



Romania - Civil Law (French)

★ Incorporate Now

📞 Consultation

Click request a call for a free, no obligation consultation.
In a hurry? Click incorporate now, and startup your company immediately.

Incorporating a company in Romania

Romania taxes

Want to setup a company in Romania? Reading this will help you becoming knowledgeable on the specific tax laws and rates for a LLC (SRL) which is the most common company type in Romania.

Romania taxes resident entities on their worldwide income. The usual tax rate for income earned abroad remitted back, from our research, and these things do change, is 16%. The country does not have major incentives to transfer in income earned abroad. Taxes are lower than average in Romania because the highest corporation tax rate is 16%. This ranks Romania as 57th overall in terms of corporate tax rate worldwide.

The value added tax (VAT) rate is 19.00%, that ranks Romania as 127th overall with regards to value added tax rate worldwide. In terms of other taxation, an employer will contribute 27.45% to the equivalent of a social security fund and an employee will contribute 16.50%. The overall complexity of the tax system is medium. This is measured by average time to comply with a country's labor tax requirements is as it is 80hours. Contributing to this is the number of yearly labor tax payments, which is 1 in RO.

Thin capitalisation mandates are officially enacted. This refers to any type of requirements on given company with respect to debt-to-asset ratios.

Dividends paid by a resident entity are subject to a final 5% withholding tax. Dividends received from a foreign company are usually subject to corporate income tax, unless dividends are paid by a EU resident entity or from a country that has concluded a tax treaty with Romania, and shareholder holds at least 10% of the share capital. A dividend is a distribution of a portion of a company earnings, passed by the board of directors, to shareholders. Dividends can be issued as stock, cash, or property.

Capital Gains are subject to Corporate Income Tax. However, an exemption may apply, for the gains from the disposal of shares, if the recipient holds at least 10% of share capital and company is resident or from a EU member state or from a country that has concluded a tax treaty with Romania. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells a capital asset for a price that is higher than the purchase price.

The interest withholding tax rate is estimated at 16%. Which means that the relevant tax authorities expects LLC (SRL)'s to withhold 16% of interests paid abroad. The dividends withholding tax rate is 5%. This should be interpreted that the relevant tax authorities expects legal entities to pay tax on 5% of dividends remitted abroad. The royalties withholding tax rate is 16%. This means that the taxman expects relevant legal entities to withhold 16% of royalties paid to non-residents. Payments to EU resident companies may be exempted if certain requirements are met. Withholding tax rates may be reduced under a tax treaty.

There is no known tax on wealth in Romania. There are no known inheritance and transfer taxes in Romania. There is a real property tax. We are aware of widely used R&D initiatives that provide breaks on taxation in this country.

The above is not tax or legal advice for your company circumstances. We can point you to an accountant in Romania who can answer all your questions. Want to work together? Click the free consultation button above.

The vat rate in Romania is 19% which ranks 127 in the world.

- ✓ **Patent box**
- ✓ **RND credit**
- ✗ **Wealth tax**
- ✓ **Estate tax**
- ✗ **Transfer taxes**
- ✗ **Asset taxes**

- 81 Tax treaties**
- 16% Offshore Tax**
- 16% Corp rate**
- Loss carryback years**
- 25 Corporate time**
- 19% VAT rate**

Romania Legalese

When incorporating, you must look at the law in the country, in Romania is civil law (french) law. You will want to get some local advice as to how to best structure a company in Romania. One is permitted to electronically sign documents.

The country code RO is for Romania and the most common company type type in Romania is a LLC (SRL).

The time to setup is usually 2 Weeks to setup a LLC (SRL) in RO. The types of consideration you can use to setup your legal entity is often EUR and ANY legal currency.

Yes, one is allowed to re-domicile a LLC (SRL) from RO. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least 1 shareholder. This makes it possible for you to own a LLC (SRL) in RO by yourself. Corporate Shareholders are permitted, which means you can have a legal entity as a shareholder. Foreign ownership is permitted, up to % of the total shareholding.

A legal entity is only required to have one director. Furthermore, corporate directors are permitted. Directors should not expect to be private, as they are disclosed. There is a requirement to have annual meetings of shareholders.

A registered legal firm must be retained for an address, paid by the company on an annual basis, for an agent which can receive any official legal correspondance on behalf of the company. Moreover, a company secretary is not always necessary, at least not by law.

There is a not a requirement to file annual returns. This won't exempt the business or its owners from additional tax or reporting obligations elsewhere and one would be wise to pay for personal advice on their unique situation. On that note, there is oftentimes a requirement to have these accounts audited.

Overall we think Romania is a ok option and have given it a score of 65 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ **Directors not disclosed in a public registry**
- ✗ **Shareholders not disclosed in a public registry**
- ✓ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✓ **Corporate director permitted**
- ✗ **Local Secretary not required**
- ✗ **Local Director not required**
- ✓ **Electronic signature**

- 1 **Shareholders required**
- 1 **Directors required**
- 2 Weeks **to form**



ROMANIA

Romania - Civil Law (French)

[★ Incorporate Now](#)[☎ Consultation](#)

Click request a call for a free, no obligation consultation.
In a hurry? Click incorporate now, and startup your company immediately.

Country Info



🏴󠁧󠁢󠁥󠁮󠁧󠁿 National Flag of

România (ron)

\$ Currency

RON

☎ Area Code

+40

🏛 Capital

Bucharest

✈ Region

Eastern Europe

🗣 Native Languages

Romanian