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Published in: Law Business Research Ltd. (<http://www.TheLawReviews.co.uk>)
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Article link: [pdf/en/articles/The_Corporate_Governance_Review_Romania_2014.pdf](/web/pdf/en/articles/The_Corporate_Governance_Review_Romania_2014.pdf)
Publisher:

The Law No. 31/1990 on trading 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 agency the securities regulator, the Financial Supervisory Authority (ASF) may issue legally binding regulations. 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, which sets forth the principles and recommendations for the corporate governance of companies listed on the BSE. The Code is inspired by the OECD Principles of Corporate Governance. The Code may be voluntarily adopted by the companies listed on the BSE. According to the BSE Corporate Governance Code, however, the shares of a listed company may be maintained on the market's Tier I subject to the issuer's statement that it has observed at least 14 of the 19 principles of the Code in the last calendar year. In addition, the shares of a listed company may be promoted from the market's Tier II to Tier I subject to a similar statement (among other requirements). Currently, there are 29 listed companies whose shares are ranked in Tier I. 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. As regards Board structure and practices, Romanian company law calls for a one-tier or two-tier board structure. In a one-tier structure, the management of the company is entrusted to a board of directors. The board of directors is obliged to delegate the management of the company to one or several executive officers (managers) and to appoint a general manager (also called the chief executive officer). The managers may, in their turn, sub-delegate specific and limited prerogatives (to team leaders, chiefs of units, etc.). The managers may also be appointed from among the members of the board of directors. Certain prerogatives of the board may not however be delegated to the executive officers.

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