

## Romanian government clarifies two-year restrictions on selling participations in Romanian companies

**On 16 August, Law no. 173 entered into force, prohibiting any sale of participations held by the Romanian state in national companies, banks, or other companies in which the state is a shareholder, irrespective of the ownership percentage, for the next two years. (More information can be found here).**

The provisions of Law no. 173 have now been amended by the Romanian Government through Government Emergency Ordinance no. 166, which clarifies the extent of these restrictions. Pursuant to the amendments, the following clarifications were brought:

- Privatisation in accordance with the applicable laws will not be restricted;
- Only shares held in joint-stock companies are restricted, allowing the transfer of participation in the share capital of other types of companies;
- There are no restrictions for a transfer of business or assets of state-owned companies.

As previously mentioned, any related legislative changes should be closely monitored to determine the impact of these restrictions on on-going and future M&A processes.

*For further information on this law and state ownership in Romanian companies, contact your regular CMS advisor or local CMS experts: **Rodica Manea** and **Claudia Nagy**.*