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Business activities may be carried out in Romania by legal entities or by authorized individuals. There are several legal structures available for investors wishing to set up companies in Romania, but the most frequent types of companies of choice for investors are joint stock companies and limited liability companies, which both offer to shareholders a limitation on their liability, they being solely responsible for paying up the value of the shares they have contributed. The principle of limitation of liability can only be defeated in case of liquidation of the company, in case the relevant shareholder had defrauded the creditors, by abusing of the limitation of its liability and of the distinct personality of the company, or in case of insolvency proceedings.

Although the general rule is that the legal form of the company may be freely chosen by its founders, certain business activities may be conducted only by companies having a certain legal form (e.g. insurance activities or banking activities may be carried out only by joint stock companies).

Moreover, from the corporate perspective, only companies set up in the form of a joint stock company may access the capital market. The main corporate aspects of the joint stock companies are highlighted below. [...]

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