



LEGAL NEWSLETTER – 12 MAY 2014

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LEGAL UPDATES

GENERAL

1. Circular no. 13 on the interest rates paid for the minimum mandatory reserves in RON and USD starting with the application period 24th March – 23rd April 2014

The circular stipulates that starting with the application period 24 March – 23 April 2014 the interest rate paid for the minimum mandatory reserves in RON is of 0,47% per year and the interest rate paid for the minimum mandatory reserves in USD is of 0,18 % per year.

AGRICULTURE

1. Resolution no. 298 on the specific aid scheme granted to the milk and beef producers and the milk and sheep/goat meat in disadvantaged areas

The beneficiaries will be able to obtain financial aid for the following categories of animals: milk cows, milk buffaloes, meat breeds cattles and their mestizos: meat breeds bulls, meat breeds cows, mestizo cows with meat breeds, male and/or female youth and of meat breeds and/or mestizos with meat breeds and female sheep/goats.

The maximum value of the specific financial aid is of 39.824.205 Euro. The specific aid amount is calculated by the Payments and Intervention in Agriculture Agency, after completing the verifications, by reporting the annually allocated maximum value per category, but no more than: 250 Euro/head for the milk cows category, 187,5 Euro/head for the female buffaloes category, 300 Euro/head for the meat breeds cattles and their mestizos and 6,5 Euro/head for the female sheep/goats category. The payments are made by the 30th June of the following year.

2. Order no. 474 approving the technical Norms for producing, labeling and releasing fermented alcoholic beverages, other than beer and wine, for human consumption as they are

The norms establish the raw materials and the procedures through which the fermented alcoholic beverages can be obtained, other than beer and wine destined for human consumption as they are, the raw materials tracking system, the production and sold quantities, the presentation for commercializing, as well as the competent authorities responsible for verifying the observance of this order's provisions by the field's operators. The norms also stipulate the agricultural products that can be used for producing fermented alcoholic beverages, the alcoholic strength they can have, rules referring to the production, labeling and sale of fermented alcoholic beverages, other than beer and wine.

In order to ensure and verify the traceability of the used raw materials, the flavorings and other used food additives, according to the order's provisions, the fermented alcoholic beverages producers, other than beer and wine, destined for human consumption as they are, set up an fill in a record register,

endorsed and checked by the specialized inspections within the county and Bucharest agriculture directorates.

3. Order no. 394 attesting food products obtained according to the established Romanian recipes

The order regulates the conditions that must be met by the operators in the food sector that perform activities in producing and selling food products that are obtained according to the established Romanian recipes, in order to be registered in the national Registry of established recipes (N.R.E.R.). It should be noted that the registration of food products that are obtained according to the established Romanian recipes is voluntary. The list of established Romanian recipes will be updated periodically, at every 6 months. The order provides the necessary documents for the registration in N.R.E.R. of a product by an operator in the food sector, as well as establishing a technical Committee for validating the products obtained according to the established recipes that will have as attributions the inspection and validation of proposals for products obtained according to established recipes.

4. Resolution no. 319 completing art. 5 in the Government Resolution no. 763/2013 approving the methodological norms for granting state aid for gas used in agriculture

According to the amendments brought by the above mentioned resolution, the agricultural producers that have not applied for 2014 within the period stipulated in art. 5 line (2) from the Government Resolution no. 763/2013 will be able to apply between the 5th May-10th June 2014, inclusively.

ENERGY

1. Order no. 24 approving the Procedure for establishing and using the residual consumption profile

The provisions of the order will be applied starting from the 1st May 2014. The procedure establishes the way of determining the residual consumption profile, as well as its use conditions for the hourly distribution of electricity consumption for consumption places.

The order explains that by using the residual consumption profile, the increase of real opening for the electricity market can be done, by ensuring the conditions for changing the supplier for certain consumption places, without additional costs generated by installing meters with hourly registration of the consumption or for determining the consumption specific profile. The procedure lists the values that the distribution operator must calculate, while also explaining the method of calculation.

2. Order no. 265 for amending the State aid scheme for supporting investments made in expanding and upgrading the electricity and gas transmission networks, approved by Order no. 156/2011 of the Ministry of Economy, Commerce and Business Environment

The main change brought to the state aid scheme aims primarily its applicability. Therefore, the state aid scheme will be applied by the 30th June 2014. In addition, another change is regarding the allowed



budget for the state aid scheme. In this respect, the total budget allowed for the scheme is of 69,24 million Euros (the equivalent in RON), of which 88% represents non-refundable European funds ensured by the European Fund for Regional Development, the rest representing public co-financing funds ensured from the state budget.

