

NEW CROPS Policy and Regulation Questionnaire / Report

ROMANIA

ORGANISATIONAL LAW AND POLICY ASPECTS OF COOPERATIVES AND SE	
1	General legal form for cooperatives and SE
1.1	<p>Cooperatives: Briefly describe the legislation and business forms available for cooperatives in your country. Is there one single cooperative law? Or are they governed by type (credit, agriculture, consumer, worker, etc.)?</p> <p>Co-operatives (cooperative societies) are established and organized according to Law no. 1 of 21/02/2005 on the organization and operation of cooperation – which is valid for all types of cooperatives with the exception of credit cooperatives. According to the law mentioned, the co-operative is an autonomous association of physical and / or legal persons, as appropriate, established on the basis of their expressed consent thereto in order to promote the economic, social and cultural needs of cooperative members and is jointly owned and democratically controlled by its members in accordance with cooperative principles. Cooperative societies may be formed in two forms:</p> <ul style="list-style-type: none"> • Cooperative societies of 1st degree defined as a legal entity established by individuals and registered in accordance with law no. 1 of 2005; • Grade 2 cooperative societies defined as a legal entity made up of cooperative societies of 1st degree, mostly, and other natural or legal persons. <p>The law foresees the following types of cooperatives as associations of individuals</p> <ul style="list-style-type: none"> • <i>handicraft cooperative society</i> (worker cooperative) - associations of individuals who carry out joint production activities, trading goods, execution of works and provision of services. National organization representing craft businesses in Romania is the National Union of Handicraft Cooperative - UCECOM; • <i>consumer cooperative societies</i> - associations of individuals who carry out common activities in the supply cooperative members and third parties with products that they buy produce and activity of providing services to their members and cooperators to third parties. In Romania, consumer cooperatives are represented by the National Union of Consumer Cooperatives CENTROCOOP; • <i>marketing cooperative societies</i> - associations of individuals who are considered in order to capitalize on their own or acquired products through direct distribution or direct processing and distribution; • <i>agricultural cooperative</i> - association of individuals which is aiming to exploit the common agricultural areas owned by cooperative members, to conduct joint land reclamation works, using shared machines and systems and capitalize agricultural products; • <i>housing cooperative society</i> - associations of individuals who represent order to build, buy, preserve, renovate and manage cooperative housing for their members; • <i>fishermen cooperative societies</i> - Associations of individuals who represent order to establish fish farms and aquaculture, to produce, repair, maintain and purchase equipment, machinery, installations, fishing boats, and fish, process and distribute fishing products; • <i>transport cooperative societies</i> - associations of individuals who are considered in order to achieve transport activities and their related activities for cooperative members and others, to improve the technical and economical transport operations carried out by members of cooperatives; • <i>forestry cooperative society</i> - associations of individuals that is aiming to set up, operate, regenerate and protect forest owned by the cooperative members, taking into account the conditions of Forestry; • <i>Other forms of cooperatives</i> that will be in compliance with the Law no. 1/2005. <p>Credit Cooperatives which operate on the basis of a special law (cf. OUG 99/2006) are</p>

