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Romanian Govt States Legislative Priorities for First Parliament Session

The Government wants the legislative procedures for the enactment of a national minority's statute to be concluded in the current Parliament session, at the latest by the end of June. The statute in question has been rejected in Senate and has been under debates in the Lower Chamber for some three years now, postponed several times on lack of quorum in parliamentary committees.

The list of priorities also includes the draft laws enacting the criminal procedure code and the civil procedure code, which are to be enacted by the end of June.

Draft laws that are about to be approved by the Government and sent to Parliament for debate include, the unitary public pension system law, the national education law, amendments to the employer law, the organization of lobby activities, the simplification of publicity formalities when it comes to the construction and functioning of companies, the granting of rights to the successors of people executed for dissidence under the communist regime, the regulation of malpractice.

The Executive also wants a quick conclusion, by the end of March, to the legislative procedures approving the ordinance that created communications regulator ANCOM. The normative act has been under Parliament debates for one year now and the European Commission threatened Romania with infringement procedures if the document is not passed.

The Government list of legislative priorities also includes the fiscal responsibility law and the law creating Local Police units.

Raising Retirement Age to Help Fix Imbalances in Romania's Public Pension System – Labour Min

The ministry said setting the same retirement age for both men and women is essential to ensure equal opportunities, in line with EU requirements. On the other hand, it said, raising retirement age is the main solution to ensure medium and long term financial sustainability for the country's public pension and social security systems.

The measure is stipulated in Romania's EUR20 billion bailout loan agreement with the International Monetary Fund, World Bank and the European Union. The Labour Ministry has stated that an increased expected retirement age is one of the main factors considered in regulating retirement age. The ministry underscored expected retirement age is calculated differently from life expectancy, as it considers people who are of retirement age instead of all age categories. Life expectancy in Romania was of 68 years for men and 75 for women in 2009.

"The average life expectancy is affected by various factors such as infant mortality, which is still quite high in Romania, and mortality at any age before retirement, so life expectancy is not such a relevant indicator in setting a standard retirement age,"

During debates on the country's future unitary pension system law, which raises retirement age, unions called on the Labour Ministry to explain how it came about that the government plans to raise retirement age considering Romanians' life expectancy is ten years lower compared to western European states.

Romania Set To Limit Sale of Cigarettes, Alcoholic Drinks in Duty-Free Shops - Sources

The government has discussed recently the issue of contraband cigarettes and alcoholic drinks sold in duty-free shops. They added competent ministries would start drafting the acts needed to crack down on illicit trade involving these products. The Interior Minister has proposed to the government that cigarettes and alcoholic drinks would no longer be sold in duty-free shops, in a bid to fight illicit trade.

The Romanian Border Police have stated that contraband cigarettes remain a major challenge for the Romanian border police staff, arguing, that banning the sale of cigarettes and alcoholic drinks in duty-free shops does not necessarily solve the problem. The minister also stressed large amounts of contraband cigarettes reach the European Union member states which endangers Romania's membership to the European Union and the country's plans to join the Schengen Area.

In November 2009, Romania said it plans to discard tax incentives it granted to duty-free shops, which are exempt from customs duties, to stop issuing authorizations for new shops and raise the current EUR10,000 permit fees to a level that should discourage illicit trade.

Romanian Parliament Bans Use Of 'Academy' Or 'Authority' In Association, Foundation Names

The draft law adopted by the Chamber of Deputies amends Ordinance 26/2000 on associations and foundations and lists the words and word phrases to be forbidden in denominations of associations and foundations as the latter might be confused with national public institutions. The draft law stipulates that the registration of associations that use in their name the words "national" or "Romanian" requires the approval of the Government General Secretariat.

The associations and foundations set up before the law is enforced will maintain their names. The draft law was adopted with 219 votes in favour, six against and four abstentions, after it was endorsed in the Senate.

Romania To Hike Guarantee Limit For New Housing Purchases Up To EUR75,000

The government will also increase the total guarantees ceiling for new buildings. The changes are subject to government's final approval. Early in 2010 the government decided that the persons signing sale-purchase precontracts through the housing program before February 15, 2010 would benefit from state guarantees according to the current system, as afterwards the program will be subject to changes, in order to stimulate the purchase of new dwellings. Last year, the government launched a program aiming to support housing acquisitions with a total budget of EUR1 billion. According to the current conditions, the state grants a guarantee of EUR60,000 at most to persons interested to buy housing via a mortgage credit. The government has already reassigned for 2010 around EUR500 million from 2009's unused guarantee funds.

Romania's pollution tax will be levied on Euro 4 cars starting February 15, when the government-set deadline for tax exemptions expires.

Euro 4 cars with a cylinder capacity of less or equal to 2,000 cubic centimeters were exempt from the pollution tax in Romania if registered for the first time anywhere within the European Union between December 15, 2008 and December 31, 2009. At the end of 2009, Romanian authorities asked the European Commission to allow six more months of tax exemption for Euro 4 cars, but the Commission refused and only allowed a 45-day extension for cars bought until December 31 last year and unregistered so far.

People who bought Euro 4 cars as of January 1, 2010 also have to pay the pollution tax upon registering their cars.

