

Image not found or type unknown

Published in: Law Business Research Ltd. (<http://www.TheLawReviews.co.uk>)
Written by: Silvana Ivan and Olga Cob?sneanu
Article link: [pdf/en/articles/Corporate_Governance_Review___Romania___2016.pdf](/web/pdf/en/articles/Corporate_Governance_Review___Romania___2016.pdf)
Publisher:

Law No. 31/1990 on companies, republished in 2004 and further amended and completed (the Companies Law) and the Capital Market Law No. 297/2004, as further amended and completed (the Capital Market Law), represent the primary sources of law relating to the corporate governance of listed companies in Romania. In addition, as an independent state agency, the securities regulator, the Financial Supervisory Authority (ASF) may issue legally binding regulations and other secondary enactments. Furthermore, Government Emergency Ordinance No. 109/2011 concerning the corporate governance of public enterprises (GEO No. 109/2011) sets out specific statutory rules for the corporate governance of enterprises controlled by the Romanian State (a significant number of the targeted companies that are listed on the Romanian regulated markets or that are envisaged for listing in the near future). The Bucharest Stock Exchange (BSE), historically Romania's most important regulated market, has adopted the Corporate Governance Code (BSE Code), which sets forth the principles and recommendations for the corporate governance of companies listed on the regulated market operated by the BSE. The BSE also established the Corporate Governance Institute in 2003, whose aim is to raise Romania's managerial culture to international standards and encourage companies to comply with the OECD Principles of Corporate Governance. The entering into force of the new BSE Code has many investors hoping that the practices of the listed companies will align to its provisions (which are largely regarded as positive and necessary for a prudent and efficient management of a company) and thus the corporate behaviour of the Romanian issuers should determine a higher degree of transparency and efficiency. Nevertheless, it remains to be seen to what extent the new code will indeed bring the longed-for changes. The BSE also wishes to create a corporate governance index, in an effort to highlight those companies that demonstrate high corporate governance standards and encourage other listed companies to improve their practices. To summarise, corporate governance is in the spotlight in Romania. Following the successful IPOs of important state-owned companies, the restructuring of the capital market (including the closing of the RASDAQ market) and with the continued support of the International Monetary Fund, the EBRD and other international institutional lenders, the Romanian authorities and market operators appear to have understood that the creation of a reliable capital market, backed by the observance of solid corporate governance rules, may be key to economic success.

To read the entire article, please download the .pdf attached.