



OPENING UP SHOP IN ROMANIA

MAGDA VOLONCIU & ASSOCIATES is a member of L&E Global, the alliance of employment counsel worldwide

As more international companies are interested in opening up shop in Romania due to its EU member state status and the availability of specialized workforce in specific industries, we understand the need to ensure a quick access to doing business in Romania and an efficient guideline to the entire process. Organizations in Romania are subject to general EU regulations and also to national law and having a simple checklist

of legal requirements will allow companies to begin doing business in Romania in a more efficient way.

Magda Volonciu & Associates is a Bucharest-based Romanian labor and employment boutique law firm offering premium specialized labor and employment consultancy, assistance and representation. Our law firm has an excellent reputation on the internal and international market,

being acknowledged as the best law firm specialized in labor law and industrial relations (relation with the unions) in Romania, due to its professionalism, seriousness, devotion and team spirit that characterizes the activity of the law firm. We have extensive expertise in drafting organizational documents necessary to doing business in Romania.

I. LABOUR AND EMPLOYMENT REQUIREMENTS

A. EMPLOYER POLICY REQUIREMENTS

In order to be legally compliant, employers are required by legislation to create and implement a number of internal regulations and employment policies. Also a number of employment documents are mandatory. The internal regulations, employment policies and documents will help an organization manage employee relations and mitigate the risk of legal liability in the future.

It is mandatory for the employer to have an Internal Regulation that will include the company's internal rules on:

- The protection of health and safety at the workplace
- The implementing of the non-discrimination principle
- The rights and obligations of both the employer and the employees
- The procedure to be followed in answering employee's petitions and complaints
- The work discipline
- The disciplinary offences and sanctions
- The criteria for the general evaluation of the employees.

In order to conduct specific activities the employer might need to obtain authorisations from national or local authorities. Also for each employee the

company has present prior to the actual employment a written offer should contain all information that needs to be included in an employment agreement. The employment agreement has to be signed and registered also prior to the actual commencement of the activity. Part of the employment agreement is the job description.

The companies are advised to create additional policies, internal procedures and working instructions on the company's rules on things like the protection of women at the workplace, use of company cars, use of company computers and information, access to restricted areas, use of protection equipment etc.

This guide is intended as general information only. For legal advice and assistance with your business needs, please contact our Romanian firm, Magda Volonciu & Associates.



B. EMPLOYEE TRAINING REQUIREMENTS

All employees have to receive health and safety training at the beginning of the activity and at specific times and occasions. The training is internal and supervisors have to be trained in order to train the other employees. In some industries a safety officer for the entire organization has to be employed and trained.

During employment employers are required to ensure that all the employees attend training programs once every 2 years if the total number of employees is under 21 and once every 3 years if the total number of employees is above 21. The employers have to bear all costs of the mandatory training programs.

Also all employers that have more than 20 employees have to have in place an annual training plan that will be elaborated with union or employees' representatives' consultation. If a collective employment agreement is in place, the training plan will become its Appendix.

If the employer has the initiative of a training program bearing the costs the employee cannot have the initiative to terminate the employment for a period to be established by addendum to the employment agreement.

C. EMPLOYMENT AGREEMENTS

As stated, the employment agreement has to be signed and registered prior to the actual commencement of the activity. The employment agreement has to contain, as a minimum, references to:

- the identity of the parties
- the place of work or, in the absence of a fixed workplace, the possibility for the employee to work in different places
- the employer's headquarters or domicile
- the position/occupation according to the specification of the Classification of Occupations in Romania or other normative acts, as well as the job description, specifying the duties of the position
- the criteria for evaluating the professional activity of the employee

- job-specific risks
- the date the agreement is to come into effect
- in the case of a fixed-term employment contract or a temporary employment contract, their duration
- the number of vacation days the employee is entitled to
- the notice duration and conditions for both parties
- the wage and the periodicity of payments
- normal working hours in hours/day and hours/week
- the collective employment agreement applicable at the time of the employment
- the duration of the probation period

The negotiation of collective employment agreements is mandatory for employers with more than 21 employees however the signing of the collective employment agreement following these negotiations is not mandatory.

We have extensive expertise in drafting both individual and collective agreements.





II. CORPORATE LAW REQUIREMENTS

A. COMPLIANCE FOR INCORPORATION

In order to incorporate a company in Romania the following steps and requirements are to be observed:

- drafting the articles of incorporation and the statute of the company
- defining the organization's capital structure
- establishing a headquarters and a representative
- registering to the Commercial Registry. The Commercial Registry will check the articles of incorporation the statute and the availability of the name chosen and can reject the request for registration.

- obtaining the fiscal code and the registration number in the Commercial Registry
- opening a representative bank account
- registering the intellectual property the company has and intends to use, when it is necessary in order to conduct the activity
- Our firm can put you in contact with specialized professionals in order to ensure the timely and correct incorporation.

collective agreements. As stated for certain activities additional authorizations and registrations might be needed.

B. POST INCORPORATION REGISTRATIONS

Post incorporation registration includes filings for tax purposes, the registration of individual and



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III. PAYROLL AND BENEFITS PROVIDERS

The payroll and benefit responsibilities can be outsourced to third party companies or can be managed internally. The registration of individual employment agreements and its addendums in the general registry has to be made by an employee of the company.

We are pleased to offer our services for all of the required work identified above and assist your organization to open in Romania. Any portion of the work can be conducted on the basis of a blended rate of 270

Euro per hour in addition to any required disbursements and tax. As an alternative, all of the above work can be offered for a project budget that will vary depending on the necessary documents to be drafted.

If you have any questions, please contact

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We look forward to working with you.



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