

Luther

FEST & KAJLI
ATTORNEYS AT LAW

THE LAW SHOOTER

ROMANIAN LEGAL DESK, HUNGARY

(September, 2007)

EXTENDING OUR COMPETENCES AT LUTHER, FEST & KAJLI ATTORNEYS AT LAW IN HUNGARY

Many of our clients already are, or aspire to be, international and are demanding the same high standards of service wherever they operate. To be able to comply with your increasing needs in terms of legal services, we are continuously adding new competences and extending our services.

We are experiencing a high demand from our international and local clients to look at investment opportunities and understand the legal environment in Romania. To be able to handle client demands within these markets, we have set up a Romanian Legal Desk in Budapest. In addition to Hungarian legal advice, we can now handle real estate transactions, setting up of companies in Romania, heritage litigations, restitution litigations against the Romanian state regarding properties and we can also handle labour law issues.

ROMANIAN LEGAL DESK IN HUNGARY

Our legal services include establishment of a business presence in Romania, acquisition of land and other related matters connected with the development of the business.

We have experience in providing the following services:

- Counseling on the legal status and structure of business;
- Establishment of the corporate entity;
- Dealing with tax issues with regard to the specific regulations concerning the investment;
- General legal counseling on development of subsidies.

Furthermore, we advise investors and developers on all aspects of buying, selling, letting, developing and managing real estate, including drafting, reviewing sale and purchase contracts, pre-contracts, construction and other agreements.

We are also specialized in complex international and Romanian litigation with regard to general civil law, corporate and commercial, real estate, heritage and claims against Romanian administrative decisions.

We have experience in providing following services:

- Preparing orders to pay, initiating liquidation against debtors;
- Conduct of legal cases;
- Representing a company during negotiations with authorities and other third parties
- Securing and enforcing claims by legal actions;
- Enforcement of international arbitration court decisions in Romania.
- Labour Law

Should you require further legal information in any European jurisdiction or particularly in Eastern Europe than please do not hesitate to contact me.

Warmest regards,

Dr. Arne Gobert

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E ECONOMIC BOOM IN ROMANIA

Romania as a new member of the EU from 1st January 2007, offers various advantages for foreign investors. From 2001 the economy of Romania is in a dynamic expansion, the growth of the GDP being over 4% in each year (the GDP growth in 2006 was 7,7 %, in the first quarter of 2007 it was 6,3%). Romania has one of the most competitive tax policies in Central Europe, with a flat personal income tax, corporate income tax and domestic withholding tax of 16% and a VAT rate of 19%. The inflation rate is constantly decreasing (8,6% in 2005, 4,87% in 2006 and a prediction of 3,77 % for the year 2007) and the Romanian legislation is creating the basis of a stable capital market. With its over 22 million inhabitants, Romania is one of the largest markets in Central and Eastern Europe, which is constantly enlarging due to the increase of the real wages. In addition to the human resources, Romania offers countless possibilities with its natural resources.

R ROMANIAN EMPLOYMENT

According to the Eurostat data, the Romanian unemployment rate is 6,9%, higher than the EU average. According to Romanian statistics the highest unemployment rate is in the southern region of Romania, followed by the north-east region. In the north-western region the unemployment rate is lower than the Romanian average, with a stronger economical increase than in the other Romanian regions. The average wages are increasing by ca. 12% each year. The average monthly gross revenue is about EUR 335, the net revenue is ca. EUR 230 a month, being higher in the north-western region and lower in the southern region. (The Romanian national currency is the Romanian Leu (RON), 1 EUR = 3,35 RON)

E ESTABLISHING A COMPANY IN ROMANIA

The Romanian Law No.31/1990 on Trading Companies defines 5 forms of companies:

- general partnerships "*societate în nume colectiv*" (SNC);
- limited partnerships "*societate în comandita simpla*" (SCS);
- limited partnerships by shares "*societate în comandita pe actiuni*" (SCA);
- joint stock companies "*societate pe actiuni*" (SA);
- limited liability companies "*societate cu raspundere limitata*" (SRL);

C COMPANY REGISTER IN ROMANIA

The registration of the company shall take place within 10 working days from the depositing of the establishment file at the Company Register, if the Company Register has no further document or information request. However in practice, the companies are registered in 15 working days.

C COST OF SETTING UP A COMPANY

- Trade Registry taxes: ca. 250 RON (ca. EUR 80),
- Official Gazette publication taxes: 31,5 RON/page (ca. EUR 10/page), depending on the length of the Articles of Constitution,
- Legalized translation taxes in Romania: ca. 50 RON/page (ca. EUR 15 /page), including the legalisation taxes

For further questions regarding Romanian legal issues please contact Anna-Maria Veres.

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Luther, Fest & Kajli Attorneys at Law Legal Services

8 Focus Groups



Merger & Acquisition



Employment Law



Real Estate



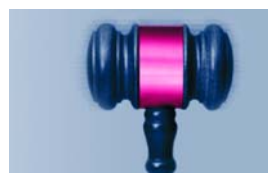
IP/IT/Media



Corporate & Commercial



Banking & Finance



Litigation



EU & Competition

5 language Desks

Romanian
Legal Desk

Ukrainian
Legal Desk

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