

A World Bank Group Flagship Report



# Doing Business 2018

## Reforming to Create Jobs



Comparing Business Regulation  
for Domestic Firms in **190** Economies

## Economy Profile of Romania

### Doing Business 2018 Indicators (in order of appearance in the document)

<b>Starting a business</b>	Procedures, time, cost and paid-in minimum capital to start a limited liability company
<b>Dealing with construction permits</b>	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
<b>Getting electricity</b>	Procedures, time and cost to get connected to the electrical grid, the reliability of the electricity supply and the transparency of tariffs
<b>Registering property</b>	Procedures, time and cost to transfer a property and the quality of the land administration system
<b>Getting credit</b>	Movable collateral laws and credit information systems
<b>Protecting minority investors</b>	Minority shareholders' rights in related-party transactions and in corporate governance
<b>Paying taxes</b>	Payments, time and total tax rate for a firm to comply with all tax regulations as well as post-filing processes
<b>Trading across borders</b>	Time and cost to export the product of comparative advantage and import auto parts
<b>Enforcing contracts</b>	Time and cost to resolve a commercial dispute and the quality of judicial processes
<b>Resolving insolvency</b>	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
<b>Labor market regulation</b>	Flexibility in employment regulation and aspects of job quality

## About Doing Business

The Doing Business project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The Doing Business project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.

Doing Business captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. Doing Business also measures features of labor market regulation. Although Doing Business does not present rankings of economies on the labor market regulation indicators or include the topic in the aggregate distance to frontier score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, Doing Business encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

In addition, Doing Business offers detailed [subnational reports](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These reports provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that Doing Business has ranked.

The first Doing Business report, published in 2003, covered 5 indicator sets and 133 economies. This year's report covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where Doing Business, also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

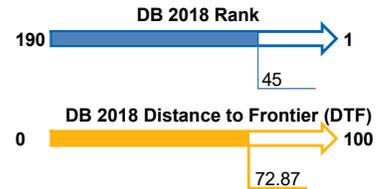
The distance to frontier (DTF) measure shows the distance of each economy to the "frontier," which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. The ease of doing business ranking ranges from 1 to 190. The ranking of 190 economies is determined by sorting the aggregate distance to frontier scores, rounded to two decimals.

More about [Doing Business](#) (PDF, 5MB)

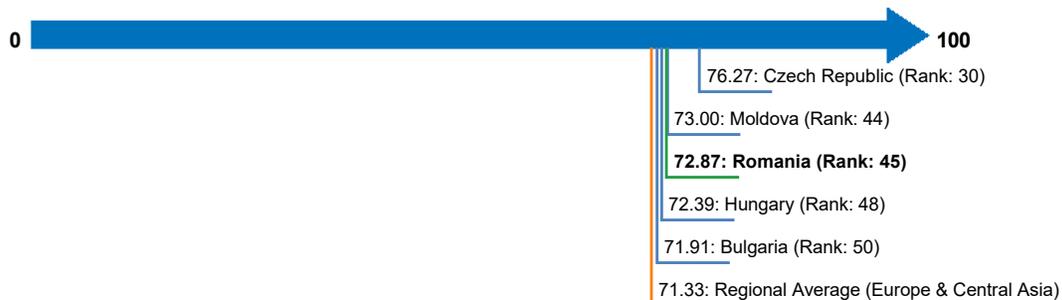
Ease of Doing Business in Romania



Region	Europe & Central Asia
Income Category	Upper middle income
Population	19,705,301
GNI Per Capita (US\$)	9,470
City Covered	Bucharest

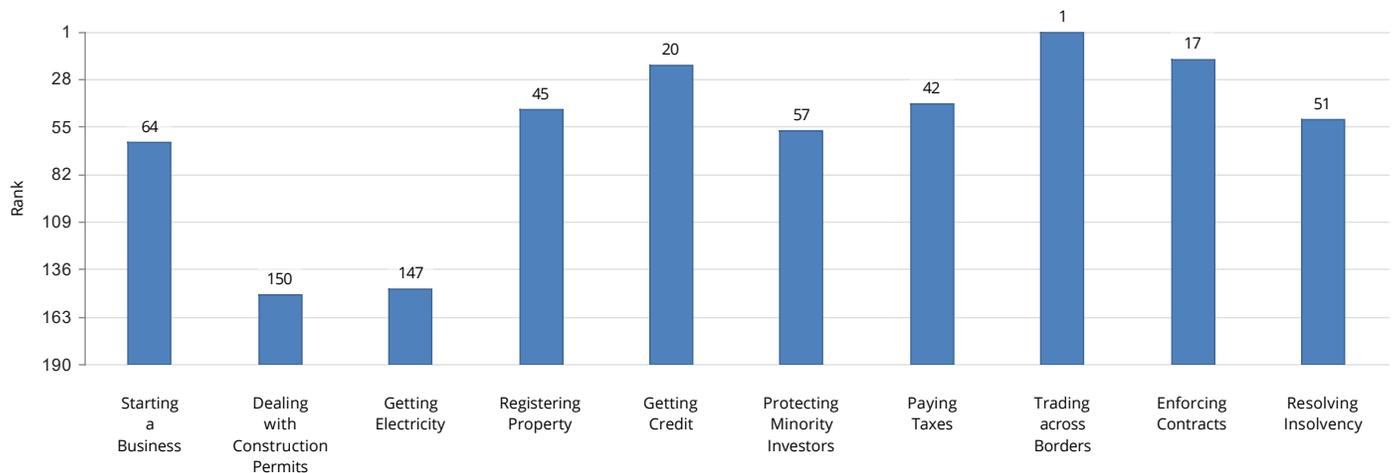


DB 2018 Distance to Frontier (DTF)



Note: The distance to frontier (DTF) measure shows the distance of each economy to the "frontier," which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. The ease of doing business ranking ranges from 1 to 190.

Rankings on Doing Business topics - Romania



Distance to Frontier (DTF) on Doing Business topics - Romania



## Starting a Business

This topic measures the paid-in minimum capital requirement, number of procedures, time and cost for a small- to medium-sized limited liability company to start up and formally operate in economy's largest business city.

To make the data comparable across 190 economies, Doing Business uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The distance to frontier score for each indicator is the average of the scores obtained for each of the component indicators.

The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to legally start and operate a company (number)

- Pre-registration (for example, name verification or reservation, notarization)
- Registration in economy's largest business city
- Post-registration (for example, social security registration, company seal)
- Obtaining approval from spouse to start business or leave home to register company
- Obtaining any gender-specific permission that can impact company registration, company operations and process of getting national identity card

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day (2 procedures cannot start on the same day)
- Procedures fully completed online are recorded as ½ day
- Procedure is considered completed once final document is received
- No prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- No professional fees unless services required by law or commonly used in practice

#### Paid-in minimum capital (% of income per capita)

- Funds deposited in a bank or with third party before registration or up to 3 months after incorporation

### Case study assumptions

To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.

#### The business:

- Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office.
- Operates in the economy's largest business city and the entire office space is approximately 929 square meters (10,000 square feet). For 11 economies the data are also collected for the second largest business city.
- Is 100% domestically owned and has five owners, none of whom is a legal entity; and has a start-up capital of 10 times income per capita and has a turnover of at least 100 times income per capita.
- Performs general industrial or commercial activities, such as the production or sale of goods or services to the public. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It does not use heavily polluting production processes.
- Leases the commercial plant or offices and is not a proprietor of real estate and the amount of the annual lease for the office space is equivalent to 1 times income per capita.
- Does not qualify for investment incentives or any special benefits.
- Has at least 10 and up to 50 employees one month after the commencement of operations, all of whom are domestic nationals.
- Has a company deed 10 pages long.

#### The owners:

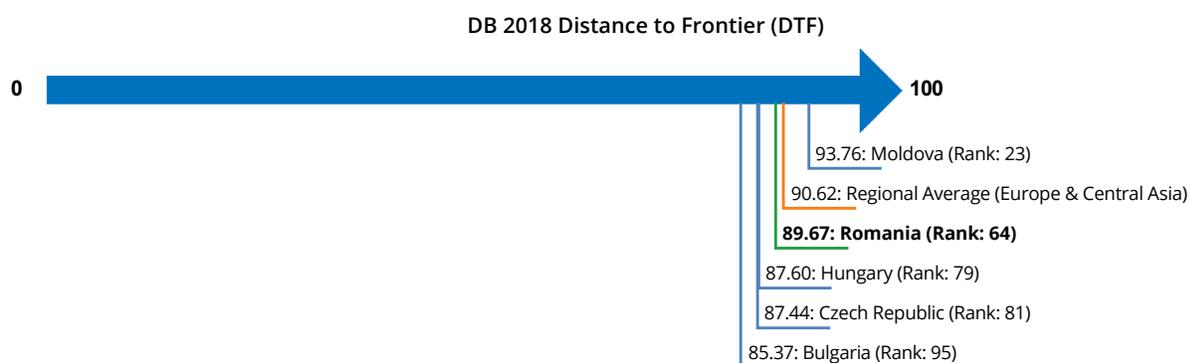
- Have reached the legal age of majority. If there is no legal age of majority, they are assumed to be 30 years old.
- Are sane, competent, in good health and have no criminal record.
- Are married and the marriage is monogamous and registered with the authorities.
- Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.

Standardized Company

Legal form	Societate cu răspundere limitată - Limited Liability Company
Paid-in minimum capital requirement	RON 200
City Covered	Bucharest

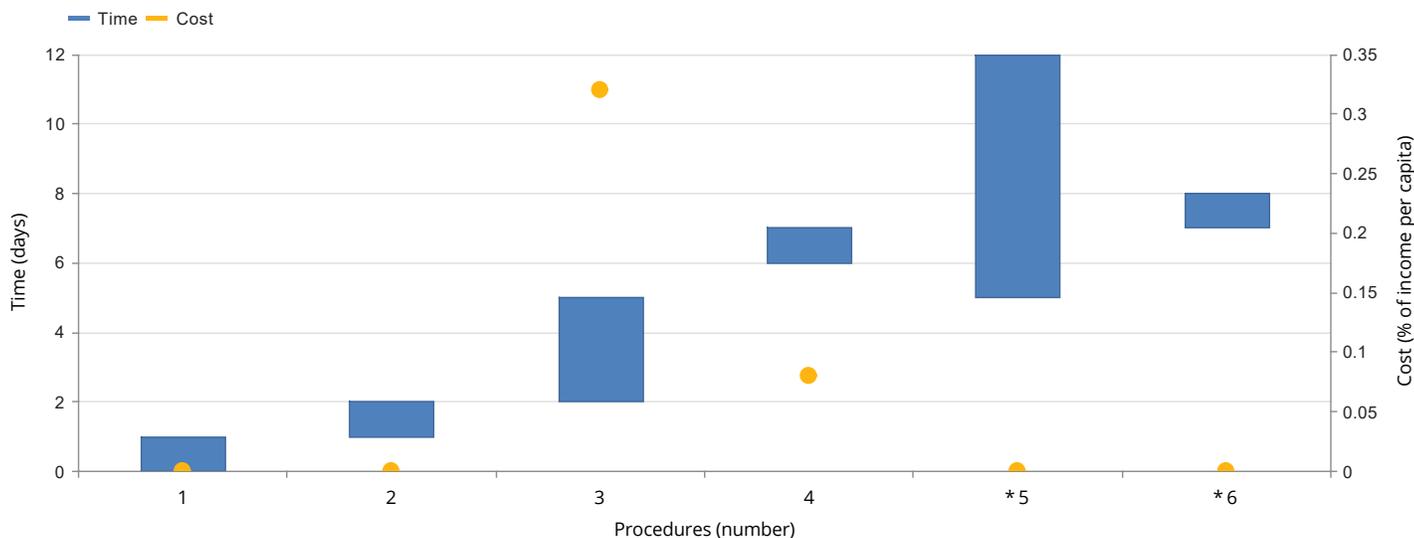
Indicator	Romania	Europe & Central Asia	OECD high income	Overall Best Performer
Procedure – Men (number)	6	5.2	4.9	1.00 (New Zealand)
Time – Men (days)	12	10.1	8.5	0.50 (New Zealand)
Cost – Men (% of income per capita)	0.4	4.4	3.1	0.00 (United Kingdom)
Procedure – Women (number)	6	5.2	4.9	1.00 (New Zealand)
Time – Women (days)	12	10.1	8.5	0.50 (New Zealand)
Cost – Women (% of income per capita)	0.4	4.4	3.1	0.00 (United Kingdom)
Paid-in min. capital (% of income per capita)	0.5	3.4	8.7	0.00 (113 Economies)

Figure – Starting a Business in Romania and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of starting a business is determined by sorting their distance to frontier scores for starting a business. These scores are the simple average of the distance to frontier scores for each of the component indicators.

Figure – Starting a Business in Romania – Procedure, Time and Cost



\* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

## Details – Starting a Business in Romania – Procedure, Time and Cost

No.	Procedure	Time to Complete	Associated Costs
1	<p><b>Evidence of verification of company name availability and reservation thereof</b></p> <p>Agency : Commercial Registry of the Trade Register Office</p> <p>According to the Methodological Norms on keeping the trade register, making reservations and release of information:</p> <p>- The reservation of a company name is requested at the trade register office by application and is checked and made at national level so that company names are protected at national level as well.</p> <p>A company name shall not include words like: "științific", "academie", "academic", "universitate", "universitar", "școală", "școlar" or their derivatives.</p> <p>- A company name including words like "național", "român", "institut" or their derivatives or words or phrases characteristic of the central or local public institutions or authorities may be used only with the approval of the General Secretariat of the Government or the Prefect. Such certificate is valid for a period of 3 months.</p>	1 day	no charge
2	<p><b>Deposit funds in a bank and obtain a document confirming bank deposit of sufficient funds</b></p> <p>Agency : Bank</p> <p>The company's administrator or an authorized person must deliver certified copies of: (i) the name availability certificate, (ii) Articles of Incorporation, (iii) proof of the registered offices and (iv) the power of attorney (if applicable). After the documents are being reviewed by a bank's representative, the deposit is granted and the administrator/authorized person will receive a document confirming the deposit of sufficient funds.</p> <p>The bank may charge the solicitants a commission, which may range from zero to 0.5% of the capital, in accordance to the internal regulations of each bank.</p> <p>The share capital payments will be made within a share capital account. No payments can be made from the share capital account, thus, upon completion of the incorporation formalities, an operational account will need to be opened; alternatively, the share capital account can be converted into an operational bank account.</p>	1 day	no charge

**3 Company registration at the Commercial Registry**

3 days

RON 122

Agency : Commercial Registry of the Trade Register Office

In order to register at the Commercial Registry, the founders of the company shall have to prepare the articles of incorporation. Within 15 days from the establishment of the articles of incorporation, the founders or their mandates shall be under the obligation to register the company at the trade register in the area of the company's registered office. The articles of incorporation shall include, inter alia, the amount of the capital, which shall be fully subscribed by the founders.

The trade register office also obtains electronically the fiscal record certificates. Registration at the trade register office is finalized by issuance of the certificate of incorporation ensures the following:

- company incorporation
- fiscal registration (for profit, wages, health, pensions, unemployment taxes) by obtaining the unique registration code from the Ministry of Public Finance
- authorization, based on statements of own responsibility, in the field of food safety and sanitary-veterinary protection, environment protection and labor protection
- publication in the Official Gazette of Romania as legal publicity (publication fee in amount of RON122 applies).

Registration for VAT purposes is made at the Fiscal Administration Authority directly.

Based on Government Emergency Ordinance no. 116/2009 instituting certain measures regarding the activity of registration in the trade register, in order to simplify the registration procedures, the final approval for incorporation is no longer given by a delegated judge, but by the director or the appointed person of the territorial trade register office in the county where the company is incorporated, Bucharest in our case study.

**4 Acquisition of the company's Unique Registry for Controls**

1 day

RON 31

Agency : National Agency of Tax Administration (local office)

According to the law, all legal entities registered in the Trade Registry have the obligation to purchase such a Registry for each of their seats (primary or secondary seats). The Registry must be purchased within 30 days after the company is registered at the Trade Registry. If not, the company may be subject to penalties. The registry can be purchased the same day with no previous application requested, from the local offices of the Tax Administration. The company tax registration certificate is needed for the acquisition of the Registry and a copy of the lease for the space in which it operates.

The Registry is used to record all inspections carried out by different control bodies: financial, consumer protection, urban planning, labor, fire protection etc. The Unique Registry for Controls is numbered, sealed and kept by the legal representative of the verified company or by its replacement. The Registry shall be kept at the registered office and at each secondary office for which there have been issued permits/licenses and/or operating agreements.

