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PLC Cross-border Labour and Employee Benefits 2008/09 Volume 2: Employee Share Plans (<http://www.practicallaw.com/2-382-7624>)
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Article link: /web/pdf/en/articles/PLC_Cross_border_Labour_and_Employee_Benefits_Andreea_Ionescu_Serban_Paslaru
Publisher: <http://www.practicallaw.com/labourhandbook#> Practical Law Company

Main characteristics. As there are no specific regulations concerning share option plans, companies that implement these plans usually tailor their provisions to comply with similar plans in their home jurisdictions. A company usually grants its employees options to acquire a specific number of shares in the company at a price pre-determined by the employer. The price can be set according to the nominal or market value of the shares, or on a different basis. When the employees exercise their options, they receive the shares in exchange for the pre-determined price. The employer's shareholders must approve the share option plan in a shareholders' general meeting before the plan is introduced (Companies Law). This condition only applies to Romanian companies.

Types of company. Any joint stock company (that is, a company with a minimum share capital of RON90,000 (about US\$38,810) and a minimum of two shareholders) can offer share options to its employees. In addition, limited liability companies (companies with a minimum share capital of RON200 (about US\$90)) sometimes implement share option plans. However, under Romanian law the maximum number of shareholders in a limited liability company cannot exceed 50.

Popularity. The popularity of share option plans has increased over the last few years, especially after Romania's accession to the EU.

Discretionary/all-employee. Share option plans are usually offered only to employees occupying management positions. However, there is no restriction on offering share option plans to other categories of employees. The employer can select a category of employees to whom the share option plan is addressed. Still, the different treatment of employees that belong in the same category and that make the same contribution to the company's results may be considered to be discrimination and sanctioned in accordance with the law.

Maximum value of shares. There are no legal provisions specifying a maximum value of shares over which options can be granted.

Market value. There are no legal provisions concerning the exercise price.

Tax/social security. The grant of a share option is not subject to income tax or other taxes or social security contributions.

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