

EU-CITIZENS IN ROMANIA



General Overview

EU-citizens are allowed to perform dependent or independent activities in Romania under the same conditions as the Romanian citizens.

EU-citizens can perform work activities in Romania as assignees, as employees on the basis of a Romanian employment agreement, as administrators as well as freelancers. The question that arises in this respect is which of the above mentioned legal forms should be favoured or which implies less time and effort. In order to facilitate the decision process, we present you in the following a summary of the formalities that have to be observed for this purpose

Assignee

As regards the assignment of an EU-citizen to Romania there are two main

steps to be followed, namely the registration of the assignee with the local labour authority as well as the obtaining of the residence title at the Immigration Office, as follows:

- ✓ **Registration with the local labour authority.** The registration has to be effected pursuant to Law No. 344/2006 and Ordinance No. 104/2007 maximum 5 days before the start date of the activity or on the start date of the activity at the latest. In case of non-observance of the registration term, fines amounting between RON 4.500,- and RON 9.000,- can be applied
- ✓ **Obtaining of the residence title at the Immigration Office.** In case the assignment period of the EU-citizen exceeds 90 days, a residence title has to be

Dear Readers,

Starting with Romania's accession to the EU, the registration formalities for EU-citizens assigned to Romania for business purposes have been considerably simplified. Nevertheless a slight uncertainty and lack of experience with respect to the interpretation and application of the new provisions can be assessed.

Based on the numerous Greenfield investments of foreign businesses in Romania, especially from the EU, relatively many foreign labour forces have become active in Romania over the past few years. It is mostly EU-citizens who occupy, as so-called "expats," for a determined period of time (generally between ca. 3 to 5 years) certain management positions within Romanian daughter-companies of their group.



By this newsletter, you will find a short description of the main provisions in the aforementioned matters.

Yours Andreea Suci

obtained pursuant to Emergency Ordinance No. 102/2005 at the Immigration Office where the assignee has his/her residence.

- ✓ The residence title shall be issued on the same day the required documents are submitted to the Immigration Office, whereas the document has to be personally recovered by the assignee.

Employee

EU-citizens are entitled to carry out work activities on the basis of a Romanian employment agreement, provided that the following steps are observed:

- ✓ **Conclusion of the employment agreement.** With respect to the conclusion of an employment agreement all the provisions of the Romanian Labour Code have to be respected. As regards the duration, it is to be noted that temporary as well as unlimited employment agreements can be concluded.
- ✓ Furthermore, the employment agreement has to be registered with the local labour authority within 20 calendar days from the signing date.
- ✓ **Obtaining the residence title at the Immigration Office.** In case the stay of the EU-citizen on the basis of the employment agreement exceeds 90 days, a residence title has to be obtained pursuant to Emergency Ordinance No. 102/2005 at the Immigration Office where the employee has his/her residence. The residence title shall be issued on the same day the required documents are submitted to the Immigration Office, whereas the document has to

be personally recovered by the EU-citizen.

Administrator of a Romanian company

EU-citizens which are appointed as administrators of a Romanian company have to observe following steps:

- ✓ **Appointment as administrator.** The appointment as administrator occurs by the Articles of Incorporation or by the resolution of the Shareholders General Meeting, considering the provisions of Law No. 31/1990.
- ✓ **Registration with the Trade Registry.** The registration occurs pursuant to the legal provisions in force.
- ✓ **Obtaining of the residence title at the Immigration Office.** In case the mandate of the administrator exceeds 90 days, a residence title has to be obtained pursuant to Emergency Ordinance No. 102/2005 at the Immigration Office where the administrator has his/her residence. To this, an updated Trade Registry excerpt has to be submitted to the aforementioned authority.

The residence title shall be issued on the same day the required documents are submitted to the Immigration Office, whereas the document has to be personally recovered by the EU-citizen.

Freelancer

EU-citizens are allowed to perform activities as freelancers in Romania, provided that they authorize as freelancers at the Trade Registry and consequently register with the Immigration Office.

- ✓ **Authorization at the Trade Registry.** The authorisation procedure

has to be performed according to the Emergency Ordinance No. 44/2008 at the Trade Registry where the freelancer shall have his/her head office. As a consequence of the submission of the required documents, the Trade Registry shall issue a registration certificate that attests the registration of the freelancer with the Trade Registry as well as his /her authorisation.

- ✓ **Obtaining of the residence title at the Immigration Office.** In case the freelancer carries out work activities for a period that exceeds 90 days, a residence title has to be obtained pursuant to Emergency Ordinance No. 102/2005 at the Immigration Office where the freelancer has his/her residence. To this, the registration certificate issued by Trade Registry has to be submitted to the afore-mentioned authority.

The residence title shall be issued on the same day the required documents are submitted to the Immigration Office, whereas the document has to be personally recovered by the freelancer.

Conclusion

From the presentation above one can see that the formalities to be observed for the performance of work activities by EU-citizens in Romania imply a relatively low effort. Hopefully the practice of the competent authorities will develop in the following years in order to allow the effortless overcoming of the still existing difficulties and ambiguities.

**For further information
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