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The Romanian government has reserved the right to limit and even block an “excessive” growth of electricity prices.

The procedure has been included in the draft energy law, which was approved by the government and is now awaiting Parliament approval. The government approved a bill concerning the energy market, including a gradual deregulation of prices for both energy and natural gas. According to the draft electricity tariffs will be deregulated in several steps starting with this autumn.

Price deregulation is set to proceed in six separate rounds for corporate clients, between September 2012 and January 2014, while the process for households will include 10 stages, between July 2013 and December 2017. Additionally, the government plans to eliminate a social tariff applicable to vulnerable consumers.

Policyholders may refer complaints regarding insurance contracts to the brokers that negotiated the deal.

Apart from negotiating contracts and offering consulting services to their clients, insurance brokers must also protect policyholders' interests. The CSA board is looking into amending norms on settling contestations so that, whenever they have problems regarding the contract, policyholders will first address the broker that negotiated the deal. Most complaints are filed in relation to car insurance, especially concerning mandatory car insurance policies.

The Romanian government estimates it will raise 3.44 billion lei from selling shares in several state-run companies.

The projected funds are above the revenue obtained in 2011. The privatization institution, plans to sell stakes of 15% in natural gas company Romgaz, power grid operator Transelectrica (TEL.RO) and natural gas transporter Transgaz (TGN.RO) in 2012.

Romania's tax authority ANAF will start investigating people with large wealth once taxpayers submit their income statement for last year.

Check-ups will be carried out through a special fiscal department set up in 2011. Taxpayers have until May 25 to submit their income statements. The Government decided in December 2010 that individuals whose real income exceeds their declared income by at least 50,000 lei will pay 16% of the difference as tax. According to an official document, investigations targeting high wealth individuals will be started by ANAF once taxpayers submit their income statement for last year.

Romania's government approved the exploration and drilling agreements concluded between local mineral resources agency ANRM and US oil group Chevron for three Black Sea blocks.

The agreement is valid starting March 28, 2012 allow Chevron to explore, develop and drill for shale gas in the Vama Veche, Adamclisi and Costinesti blocks on the Black Sea coast. The addendum to the government approval, was classified. The US giant's intention to drill for shale gas in Romania sparked a large protest in Barlad, where the company holds rights to another block. .

Prior to this government approval, Chevron representatives met with Prime Minister Mihai Razvan Ungureanu, to make sure that operations can start. Talks were also attended by US Ambassador to Bucharest Mark Gittenstein. The meeting came after Bulgarian authorities expelled the company, fearing the impact drilling would have on the environment. Authorities in Sophia are now working on a law banning hydraulic fracturing.

The Romanian Competition Council that amending the taxi legislation to set unitary tariffs for taxi operators breaches the free competition principle.

The Chamber of Deputies' committee for industries and services approved a series of amendments to the taxi legislation. One of the amendments introduces unitary tariffs for taxi services, to be set by local authorities. According to the Competition Council it is impossible to set a correct unitary tariff, considering costs registered by private transporters are different.

The current taxi legislation allows operators to charge any tariff they want, without exceeding a maximum cap set by local authorities. Another amendment bans routes outside the locality where the taxi license was issued. According to the Competition Council, authorities should take into account consumers' preferences and the characteristics of each locality.

Romanian companies that issue mandatory car insurance policies (RCA) will not contribute this year to the fund protecting road accident victims.

Last year, the contribution to the fund was set at 0.3 % of the RCA premiums registered by insurers. The fund protecting road accident victims was set up in 2006.

The Council of the European Union has allowed Romania to increase to EUR50,000, the annual turnover above which companies have to pay VAT.

The decision was adopted on March 26. The decision targets a ceiling of EUR 65,000 at the conversion rate on the day of Romania's accession to the European Union (nearly RON3.3/euro). Thus, the actual value of the ceiling computed at the current exchange rate of RON4.37/euro stands at nearly EUR50,000. The measure takes effect upon publication in the EU Official Journal and is valid until the end of 2014 or until the implementation of a new European directive regarding the annual turnover ceilings below which companies may qualify for VAT exemption.

