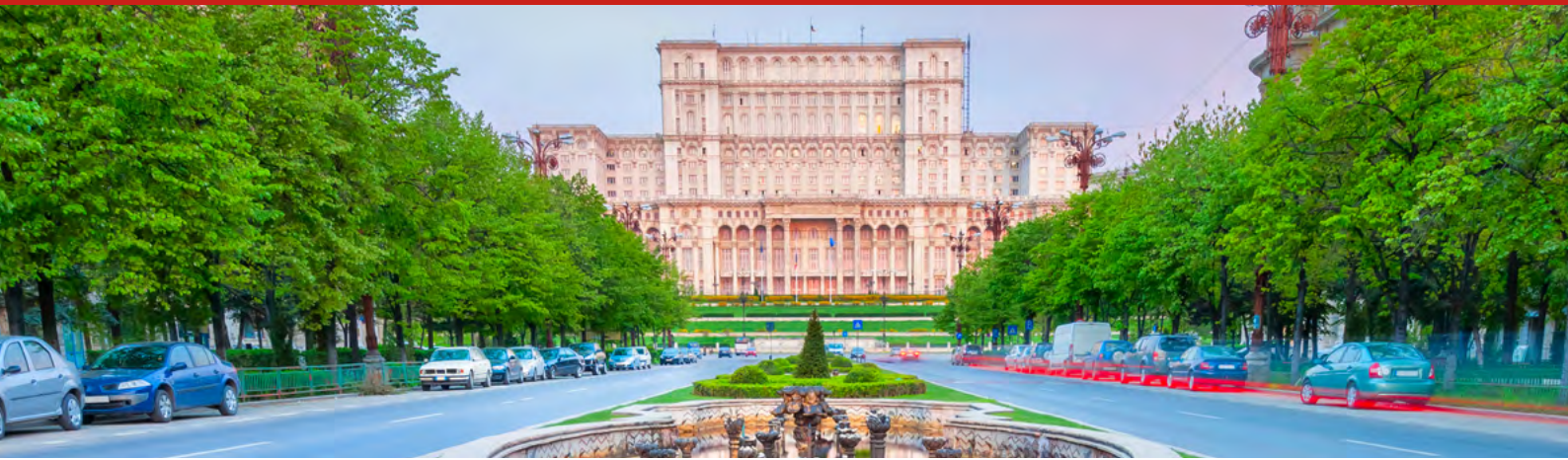




LAWYERS COOPERATION



SETTING UP A LIMITED COMPANY IN ROMANIA

This short overview is intended to provide some answers to initial questions about what to know and consider when establishing a limited company in Romania. It is part of a series of short guides for setting up a business in different jurisdictions worldwide which have been produced by members of Lawyers Cooperation.

Lawyers Cooperation is an international association of independent business law firms offering members and their clients access to an international business law resource and local expertise from across member countries.

For further advice and information about setting up a business in Romania, please contact **our member in Romania:**

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This guide is also available for Austria, Belgium, Chile, Germany, Hungary, Italy, Netherlands, Poland, Portugal, Sweden, Spain, Switzerland and the United Kingdom. This information is provided by our members who are located in these countries. If you need local advice or support in any of these jurisdictions, please search for our member firms on our website.

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SETTING UP A LIMITED COMPANY IN ROMANIA - YOUR QUESTIONS ANSWERED

1. Name of a limited company in the native language

Societate cu răspundere limitată (SRL)

2. Costs associated with setting-up a limited company

Lei 122, approximately 25 Euro, which represents taxes collected by the Trade Registry for the publication of the documents in the Official Gazette of Romania, Part IV.

3. Who is eligible to set up a limited company? Natural persons or legal entities

4. Are foreign nationals eligible to set-up a limited company? Yes

5. What is the minimum number of shareholders required?

The minimum number of shareholders required is 1.

6. When can the company start trading?

As soon as it has been registered in the Trade Registry in the event that no additional permits are required for carrying out of the object of activity.

7. Who can be managing director of a limited company?

Any natural person or even a legal entity, shareholder or non-shareholder

8. Paid-in minimum capital requirements?

For a limited company, the share capital cannot be less than 1 Lei.

9. Is a Romanian bank account required for setting up a limited company?

Limited companies do not have to prove subscription of share capital as a condition for setting-up the company; however, for the subscription of share capital, a Romanian bank account is required.

10. Do articles of association have to be prepared? Yes

11. Does the registered address need to be in Romania? Yes



SETTING UP A LIMITED COMPANY IN ROMANIA - YOUR QUESTIONS ANSWERED

12. How long does the registration process take?

Depends on how efficient the necessary documents can be collected from the persons involved. Once all documents have been submitted to the Romanian Trade Registry, the company can be established within 3-5 working days.

13. What are the main steps involved in setting up a limited company?

- Prepare necessary documents (i.e. Articles of Association, Sworn affidavits to be given by the shareholders and director; signature specimen of the director, sworn affidavit regarding the activities to be authorized, proof of headquarters – e.g. lease agreement, declaration of the real beneficiary, Trade Registry excerpts for the shareholders legal entities).
- Open bank account and subscription of the share capital.
- Register the company for tax purposes once it has been established.

14. Does Does the limited company have to register for Corporation Tax, If so, what is the corporation tax rate?

The standard tax on corporate income is 16% for Romanian companies and foreign operating through a permanent establishment. Income tax for micro-companies is:

- 1% for micro-companies with one or more employees.
- 3% for micro-companies with no employees.

15. What is the standard VAT rate? The standard VAT rate is 19%.

16. Are there any important deadlines for setting up a limited company? No

17. Is information about a limited company publicly available, if so, which information is available? https://portal.onrc.ro/ONRCPortalWeb/appmanager/myONRC/public?_nfpb=true&_pageLabel=login#wlp_login

Year of issue: 2022. Since regulations are subject to changes, we recommend that you seek advice from one of our local members in Romania before setting up a limited company in Romania.

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