LEGAL PROJECTS IN DEBATE

GENERAL

1. Urgency ordinance amending art. 192 of Law no. 571/2003 regarding the fiscal Code

The urgency ordinance aims the amendment of the provisions referring to the tax exemption for the reinvested profit. Therefore, the profit invested in the production and/or purchase of technological equipments – machines, facilities and work equipments will be tax exempted. The exemption will be calculated quarterly or annually, as applicable, and the amount of the profit for which the profit tax exemption was applied will be primarily allocated for establishing the reserves up to the accounting profit recorded at the end of the financial year. The taxpayers benefiting from this tax exemption will not be able to opt for the accelerated depreciation method for these technological equipments. These provisions would apply starting from the 1st July 2014 until the 31st December inclusively.

2. Law for the maintenance of built-in lands that subject to particulars' ownership

The draft law aims to present the necessary frame for performing the steps in order to responsively and efficiently maintain the built-in lands that are in the ownership of public institutions, economic agents and other legal persons, as well as citizens, natural persons that own them with any title they hold. The rules in place are meant to ensure and keep the cleanliness and order throughout Romania, the good housekeeping, removing stray dogs and observing hygiene compliance in order to protect the public health and to ensure, maintain and improve the quality of the environment. Therefore, the law sets up a set of rules that must be complied with by those who hold these lands under any title, establishing the institutions empowered to impose penalties in case of non-compliance with the legal dispositions.

3. Law amending and completing Law 211/2011 for the waste regime

The amendments brought to Law 211/2011 considers the establishment of an exception, so that the holders/producers of waste that are legal persons, traders, as well as authorized economic operators in terms of environmental protection for conducting the collection and transport operations that have the obligation to transport waste only for authorized installations for conducting the treatment operations, except for those who produce only waste similar to household waste and those who prove that they have a contract with the authorized economic operators in terms of environmental protection for conducting the collection and transport operations, shall designate a person among their employees to track and ensure the fulfillment of the obligations under the law of waste or to delegate this duty to a third party.

AGRICULTURE

1. Law for the vineyards and wine in the common organizing system of the wine market

The draft law aims to establish a general legal framework for the functioning of the wine chain in terms of production, origin certification, trade and control of wine products, while ensuring the increase of competitiveness of wine producers.

The obligation for the wine grapes producers to prepare, update and complete the holding file is established. In addition, the law contains provisions related to the establishment, maintenance and clearing of vineyards, but also to the production of grapes and wine. The authorized oenological practices and treatments are provided and at the same time certain restrictions are established. The law also regulates other aspects related to the trade of wine products. The competent authorities and the penalties that can be imposed in case of non-compliance with the law.

2. Law regarding the regulatory measures of consumption seeds storage and their storage certificates regime

The law regulates the regime of the storage licenses for managing and ensuring the integrity of consumption seeds stocks, as well as the usage regime of the storage certificates for consumption seeds. The authority responsible for issuing the storage licenses and for authorizing gradators for the consumption seeds is the Ministry of Agriculture and Rural Development. The law establishes rules referring to the way of storing the consumption seeds, but also to the gradation activity of the consumption seeds. The procedure for granting the licenses for storage and storage certificates is established. In addition, through the above-mentioned legislative proposal it is aimed to establish a guarantee scheme for the funding granted by the financing institutions based on the storage certificates.

ENERGY

1. Resolution for establishing a state aid scheme for the exemption of certain categories of end users from the application of Law no. 220/2008 establishing the promotion system of energy production from renewable energy sources

The resolution aims to establish a state aid scheme by which a certain percentage of the quantity of electricity that is delivered to the energy-intensive industrial consumers is to be exempted from the application of certain provisions of Law 220/2008. The administration of the state aid scheme will be done by the Ministry of Economy.

Therefore, the resolution stipulates that its dispositions will be applied to the enterprises in the sectors at risk of losing their competitiveness because of financing the support granted for energy produced from renewable sources, this risk being owed from the energy-intensity of the beneficiary and from the exposure to international trade. The state aid will be granted under the condition that the beneficiary pays at least 15% of the number of green certificates related to the mandatory quota; this percentage



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can be increased depending on the energo-intensity of the enterprises. The state aid scheme will be applied for a period of 10 years, estimating that the beneficiaries of its provisions will be approximately 50-100 enterprises.

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