Romania's Government has made changes to several laws and introduced certain exceptions in order to allot more money for local authorities.

The Government is allowed to transfer money from the reserve fund to local authorities only if their debts at the end of the preceding year were lower than in the year before that. Through an emergency ordinance the Government has decided to suspend this rule until December 31, 2012, enabling new money transfers all through the year.

Romanians who live abroad will be able to open adoption procedures starting April 7.

The law's provisions on international adoption state the situations when adoption is allowed: the adopter is a relative up to the fourth-degree of the child for whom internal adoption procedures were authorized; one of the prospective adoptive parents has Romanian citizenship; the adopter is a foreign citizen and is the spouse of the biological parent of the child for whom adoption procedures were authorized.

Children whose biological parents are unknown can be adopted 30 days after birth certificates are issued.

Romanian state-run hydropower producer Hidroelectrica will likely terminate most of its controversial under priced corporate supply contracts.

Some of the bilateral contracts - as many as 90% of them--, may be terminated. Talks are almost concluded and the announcement is expected shortly.

Hidroelectrica last year notified several companies it plans to cancel or adjust bilateral contracts signed outside the energy market OPCOM. Under the contracts, signed between 2001 and 2003, the company offered companies energy at prices below market rates.

Romania introduces law extending the confiscation of wealth.

The law was adopted by the Parliament on March 27, 2012. Extended confiscation may be applied in cases of corruption, money laundering, drug and human trafficking, fiscal evasion etc. A person convicted of a crime and sentenced to more than five years in prison will have to prove that their property has been obtained legally. The act allows the authorities to seize the assets whose legal origins are not proven.

Romania to enter the ERM II in 2013-2014, according to the Government's convergence program for 2012.

On the medium-term, for 2013-2015, the macroeconomic framework proposed by the convergence program is based on estimates of GDP growth of 3.1-3.9%, around one point above the potential, as a result of the contribution of investments and European funds. The inflation rate should reach 3.5% by the end of the year, within the central bank's target interval. The Government plans to keep curbing the budget deficit; the targets are 2.3% of the GDP in 2012, 1.5% in 2013, 1.2% in 2014 and 0.9% in 2015, according to ESA. The program also provides improved investment policies, the continued reduction and prevention of arrears and better corporate governance.

Austrian group OMV, has filed a claim against the Government demanding refunds of 91.6 million lei for decontamination works carried out in 2009-2010.

The claim was filed in December 2011. Under Law 555/2004 on Petrom's privatization, the Government must compensate the company, between 2005 and 2019, for historic pollution before privatization. In early 2008, OMV Petrom estimated the total receivables for the environmental decontamination works at RON1.707 billion.

A draft Government decision's explanatory note says the Environment Ministry has rejected OMV Petrom's demands in November last year, arguing that the claim does not meet the conditions provided by the privatization contract, under which the state would be liable for the company's environment losses. In the Paris suit, Romania is represented by the Environment Ministry, which has asked the Government to increase its budget by RON820,000, to pay the arbitrators.

The consortium Deloitte – Musat & Asociatii – Systra, which will advise the Romanian government on the privatization of rail freight company CFR Marfa, will receive EUR375,000 this year plus a success fee of 0.01%.

The EUR375,000 will be paid in 14 tranches, corresponding to each stage of the contract. The Transport Ministry will be liable for delays in the payment of the consultants' bills, being required to pay penalties of 0.04% per day, though no more than 25% of the total fee.

The contract will expire at the end of the year, but may be extended. A confidentiality clause will remain in effect up to three years afterwards. Romania plans to sell its majority stake in the rail operator by the end of October, "possibly with the support of the European Bank for Reconstruction and Development and of the International Financial Corporation," according to the country's latest letter of intent to a EUR3.6 billion loan agreement with the International Monetary Fund.

CFR Marfa is the tenth-largest freight rail operator in Europe, with total transport volume of 31 million tons in 2010. The company posted a loss of 133.5 million lei (EUR30.5 million) in 2011, narrower from RON535.3 million in the previous year, preliminary financial data showed. CFR Marfa has total debts worth RON1.25 billion (EUR286 million) and employs 8,270 staff.

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