	<p>credit institutions constituted as an autonomous association of persons united voluntarily in order to fulfill their needs and common economic, social and cultural aspirations. They operate on the principle of mutual help among cooperative members. With few exceptions, credit coops can perform most activities they may perform any other lender: accept deposits or other repayable funds from their members, as well as from individuals, businesses or other entities residing, or working or having registered office and carrying out activities in the area of operation of the credit cooperative. Cooperative Bank operate on territorial principle - they do not compete with each other.</p> <p>Also In Romania, we have agricultural cooperatives governed by two laws, namely: Law 566/2004 - agricultural cooperatives law that regulates agricultural cooperatives sector only and framework Law on cooperation 1/2005. According to Law 566 an agricultural cooperative is an association of individuals aiming to jointly exploit the agricultural lands owned by cooperative members, to conduct joint mechanical services to members using shared machines and systems and marketing of agricultural products.</p>
1.2	<p>SE: Is there a legal definition of “social enterprise” (or similar term) in your country? Describe the legislation on SE. Which legal business forms are available for SE (i.e. non-profit, association, foundation, special legal form for cooperatives and social enterprises) ?</p>
	<p>Since 2015 with the adoption of Law 219/2015 on social economy we have a legal definition of the social enterprise as legal entity certified by regional labor office as fulfilling the following criteria:</p> <ul style="list-style-type: none"> • acting in a social and / or general interest of the community; • allocating at least 90% of the profit for a social purpose and/or statutory reserve; • undertaking to transfer the assets remaining after liquidation to one or more social enterprises; • applying social equity principle among employees, ensuring fair wage levels, differences not exceeding a ratio of 1:8. <p>They can take the following legal forms: cooperative societies, credit cooperatives, associations and foundations, credit unions, agricultural societies, all other legal persons that according to their statutory documents respect the social economy principles stipulated in the Law namely:</p> <ol style="list-style-type: none"> a) priority to the individual and the social objectives to increasing profit; b) solidarity and collective responsibility; c) convergence of interests associated members and the general interest and / or interests of a community; d) democratic control of the members of activities carried out e) voluntary and free of association in the forms specific to the social economy; f) distinct legal personality, autonomous management and independence from public authorities; g) the allocation of most of profit / financial surplus for the achievement of general interest or in the non-patrimonial interest of member.
1.3	<p>Which legal business form is most frequently used?</p>
	<p>i) for cooperatives – cooperative is a separate legal business form in the Romanian legal system; ii) for SE The attestation process has not started yet, therefore in Romania there is no officially recognized social enterprise.</p>
1.4	<p>Does the national law force the use one or more specific legal business forms for cooperatives and SE? If so, how and in what way?</p>
	<p>i) for cooperatives – the cooperative is a specific legal form – see above ii) for SE</p>