**⇒ 5 Register for VAT**

Agency : National Agency of Tax Administration

Starting from January 1st, 2017, a new procedure for VAT registration purposes was introduced. If a company requests the VAT registration at the moment of incorporation, Form 098 "Application for VAT registration purposes" must be submitted to the Tax Authorities on the same day when the documents for incorporation with the Registry of Commerce are submitted. If a company is already incorporated but decides to opt for VAT registration, then Form 010 must be submitted to the Tax Authorities.

If a company's turnover exceeds the threshold of RON 220,000 it is mandatory to request the VAT registration. In this respect, the company must submit Form 010 along with a copy of the trial balance for the month in which the exemption threshold was exceeded.

The above forms must be submitted in-person to the Tax Authority's registry or by post.

1 week

no charge

(simultaneous with previous procedure)

**⇒ 6 Register the employees contracts with the Territorial Labor Inspectorate (TLI) online**

Agency : Territorial labor inspectorate

Each employer shall be under the obligation to settle an internal general register record of all of his employees, in electronic format, which shall be transmitted to the Territorial Labour Inspectorate in the jurisdiction the employer has its registered office or domicile.

The registration of the employees' labor contract can be done online, after a representative of the employer visits in person the Territorial Labour inspectorate to obtain a password for operating the online registry. This is based on the Government Decision 500/2011 on the general register of employees record, applicable starting with May 27, 2011.

1 day

no charge

(simultaneous with previous procedure)

♀ Applies to women only.

⇒ Takes place simultaneously with previous procedure.

## Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in June 2017. [See the methodology for more information](#)

### What the indicators measure

#### Procedures to legally build a warehouse (number)

- Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates
- Submitting all required notifications and receiving all necessary inspections
- Obtaining utility connections for water and sewerage
- Registering and selling the warehouse after its completion

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

#### Cost required to complete each procedure (% of warehouse value)

- Official costs only, no bribes

#### Building quality control index (0-15)

- Sum of the scores of six component indices:
- Quality of building regulations (0-2)
- Quality control before construction (0-1)
- Quality control during construction (0-3)
- Quality control after construction (0-3)
- Liability and insurance regimes (0-2)
- Professional certifications (0-4)

### Case study assumptions

To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.

#### The construction company (BuildCo):

- Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.
- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.

#### The warehouse:

- Will be used for general storage activities, such as storage of books or stationery.
- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.
- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

#### The water and sewerage connections:

- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.
- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.
- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.

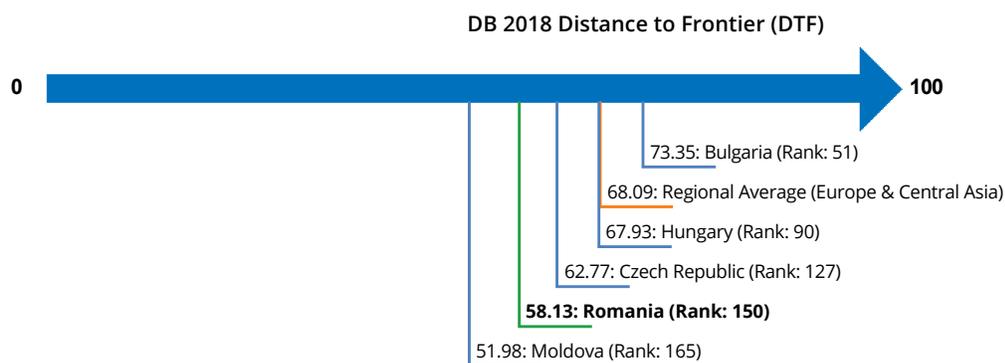
Standardized Warehouse

Estimated value of warehouse RON 1,877,674.70

City Covered Bucharest

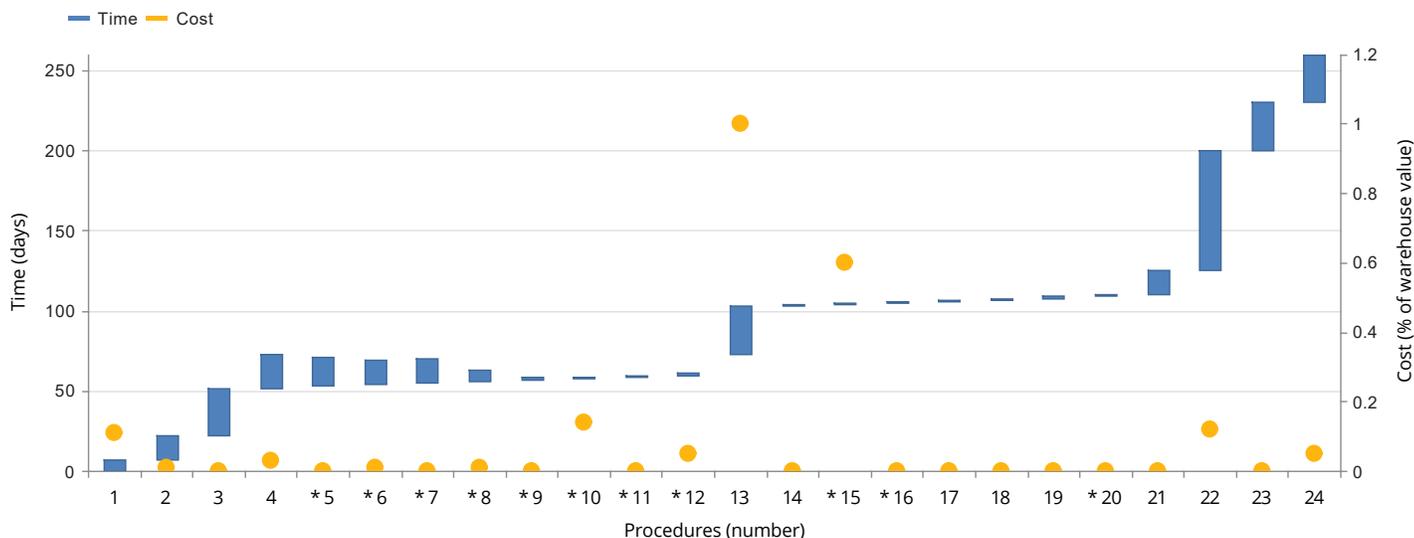
Indicator	Romania	Europe & Central Asia	OECD high income	Overall Best Performer
Procedures (number)	24	16.0	12.5	7.00 (Denmark)
Time (days)	260	168.3	154.6	27.5 (Korea, Rep.)
Cost (% of warehouse value)	2.1	4.0	1.6	0.10 (5 Economies)
Building quality control index (0-15)	13.0	11.4	11.4	15.00 (3 Economies)

Figure – Dealing with Construction Permits in Romania and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their distance to frontier scores for dealing with construction permits. These scores are the simple average of the distance to frontier scores for each of the component indicators.

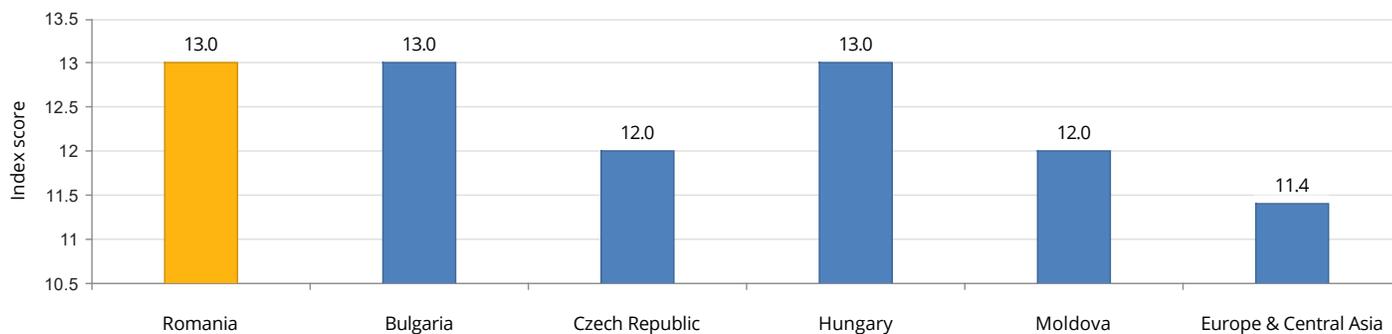
Figure – Dealing with Construction Permits in Romania – Procedure, Time and Cost



\* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Dealing with Construction Permits in Romania and comparator economies – Measure of Quality



## Details – Dealing with Construction Permits in Romania – Procedure, Time and Cost

No.	Procedure	Time to Complete	Associated Costs
1	<p><b>Obtain topographical documentation</b></p> <p>Agency : Private company</p> <p>To obtain the urban planning certificate, BuildCo must submit up-to-date topographical documentation. This will be drafted by an authorized engineer.</p>	7 days	RON 2,000
2	<p><b>Obtain approval of topographical documentation and land registry excerpt from the Office for Cadaster and Real Estate Registry (OCPI)</b></p> <p>Agency : Office for Cadaster and Real Estate Registry (OCPI)</p> <p>The information excerpt provides information regarding the legal status of the land. Topographical plans executed by authorized engineers must be approved by the Office for Cadaster and Real Estate Registry (OCPI).</p>	15 days	RON 220
3	<p><b>Obtain urban planning certificate</b></p> <p>Agency : Department of Urbanism of the local City Hall</p> <p>Pursuant to Order No. 839/2009 issued by the Ministry of Regional Development and Housing ("Order 839"), approving the Methodological Norms to the Construction Law, the following urban planning documents are required:</p> <ul style="list-style-type: none"> <li>• The general urban plan (PUG) and the related local regulation</li> <li>• The (zone) urban plan (PUZ) and the related local regulation</li> <li>• The detailed urban plan (PUD)</li> </ul> <p>The urban planning certificate provides information on the ownership, the public utility service availability, the location within (intravilan) and outside (extravilan) the city limits, the urban planning requirements, the land use at the time, the allowed uses, and so forth.</p> <p>From a technical point of view, the certificate shows the percentage of land occupation, the coefficient of land use, the minimum and maximum dimensions of the plots, the allowed built-up area, utilities, and access, necessary parking, alignment of the land and buildings with the adjacent streets, and the maximum and minimum construction height allowed.</p> <p>This certificate does not grant the right to build. Its validity period varies but cannot exceed 12 months. Construction must start during that 12-month period.</p> <p>The urban planning certificate enumerates all the necessary project clearances applicable to the warehouse case considered here. The municipality has the right to decide which project clearances are needed.</p>	30 days	RON 14

- |   |   |         |         |
|---|---|---------|---------|
| 4 | <b>Obtain project clearance from Bucharest Regional Environmental Protection Agency</b> | 21 days | RON 500 |
|---|---|---------|---------|

Agency : Bucharest Regional Environmental Protection Agency

According to the Order of the Ministry of the Environment and the Climacteric Changes no. 865 / 2014 regarding the amendment of certain regulations in the environment protection field, the cost in case the application requires no assessment (the project can be built without environmental permit) is of Ron 100. In this case, the application will be responded in 10 days;

If a preliminary assessment of the project is found necessary by the Environmental Protection Agency (highly probable for our case study) the tax is of Ron 500 and the application will be responded in 21 days.

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|-----|--|---------|--------|
| ⇒ 5 | <b>Obtain project clearance from water supply and sewerage authority (Apa Nova SA)</b> | 18 days | RON 72 |
|-----|--|---------|--------|

Agency : Apa Nova SA

By law, the project clearance from the water supply and sewerage authority (Apa Nova S.A.) must be issued within 15 days, but, in practice, it can take up to 18 days.

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|-----|--|---------|--------|
| ⇒ 6 | <b>Obtain project clearance from the electric power supply authority (Enel S.A.)</b> | 15 days | RON 95 |
|-----|--|---------|--------|

Agency : Enel S.A.

According to Order No. 48/2008 on the Approval of the Methodology Regarding the Issuance of Clearance Permits by Network Operators, BuildCo must obtain a project clearance from Enel S.A. prior to beginning construction. The electric power authority will clear the electrical plans, by confirming that the plans are in compliance with regulations and standards. An approval from the electric power supply authorities is required for all construction projects implying the use of electricity.

- |     |  |         |           |
|-----|--|---------|-----------|
| ⇒ 7 | <b>Obtain project clearance from General Inspectorate for Emergency Situations</b> | 15 days | no charge |
|-----|--|---------|-----------|

Agency : General Inspectorate for Emergency Situations

The relevant legal provisions in force are Methodological Norms for the Endorsement and Permitting regarding Fire Security and Civil Protection, approved by Order no. 3/2011 of the Ministry of Administration and Interior.

According to the amendments to the Construction Law, if the 15-day term provided by the law for issuing the clearance is not observed by the General Inspectorate for Emergency Situations, the legal provisions referring to tacit approval shall be applied.

⇒	<b>8 Obtain project clearance from Health Department</b>	7 days	RON 250
<p>Agency : Bucharest Health Department</p> <p>The maximum term to respond to the application for project clearance from the Health Department is 20 working days by the Order no. 251/2012 issued by the Ministry of Health, published in the Official Gazette Part I, no. 196/2012. In practice, the term to obtain the clearance is normally 15 days. However, there is a possibility to fast track this procedure, which allows BuildCo to complete it in 5 days for RON 250.</p> <p>To apply for approval at the Bucharest Health Department, several documents must be submitted:</p> <ul style="list-style-type: none"> <li>- urbanism certificate with annexed plans</li> <li>- technical memorandum drafted by the architect</li> <li>- ownership title</li> <li>- incorporation certificate</li> </ul>			
⇒	<b>9 Obtain updated land registry excerpt from the Office for Cadaster and Real Estate Registry (OCPI)</b>	2 days	RON 20
<p>Agency : Office for Cadaster and Real Estate Registry (OCPI)</p> <p>An updated land title excerpt is needed to attest that no legal changes have occurred. The land title excerpt obtained at the beginning is only valid for 30 days and so the initial one can't be used. OCPI issues the land title excerpt in 2 business days.</p>			
⇒	<b>10 Sign contract with the solid waste authority (REBU SA)</b>	1 day	RON 2,667
<p>Agency : REBU SA</p> <p>Through the certificate of urbanization the municipality requests that a contract be signed with a waste disposal company to clear construction debris from the construction site. There are two companies that provide services in this area: ROSAL S.A. and REBU S.A. The latter is a larger player with a wider network. The fees are RON 93 (RON 75.00 + 24% VAT) per cubic meter of waste (although VAT is not taken into account in the Doing Business case study). Additionally, for the surface of the land in question, a tax of RON 42.00 would also be applicable. The minimum of 35 cubic meters must be contracted according to the requirements of company.</p>			
⇒	<b>11 Notarize statement about nonexistence of land disputes</b>	1 day	RON 15
<p>Agency : Notary</p> <p>BuildCo must obtain a notarized statement stating that there are no disputes related to the land. This procedure is not a standard requirement by law but is often requested in practice.</p> <p>Each notary charges a different fee, but the fee cannot exceed RON 30.00, the maximum notary fee established by the National Notaries Union.</p>			

⇒ 12	<b>Register project with the Order of Architects and pay architecture stamp duty</b>	1 day	RON 989
<p>Agency : Order of Architects</p> <p>Pursuant to Government Decision 932/2010 regarding the methodological norms for the application of Law 184/2001, the local branch of the Order of Architects (OAR) issues an attestation to their members confirming their right of signature on projects that are submitted for obtaining the building permit and other types of similar authorizations. The fee for this attestation cannot exceed RON 50 and constitutes revenue for the local OAR. Pursuant to Law 121/2002 regarding literary, cinematographic, theater, music and visual arts stamp duty and Order 2823/2003, architecture stamp duty is added to the value of the investment. The stamp duty represents 0.05% of the value of the investment and is applied to all plans designed by architects. It can be paid directly at the OAR or via bank transfer. The collected amount is transferred to the Order of Architects or the Architects Union based on the option of the architect in charge of the plans.</p>			
13	<b>Obtain building permit</b>	30 days	RON 18,777
<p>Agency : City Hall</p> <p>BuildCo must apply for a building permit by submitting the following documents:</p> <ul style="list-style-type: none"> <li>• City-planning certificate</li> <li>• Property title on the land (there are no requirements as to how recent the title must be)</li> <li>• Technical documentation which replaced former plans for the authorization of construction</li> <li>• Necessary approvals, as required by the city-planning certificate</li> <li>• Environmental approval</li> <li>• Proof of payment of the legally required taxes (receipts from the tax authorities)</li> <li>• Legalized copy of the title to the real estate or the updated cadastral plan and land registry extract for informative purposes</li> </ul> <p>The building permit is issued by the City Hall. For Bucharest, the construction permit is issued by the General Mayor of Bucharest if the construction is outside the buildable area or if it exceeds a district area; or by the relevant district mayor if the construction is located in one of the six districts of Bucharest.</p> <p>The cost of the building permit is 1% of the value of the construction work.</p>			
14	<b>Notify the City Hall of the start of construction works</b>	1 day	no charge
<p>Agency : City Hall</p> <p>According to Law 50/1991 on Approval of Construction works, the investor must notify the building permit issuing authority, the City Hall, of the date on which construction work will begin.</p>			
⇒ 15	<b>Notify Bucharest Construction Inspectorate of commencement of construction and submit the schedule of inspections</b>	1 day	RON 11,266
<p>Agency : Bucharest Construction Inspectorate</p> <p>According to Law 50/1991 on Approval of Construction works, the investor must notify the Bucharest Construction Inspectorate of the date on which construction work will begin.</p>			

⇒ 16	<b>Notify the Bucharest Labor Inspectorate of the start of construction</b>	1 day	no charge
	Agency : Bucharest Labor Inspectorate		
	The investor or the project manager of the construction project must notify the local Labor Inspectorate if (i) the extent of the works is estimated to be over 30 days and there are at least 20 workers on the site simultaneously or (ii) the estimated workforce is greater than 500 workers/day.		
	The notification must be submitted at least 30 days prior to the commencement of the construction works. Otherwise, the Labor Inspectorate will impose a fine.		
	This is prescribed in Government Decision No. 300/2006 on minimum health and safety requirements for temporary construction sites.		
17	<b>Receive foundations work inspection</b>	1 day	no charge
	Agency : Bucharest Construction Inspectorate		
	The schedule of inspections is described in the building permit. By law, BuildCo must pay 0.1% of the authorized value to the competent territorial inspectorate for construction. In addition, the investors or owners must pay the State Inspectorate for Construction a monthly payment equivalent to 0.70% of the value of the expenses incurred in that month for the execution of the construction work.		
18	<b>Receive frame inspection</b>	1 day	no charge
	Agency : Bucharest Construction Inspectorate		
19	<b>Notify City Hall of completion of construction and request final assessment</b>	1 day	no charge
	Agency : Department of Urbanism of the local City Hall		
	BuildCo notifies the local public administration and other relevant authorities of the date of completion of construction so that the Acceptance Commission may be convened and a final assessment can be carried out.		
⇒ 20	<b>Notify Bucharest Construction Inspectorate of completion of construction and request final assessment</b>	1 day	no charge
	Agency : Bucharest Construction Inspectorate		
	At the end of construction works BuildCo must notify the State Construction Inspectorate and submit a request for the convening of the Acceptance Commission. Together with the notification, BuildCo must also submit proof of the actual value of construction works and a tax adjustment form.		