Companies that sell goods in duty-free shops have 45 days to exhaust their stocks of distilled alcoholic beverages and tobacco products, following an order of the Romanian finance minister effective as of February 12.

Under the order, the sale of alcoholic drinks and tobacco products in duty-free shops will be banned after the 45-day deadline expires. "Within 45 days from the coming into effect of the order, companies authorized to sell goods in duty-free shops must exhaust their stocks of distilled alcoholic beverages and tobacco products in authorized duty-free shops, so that these products will no longer be sold in duty-free shops after the 45-day deadline expires," according to the order.

The order also bans, starting February 12, the transfer of alcoholic drinks and tobacco products between duty-free shops owned by the same economic operator.

Products that can still be sold in duty-free shops include beer, soft drinks, wines, vermouth and other fermented beverages, jewelry, food products, white and brown goods, digital products, perfumes, office accessories, sparkling water, small photo cameras, sportswear, fur and leather clothing, items made of crystal, porcelain, wood, metal (excluding furniture), optical items, hand-made items, phone cards, video and audio tapes, DVDs, books, magazines and newspapers, watches, lighters, music instruments, toys, software programs, soaps and paintings.

In December 2009, the Government said it planned to limit the quantity of tobacco and alcohol that can be purchased for personal consumption by a single individual in duty-free shops, in a bid to reduce tax evasion and increase budget revenue.

The European Council adopted a new directive on structure and rates of excise duties for cigarettes, which states an increase in excise, by January 1, 2014, from EUR64 to EUR90 for 1,000 cigarettes, but Romania, among others, will be allowed to set up transitional arrangements until January 1, 2018.

According to a press release, the Council decided to increase, by 1 January 2014, the monetary minimum excise rate to EUR90 per 1,000 cigarettes and the proportional minimum to 60% of the weighted average sales price, from EUR64 per 1,000 cigarettes and 57% at present.

In Romania, the tobacco excise grew by EUR14, to EUR64 for 1,000 cigarettes last year and was further increased by another EUR10 starting with January 1, 2010, to EUR74.

The new rules allow for transitional arrangements until January 1, 2018 for member states that have not yet achieved, or only recently achieved, the current minimum rates, namely Bulgaria, Greece, Estonia, Latvia, Lithuania, Hungary, Poland and Romania, the document reads.

The directive allows member states not benefiting from the transition to impose a quantitative limit of at least 300 cigarettes on the number of cigarettes that may be brought into their territory from member states applying transitional arrangements. It also allows member states applying those arrangements, once their rates have reached EUR77 per 1,000 cigarettes, to apply quantitative limits with regard to member states whose rates have not yet reached an equal monetary level.

This new directive updates EU rules on the structure and rates of excise duties on cigarettes and other tobacco. The directive is intended to ensure a higher level of public health protection by raising minimum excise duties on cigarettes, whilst bringing the minimum rates for fine-cut tobacco gradually into line with those for cigarettes.

Romania will pay mandatory civil liability car insurance (RCA) claims before cars are repaired and not after they are taken out of repair, and the value of the claim will be set by the insurers according to the prices charged by the car repairer and not based on their own damage assessments.

RCA insurers will have to set damage claims taking into account the prices charged by the car repairer or those listed in catalogues, insurer regulator CSA said in a press release, adding that, until now, repair costs were decided following damage assessments carried out by insurers.

According to CSA, the measure will enable car owners to ask for damage claims before having their vehicles repaired. Moreover, an amendment to the RCA norms stipulates insurers must inform people involved in car accidents which raise suspicions regarding the context in which they occurred about its intention to run further investigations.

CSA reduced to 10 days from 15 days the interval in which RCA insurers can pay damage claims, after all the required documents are submitted with the insurer. CSA said car owners can mend their vehicles in any repair garage they choose, even if they are not among the repair garages with which the insurer signed collaboration conventions.

The amendments brought by CSA to the law regulating the mandatory civil liability car insurance sector will be enforced after they are published in the Official Journal.

Changing Romanian legislation on early loan repayment fees will lead to stiffer competition between banks, lower interest rates and restart lending, Competition Council president Bogdan Chiritoiu stated.

“The Competition Council supports the proposals to amend legislation concerning this field. Despite the Romanian Banking Association’s reservations, I think we will come to an understanding and everyone involved will be reasonable,” Chiritoiu said. Banks have until September to amend most lending contracts to comply with new European Union rules and may not charge fees for the early repayment of loans with variable interest rates.

Starting with the second half of the year, natural persons will be able to repay mortgage and consumer loans with variable interest without additional fees, according to a draft emergency ordinance developed by the National Authority for Consumer Protection. The ordinance implements Directive 2008/48/EC of the European Parliament and of the Council, which will become mandatory

for all member states on June 11. Banks will be allowed to charge up to 0.5%, or 1%, of the remaining debt on the early repayment of fixed-interest loans maturing in under a year, and more than a year, respectively.

The draft ordinance will apply to all loan contracts, including mortgage, real estate and leasing contracts, regardless of the loan's value. The ordinance will also regulate the information provided to consumers before signing the contract, such as fees and offers from other EU member states. Furthermore, consumers will have the right to withdraw from the contract, no questions asked, within 14 days of signing.

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