

Legal Alert

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New amendments regarding Companies' Law no. 31/1990 and Government's Ordinance no. 26/2000 regarding associations and foundations

On July 21st, 2019 Law no. 129/2019 ("Law 129/2019") regarding the prevention and the fight against money laundering and financing of terrorism, entered into force, as well as the amendments of other normative acts, which, among other changes, it modifies Companies' Law no. 31/1990 and Government's Ordinance no. 26/2000 regarding associations and foundations.

Amendments to the Urbanism Law regarding the litigations initiated with respect to the urbanism documentations

On July 26, 2019, Law no. 151/2019 that supplements Law no. 350/2001 on urbanism and improvement of territory ("**Law 151/2019**") was published in the Official Gazette. The normative deed entered into force on July 29, 2019.

Although the majority of the amendments refer to the regulation of the informal settlements of underprivileged individuals, there are several important changes, which concern the legal regime applicable to litigations initiated with respect to urbanism documentation.



New amendments regarding Companies' Law no. 31/1990 and Government's Ordinance no. 26/2000 regarding associations and foundations

The main amendments brought to **Companies' Law no. 31/1990** concern the elimination of the bearer shares. After the entry into force of Law 129/2019, the issuance of new bearer shares and the carrying out of transactions with the existing bearer shares is prohibited. Furthermore, the bearer shares issued prior to Law 129/2019 entering into force will be converted into nominal shares, and the shares that will not be converted will be automatically annulled after the expiry of an 18 months period from the date Law 129/2019 entered into force, having as consequence the corresponding reduction of the share capital. The non-compliance of the joint-stock companies and the partnership limited by shares companies with the converting obligation will result in the companies' dissolution.

Another new provision brought by Law 129/2019 consists in the introduction of the obligation to file, by the legal entities for which the registration in the Trade Registry is mandatory, a **statement regarding the real beneficiary** of the companies, to be registered with the **Companies' Real Beneficiary Register**. This statement must be filed annually or any time a change occurs regarding the real beneficiary.

Furthermore, within 12 months from the moment Law 129/2019 enters into force, the companies registered until that moment, with the exception of national companies, as well as the companies fully or in majority owned by the state, will file the statement regarding the identification data of the real beneficiaries, through the legal representative, in order to be registered in the Companies' Real Beneficiary Register, kept by the National Trade Register Office.

The lack of registration of the statement mentioned above will be sanctioned with a fine between 5,000 and 10,000 lei. If in 30 days from the date when the sanction was applied, the representative of the legal entity does not register the statement regarding the identification data of the real beneficiary, at the National Trade Register Office's request, the court, or if the case, the specialized court will be able to announce the dissolution of the company.

Furthermore, through Law 129/2019 the following amendments were brought to the **Government's Ordinance no. 26/2000 regarding associations and foundations**, which focus on the increase of transparency in relation with such entities' registration:

The registration request of associations will have to include, in addition to the previous provisions:

- the certified for conformity copies of the original documents proving the identity of the associates, as well as
- the affidavit in authentic form of the person writing the registration request, which contains the identification data of the real beneficiaries of the association, as mentioned in the field of prevention and fight against money laundering and financing of terrorism.

The same documents must also be included in the requests for obtaining legal personality by the foundations.

The new regulation states that annually or, as the case might be, every time a modification occurs regarding the identification data of the real beneficiary, the association or the foundation has the obligation to communicate to the Ministry of Justice the identification data of the real beneficiary, in order for the update regarding the real beneficiaries of the associations or foundations to be registered.

The amendments of the Governance's Ordinance no. 26/2000 also include express mentions concerning the amendment of the articles of association, of

the bylaws or the real beneficiary of the association or foundation, as well as regarding the merger and spin-off of such entities.

In conclusion, the provisions of Law no. 129/2019 bring important amendments in the field of corporate law, companies, as well as associations and foundations, having the obligation to conform to the new stipulations.

For further questions regarding the aspects mentioned in this alert, please contact us.



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Amendments to the Urbanism Law regarding the litigations initiated with respect to the urbanism documentations

The jurisdiction of the courts

According to the amendments included in Law 151/2019, it is expressly provided that the litigations generated by the issuance, revision, suspension or annulment of the decision for the approval of the urbanism documentation or land improvement documentation shall be settled by the competent administrative resolution courts.

The statute of limitation term

The novelty element is represented by the insertion of a legal term for challenging the decisions concerning land improvement and urbanism documentation. Thus, the new legal provisions establish that the right to challenge the approval decisions of such documentation shall be prescribed within 5 years of the date of approval.

From the interpretation of the provisions included in Law 151/2019 and in the absence of an express distinction provided by the law, it appears that the 5 years term shall be applicable with respect to the approval decisions concerning all types of urbanism documentation, namely the general urbanism plans, the zonal urbanism plans, together with the corresponding local regulation, as well as for detailed urbanism plans.

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