21	<p><b>Receive final inspection and obtain final assessment from the Acceptance Commission</b></p> <p>Agency : Acceptance Commission</p> <p>The final acceptance commission will analyse: (i) the protocol(s) signed upon completion of the works, (ii) the manner the remaining works [mentioned by the initial protocol(s)] were performed and (iii) the report on the construction performance in time.</p> <p>Although prescribed by the law, in practice, the final inspection hardly ever takes place (especially in cases where the investor is also the construction company).</p>	15 days	no charge
22	<p><b>Obtain water and sewage connection (Apa Nova SA)</b></p> <p>Agency : Apa Nova SA</p> <p>According to the water and sewage authority (Apa Nova S.A.), this procedure takes approximately 2 -- 3 months due to a significant increase in demand and backlog. Inspections for utilities occur at the same time as the connection.</p>	75 days	RON 2,300
23	<p><b>Obtain certificate attesting the existence of the construction from the City Hall</b></p> <p>Agency : Department of Urbanism of the local City Hall</p> <p>According to Order 700/2014 of the National Agency for Cadaster and Real Estate Registry the City Hall will issue a certificate attesting the existence of the construction, which, together with the final assessment, is necessary for registering the building with OCPI.</p>	30 days	no charge
24	<p><b>Register the building with the Real Estate Registry</b></p> <p>Agency : Real Estate Registry</p> <p>Before obtaining the certificate attesting the existence of construction and registering the building with the Office for Cadaster and Real Estate Registry, BuildCo needs to hire a cadastre/topographical engineer to update the cadastre plans with the construction. The building can be registered once it has been completed and approved.</p> <p>Pursuant to Order No. 700/2014 for the approval of the regulation regarding the endorsement, the reception and the registration with the Real Estate Registry, the standard registration time is 15 business days but if the applicant pays an additional fee, the registration time will be reduced to 5 business days. According to Order No. 39/2009 on the approval of fees for performing services by the National Agency for Cadastre and Land Registration ("Order 39"), the standard fee for registering the building upon reception is RON 60 plus 0.05% of the value of construction. For the fast-track process, the fee is the standard fee plus 4 times the standard fee. The fees can be found at the following link:  <a href="http://www.OCPI.ro/images/documente/prima_inregistrare_imobil.pdf">http://www.OCPI.ro/images/documente/prima_inregistrare_imobil.pdf</a>.</p>	30 days	RON 999

⇒ Takes place simultaneously with previous procedure.

## Details – Dealing with Construction Permits in Romania – Measure of Quality

	Answer	Score
<b>Building quality control index (0-15)</b>		<b>13.0</b>
<b>Quality of building regulations index (0-2)</b>		<b>2.0</b>
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
<b>Quality control before construction index (0-1)</b>		<b>1.0</b>
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect.	1.0
<b>Quality control during construction index (0-3)</b>		<b>2.0</b>
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer; Inspections at various phases.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
<b>Quality control after construction index (0-3)</b>		<b>3.0</b>
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
<b>Liability and insurance regimes index (0-2)</b>		<b>1.0</b>
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	Architect or engineer; Professional in charge of the supervision; Construction company; Owner or investor.	1.0

Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance .	0.0
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**Professional certifications index (0-4)****4.0**

What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Passing a certification exam.	2.0
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What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)	Minimum number of years of experience; University degree in engineering, construction or construction management; Passing a certification exam.	2.0
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## ⚡ Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to obtain an electricity connection (number)

- Submitting all relevant documents and obtaining all necessary clearances and permits
- Completing all required notifications and receiving all necessary inspections
- Obtaining external installation works and possibly purchasing material for these works
- Concluding any necessary supply contract and obtaining final supply

#### Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- Value added tax excluded

#### The reliability of supply and transparency of tariffs index (0-8)

- Duration and frequency of power outages (0-3)
- Tools to monitor power outages (0-1)
- Tools to restore power supply (0-1)
- Regulatory monitoring of utilities' performance (0-1)
- Financial deterrents limiting outages (0-1)
- Transparency and accessibility of tariffs (0-1)

#### Price of electricity (cents per kilowatt-hour)\*

- Price based on monthly bill for commercial warehouse in case study

\*Note: Doing Business measures the price of electricity, but it is not included in the distance to frontier score nor the ranking on the ease of getting electricity.

### Case study assumptions

To make the data comparable across economies, several assumptions are used.

#### The warehouse:

- Is owned by a local entrepreneur and is used for storage of goods.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.
- Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).

#### The electricity connection:

- Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).
- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road.
- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.

#### The monthly consumption:

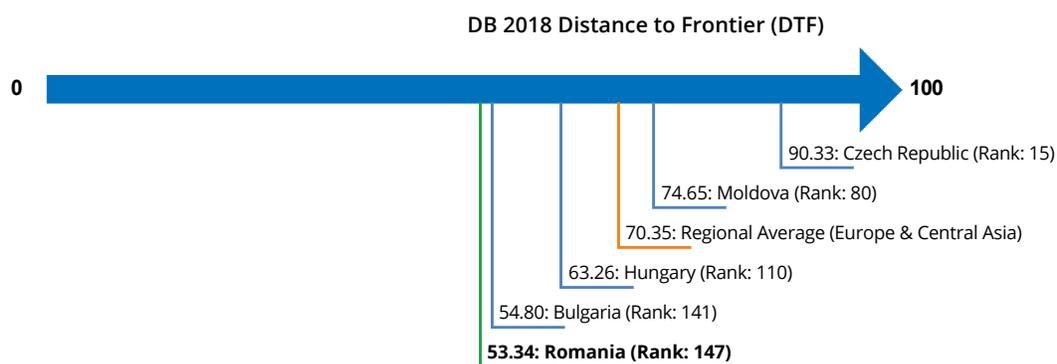
- It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- Tariffs effective in March of the current year are used for calculation of the price of electricity for the warehouse. Although March has 31 days, for calculation purposes only 30 days are used.

Standardized Connection

Price of electricity (US cents per kWh)	8.0
Name of utility	e-distribuție Muntenia
City Covered	Bucharest

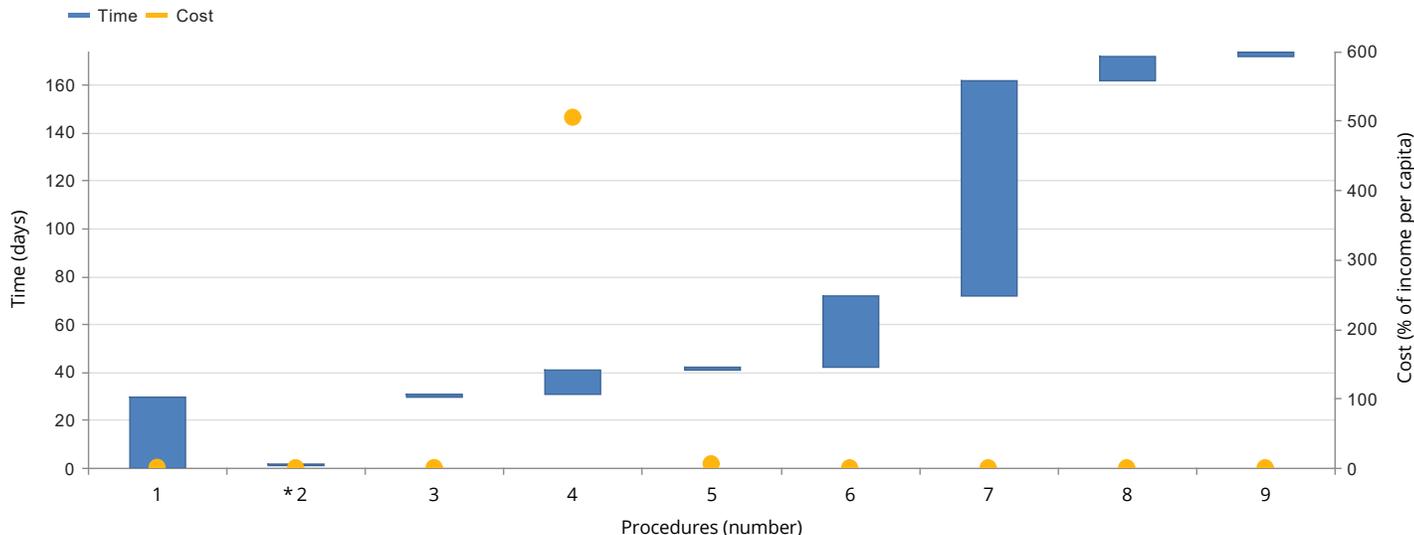
Indicator	Romania	Europe & Central Asia	OECD high income	Overall Best Performer
Procedures (number)	9	5.4	4.7	2 (United Arab Emirates)
Time (days)	174	113.7	79.1	10 (United Arab Emirates)
Cost (% of income per capita)	510.9	344.3	63.0	0.00 (Japan)
Reliability of supply and transparency of tariff index (0-8)	7	5.3	7.4	8.00 (28 Economies)

Figure – Getting Electricity in Romania and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of getting electricity is determined by sorting their distance to frontier scores for getting electricity. These scores are the simple average of the distance to frontier scores for each of the component indicators.

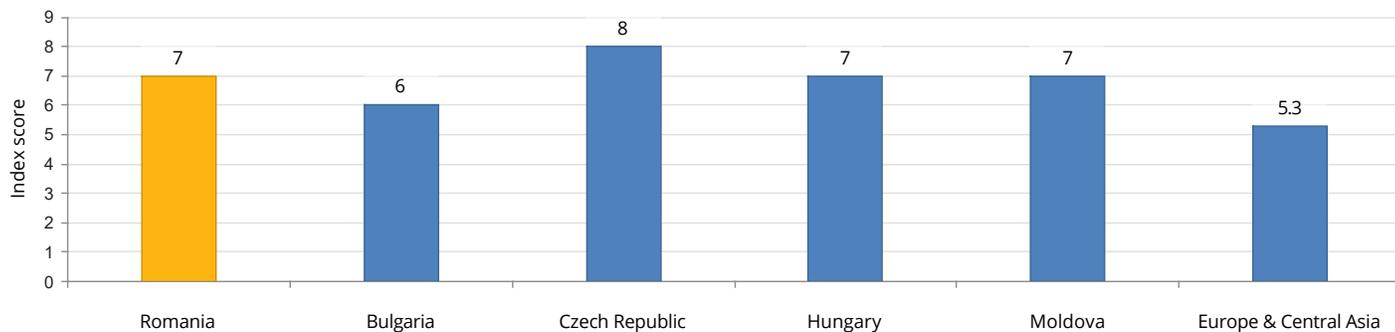
Figure – Getting Electricity in Romania – Procedure, Time and Cost



\* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Getting Electricity in Romania and comparator economies – Measure of Quality



## Details – Getting Electricity in Romania – Procedure, Time and Cost

No.	Procedure	Time to Complete	Associated Costs
1	<p><b>Submit application with e-distribuție Muntenia Distribuție Muntenia, await a proposal study, a study solution and technical connection approval</b></p> <p>Agency : e-distribuție Muntenia</p> <p>The client submits the request for the technical connection approval (TCA). E-distribuție Muntenia analyses the submitted documents (town planning certificate, placement permit, construction permit etc.) and makes a site inspection, and if the connection solution is unique („obvious”) it issues a Solution Sheet and then the TCA. If there are several connection solutions, the customer must contract e-distribuție Muntenia to make the solution study. After e-distribuție Muntenia finishes the solution study, it submits it to the beneficiary and the beneficiary chooses the solution. Afterwards, e-distribuție Muntenia issues the TCA based on the solution chosen by the beneficiary. The TCA comprises all cost estimates for the connection works.</p>	30 calendar days	RON 215
⇒ 2	<p><b>Receive site inspection by utility</b></p> <p>Agency : e-distribuție Muntenia</p> <p>The utility visits the site to visualize possible solutions for connection and also confirms the technical information provided by customers at the time of application.</p>	1 calendar day	RON 0
3	<p><b>Sign a declaration of easement in front of a notary</b></p> <p>Agency : Notary</p> <p>Because the transformer sits on the customer's private land, the customer must sign a declaration of easement in front of a notary, through which he conveys easement to e-distribuție Muntenia. This declaration is part of the file that has to be submitted to the utility to receive the connection contract.</p>	1 calendar day	RON 80
4	<p><b>Submit documents for connection contract and receive contract</b></p> <p>Agency : e-distribuție Muntenia</p> <p>After receiving the TCA, the client has maximum 12 months to submit the request for the connection contract. The customer can pick an ANRE certified electrical contractor to prepare design of works/perform the connection works, with whom he signs an assignment agreement ("convenție de atribuire"). Within 10 days after the request is received, e-distribuție Muntenia prepares the contract (based on the costs estimated in the TCA and correlated with the prices in the assignment agreement).</p>	10 calendar days	RON 189,438
5	<p><b>Sign an easement contract in front of a notary and notify the property easement to the Cadastre and Land Registration office</b></p> <p>Agency : Notary/Cadastre and Land Registration office (OCPI)</p> <p>The customer must sign an easement contract in front of a notary, through which s/he conveys easement to the utility. The notary notifies the Cadastre and Land Registration office (OCPI) about the change in the propriety rights on the plot of land. The OCPI updates the land registry.</p>	1 calendar day	RON 2,140

- 6 Obtain construction permit for connection works** 30 calendar days RON 0

Agency : Municipality

The electrical contractor prepares the design of the connection works. At the same time, the contractor applies to the municipality for a Town Planning Certificate for the connection works. The application must include topographical and cadastral plans issued by the Cadastre and Land Registration office. The Town Planning Certificate indicates all the approvals that the contractor must obtain for the new connection (environment approval, fire safety, approvals from other utilities). The contractor obtains such approvals and applies to the municipality for a construction permit. In order to obtain the construction permit, a fee equal to 1% of the construction works value has to be paid.

- 7 Conclude execution contract between e-distribuție Muntenia and the electrical contractor, await connection works, and submit internal wiring file** 90 calendar days USD 0

Agency : Electrical contractor

After the construction permit is issued, e-distribuție Muntenia concludes the execution contract with the contractor chosen by the consumer by direct entrusting. Through the contractor, the utility obtains an excavation permit from the municipality. After the excavation permit is issued, the works can begin. The customer can send in the internal wiring file.

- 8 Receive final inspection by ENEL, submit internal wiring file and receive connection certificate** 10 calendar days RON 0

Agency : e-distribuție Muntenia

When the construction works are finished, the electrical contractor notifies e-distribuție Muntenia and e-distribuție Muntenia will send a team for accepting the works. After accepting the works, e-distribuție Muntenia issues the connection certificate. At this time it is mandatory that the internal wiring file is sent to e-distribuție Muntenia.

