhausting all possible means and provided that there are no grounds for suspicion, no individual is identified in accordance with point (i).

The statement on the ultimate beneficial owners must be signed before a notary public, unless signed directly before the Trade Registry.

Such statement can be submitted directly by the statutory representative of the company or via a proxy, such as a lawyer. Nevertheless, the statement can only be signed by the statutory representative.

3. Key take-aways

The newly-created registry where Romanian companies need to register their ultimate beneficial owners is up and running.

In order to avoid fines and potential company dissolution, statutory representatives of Romanian companies need to execute and submit before the Trade Registry, directly or via attorney, a statement indicating the identification data of their ultimate beneficial owners.

Companies already incorporated upon the entry into force of Law no. 129/2019 may submit the statement until July 2020.



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