

20 November 2012

**HBA** Romania's Government approved Tuesday a decision declaring December 24 and 31, 2012 (Christmas Eve and New Year's Eve) days off.

**HBA** Taxpayers will no longer be charged fees when they pay their taxes on the Internet.

Under a current government decision regulating the online payment of taxes, fees can be paid by taxpayers, by public institutions or by any other means chosen by the latter when registered in the national system of online tax payments via bank cards. The decision also sets the payment (the public institution) can impose on the taxpayer who uses their card. The ministry said the decision must be amended because the European Commission could be notified of breaches of a normative act which transposes a European Directive into Romanian legislation. If necessary, the Commission will take measures in this respect and sanction Romanian authorities.

Launched in March 2011, [www.ghiseul.ro](http://www.ghiseul.ro) is a system allowing the online payment of taxes via bank cards.

**HBA** Bucharest general mayor and Development Minister signed a contract financing the construction of an underground passageway in southern Bucharest.

The project is worth over 127 million lei (EUR 27.8 million), of which RON 96.4 million are non-reimbursable funds (RON 85.1 million provided by the EU and the remainder from the state budget). The City Hall will contribute RON 30.7 million.

**HBA** The European Commission informed Romanian authorities about its decision to pre-suspend payment for three Romanian EU-funded programs.

The total value of the projects targeted rises to EUR10.5 billion. Romania has two months to remove problems, which concern public procurement, fund management, as well as the prevention of fraud and conflict of interest. Following inspections carried out in 2010 and 2011, the European Commission identified a series of irregularities in the Romanian structural fund management system and stopped payments made through the European Regional Development Fund and the Cohesion Fund in mid-2011.

In December 2011, the EC resumed payments after Romania pledged it would remove public procurement problems. Rumanian authorities had until mid-2012 to prove that the country's EU fund management system worked properly.

**HBA** Competition Council fined four companies a total 25.5 million lei (around EUR5.6 million) for collusion to rig bids at two auctions organized by natural gas transporter.

Fines were applied to companies Condmag Brasov, Inspec Ploiesti, Moldocor Piatra Neamt and T.M.U.C.B (EUR 1 million) for having colluded to rig bids at a public procurement auction organized in 2009. .

Competition Council said bid rigging consisted of exchange of sensitive information between the abovementioned companies. He added the watchdog teamed up with the organized crime department which provided the information needed to set off inquiries in this respect.

Romania's competition law bans any express or tacit agreements between companies or associations of companies meant to distort competition and especially the agreements which target bid rigging in auctions.

## **HBA Romania's private pension system administrator wants to forbid mandatory private pension fund administrators to invest in private equity funds.**

A norm approved in December last year by CSSPP allowed private pension fund administrators to invest in private equity funds, commodity funds or in infrastructure. The measure took effect in January this year. Asset investments in private equity funds were capped at 10%, both on the mandatory and the voluntary private pension segments.

After only nine months, CSSPP put forward a draft act which drastically changes some of the provisions included in the investment norm, forbidding mandatory private pension funds to invest in private equity funds. SEEPEA is willing to work together with CSSPP and the association of private pension funds to improve regulations with a view to increasing investments in the real economy, reads the press release.

SEEPEA was set up in August 2005 as an independent, non-profit organization, promoting the interests of the South Eastern European private equity and venture capital industry.

## **HBA The Government will approve the ordinance on the acquisition of medical equipment and drugs by the Health Ministry.**

The Health Ministry will issue an order listing the products that may be purchased. The ordinance allows the Health Ministry to make public acquisitions for both public hospitals administered by the ministry and those administered by local authorities. The decision will not be enforced for acquisitions using funds assigned by the local public administration, donations, sponsorships, loans or non-reimbursable financing.

## **HBA Romanian procurement authority wants to contract European Union-funded consultancy services which will be used in the sector of public procurement.**

One of the contracts targets consultancy and marketing services needed to carry out a study regarding the problems faced by contracting authorities that receive European structural funds in the field of public procurement. A second contract targets services needed to draft technical specifications for standard assignment documentation targeting Management Authorities. .

Another contract targets consultancy services needed to draft a guide to good practice in the sector of public procurement for EU-funded projects. The contract is estimated at RON1.7 million and will run for 11 months. Projects will be financed from EU funds via the "Technical Assistance" Operational Program. Contracts will be awarded through open tender to the lowest bidder.

## **HBA The National Integrity Agency ruled that Romania's Tourism Minister Eduard Raul Hellvig is incompatible with public office.**

The agency said that Hellvig was incompatible with public office between May 7 and October 31, 2012, when he served both as tourism minister and also held the position of manager within SC Sintezis Birotica SRL. Hellvig denied the accusations, saying he never held this position within the mentioned company.

According to the agency, Hellvig held the position of manager within SC Sintezis Birotica SRL. between July 1, 2004 and October 31, 2012, and he also carried out political science research within SC DIB MEDIA CONSULTANCY SRL. between December 20, 2011 and September 14, 2012.

The public position of minister is incompatible with other positions held within commercial companies, according to the agency. Also, somebody holding a public office is obliged to declare, when appointed to the position or sworn in, that they are not involved in any case of incompatibility stipulated by the law, by holding other positions at the same time.

## **HBA Romania's Economy Ministry will resume the selection of private managers.**

The headhunting process was suspended this summer, after the termination of a contract signed with executive search firm Pedersen & Partners. In September 2011, Romania's Government and the International Monetary Fund agreed to appoint private management at 15 state-owned companies in 2011 and 2012. In October 2011, the Economy Ministry signed a contract with Pedersen & Partners to recruit professional managers. The contract was terminated in May 2012. Pedersen & Partners said later that the contract was terminated because the ministry decided to change the headhunting process.

According to Romania's latest memorandum of economic and fiscal policies to a EUR 3.6 billion loan with the IMF, the new managers and boards at Romgaz, Transgaz and nuclear power producer Nuclearelectrica will be selected by the end of the year.

Hydropower producer Hidroelectrica was also among the companies to have private management, but procedures were hindered after the company entered insolvency in June. For Hidroelectrica, the appointment of the general manager will take place once the company exits insolvency.

**HBA** **Romania's small renewable energy producers could choose a different state aid from the green certificates mechanism, which could lead to lower prices to end-consumers.**

The energy producers from renewable sources with installed capabilities below 1 MW as well as the producers with biomass plants in cogeneration with a capacity of up to 2 MW could choose a new support mechanism to trade electricity at sole regulated prices for each technology, according to a statement of National Energy Regulatory Authority, or ANRE.

The enforcement of the new system is stipulated in the energy law. The companies that choose this support system will sell electricity on the regulated market at a price settled based on the regulated tariffs and to the value of green certificates received if they had chosen the green certificates support system. According to ANRE representatives, the final price to be received by the companies choosing this new support system will be 10% to 15% lower than the price on the green certificates market. These companies will also be guaranteed by law that the energy suppliers will compulsorily take over the electricity.

The new support mechanism should be approved by the European Commission for further enforcement.

**HBA** **Companies in Romania operating in the healthcare industry will have to sign a code of business ethics.**

According to the minister, companies in the healthcare sector will not be able to conclude contracts with the state unless they sign the code. Also, if they fail to observe the code, they risk being kept off the market. The code of business ethics is a commitment toward the state and implies ethical behavior and mutual respect between companies and the state.

The minister concluded saying the state has limited funds which must be invested properly and the code will help prevent incorrect practices and corruption.

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