- 9 Sign supply contract and receive meter installation by ENEL** 2 calendar days RON 0

Agency : e-distribuție Muntenia

The consumer signs a supply contract with any supplier that operates in Bucarest. 48 hours after the signing of the contract, e-distribuție Muntenia comes to the warehouse to install the meter and electricity starts flowing. In some situations, it can be necessary to interrupt the overall grid of the neighborhood.

⇒ Takes place simultaneously with previous procedure.

## Details – Getting Electricity in Romania – Measure of Quality

	Answer
<b>Reliability of supply and transparency of tariff index (0-8)</b>	7
<b>Total duration and frequency of outages per customer a year (0-3)</b>	2
System average interruption duration index (SAIDI)	2.6
System average interruption frequency index (SAIFI)	2.7
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	3.0
<b>Mechanisms for monitoring outages (0-1)</b>	1
Does the distribution utility use automated tools to monitor outages?	Yes
<b>Mechanisms for restoring service (0-1)</b>	1
Does the distribution utility use automated tools to restore service?	Yes
<b>Regulatory monitoring (0-1)</b>	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
<b>Financial deterrents aimed at limiting outages (0-1)</b>	1
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes
<b>Communication of tariffs and tariff changes (0-1)</b>	1
Are effective tariffs available online?	Yes
Link to the website, if available online	<a href="http://www.enel.ro/ro/clienti-oferte-em.html">http://www.enel.ro/ro/clienti-oferte-em.html</a>
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

**Note:**

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

## Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to legally transfer title on immovable property (number)

- Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration procedures in the economy's largest business city.
- Postregistration procedures (for example, filling title with municipality)

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

#### Cost required to complete each procedure (% of property value)

- Official costs only (such as administrative fees, duties and taxes).
- Value Added Tax, Capital Gains Tax and illicit payments are excluded

#### Quality of land administration index (0-30)

- Reliability of infrastructure index (0-8)
- Transparency of information index (0-6)
- Geographic coverage index (0-8)
- Land dispute resolution index (0-8)
- Equal access to property rights index (-2-0)

### Case study assumptions

To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

#### The parties (buyer and seller):

- Are limited liability companies (or the legal equivalent).
- Are located in the periurban area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Are 100% domestically and privately owned.
- Have 50 employees each, all of whom are nationals.
- Perform general commercial activities.

#### The property (fully owned by the seller):

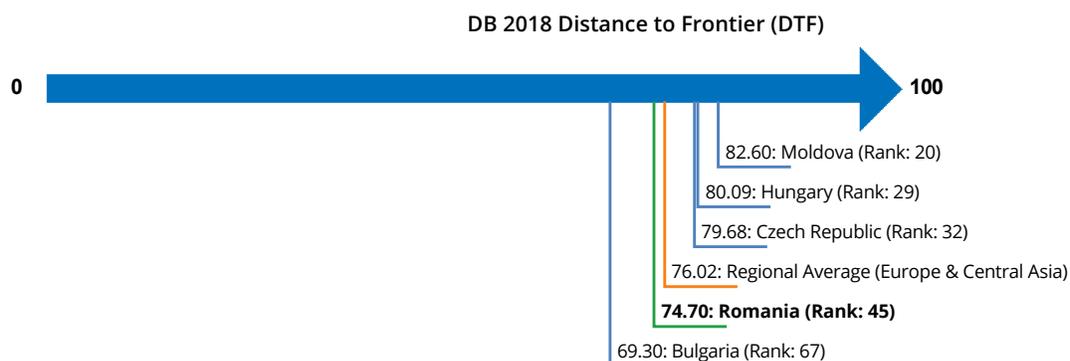
- Has a value of 50 times income per capita, which equals the sale price.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone, and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.
- Will not be subject to renovations or additional construction following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants, and no other party holds a legal interest in it.

Standard Property Transfer

Property value	RON 1,877,674.70
City Covered	Bucharest

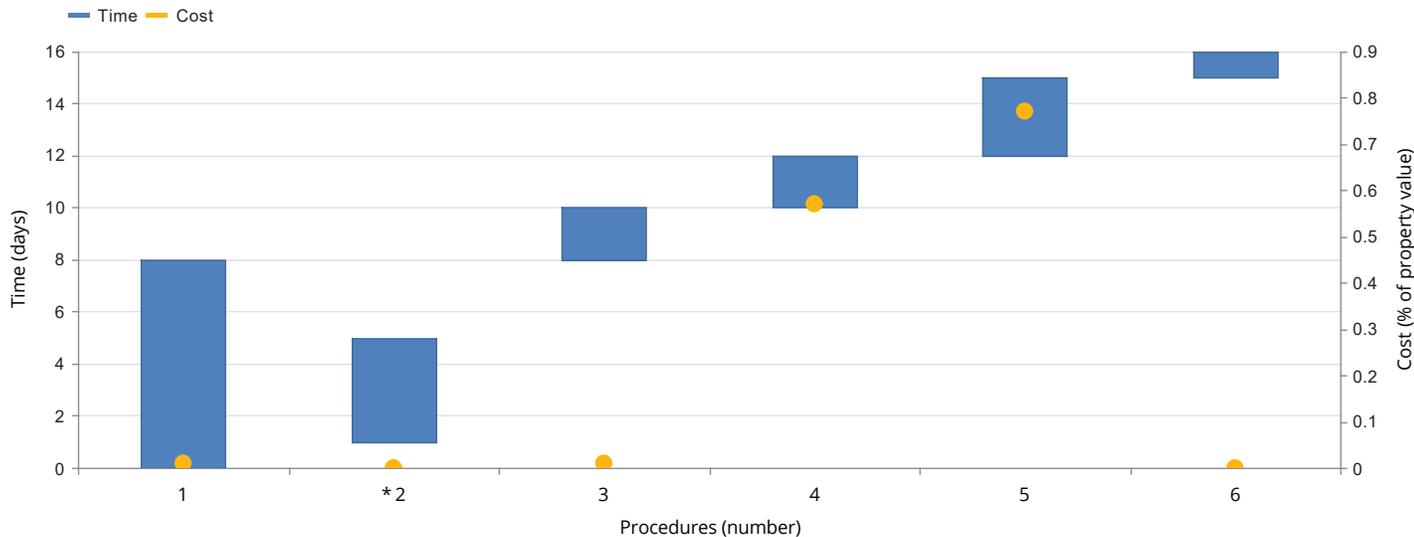
Indicator	Romania	Europe & Central Asia	OECD high income	Overall Best Performer
Procedures (number)	6	5.3	4.6	1.00 (4 Economies)
Time (days)	16	20.4	22.3	1.00 (3 Economies)
Cost (% of property value)	1.4	2.5	4.2	0.00 (5 Economies)
Quality of the land administration index (0-30)	17.0	19.8	22.7	29.00 (Singapore)

Figure – Registering Property in Romania and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of registering property is determined by sorting their distance to frontier scores for registering property. These scores are the simple average of the distance to frontier scores for each of the component indicators.

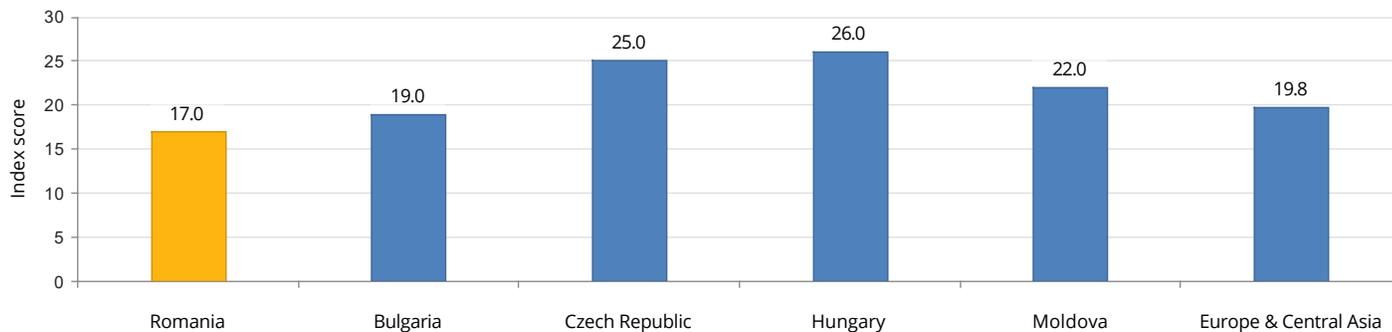
Figure – Registering Property in Romania – Procedure, Time and Cost



\* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Registering Property in Romania and comparator economies – Measure of Quality



## Details – Registering Property in Romania – Procedure, Time and Cost

No.	Procedure	Time to Complete	Associated Costs
1	<p><b>Obtain information from the Cadastre</b></p> <p>Agency : Cadastre and Real Estate Publicity Office</p> <p>The seller obtains information drafted by an authorized expert from the Cadastre and Real Estate Publicity Office. This information includes: technical memorials, coordination inventory, analytical calculation of the land, topographical description, area plan on a scale of 1:500; and on the scale of 1:2000, description of property, the plan of the real estate, and a property statement regarding the identification of the limits of the measured real estate.</p> <p>The documentation shall include:</p> <ul style="list-style-type: none"> <li>• Application form</li> <li>• A copy of the property title</li> <li>• A copy of the identification documents of the owner Order no. 700/2014 provides the deadlines for obtaining technical information from the Cadastre which differ by taking into account the relevant requested document and vary between two (2) days and three (3) days in the normal Procedure and one (1) day in the expedited Procedure. Order no. 700/2014 provides the relevant taxes to be paid which also vary from RON 15/hour to RON 30/sheet or even RON 150 for certain technical data. Order no. 39/2009 was repealed and replaced by Order no. 700/2014 since August 30, 2014. In addition, any document having a public character (e.g., location layouts, cadastral data) can be obtained by any person and not only by the owner of the property.</li> </ul> <p>Cost:</p> <ol style="list-style-type: none"> <li>1. Consultation of archives on the spot - cost: 10 RON for 15 minutes.</li> <li>2. Land Book information excerpt - cost: 20 RON per property.</li> <li>3. Certified copies of documents from the document files and land books - cost: 5 RON per page.</li> <li>4. Certificate for the identification of the topographic/cadastre number and land book number according to the name of the owner - cost: 100 RON per owner/land book office.</li> <li>5. Cadastre plan excerpts - cost: 15 RON per property</li> </ol>	<p>Time (simultaneous with procedure 2 and 3):</p> <p>Duration of procedure according to the Order 117/2016 are following:</p> <ol style="list-style-type: none"> <li>1. Consultation of archives: on the spot.</li> <li>2. Obtaining a Land Book information excerpt: 2 business days (regular Procedure) and 1 business day (expedited Procedure).</li> <li>3. Obtaining certified copies of documents from the files and land books: 2 business days (regular Procedure) and 1 business day (expedited Procedure).</li> <li>4. Obtaining the certificate for the identification of the topographic/cadastral number and land book number according to the name of the owner: 10 business days (regular Procedure) and 3 business days (expedited Procedure).</li> <li>5. Obtaining cadastral plan excerpts: 3 business days (regular Procedure) and</li> </ol>	<p>Cost:</p> <ol style="list-style-type: none"> <li>1. Consultation of archives on the spot - cost: 10 RON for 15 minutes.</li> <li>2. Land Book information excerpt - cost: 20 RON per property.</li> <li>3. Certified copies of documents from the document files and land books - cost: 5 RON per page (3 pages).</li> <li>4. Certificate for the identification of the topographic/cadastre number and land book number according to the name of the owner - cost: 100 RON per owner/land book office.</li> <li>5. Cadastre plan excerpts - cost: 15 RON per property</li> </ol>
	Time:		
	1. Consultation of archives on the spot - time: on the spot.		

2. Land Book information excerpt - ordinary Procedure: 2 days; emergency Procedure: 1 day.

1 business day  
(expedited  
Procedure).

3. Certified copies of documents from the document files and land books - ordinary Procedure: 2 days; emergency Procedure: 1 day.

4. Certificate for the identification of the topographic/cadastral number and land book number according to the name of the owner - ordinary Procedure: 3 days; emergency Procedure: 1 day.

5. Cadastre plan excerpts - ordinary Procedure: 3 days; emergency Procedure: 1 day.

### ⇒ 2 Obtain the fiscal certificate from the direction for public taxes of the Municipality

Agency : Municipality

The Seller obtains a clearance certificate from the direction for public taxes of the Municipality from the district where the real estate is located attesting that the property is not owned by someone else and that there are no unpaid taxes. This fiscal certificate is required for completion of a transfer of ownership. The fiscal certificate is valid for up to 30 days for legal entities (90 days for individuals).

The documentation shall include:

- An application from the owner
- A copy of the last receipt with which it is demonstrated that there are no unpaid taxes
- A copy of the identification documents of the owner
- The last accounting records of the company
- The power of attorney for the company's representative

3 business days  
(simultaneous with  
Procedures 1 and 3)

No cost

### 3 Obtain the Land Registry extract (non-encumbrance certificate) from the Land Registry office

Agency : Cadastre and Real Estate Publicity Office

For the notarization of the transfer deed of an immovable, the notary public requests an authentication excerpt from the Land Registry office where the immovable is registered. In this respect, the notary public submits to the relevant Land Registry office the application form signed and stamped by it and the owner of the immovable, along with the payment proof of the issuance fee. The authentication excerpt may only be obtained by a notary public.

The validity of the authentication excerpt is of 10 business days, starting with the day when the request application form was requested. During the 10-business days validity period, the Land Registry office clerk is not entitled to register any other operation in the relevant Land Registry, save for the one for which the excerpt was required; the Land Registry is blocked during the aforementioned period, in order to ensure the security of the real estate transactions. However, if during the validity term, the notarial deed for which the excerpt was requested is submitted to the Cadastre and Real Estate Publicity Office for registration or if the notary public made an express request in this sense, the validity of the excerpt expires.

For the excerpt  
(requested by the  
notary public):  
2 business days  
(regular Procedure)  
and  
1 business day  
(expedited Procedure)

Authentication  
excerpt - 40 RON in  
regular Procedure,  
200 RON in expedited  
Procedure;

**4 The notary authenticates the transfer deed**

1 business day

Agency : Notary Public

The notary public verifies the fiscal certificate and the Land Registry excerpt and notarizes the sale purchase agreement. Without these documents, the notary public may not notarize the agreement. According to the actual legal provision, the sale purchase agreement shall be drafted only by the notary public. The costs related to the procedure could be paid either directly to the notary public, or via bank transfer. Though it is not mandatory, a lawyer may conduct a due diligence before this procedure, by perusing the previous successive transfers and owners of the property. The notary public is obliged to verify all encumbrances and relief measures instituted over the immovable to be sold in the public records and it is liable for the failure to specify in the notarial deed the encumbrances and the relief measures over the immovable - see also 2.1.3., above. The documentation for the notarization of the transfer deed includes, among others, the following:

- (i) the property title in original,
- (ii) the cadastral documents of the property (obtained in Procedure 1),
- (iii) the Fiscal certificate from the local taxes office (obtained in Procedure 3),
- (iv) identification certificates/documents for the signatory parties (identity cards, passports, registration certificates, etc),
- (v) documents attesting the capacity of the signatories to sign the sale purchase agreement (power of attorney, shareholders' decision, articles of incorporation, etc.).

The Seller - legal entity has to pay an income tax of 16% applied on the profit resulted in the company's balance sheet, including this transaction.

RON 5,080 + 0,44%, of the transaction value exceeding RON 600,001 (notary fees)

For transactions with the value of the transaction (in RON):

- Below RON 15,000 - the fee is 2,2% but no less than RON 150
- From RON 15,001 to RON 30,000 - the fee is RON 330 + 1,6% for the amount exceeding RON 15,001
- From RON 30,001 to RON 60,000 - the fee is RON 580 + 1,3% for the amount exceeding RON 30,001
- From RON 60,001 to RON 300,000 - the fee is RON 970 + 0,9% for the amount exceeding RON 60,001
- From RON 300,001 to RON 600,000 - the fee is RON 3,130 + 0,65% for the amount exceeding RON 300,001
- Over RON 600,001 - the fee is RON 5,080 + 0,44% for the amount exceeding RON 600,001

**5 Register the title with the Land Registry Office**

Agency : Land Registry office

The same public notary applies for registration of the property title at the Land Book Office, by sending the application and the original notary deed, directly or by fax, to the district Land Book Office where the real estate is placed. Therefore, the registration is performed ex officio by the notary, based on the authenticated sale purchase act. An expedited option is available given that an extra fee of 4 times the normal fee will be added. The extra fee can not be more than RON 5,000. Registration fees are 0.5% of property value with a minimum of RON 60 according to Order no 39/06.04.2009, for a Procedure that takes 9 days. An expedited Procedure is available (3 days) for an additional fee of 2% of property value. According to the article 1 paragraph 6 of Order no 39/2009, this additional fee cannot exceed RON 5000. Only when the real estate is registered in the Land Book for the first time a tax of RON 120 should be paid for this registration. In case the owner registers his/her property for the first time (i.e. following the reconstitution of the ownership for which the cadastre is made for the first time) the terms for registration are 21 days (regular Procedure) or 7 days (expedited Procedure).

