Business practice and Etiquette

- Standard office hours: 9.00 am – 6.00 pm
- Appointments should be arranged several days in advance
- Romanians are not very pro-active and have a low understanding of business practices
- Business cards are welcomed
- Personal questions about income, occupation and background is considered rude
- The common greeting is a brief handshake
- Business attire is formal
Do’s and don’ts

- Do expect business dealings to take a long time
- Do enquire in advance about which language will be used
- Do provide background information and detailed facts and figures
- Don’t expect meetings to be a time for brainstorming and discussion
- Don’t inquire too deeply into a Romanian’s background or personal life until establishing a relationship
- Don’t underestimate Romanian tendency to take a direct approach
Setting up a Business

Legal Framework

- Commercial Register Law
- Company Law
- Competition Law
Types of Business

- Limited Liability Company
- Joint Stock Company
- General Partnership
- Limited Partnership
- Limited Partnership in Shares
- Branches and Subsidiaries of a foreign company
Starting a Business in Romania

- Company name's reservation certificate
  - 1 day
  - 56 RON

- The banking document confirming the social capital of the company
  - 1 day
  - Bank commission 0 – 0.5% of capital

- The fiscal record for the company associates and the legal representatives
  - 1 day
  - 20 RON

- Register with the Unique Office (Biroul Unic) of trade registry Registrul Comertului
  - 3 days
  - 300 RON

- Register for VAT
  - 3 days
  - No charge

- Register the employees with the Territorial Labour Inspectorate
  - 1 day
  - No charge
What are the time, total tax rate and number of payments necessary for a local medium sized company to pay all taxes?

**28 days per year**
To prepare, file and pay VAT or sales tax, profit tax and labour taxes and contributions

**44.9%**
Total tax rate
% of profit before all taxes

**113**
Number of payments
(per year)
Working conditions

- Mandatory labour contract
- Minimum gross salary
  - 157 Euro for unqualified
  - 285 Euro for people with higher education
- The standard working week is 5 days, 8 hours per day
- The maximum working time can not exceed 48 hours per week – overtime is paid 100 % of the gross salary or with free time
- Employees are entitled to statutory holidays, paid leave for special occasions and to 21 days annual paid vacation.
SWOT Analysis

**Strengths**
- Favorable geographic position
- Natural resources
- Cheaper labour costs

**Weaknesses**
- Inadequate and degraded transport infrastructure
- Risen long-term unemployment rate between youth and adults
- Corruption

**Opportunities**
- Joining the Euro-zone by 2015
- EU funds available for infrastructure development and competence building
- Historical good relations and market access to Middle-East and Far-East countries

**Threats**
- Brain drain
Look out for…

- Inconsistent legislation with frequent changes
- Corruption
- State pressure on the private sector