

CMS Romania: 4th Anti-Money Laundering Directive results in amendments to Romanian Companies Law

On 11 July 2019, the Law for preventing and combating money laundering and terrorist financing (the “Law”), which transposes the 4th Anti-Money Laundering Directive, Directive (EU) 2015/849, was promulgated by the Romanian President. The Law will come into force three days after being published in the Romanian Official Gazette.

The Law modifies Romanian Companies Law no. 31/1990 by abolishing “bearer shares” (“acțiuni la purtător”) in Romania, setting clear transparency requirements about beneficial ownership for companies and reinforcing the sanctioning powers of certain competent authorities (amongst other changes).

The Law forbids the issuing and use of bearer shares. Any bearer shares already in circulation must be converted into nominative shares (“acțiuni nominative”) within 18 months after the Law enters into force. When converting bearer shares, boards of directors must write the identification data of the holders on the ownership titles and update the shareholder registers accordingly. Further, companies that had issued bearer shares must amend their Articles of Association to reflect these changes.

If a company fails to take the required steps, the bearer shares will be cancelled by law and the share capital of the company will be decreased by the value of the bearer shares. Moreover, failure to comply with the rules related to bearer shares will allow any interested person or the National Trade Registry Office the right to request the dissolution of the company in court. However, dissolution shall not occur if the matter is remedied before the court hears the merits of the request.

The Law also crystallises the concept of ultimate beneficial owner in Romanian law. For transparency purposes, as a general rule all companies registered with the Trade Registry must file a statement identifying the real beneficiaries of the entity, for registration in the Register of Real Beneficiaries of Companies (“Registrul Beneficiarilor Reali ai Societăților”): (i) upon incorporation, (ii) annually, within 15 days from the approval of the annual accounts, and (iii) each time a change with respect to the beneficial owner occurs, within 15 days from the change. Companies that fail to submit statements regarding ultimate beneficial owners can be sanctioned with a fine between RON 5,000 (approximately EUR 1,065) and RON 10,000 (approximately EUR 2,130) or dissolution of the company at the request of the National Trade Registry Office. However, dissolution shall not occur if the matter is remedied before making the pleadings on the merits of the case.

For further information on the Law from a corporate law perspective, [please contact Rodica Manea](#).