The documentation shall include:

- Sale-purchase contract (notarized in Procedure 4)
- Fiscal certificate (obtained in Procedure 2)
- Cadastre certificate (obtained in Procedure 1)
- ID of the buyer
- A registration application
- The property title, all the originals, plus a legalized copy from a public notary
- Proof of total payment

Regular procedure - 7 business days  
Expedited procedure - 2 business day

0.5% of the property value without VAT (regular Procedure);

2% of the property value without VAT (expedited Procedure). Minimum cost RON 60.

The extra fee paid for the expedited Procedure cannot exceed RON 5,000.

**6 File the fiscal declaration confirming the acquisition of the property**

Agency : Local Tax Department

The fiscal declaration concerning the immovable acquisition should be filled in by the purchaser at the Local Tax Department within a 30-day term since the notarization of the transfer deed. The documentation shall include: tax statement for the immovable, the property title, in original and a copy, accounting documents (invoice, analytical balance, balance sheet, etc.), cadastral documents, copy of the registration certificate of the company.

1 calendar day

RON 10

⇒ Takes place simultaneously with previous procedure.

## Details – Registering Property in Romania – Measure of Quality

	Answer	Score
<b>Quality of the land administration index (0-30)</b>		<b>17.0</b>
<b>Reliability of infrastructure index (0-8)</b>		<b>5.0</b>
What is the institution in charge of immovable property registration?	Bucharest Cadastru and Land Registration Office ("Oficiul de Cadastru si Publicitate Imobiliara Bucuresti")	
In what format are the majority of title or deed records kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there an electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	No	0.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Bucharest Cadastru and Land Registration Office ("Oficiul de Cadastru si Publicitate Imobiliara Bucuresti")	
In what format are the majority of maps of land plots kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Paper	0.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Single database	1.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
<b>Transparency of information index (0-6)</b>		<b>6.0</b>
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Anyone who pays the official fee	1.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5

Link for online access:	<a href="http://www.ancpi.ro/pages/wiki.php?action=show&amp;lang=ro&amp;pnu=usefulInformation">http://www.ancpi.ro/pages/wiki.php?action=show&amp;lang=ro&amp;pnu=usefulInformation</a>	
Is the applicable fee schedule for any property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://www.ocpib.ro/fisiere/tarife_Mof_253_o39.pdf">http://www.ocpib.ro/fisiere/tarife_Mof_253_o39.pdf</a>	
Does the agency in charge of immovable property registration commit to delivering a legally binding document that proves property ownership within a specific time frame—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	<a href="http://www.ocpib.ro/fisiere/termele.xls">http://www.ocpib.ro/fisiere/termele.xls</a> . Also available at the local district Cadaster and Land Registration Offices.	
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	Yes	1.0
Contact information:	<a href="http://ancpi.ro/pages/legea544.php?lang=ro">http://ancpi.ro/pages/legea544.php?lang=ro</a>	
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	Yes	0.5
Number of property transfers in the largest business city in 2015:	77 305	
Who is able to consult maps of land plots in the largest business city?	Anyone who pays the official fee	0.5
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://www.ocpib.ro/fisiere/tarife_Mof_253_o39.pdf">http://www.ocpib.ro/fisiere/tarife_Mof_253_o39.pdf</a>	
Does the cadastral or mapping agency commit to delivering an updated map within a specific time frame—and if so, how does it communicate the service standard?	Yes, online	0.5

Link for online access:	<a href="http://www.ocpib.ro/fisiere/termene.xls">http://www.ocpib.ro/fisiere/termene.xls</a>	
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	Yes	0.5
Contact information:	<a href="http://ancpi.ro/pages/legea544.php?lang=ro">http://ancpi.ro/pages/legea544.php?lang=ro</a>	
<b>Geographic coverage index (0–8)</b>		<b>0.0</b>
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the economy mapped?	No	0.0
Are all privately held land plots in the largest business city mapped?	No	0.0
<b>Land dispute resolution index (0–8)</b>		<b>6.0</b>
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Is there a specific compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	No	0.0
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Registrar; Notary; Interested Parties.	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Registrar; Notary; Interested Parties.	
Is there a national database to verify the accuracy of identity documents?	Yes	1.0
For a standard land dispute between two local businesses over tenure rights of a property worth 50 times gross national income (GNI) per capita and located in the largest business city, what court would be in charge of the case in the first instance?	The Bucharest Tribunal	

How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Between 1 and 2 years	2.0
Are there any statistics on the number of land disputes in the first instance?	No	0.0
Number of land disputes in the largest business city in 2015:		
<b>Equal access to property rights index (-2-0)</b>		<b>0.0</b>
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	0.0
Do married men and married women have equal ownership rights to property?	Yes	0.0

## Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

### What the indicators measure

#### Strength of legal rights index (0-12)

- Rights of borrowers and lenders through collateral laws (0-10)
- Protection of secured creditors' rights through bankruptcy laws (0-2)

#### Depth of credit information index (0-8)

- Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)

#### Credit bureau coverage (% of adults)

- Number of individuals and firms listed in largest credit bureau as a percentage of adult population

#### Credit registry coverage (% of adults)

- Number of individuals and firms listed in credit registry as a percentage of adult population

### Case study assumptions

Doing Business assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.

In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.

#### Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:

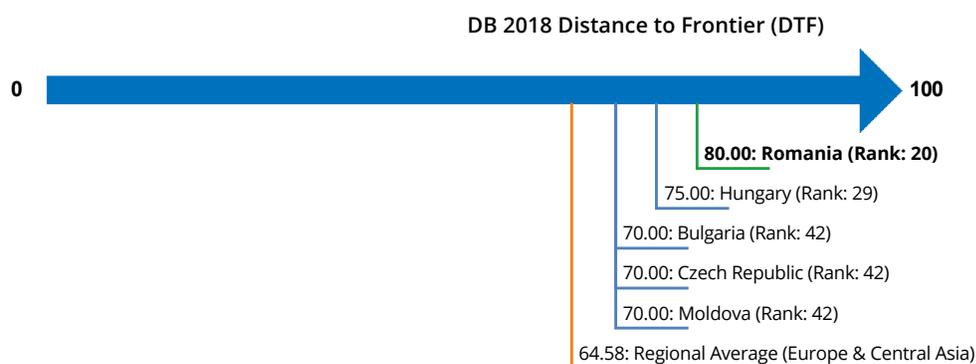
- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Both ABC and BizBank are 100% domestically owned.

The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).

In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.

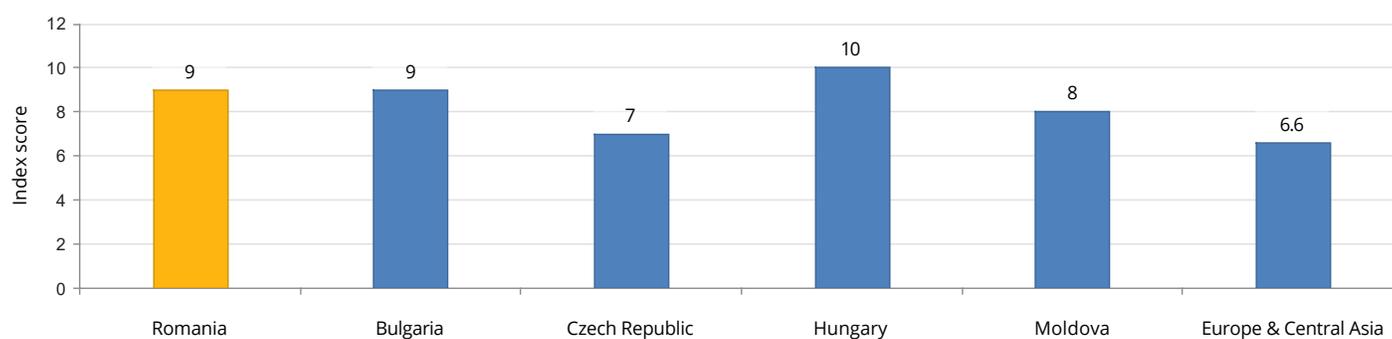
Indicator	Romania	Europe & Central Asia	OECD high income	Overall Best Performer
Strength of legal rights index (0-12)	9	6.6	6.0	12.00 (4 Economies)
Depth of credit information index (0-8)	7	6.3	6.6	8.00 (34 Economies)
Credit registry coverage (% of adults)	17.3	22.2	18.3	100.00 (3 Economies)
Credit bureau coverage (% of adults)	54.8	42.8	63.7	100.00 (23 Economies)

Figure – Getting Credit in Romania and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of getting credit is determined by sorting their distance to frontier scores for getting credit. These scores are the distance to frontier score for the sum of the strength of legal rights index and the depth of credit information index.

Figure – Legal Rights in Romania and comparator economies



Details – Legal Rights in Romania

**Strength of legal rights index (0-12)** **9**

Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy? Yes

Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral? Yes

Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral? Yes

May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds or replacements of the original assets? Yes

Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered? Yes

Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name? Yes

Does a notice-based collateral registry exist in which all functional equivalents can be registered? Yes

Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party? No

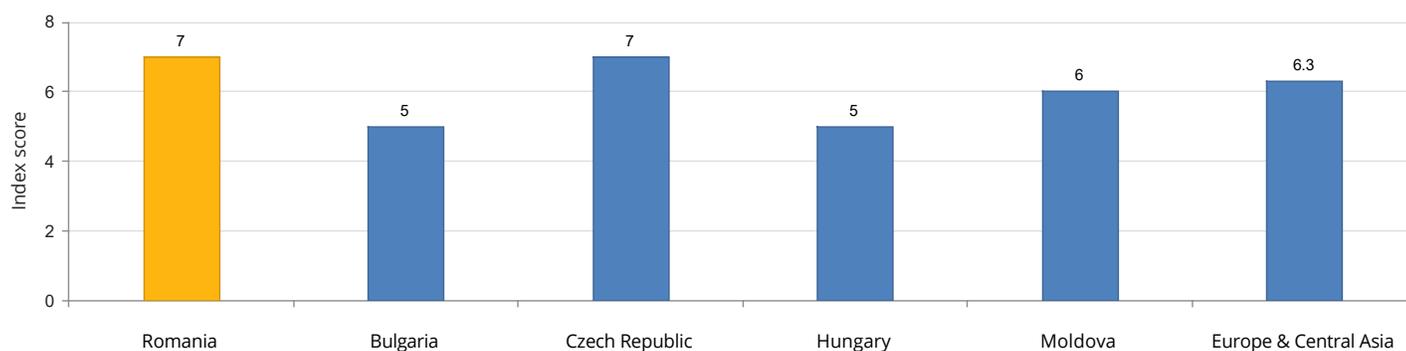
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? Yes

Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated? Yes

Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and/or sets a time limit for it? No

Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt? No

Figure – Credit Information in Romania and comparator economies



## Details – Credit Information in Romania

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	No	Yes	1
Are both positive and negative credit data distributed?	Yes	Yes	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	No	No	0
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	Yes	Yes	1
Are data on loan amounts below 1% of income per capita distributed?	Yes	No	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	Yes	Yes	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	Yes	Yes	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	Yes	No	1
<b>Score ("yes" to either public bureau or private registry)</b>			<b>7</b>

Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	7,226,000	1,982,509
Number of firms	0	291,970
Total	7,226,000	2,274,479
<b>Percentage of adult population</b>	<b>54.8</b>	<b>17.3</b>

## ↗ Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

### What the indicators measure

- **Extent of disclosure index (0–10):** Review and approval requirements for related-party transactions; Disclosure requirements for related-party transactions
- **Extent of director liability index (0–10):** Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, fines, imprisonment, rescission of the transaction)
- **Ease of shareholder suits index (0–10):** Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses
- **Extent of conflict of interest regulation index (0–10):** Simple average of the extent of disclosure, extent of director liability and ease of shareholder indices
- **Extent of shareholder rights index (0–10):** Shareholders' rights and role in major corporate decisions
- **Extent of ownership and control index (0–10):** Governance safeguards protecting shareholders from undue board control and entrenchment
- **Extent of corporate transparency index (0–10):** Corporate transparency on ownership stakes, compensation, audits and financial prospects
- **Extent of shareholder governance index (0–10):** Simple average of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices
- **Strength of minority investor protection index (0–10):** Simple average of the extent of conflict of interest regulation and extent of shareholder governance indices

### Case study assumptions

To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.

#### The business (Buyer):

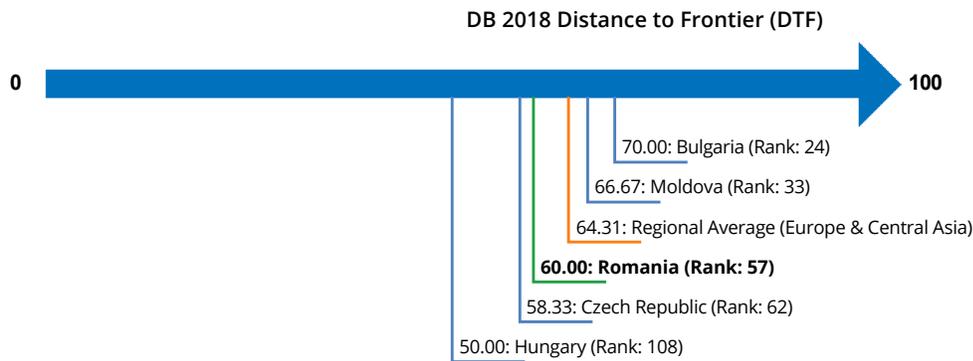
- Is a publicly traded corporation listed on the economy's most important stock exchange. If the number of publicly traded companies listed on that exchange is less than 10, or if there is no stock exchange in the economy, it is assumed that Buyer is a large private company with multiple shareholders.
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.
- Has a supervisory board (applicable to economies with a two-tier board system) on which 60% of the shareholder-elected members have been appointed by Mr. James, who is Buyer's controlling shareholder and a member of Buyer's board of directors.
- Has not adopted any bylaws or articles of association that differ from default minimum standards and does not follow any nonmandatory codes, principles, recommendations or guidelines relating to corporate governance.
- Is a manufacturing company with its own distribution network.

#### The transaction involves the following details:

- Mr. James owns 60% of Buyer and elected two directors to Buyer's five-member board.
- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.
- Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value.
- The proposed transaction is part of the company's ordinary course of business and is not outside the authority of the company.
- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made (that is, the transaction is not fraudulent).
- The transaction causes damages to Buyer. Shareholders sue Mr. James and the other parties that approved the transaction.

