

Tax & Legal Weekly Alert

25 July 2018

In this issue:

Clarifications on the organization and functioning of the National Office for Centralized Public Procurement

Following the set-up of the National Office for Centralized Procurement ("**NOCPP**") by way of GEO no. 46/2018, the Romanian Government brings clarifications on the organization and functioning of the NOCPP by issuing the Government Decision no. 502/2018, published in the Official Gazette no. 614 as of July 17, 2018.

Internship law, main aspects

Internship law published on July 19, 2018 within Official Gazette, settles the legal framework for the manner of performing paid internship programs for persons of at least 16 years, by this manner these persons being able to acquire, among others, the professional experience, practical skills and/or competencies. Internship Law mainly regulates the following that we underline herein below:

- Who can be an intern?
- What entities could conclude internship agreements?
- Organization of internship program and internship agreement
- Amount of internship allowance
- Rights and obligations of hosting organization



Clarifications on the organization and functioning of the National Office for Centralized Public Procurement

Following the set-up of the National Office for Centralized Public Procurement by way of GEO no. 46/2018 on the set-up, organization and functioning of the National Office for Centralized Public Procurement, the Romanian Government has clarified various aspects regarding the organization and functioning of the NOCPP by issuing the Government Decision no. 502/2018 on the organization and functioning of the National Office for Centralized Public Procurement ("**GD no. 502/2018**").

As expressed under the legal enactments mentioned above, NOCPP acts in its capacity of a centralized public procurement unit and conducts procurement activities on behalf of contracting authorities at a central (or assimilated) level with regards to IT products, medicines and pharmaceutical products, vehicles, appliances, fuel for the fleet of vehicles, office supplies.

GD no. 502/2018 establishes the responsibilities and principles that constitute the basis of functioning of the NOCPP. Likewise, GD no. 502/2018 provides for the organizational chart, maximum number of positions and the manner in which the personnel is designated, as well as the main attributions of the President of the National Office for Centralized Public Procurement.

Given the content of the GD no. 502/2018, the National Office for Centralized Public Procurement is expected to start its activity in the following period.

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



Georgiana Singurel
Partner
+40 21 207 52 86
gsingurel@reff-associates.ro



Adrian Coman
Managing Associate
+40 21 207 53 39
acoman@reff-associates.ro

Internship law, main aspects

Main aspects regulated by the law:

- **Who can be intern?**

Both persons of 16 years old and persons of 15 years old, in this case only subject to obtaining their parents or their legal representatives' agreement - if the case - can perform internship programs within a hosting organization, based on an internship agreement.

- **What entities could conclude internship agreements?**

The entity where a person could perform an activity as intern (called „hosting organization”, as per the Law) could be private companies or public entities.

- **Organization of internship program and internship agreement**

Internship programs could be organized at any time during an uninterrupted period of 12 months and between the intern and the institution only one internship agreement for be concluded for maximum 6 months. The internship agreement cannot be prolonged. However, more internship agreements could be concluded subject to such agreements being concluded for different programs and their cumulated duration does not exceed 6 months. By derogation to Labor Code provisions, the period when the intern has performed the internship activity shall be considered length in service and, if the case, length in respective intern's professional specialty, according to the type of activity.

Working program is of maximum 40 hours/week (in case of interns above 18 years old), respectively 6 hours/day, maximum 30 hours/week (in case of interns under 18 years old) and could not exceed 720 hours during 6 consecutive months. Moreover, the Law prohibits performing overtime.

Breaching the obligations regarding maximum duration of internship agreement, respectively maximum working time duration provided for performing the internship activity represents minor offences, sanctioned with administrative fines ranging from 4,000 to 6,000 lei.

- **Amount of internship allowance**

Interns are entitled to a monthly allowance provided by the internship agreement whose value shall be of minimum 50 % of the minimum gross base salary per economy and shall be paid proportionally with the hours of activity performed by the intern.

- **Rights and obligations of hosting organization**

Following the assessment of the intern's performance, the hosting organization can decide to hire the intern by concluding an individual employment agreement, by taking into account the vacant positions existing within the organization and the competencies acquired by the intern. If hosting organization concludes an employment agreement with the intern having performed the internship program within 60 days as of ending the internship program, it receives, upon request, from the unemployment insurance budget, an incentive amounting to 4,586 lei/employee (subject to keeping the employment relationship for minimum uninterrupted 24 months and after fulfilling such obligation).

Hosting organizations shall make public, in written and/or online, the internship programs performed, criteria, calendar and internal procedure for selection, general responsibilities for each internship program to be offered, as well as the contractual conditions (number of hours and duration of internship program, the minimum amount of the monthly allowance).

If hosting organization ascertains the breach of internal regulations and/or of the internship program, it is entitled to apply sanctions that could lead up to termination of internship agreement. Sanctions could be applied only after performing an internal investigation.

Hosting organization is compelled to conclude the internship agreement in written form and in Romanian language, in the day prior to starting the activity, at the latest (under the sanction of paying an administrative fine ranging between 10,000 and 20,000 lei) and to fill in the electronic register for keeping the evidence of internship agreements (under the sanction of paying an administrative fine ranging between 2,000 to 4,000 lei).

Hosting organization is compelled to issue an internship certificate to the intern within 5 days as of communicating the final assessment document, that is to be issued by the intern's tutor.

Entering into force

The internship law shall come into force within 30 days as of its publication within Official Gazette, except art. 29 paragraph (1) of Law settling the obligation of National Agency for Workforce Outplacement, by its territorial structures, to set up the electronic register for keeping the evidence of internship agreements that has entered into force within 3 days as of its publication.



Florentina Munteanu
Partener
+40 730 077 934
fmunteanu@reff-associates.ro



Gabriela Ilie
Managing Associate
+40 744 474 622
ailie@reff-associates.ro



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/ro/about to learn more about our global network of member firms.

Deloitte provides audit, consulting, legal, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 244,000 professionals make an impact that matters, please connect with us on [Facebook](#) or [LinkedIn](#).

Reff & Associates SCA is a law firm member of Bucharest Bar, independent in accordance with the Bar rules and represents Deloitte Legal in Romania. Deloitte Legal means the legal practices of Deloitte Touche Tohmatsu Limited member firms or their affiliates that provide legal services. Visit the global Deloitte Legal website <http://www.deloitte.com/deloittelegal> to see which services Deloitte Legal offers in a particular country.

This alert is offered as guidance and must not be considered a consultancy service. Before taking any action based on this document, you should ask for professional fiscal/legal advisory.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional advisor. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2018. For information, contact Deloitte Romania