

Law on the clarification of the legal status of shares traded on RASDAQ or the Unlisted Market

28 October 2014

In brief

Law no. 151, dated 22 October 2014, regarding the legal status clarification of shares traded on the RASDAQ Market or on the Unlisted Market (“**the Law**”) was published in Official Gazette no. 774, dated 24 October 2014.

In detail

The main provisions of the Law for implementing Law no.297/2004 regarding the capital market and Directive 2004/39/EC on markets in financial instruments are:

1. **Within 120 days** of the entry into force of the Law, the board of directors / management board of companies listed on RASDAQ or the Unlisted Market are obliged to convene and undertake the actions necessary for holding the Extraordinary General Meeting of the Shareholders (“**EGMS**”)
2. The purpose of that EGMS is to decide to undertake the required formalities in order to admit to trading the company’s shares either on the regulated market or on an alternative trading system.
3. The shareholders **are entitled to withdraw from the company**, pursuant to Law no. 31/1990 (within a term of **90 days**), in any of the following scenarios:
 - (a) the EGMS decides that the company **will not** undertake any formalities for its admission to trading on a regulated market or on the alternative trading system;
 - (b) the EGMS cannot be held due to failure to meet legal conditions regarding the quorum;
 - (c) the EGMS cannot pass a decision due to failure to meet the required voting majority;
 - (d) the EGMS is not held within the 120-day term; or
 - (e) the Financial Supervision Authority (“**FSA**”) does not approve the admission to trading on the regulated market or the alternative trading system.
4. The provisions under point 3 above do not apply to companies traded on the Unlisted Market.
5. If the EGMS approves the transfer of the shares to a regulated market authorised by the FSA, the company is obliged to deliver the relevant prospectus to the FSA, within 90 days of the EGMS decision, for approval by the FSA.
6. The following are deemed misdemeanours and subject to FSA sanctions of fines between RON 5,000 and 100,000:
 - (a) failure to observe the deadline provided under item 1 above; and

(b) breach of the provisions under item 5.

7. The RASDAQ Market and the Unlisted Market will, by effect of the law, cease their activities

within 12 months following entry into force of this Law.

8. The Law enters into force on 27 October 2014

[Source: Romanian Official Gazette no. 774 of 24 October 2014]

The takeaway

Companies listed on RASDAQ or on the Unlisted Market have 120 days to decide with regard to the transfer of their shares to a regulated market or to an alternative trading system.

Let's talk

For a deeper discussion of how this issue might affect your business, please contact:



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