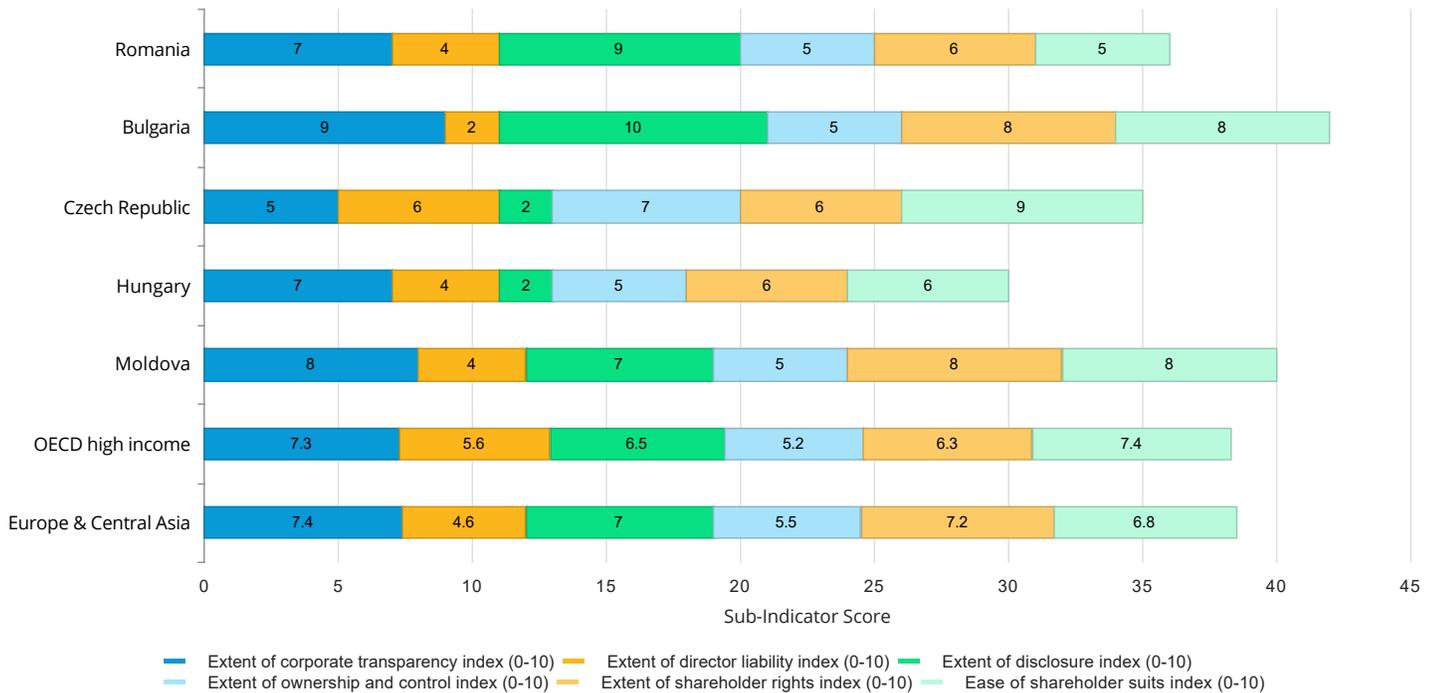
Indicator	Romania	Europe & Central Asia	OECD high income	Overall Best Performer
Extent of conflict of interest regulation index (0-10)	6	6.3	6.4	9.3 (New Zealand)
Extent of shareholder governance index (0-10)	6	6.6	6.4	9.00 (Kazakhstan)

Figure – Protecting Minority Investors in Romania and comparator economies – Ranking and DTF



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their distance to frontier scores for protecting minority investors. These scores are the simple average of the distance to frontier scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure – Protecting Minority Investors in Romania and comparator economies – Measure of Quality



## Details – Protecting Minority Investors in Romania – Measure of Quality

	Answer	Score
<b>Extent of conflict of interest regulation index (0-10)</b>		<b>6</b>
<b>Extent of disclosure index (0-10)</b>		<b>9</b>
Which corporate body is legally sufficient to approve the Buyer-Seller transaction? (0-3)	Shareholders excluding interested parties	3.0
Must an external body review the terms of the transaction before it takes place? (0-1)	No	0.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Full disclosure of all material facts	2.0
Must Buyer disclose the transaction in published periodic filings (annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Must Buyer immediately disclose the transaction to the public and/or shareholders? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
<b>Extent of director liability index (0-10)</b>		<b>4</b>
Can shareholders representing 10% of Buyer's share capital sue directly or derivatively for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold the interested director liable for the damage the transaction caused to Buyer? (0-2)	Liable if negligent	1.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer (0-2)	Liable if negligent	1.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	No	0.0
Is Mr. James disqualified or fined and imprisoned upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Only in case of fraud or bad faith	0.0
<b>Ease of shareholder suits index (0-10)</b>		<b>5</b>

Before suing can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Any relevant document	3.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	No	0.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	No	0.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	No	0.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes if successful	1.0
<b>Extent of shareholder governance index (0-10)</b>		<b>6</b>
<b>Extent of shareholder rights index (0-10)</b>		<b>6</b>
Does the sale of 51% of Buyer's assets require shareholder approval?	Yes	1.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	No	0.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	Yes	1.0
Must shareholders approve the election and dismissal of the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
Assuming that Buyer is a limited company, does the sale of 51% of its assets require member approval?	No	0.0
Assuming that Buyer is a limited company, can members representing 10% call for a meeting of members?	No	0.0
Assuming that Buyer is a limited company, must all members consent to add a new member?	Yes	1.0
Assuming that Buyer is a limited company, must a member first offer to sell their interest to the existing members before they can sell to non-members?	No	0.0
<b>Extent of ownership and control index (0-10)</b>		<b>5</b>
Is it forbidden to appoint the same individual as CEO and chair of the board of directors?	No	0.0
Must the board of directors include independent and nonexecutive board members?	No	0.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	No	0.0

Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	Yes	1.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	No	0.0
Assuming that Buyer is a limited company, must Buyer have a mechanism to resolve disagreements among members?	Yes	1.0
Assuming that Buyer is a limited company, must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	No	0.0
Assuming that Buyer is a limited company, must Buyer distribute profits within a maximum period set by law?	Yes	1.0
<b>Extent of corporate transparency index (0-10)</b>		<b>7</b>
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	No	0.0
Must Buyer disclose the compensation of individual managers?	No	0.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	Yes	1.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0
Assuming that Buyer is a limited company, must members meet at least once a year?	Yes	1.0
Assuming that Buyer is a limited company, can members representing 5% put items on the meeting agenda?	No	0.0
Assuming that Buyer is a limited company, must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0

## Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as measures the administrative burden in paying taxes and contributions. The most recent round of data collection for the project was completed on June 30, 2017 covering for the Paying Taxes indicator calendar year 2016 (January 1, 2016 – December 31, 2016).

Last year (Doing Business 2017) the scope of data collection was expanded to better understand the overall tax environment in an economy. The questionnaire was expanded to include new questions on post-filing processes: VAT refund and tax audit. The data shows where postfiling processes and practices work efficiently and what drives the differences in the overall tax compliance cost across economies.

The new section covers both the legal framework and the administrative burden on businesses to comply with postfiling processes.

[See the methodology for more information.](#)

### What the indicators measure

#### Tax payments for a manufacturing company in 2016 (number per year adjusted for electronic and joint filing and payment)

- Total number of taxes and contributions paid, including consumption taxes (value added tax, sales tax or goods and service tax)
- Method and frequency of filing and payment

#### Time required to comply with 3 major taxes (hours per year)

- Collecting information, computing tax payable
- Completing tax return, filing with agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

#### Total tax and contribution rate (% of profit before all taxes)

- Profit or corporate income tax
- Social contributions, labor taxes paid by employer
- Property and property transfer taxes
- Dividend, capital gains, financial transactions taxes
- Waste collection, vehicle, road and other taxes

#### Postfiling Index

- Time to comply with a VAT refund
- Time to receive a VAT refund
- Time to comply with a corporate income tax audit
- Time to complete a corporate income tax audit

### Case study assumptions

Using a case scenario, Doing Business records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.

To make data comparable across economies, several assumptions are used:

- TaxpayerCo is a medium-size business that started operations on January 1, 2015. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2016). Taxes and mandatory contributions are measured at all levels of government.

#### The VAT refund process:

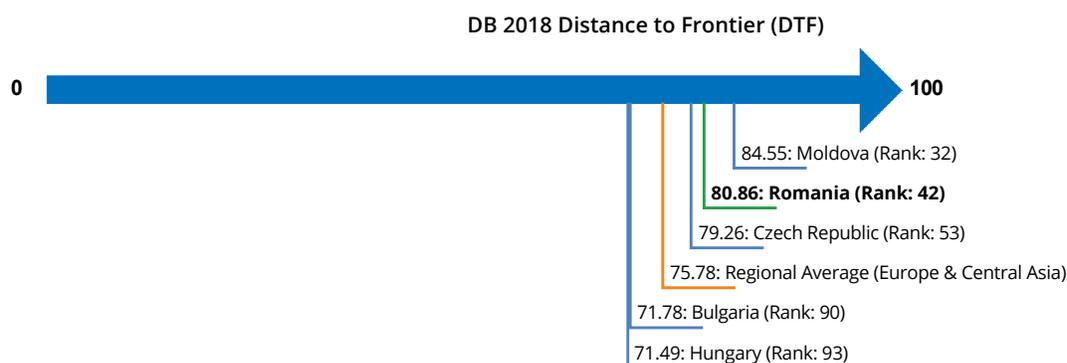
- In June 2016, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2016.

#### The corporate income tax audit process:

- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.

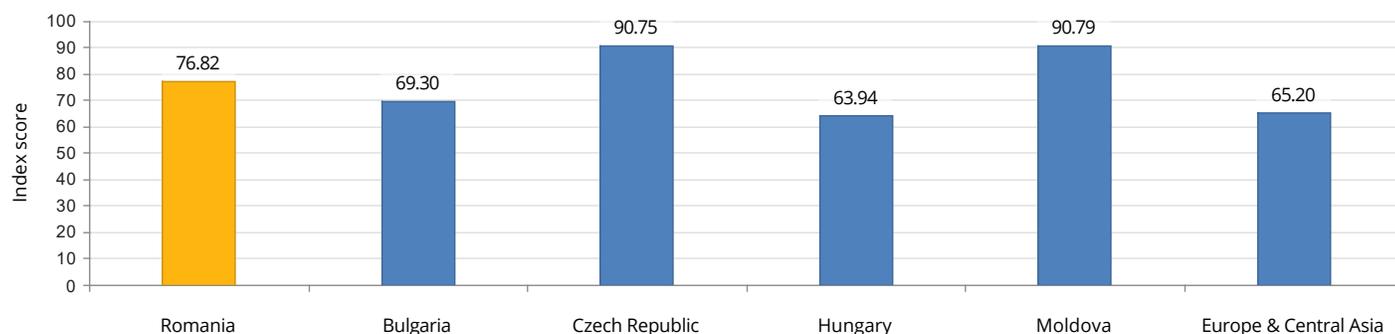
Indicator	Romania	Europe & Central Asia	OECD high income	Overall Best Performer
Payments (number per year)	14	16.5	10.9	3 (Hong Kong SAR, China)
Time (hours per year)	163	218.4	160.7	55 (Luxembourg)
Total tax and contribution rate (% of profit)	38.4	33.1	40.1	18.47% (32 Economies)
Postfiling index (0-100)	76.82	65.20	83.45	99.38 (Estonia)

Figure – Paying Taxes in Romania and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of paying taxes is determined by sorting their distance to frontier scores on the ease of paying taxes. These scores are the simple average of the distance to frontier scores for each of the four component indicators – number of tax payments, time, total tax rate and postfiling index – with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax rate. The nonlinear distance to frontier for the total tax rate is equal to the distance to frontier for the total tax rate to the power of 0.8. The threshold is defined as the total tax rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax rate below this threshold receive the same score as the economy at the threshold.

Figure – Paying Taxes in Romania and comparator economies – Measure of Quality



Details – Paying Taxes in Romania

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTR
Employer paid - Social security contributions	1	online	82	15.8%	gross salaries	17.82	
Corporate income tax	1	online	25	16%	taxable profit	11.60	
Health insurance contributions	0	online and jointly		5.2%	gross salaries	5.87	
Building tax	2			1%	building value	0.98	
Medical leave	0	online and jointly		0.85%	gross salaries	0.96	
Unemployment contribution	0	online and jointly		0.5%	gross salaries	0.56	
Accident risk fund	0	online and jointly		0.15-0.85%	gross salaries	0.29	
Guarantee fund	0	online and jointly		0.25%	gross salaries	0.28	
Vehicle tax	2			varies	fixed fee depending on type of vehicle	0.03	
Land tax	2			various rates	land area	0.02	

Stamp duty on contracts	0			various rates	type of contract	0.00	small amount
Urbanism tax	1				surface	0.00	
Value added tax (VAT)	1	online	56	20%	value added	0.00	not included
Employee paid - Social security contributions	0	online and jointly		16.5%	gross salaries	0.00	withheld
Environmental taxes	1			RON 2 per kilo of packaging	weight of packaging	0.00	
Firm tax	2			A fixed amount per square meter of lighting panel	The surface of the lighting panel	0.00	
Fuel tax	1				included in fuel price	0.00	small amount
<b>Totals</b>	<b>14</b>		<b>163</b>			<b>38.4</b>	

#### Details – Paying Taxes in Romania – Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	11.6
Labor tax and contributions (% of profit)	25.8
Other taxes (% of profit)	1.0

#### Details – Paying Taxes in Romania – Measure of Quality

	Answer	Score
<b>Postfiling index (0-100)</b>		<b>76.82</b>
<b>VAT refunds</b>		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	Yes	
Restrictions on VAT refund process	None	
Percentage of cases exposed to a VAT audit (%)	75% - 100%	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	22.5	55

Time to obtain a VAT refund (weeks)	27.5	53.18
<b>Corporate income tax audits</b>		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	0% - 24%	
Time to comply with a corporate income tax audit (hours)	2.0	99.08
Time to complete a corporate income tax audit (weeks)	No tax audit per case study scenario	100

**Notes:** Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax audit and time to complete a corporate income tax audit.

N/A = Not applicable.

## Trading across Borders

Doing Business records the time and cost associated with the logistical process of exporting and importing goods. Doing Business measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

Given the importance of trade digitalization, in Doing Business 2018, the Trading across Borders questionnaire included research questions on the availability and status of implementation of Electronic Data Interchange (EDI) and Single Window (SW) systems. With this information, Doing Business built a comprehensive dataset on the adoption and level of sophistication of electronic platforms in 190 economies. These data are not used to compute the distance to frontier score or ranking of the ease of doing business. The new dataset on EDI and SW systems is available [here](#).

### What the indicators measure

#### Documentary compliance

- Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy
- Obtaining, preparing and submitting documents required by destination economy and any transit economies
- Covers all documents required by law and in practice, including electronic submissions of information

#### Border compliance

- Customs clearance and inspections
- Inspections by other agencies (if applied to more than 20% of shipments)
- Handling and inspections that take place at the economy's port or border

#### Domestic transport

- Loading or unloading of the shipment at the warehouse or port/border
- Transport between warehouse and port/border
- Traffic delays and road police checks while shipment is en route

### Case study assumptions

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

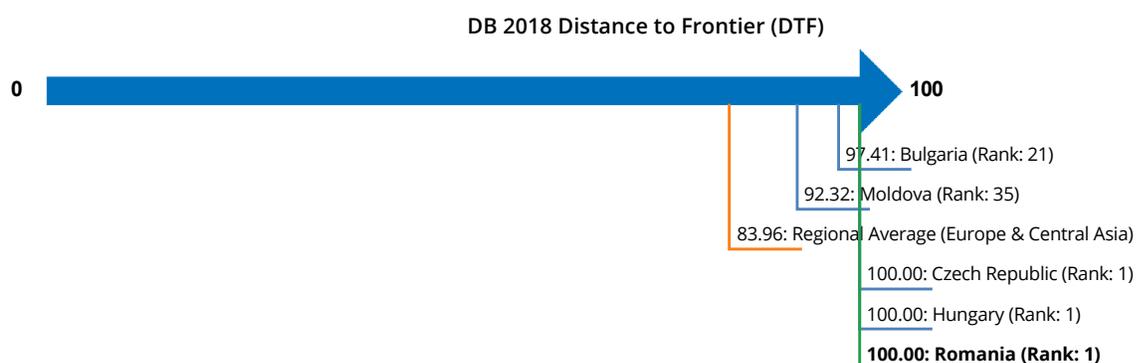
**Time:** Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as  $22 \times 24 = 528$  hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

**Cost:** Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

**Assumptions of the case study:** - For all 190 economies covered by Doing Business, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy. - It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000. - The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport, or land border crossing. - All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process. - A port or border is a place (seaport, airport or land border crossing) where merchandise can enter or leave an economy. - Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

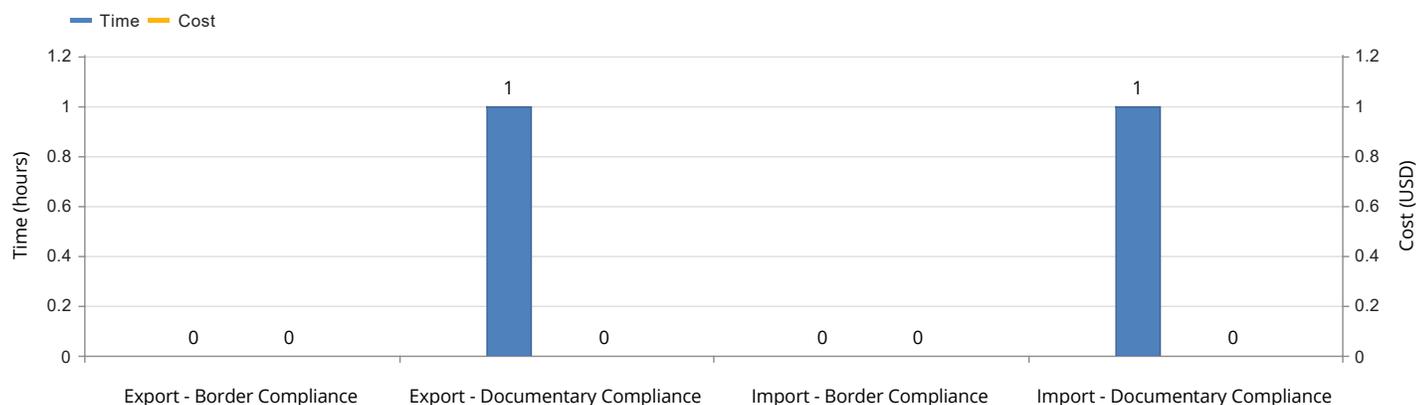
Indicator	Romania	Europe & Central Asia	OECD high income	Overall Best Performer
Time to export: Border compliance (hours)	0	28.0	12.7	0 (17 Economies)
Cost to export: Border compliance (USD)	0	191.4	149.9	0.00 (19 Economies)
Time to export: Documentary compliance (hours)	1	27.9	2.4	1.0 (25 Economies)
Cost to export: Documentary compliance (USD)	0	113.8	35.4	0.00 (19 Economies)
Time to import: Border compliance (hours)	0	25.9	8.7	0.00 (21 Economies)
Cost to import: Border compliance (USD)	0	185.1	111.6	0.00 (27 Economies)
Time to import: Documentary compliance (hours)	1	27.3	3.5	1.0 (30 Economies)
Cost to import: Documentary compliance (USD)	0	94.7	25.6	0.00 (30 Economies)

Figure – Trading across Borders in Romania and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of trading across borders is determined by sorting their distance to frontier scores for trading across borders. These scores are the simple average of the distance to frontier scores for the time and cost for documentary compliance and border compliance to export and import (domestic transport is not used for calculating the ranking).

