

## CMS | Romania passes procedure for companies to update their object of activity and classification pursuant to NACE Rev. 3



**On 31 December 2024, the Romanian National Office of the Trade Registry published its guidance on the procedure for updating the object of activity of companies, according to the new statistical classification NACE Rev. 3. The Trade Registry also provided a correspondence table between NACE Rev. 2 and Rev. 3, which contains sub-segmentations and aggregations of the previous NACE codes.**

The NACE update concerns the main and secondary object of activity of a company and went into force on 1 January 2025.

### **Relevant procedure for legal entities**

To update their object of activity NACE code, companies must apply to the Trade Registry on a standardised form. The application can be submitted in the following ways:

- online through the Trade Registry's portal;
- physically, at one of Trade Registry's territorial offices; or
- by post/courier.

Depending on the company's status and object of activity, the Trade Registry's guidance distinguishes between the following situations:

#### *When the company only updates its object of activity according to the new classification*

In this case, the company only completes the section of the standard form, which exclusively refers to the NACE update, without having to submit any other documents (except for proof of the power of attorney for the person designated to carry out the legal formalities with the Trade Registry).

The Trade Registry guidance does not include information on the update of the articles of association of companies in cases where the update of the NACE code also entails the amendment of the articles of association. Consequently, to avoid inconsistencies between the articles of association and the updated object of activity registered with the Trade Registry, companies should proceed with the update of the articles of association as soon as possible, ideally at the next opportunity to perform the update.

#### *When the company registers another change with the update of its object of activity*

In this case, the NACE update will be completed together with the section with the change the company intends to register. Supporting documentation must be provided for the other changes in accordance with the Trade Registry's guidelines.

*When the update of the object of activity consists in sub-segmentation or aggregation of NACE classes*

In this third situation, the company will complete the section relating to the update of the object of activity of the company, but will also be required to fill out the section which refers to the change of the object of activity. This means that the necessary documentation for this change must be submitted in line with the Trade Registry's guidelines. Consequently, further changes to the corporation would be necessary, such as amending the articles of association of the company.

To conclude, each company should run an internal review of its main and secondary object of activity based on NACE Rev. 3 and, based on this assessment, it should perform the necessary procedures with the competent Trade Registry.

Applications registered with the Trade Registry by 31 December 2024 will still be considered according to the NACE Rev. 2 classification, but companies must update their object of activity in accordance with NACE Rev. 3.

A similar procedure is in place for natural persons authorised to conduct business activities.

### **Recommended promptness and compliance to avoid any potential delays or sanctions**

Failure to comply with the new NACE update obligation could potentially entail short-term or long-term negative consequences for the companies.

The immediate effect of non-compliance could result in the rejection of an application for a change or registration within the Trade Registry (e.g. appointment of a new director, a share capital increase, a share transfer or other corporate operation).

Long-term negative legal and tax implications cannot be excluded as well. Hence, compliance with the new obligation is recommended as soon as possible.

For more information on the NACE update obligation, the procedure and how it affects companies in Romania, contact your CMS client partner and local CMS experts: **Rodica Manea** and **Elena Andrei**.