Figure – Trading across Borders in Romania – Time and Cost



Details – Trading across Borders in Romania

Characteristics	Export	Import
Product	HS 85 : Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	HS 8708: Parts and accessories of motor vehicles
Trade partner	Germany	Germany
Border	Romania- Hungary border crossing	Romania- Hungary border crossing
Distance (km)	610	610
Domestic transport time (hours)	9	9
Domestic transport cost (USD)	650	650

**Details – Trading across Borders in Romania – Components of Border Compliance**

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	0.0	0.0
Export: Clearance and inspections required by agencies other than customs	0.4	0.0
Export: Port or border handling	0.4	0.0
Import: Clearance and inspections required by customs authorities	0.0	0.0
Import: Clearance and inspections required by agencies other than customs	0.4	0.0
Import: Port or border handling	0.4	0.0

**Details – Trading across Borders in Romania – Trade Documents**

Export	Import
CMR waybill	CMR waybill
Commercial invoice	Commercial invoice
Packing list	Packing list
Intrastat	Intrastat

## Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in June 2017. [See the methodology for more information.](#)

### What the indicators measure

#### Time required to enforce a contract through the courts (calendar days)

- Time to file and serve the case
- Time for trial and to obtain the judgment
- Time to enforce the judgment

#### Cost required to enforce a contract through the courts (% of claim)

- Attorney fees
- Court fees
- Enforcement fees

#### Quality of judicial processes index (0-18)

- Court structure and proceedings (-1-5)
- Case management (0-6)
- Court automation (0-4)
- Alternative dispute resolution (0-3)

### Case study assumptions

The dispute in the case study involves the breach of a sales contract between 2 domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.

To make the data comparable across economies, Doing Business uses several assumptions about the case:

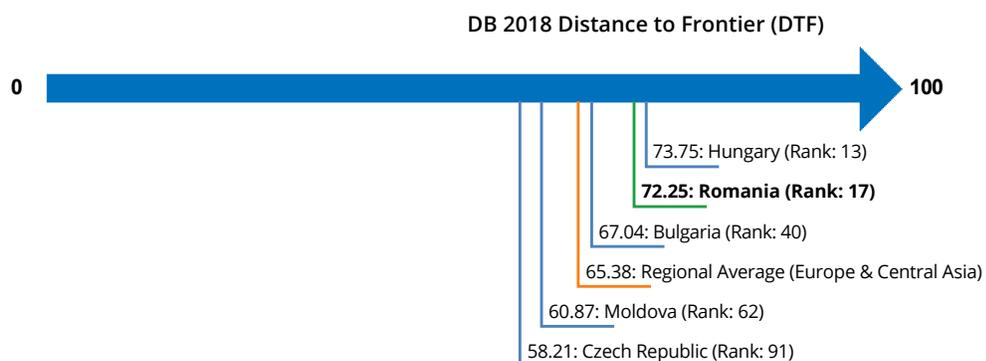
- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- The buyer orders custom-made goods, then fails to pay.
- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.
- The seller sues the buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000.
- The seller requests a pretrial attachment to secure the claim.
- The dispute on the quality of the goods requires an expert opinion.
- The judge decides in favor of the seller; there is no appeal.
- The seller enforces the judgment through a public sale of the buyer's movable assets.

### Standardized Case

Claim value	RON 70,218.00
Court name	Bucharest Court of First Instance
City Covered	Bucharest

Indicator	Romania	Europe & Central Asia	OECD high income	Overall Best Performer
Time (days)	512	489.9	577.8	164.00 (Singapore)
Cost (% of claim value)	25.8	26.2	21.5	9.00 (Iceland)
Quality of judicial processes index (0-18)	14.0	10.0	11.0	15.50 (Australia)

Figure – Enforcing Contracts in Romania and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their distance to frontier scores for enforcing contracts. These scores are the simple average of the distance to frontier scores for each of the component indicators.

Figure – Enforcing Contracts in Romania – Time and Cost

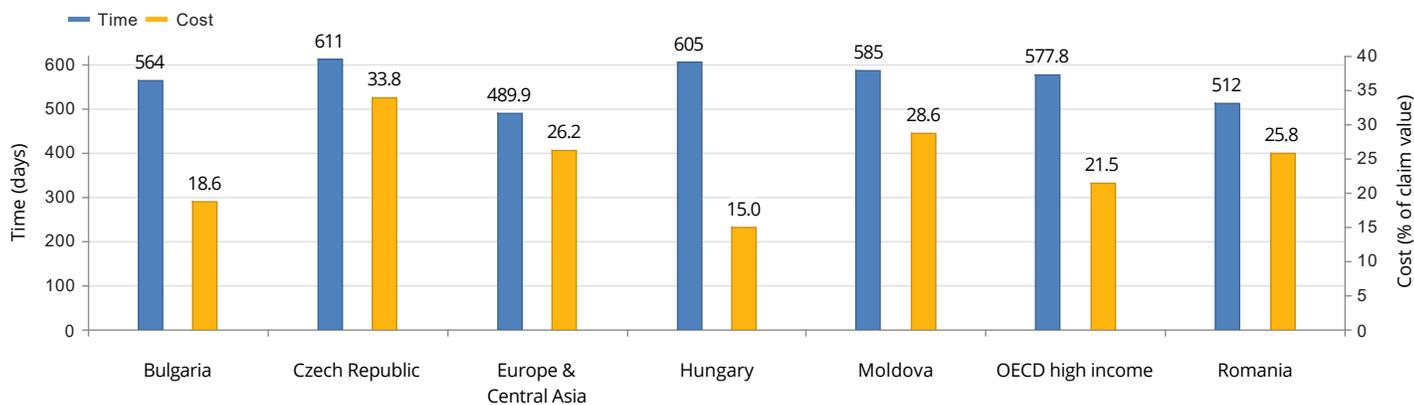
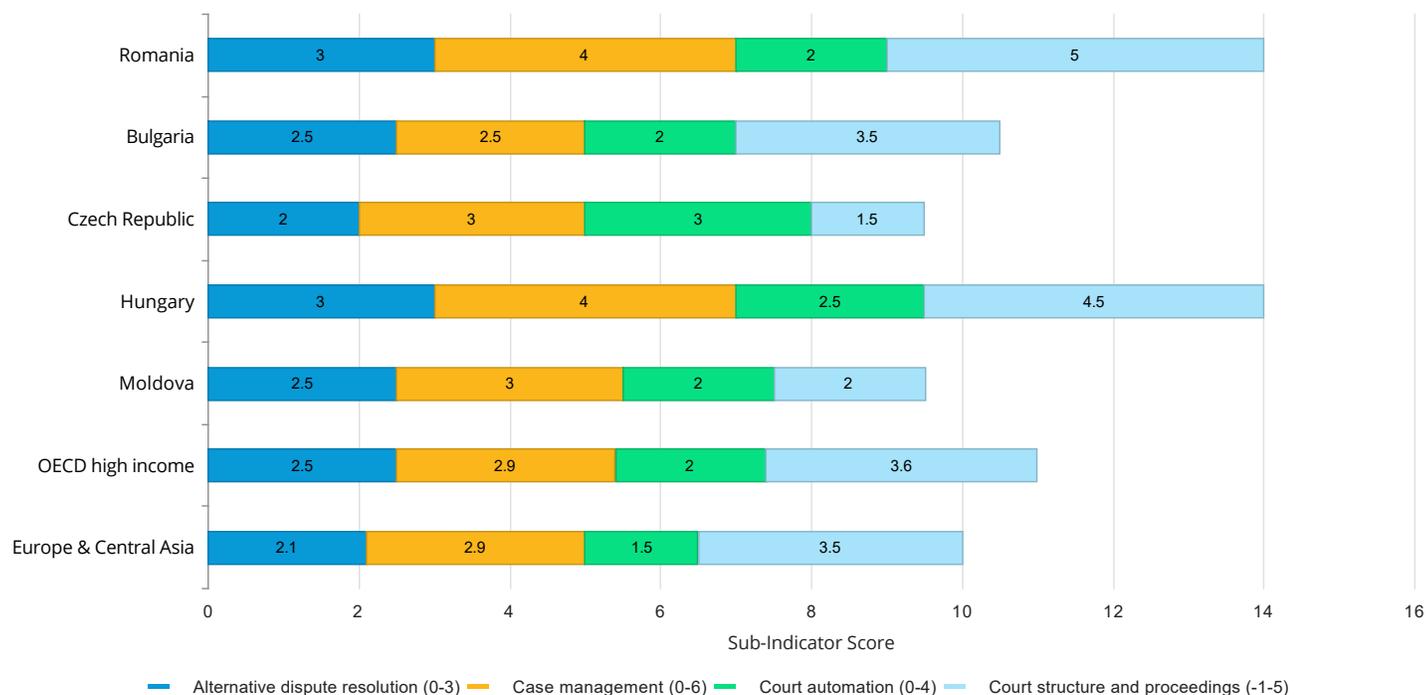


Figure – Enforcing Contracts in Romania and comparator economies – Measure of Quality



Details – Enforcing Contracts in Romania

	Indicator
<b>Time (days)</b>	<b>512</b>
Filing and service	52
Trial and judgment	365
Enforcement of judgment	95
<b>Cost (% of claim value)</b>	<b>25.8</b>
Attorney fees	7.7
Court fees	8.1
Enforcement fees	10
<b>Quality of judicial processes index (0-18)</b>	<b>14.0</b>
Court structure and proceedings (-1-5)	5.0
Case management (0-6)	4.0
Court automation (0-4)	2.0
Alternative dispute resolution (0-3)	3.0

## Details – Enforcing Contracts in Romania – Measure of Quality

	Answer	Score
<b>Quality of judicial processes index (0-18)</b>		<b>14.0</b>
<b>Court structure and proceedings (-1-5)</b>		<b>5.0</b>
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	Yes	1.5
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, automatic	1.0
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
<b>Case management (0-6)</b>		<b>4.0</b>
1. Time standards		1.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments		0.0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	n.a.	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	Yes	1.0
4. Is a pretrial conference among the case management techniques used before the competent court?	No	0.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	Yes	1.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	Yes	1.0
<b>Court automation (0-4)</b>		<b>2.0</b>
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	No	0.0

2. Is it possible to carry out service of process electronically for claims filed before the competent court?	Yes	1.0
3. Can court fees be paid electronically within the competent court?	Yes	1.0
4. Publication of judgments		0.0
4.a Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
<b>Alternative dispute resolution (0-3)</b>		<b>3.0</b>
1. Arbitration		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	
2. Mediation/Conciliation		1.5
2.a. Is voluntary mediation or conciliation available?	Yes	
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects?	Yes	
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	Yes	

## Resolving Insolvency

Doing Business studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, Doing Business uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit.

The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

### What the indicators measure

#### Time required to recover debt (years)

- Measured in calendar years
- Appeals and requests for extension are included

#### Cost required to recover debt (% of debtor's estate)

- Measured as percentage of estate value
- Court fees
- Fees of insolvency administrators
- Lawyers' fees
- Assessors' and auctioneers' fees
- Other related fees

#### Outcome

- Whether business continues operating as a going concern or business assets are sold piecemeal

#### Recovery rate for creditors

- Measures the cents on the dollar recovered by secured creditors
- Outcome for the business (survival or not) determines the maximum value that can be recovered
- Official costs of the insolvency proceedings are deducted
- Depreciation of furniture is taken into account
- Present value of debt recovered

#### Strength of insolvency framework index (0- 16)

- Sum of the scores of four component indices:
- Commencement of proceedings index (0-3)
- Management of debtor's assets index (0-6)
- Reorganization proceedings index (0-3)
- Creditor participation index (0-4)

### Case study assumptions

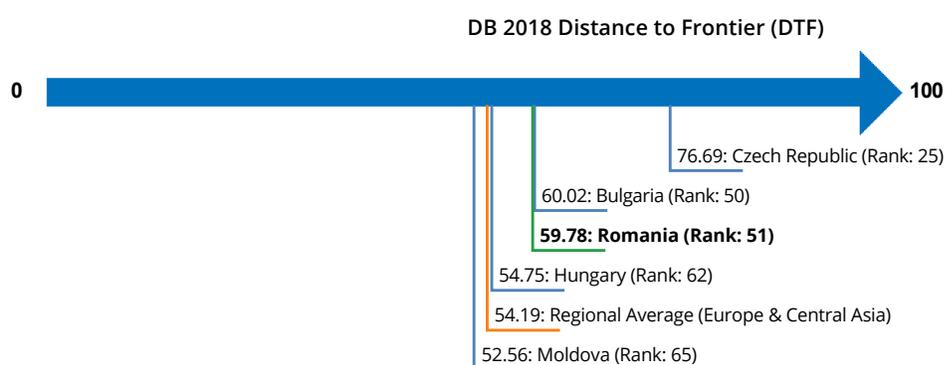
To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:

- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.
- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.
- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.

In addition, Doing Business evaluates the adequacy and integrity of the existing legal framework applicable to liquidation and reorganization proceedings through the strength of insolvency framework index. The index tests whether economies adopted internationally accepted good practices in four areas: commencement of proceedings, management of debtor's assets, reorganization proceedings and creditor participation.

Indicator	Romania	Europe & Central Asia	OECD high income	Overall Best Performer
Recovery rate (cents on the dollar)	35.6	38.0	71.2	93.1 (Norway)
Time (years)	3.3	2.3	1.7	0.4 (Ireland)
Cost (% of estate)	10.5	13.1	9.1	1.00 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0	..	..	..
Strength of insolvency framework index (0-16)	13.0	10.8	12.1	15.00 (6 Economies)

Figure – Resolving Insolvency in Romania and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their distance to frontier scores for resolving insolvency. These scores are the simple average of the distance to frontier scores for the recovery rate and the strength of insolvency framework index.

Figure – Resolving Insolvency in Romania – Time and Cost

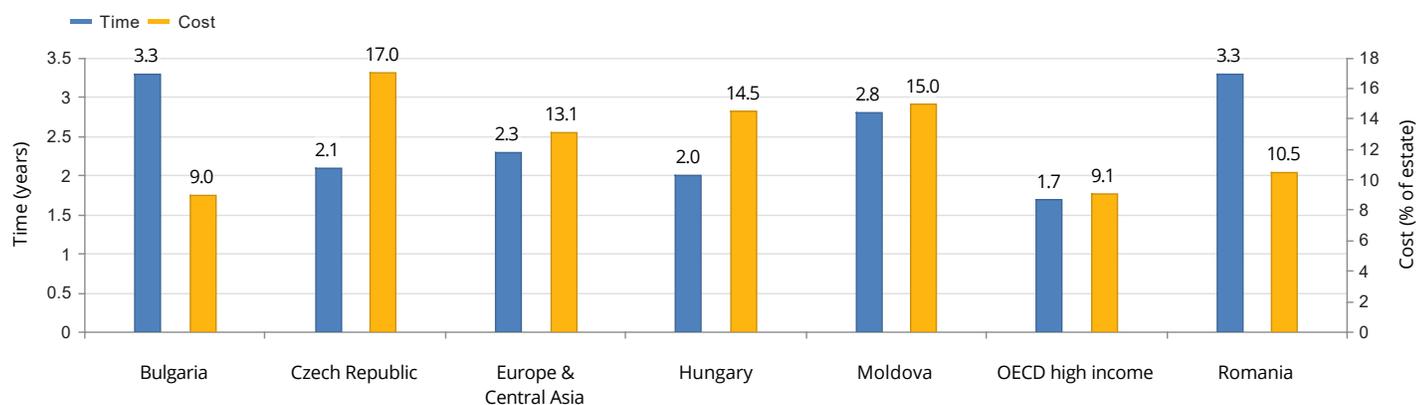


Figure – Resolving Insolvency in Romania and comparator economies – Measure of Quality

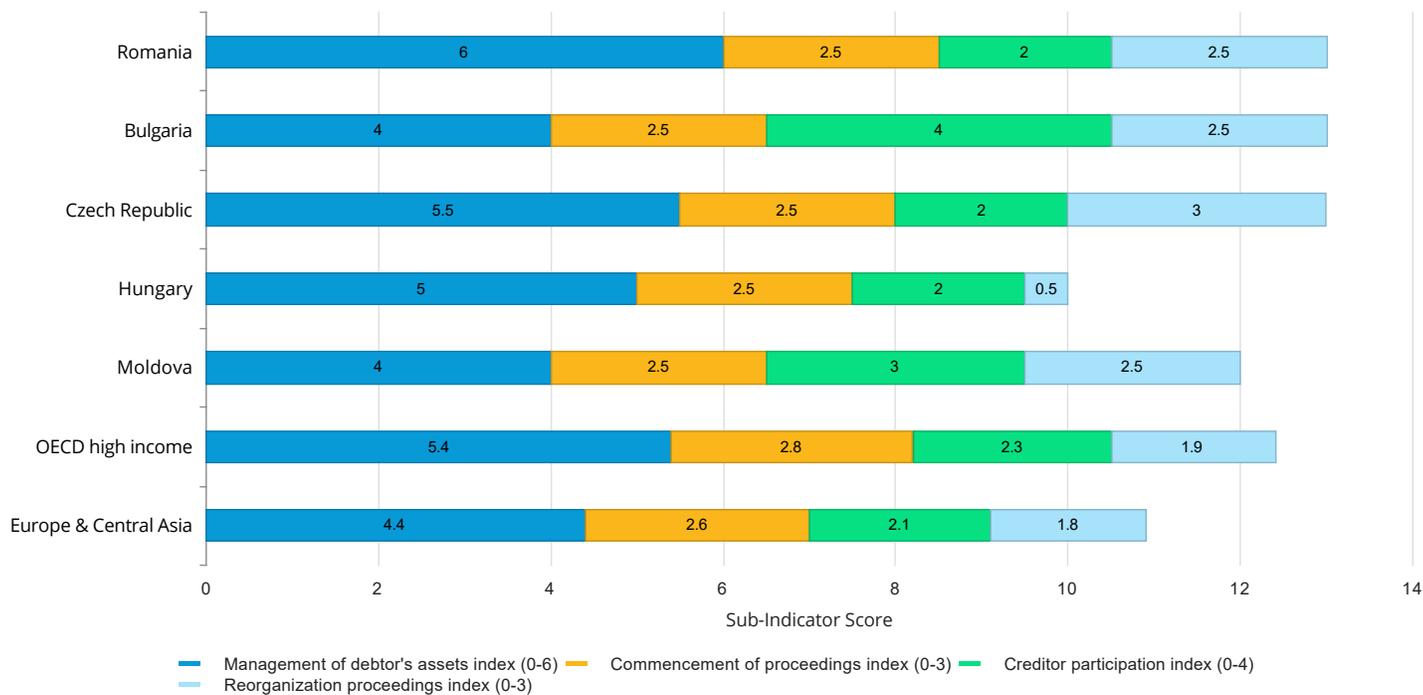
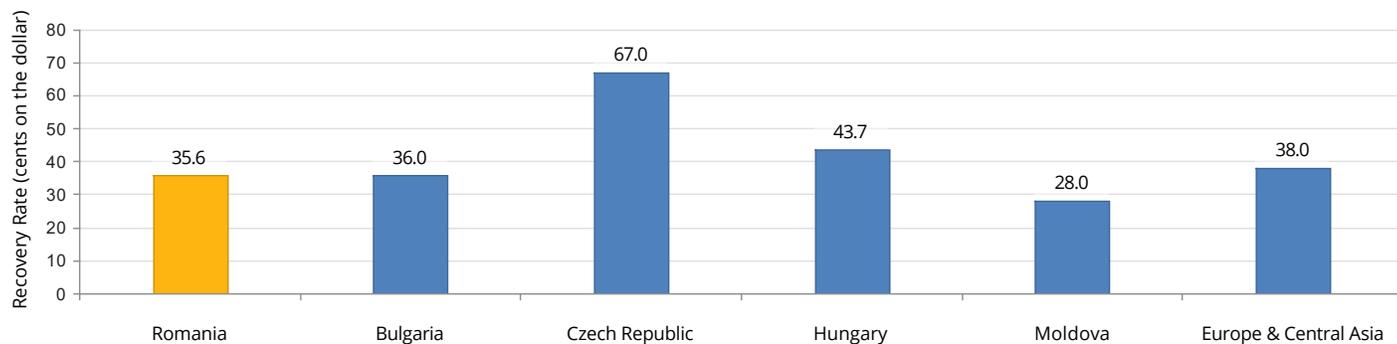


Figure – Resolving Insolvency in Romania and comparator economies – Recovery Rate



## Details – Resolving Insolvency in Romania

Indicator	Answer	Explanation
Proceeding	liquidation (after an attempt at reorganization)	According to the Romanian Insolvency Code (Law no. 85/2014), the procedure will start with an observation period, followed by reorganization and, if the reorganization fails, it will be followed by bankruptcy and liquidation. Article 66 para (1) of the Insolvency Code establishes the obligation for Mirage management to file for insolvency within 30 days of the occurrence of insolvency. At first, Mirage might propose a reorganization plan in order to benefit from the moratorium of all ongoing judicial proceedings involving its creditors and to renegotiate payment with creditor. However, reorganizations in Romania are rare and banks prefer liquidation. Given this context, according to Article 143 para. (1) of the Insolvency Code, if the debtor fails to comply with the reorganization plan or its activity brings losses, the judicial receiver or any of the creditors may request the syndic judge to approve the commencement of the bankruptcy and liquidation procedure against the debtor.
Outcome	piecemeal sale	The hotel will continue its current activity only during the observation period (art. 87 of Law 85/2014) and in the reorganization procedure according to the reorganization plan (art 141 (1) of Law 85/2014). If Mirage enters the bankruptcy/liquidation procedure, then the hotel will stop operating, as it is unlikely that a buyer can be found willing to purchase the hotel as a going concern and continue operating it.
Time (in years)	3.3	Insolvency proceedings last on average 3-5 years due to a large number of cases filed and delaying tactics used by the debtors to avoid liquidation of the company. Most statutory deadlines cannot be complied with in practice. The main procedural steps for the completion of the insolvency process for Mirage are: (i) the observation period (as of the opening of the insolvency proceedings and until the reorganization plan is approved or the bankruptcy proceedings are initiated) may take a maximum of 12 months (art. 112(3) of the Insolvency Code); (ii) reorganization may take 4 years after the confirmation of the plan, but this period may be extended (art. 139(5), Insolvency Code). After one year to one year and a half, the course of proceedings becomes apparent: either successful completion of reorganization (in very few cases), or the bankruptcy proceedings are initiated, (iii) liquidation may take 9 months to 2.5 years, depending on the nature and quantity of the debtor's assets to be capitalized on.
Cost (% of estate)	10.5	The cost of proceedings will amount to approximately 10.5%. The major expenses will include fees of the insolvency representative (around 8%) and attorneys' fees (around 2%). Other expenses are minimal.
<b>Recovery rate (cents on the dollar)</b>		<b>35.6</b>

## Details – Resolving Insolvency in Romania – Measure of Quality

	Answer	Score
<b>Strength of insolvency framework index (0-16)</b>		<b>13.0</b>
<b>Commencement of proceedings index (0-3)</b>		<b>2.5</b>
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(b) Yes, but a creditor may file for liquidation only	0.5
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework?	(a) Debtor is generally unable to pay its debts as they mature	1.0
<b>Management of debtor's assets index (0-6)</b>		<b>6.0</b>
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	Yes	1.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	Yes	1.0
Does the insolvency framework assign priority to post-commencement credit?	(b) Yes over ordinary unsecured creditors but not over secured creditors	1.0
<b>Reorganization proceedings index (0-3)</b>		<b>2.5</b>
Which creditors vote on the proposed reorganization plan?	(a) All creditors	0.5
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	Yes	1.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	Yes	1.0
<b>Creditor participation index (0-4)</b>		<b>2.0</b>

Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	Yes	1.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0

**Note:** Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice".

## Labor Market Regulation

Doing Business presents the data for the labor market regulation indicators in an annex. The report does not present rankings of economies on these indicators or include the topic in the aggregate distance to frontier score or ranking on the ease of doing business. Detailed data collected on labor market regulation are available on the Doing Business website (<http://www.doingbusiness.org/data/exploretopics/labor-market-regulation>).

The most recent round of data collection was completed in June 2017. [See the methodology for more information.](#)

### What the indicators measure

#### Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the probationary period; (iv) minimum wage.

#### Working hours

(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) whether nonpregnant and nonnursing women can work same night hours as men; (v) length of paid annual leave.

#### Redundancy rules

(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

#### Redundancy cost

(i) notice period for redundancy dismissal; (ii) severance payments due when terminating a redundant worker.

#### Job quality

(i) whether law mandates equal remuneration for work of equal value and nondiscrimination based on gender in hiring; (ii) whether law mandates paid or unpaid maternity leave; (iii) length of paid maternity leave; (iv) whether employees on maternity leave receive 100% of wages; (v) availability of five fully paid days of sick leave a year; (vi) eligibility requirements for unemployment protection.

### Case study assumptions

To make the data comparable across economies, several assumptions about the worker and the business are used.

#### The worker:

- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.
- Is a full-time employee.
- Is not a member of the labor union, unless membership is mandatory.

#### The business:

- Is a limited liability company (or the equivalent in the economy).
- Operates a supermarket or grocery store in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Has 60 employees.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.

## Details – Labor Market Regulation in Romania

	Answer
<b>Hiring</b>	
Fixed-term contracts prohibited for permanent tasks?	Yes
Maximum length of a single fixed-term contract (months)	36.0
Maximum length of fixed-term contracts, including renewals (months)	60.0
Minimum wage applicable to the worker assumed in the case study (US\$/month)	365.7
Ratio of minimum wage to value added per worker	0.3
Maximum length of probationary period (months)	3.0
<b>Working hours</b>	
Standard workday	8.0
Maximum number of working days per week	5.0
Premium for night work (% of hourly pay)	25.0
Premium for work on weekly rest day (% of hourly pay)	100.0
Premium for overtime work (% of hourly pay)	75.0
Restrictions on night work?	No
Whether nonpregnant and nonnursing women can work the same night hours as men	Yes
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	20.0
Paid annual leave for a worker with 5 years of tenure (working days)	20.0
Paid annual leave for a worker with 10 years of tenure (working days)	20.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	20.0
<b>Redundancy rules</b>	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	No
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	No
Third-party approval if nine workers are dismissed?	No

Retraining or reassignment obligation before redundancy?	No
Priority rules for redundancies?	Yes
Priority rules for reemployment?	Yes
<b>Redundancy cost</b>	
Notice period for redundancy dismissal for a worker with 1 year of tenure	4.0
Notice period for redundancy dismissal for a worker with 5 years of tenure	4.0
Notice period for redundancy dismissal for a worker with 10 years of tenure	4.0
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	4.0
Severance pay for redundancy dismissal for a worker with 1 year of tenure	0.0
Severance pay for redundancy dismissal for a worker with 5 years of tenure	0.0
Severance pay for redundancy dismissal for a worker with 10 years of tenure	0.0
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	0.0
<b>Job quality</b>	
Equal remuneration for work of equal value?	Yes
Gender nondiscrimination in hiring?	Yes
Paid or unpaid maternity leave mandated by law?	Yes
Minimum length of maternity leave (calendar days)?	126.0
Receive 100% of wages on maternity leave?	No
Five fully paid days of sick leave a year?	Yes
Unemployment protection after one year of employment?	Yes
Minimum contribution period for unemployment protection (months)?	12.0

## Business Reforms in Romania

In the year ending June 1, 2017, 119 economies implemented 264 total reforms across the different areas measured by Doing Business. Doing Business has recorded more than 2,900 regulatory reforms making it easier to do business since 2004. Reforms inspired by Doing Business have been implemented by economies in all regions. The following are the reforms for Romania implemented since Doing Business 2008.

✓ = Doing Business reform making it easier to do business. ✗ = Change making it more difficult to do business.

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DB2018

✓ **Registering Property:** Romania improved the quality of land administration by digitizing ownership and land records.

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DB2017

✗ **Starting a Business:** Romania made starting a business more difficult by increasing the time to register for Value Added Tax.

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DB2016

✓ **Paying Taxes:** Romania made paying taxes less costly for companies by reducing the rate for social security contributions and the rate for accident risk fund contributions paid by employers.

✓ **Enforcing Contracts:** Romania made enforcing contracts easier by transferring some enforcement responsibilities from the court to the bailiff, by making it easier for the bailiff to obtain information from third parties and by making use of the electronic auction registry mandatory.

✓ **Resolving Insolvency:** Romania improved its insolvency system by introducing time limits for the observation period (during which a reorganization plan must be confirmed or a declaration of bankruptcy made) and for the implementation of the reorganization plan; by introducing additional minimum voting requirements for the approval of the reorganization plan; and by clarifying rules on voidable transactions and on payment priority for claims of post-commencement creditors.

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DB2015

✓ **Paying Taxes:** Romania made paying taxes easier for companies, with the majority now using the electronic system for filing and paying taxes.

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DB2014

✓ **Starting a Business:** Romania made starting a business easier by transferring responsibility for issuing the headquarters clearance certificate from the Fiscal Administration Office to the Trade Registry.

✓ **Paying Taxes:** Romania made paying taxes easier and less costly for companies by reducing the payment frequency for the firm tax from quarterly to twice a year and by reducing the vehicle tax rate.

✓ **Enforcing Contracts:** Romania made enforcing contracts easier by adopting a new civil procedure code that streamlines and speeds up all court proceedings.

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DB2013

✓ **Starting a Business:** Romania made starting a business easier by reducing the time required to obtain a clearance certificate from the fiscal administration agency.

✓ **Getting Credit:** Romania strengthened its legal framework for secured transactions by allowing the automatic extension of security interests to the products, proceeds and replacement of collateral.

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DB2012

✗ **Starting a Business:** Romania made starting a business more difficult by requiring a tax clearance certificate for a new company's headquarters before company registration.

✓ **Paying Taxes:** Romania made paying taxes easier for companies by introducing an electronic payment system and a unified return for social security contributions. It also abolished the annual minimum tax.

✓ **Resolving Insolvency:** Romania amended its insolvency law to shorten the duration of insolvency proceedings.

**Labor Market Regulation:** Romania increased the maximum duration of fixed-term contracts and also decreased the severance pay applicable in case of redundancy dismissal of employees.

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DB2011

✓ **Dealing with Construction Permits:** Romania amended regulations related to construction permitting to reduce fees and expedite the process.

× **Paying Taxes:** Romania introduced tax changes, including a new minimum tax on profit, that made paying taxes more costly for companies.

✓ **Resolving Insolvency:** Substantial amendments to Romania's bankruptcy laws—introducing, among other things, a procedure for out-of-court workouts—made dealing with insolvency easier.

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DB2010

× **Dealing with Construction Permits:** Romania made dealing with construction permits more costly by introducing a new fee.

✓ **Registering Property:** Romania speeded up property registration by introducing expedited procedures at the land registry and the cadastre.

× **Paying Taxes:** Romania made paying taxes more costly for companies by increasing labor taxes.

× **Resolving Insolvency:** Romania made resolving insolvency more difficult by requiring that a percentage of recovered amounts be transferred to a fund for reimbursing the expenses of insolvency administrators in cases where the debtor has no assets.

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DB2009

× **Paying Taxes:** Romania made tax compliance more time consuming for companies by introducing mandatory accounting books—though at the same time it made paying taxes less costly by reducing the corporate income tax rate.

✓ **Enforcing Contracts:** Romania made the enforcement of judgments simpler and faster by eliminating the need for an enforcement order and allowing the attachment of credit balances and accounts receivable.

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DB2008

× **Starting a Business:** Romania made starting a business more difficult by implementing several laws that added to the procedures and time required.

✓ **Getting Credit:** Romania strengthened its secured transactions system by introducing provisions allowing parties to a security agreement to agree to out-of-court enforcement of the security right when signing the agreement.

✓ **Paying Taxes:** Romania made paying taxes less costly for companies by reducing employers' social security contribution rate.

**Labor Market Regulation:** Romania increased the severance payments applicable in redundancy dismissals.

*Doing Business 2018* is the 15th in a series of annual reports investigating the regulations that enhance business activity and those that constrain it. The report provides quantitative indicators covering 11 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.



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