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1.5	Does the national law actively stimulate the use of a specific legal business form for cooperatives and SE, and if so, in what way? (eg. subsidies, promotion, tax advantages, etc.)																																																																								
	<p>i) for cooperatives Cooperatives have very little facilities from the state – there is one SME funding/grants /subsidies program dedicated to cooperatives and crafts</p> <p>ii) for SE SE in Romania is a label given irrespective to the legal form to legal entities that respect social economy principles – in the current legal framework these exclude for-profit companies. – see 1.2</p> <p><u>Social enterprises providing social services</u> may <u>apply for property tax exemption on land and buildings to local councils</u>. These may grant them exemption from property tax on land and on buildings. In addition work integration social enterprises which receive social label are by law exempt from property tax on land and buildings owned or used.</p> <p>Starting with next year social enterprises may apply in one of the programs of subsidies for SMEs – one of 5 SME programs is designed for this type of enterprises together with program for women or youth start-up for instance.</p>																																																																								
1.6	Are there relevant developments in and changes of the promotion/regulation/taxation of cooperatives and SE in the last 10 years? Please specify, citing particular promotion initiatives if possible.																																																																								
	<p>i) for cooperatives Proposed amendments in the Law on agriculture cooperatives under debate in Parliament.</p> <p>ii) for SE Adoption this year 2015 of the Law on social economy which includes social enterprises and work integration social enterprises. Adoption in 2014 of an amendment to the Law on SMES to include as one of the SME grants programme for category of social enterprises Adoption of some tax facilities for social enterprises and work integration social enterprises see 1.5 in the New Tax Code 2015</p>																																																																								
1.7	Provide data on number of cooperatives and SE, by type, number of employees/users/members, if possible.																																																																								
	<p>i) for cooperatives ii) for SE</p> <p>Table no.2: Indicators of social economy organizations in Romania in 2012</p> <table border="1"> <thead> <tr> <th>2012</th> <th>Number of active organizations</th> <th>Fixed assets (thousands RON)</th> <th>Revenues (thousands RON)</th> <th>No. of Employees</th> <th>Member (thousands)</th> </tr> </thead> <tbody> <tr> <td>Associations and foundations</td> <td>33,670</td> <td>7,198,847</td> <td>7,742,043</td> <td>76,902</td> <td>-</td> </tr> <tr> <td>Cooperatives, out of which:</td> <td>2,228</td> <td>1,122,805</td> <td>1,764,363</td> <td>31,428</td> <td>n.a.</td> </tr> <tr> <td>craft/worker cooperatives</td> <td>846</td> <td>599,352</td> <td>719,036</td> <td>22,082</td> <td>n.a.</td> </tr> <tr> <td>Consumer cooperatives</td> <td>940</td> <td>265,295</td> <td>571,711</td> <td>7,050</td> <td>n.a.</td> </tr> <tr> <td>Credit cooperatives</td> <td>86</td> <td>86,371</td> <td>156,339</td> <td>2,049</td> <td>n.a.</td> </tr> <tr> <td>Agricultural cooperatives</td> <td>356</td> <td>171,787</td> <td>317,277</td> <td>247</td> <td>n.a.</td> </tr> <tr> <td>Credit unions, out of which:</td> <td>2,767</td> <td>3,624,190</td> <td>589,143</td> <td>5,403</td> <td>3,028</td> </tr> <tr> <td>Credit unions of Pensioners</td> <td>198</td> <td>768,865</td> <td>159,879</td> <td>2,240</td> <td>1,811*</td> </tr> <tr> <td>Credit unions of Employees</td> <td>2,569</td> <td>2,855,325</td> <td>429,264</td> <td>3,163</td> <td>1,217**</td> </tr> <tr> <td>Commercial companies held by social economy organizations</td> <td>682</td> <td>1,971,666</td> <td>2,202,562</td> <td>17,394</td> <td>-</td> </tr> <tr> <td>Total</td> <td>39,347</td> <td>13,917,508</td> <td>12,298,111</td> <td>131,127</td> <td>-</td> </tr> </tbody> </table> <p>Source: INS 2012, other secondary data; processed by FDSC - IES</p> <p>* According to the data supplied by the National Federation Omenia of Credit Unions of Pensioners; IES estimates for unaffiliated organizations</p> <p>** According to the data supplied by the National Union of Credit Unions of Employees in Romania; IES estimates for unaffiliated organizations</p>	2012	Number of active organizations	Fixed assets (thousands RON)	Revenues (thousands RON)	No. of Employees	Member (thousands)	Associations and foundations	33,670	7,198,847	7,742,043	76,902	-	Cooperatives, out of which:	2,228	1,122,805	1,764,363	31,428	n.a.	craft/worker cooperatives	846	599,352	719,036	22,082	n.a.	Consumer cooperatives	940	265,295	571,711	7,050	n.a.	Credit cooperatives	86	86,371	156,339	2,049	n.a.	Agricultural cooperatives	356	171,787	317,277	247	n.a.	Credit unions, out of which:	2,767	3,624,190	589,143	5,403	3,028	Credit unions of Pensioners	198	768,865	159,879	2,240	1,811*	Credit unions of Employees	2,569	2,855,325	429,264	3,163	1,217**	Commercial companies held by social economy organizations	682	1,971,666	2,202,562	17,394	-	Total	39,347	13,917,508	12,298,111	131,127	-
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	<p>As there are still not certified social enterprises we can consider that the association and foundations which earn more than 50% of their income through trading on the market may be qualified as social enterprises. We can thus make the following estimation In 2012 there were 4058 associations and foundations with business activity - 87% were associations and 13% foundations and 1% unions. Applying the market test (if more than 50 % of the production costs are covered from sales, an institutional unit is considered market producer) in 2012 a number of 2,256 Associations and Foundations were market producers and presumably social enterprises.</p>
2	<p>Founding & Registration</p>
2.1	<p>Are there specific provisions with regard to the legal objective of the cooperative or SE business form that are considered to be restrictive, e.g. restrictions in the objective or business activities? Profit distribution constraints? Asset lock?</p>
	<p>i) for cooperatives Cooperatives – legal objective as described in the framework Law on cooperation Article 7 (1) The cooperative is an autonomous association of persons and / or legal, as appropriate, established on the basis of their expressed consent thereto in order to promote the economic, social and cultural needs of cooperative members and is jointly owned and democratically controlled by its members in accordance with cooperative principles. Possible perceived restrictions – as compared to Company law A cooperative member may own shares within the limits and under the terms of the memorandum, but may not exceed 20% of the share capital. The minimum number of cooperative members of a cooperative is established by statute but not less than 5. Profit distribution constraint 5% of the gross profit of cooperatives is taken every year to constitute the legal reserve until it reaches at least one fifth of the share capital (similar to companies). If the legal reserve, after preparation, decreased for any reason, it will be duly completed Asset lock The assets remaining after payment of amounts owed to creditors Cooperative Society and part divisible by cooperative members shall be transferred following a decision of the general assembly, or by the competent court to another cooperative of the same type, from the nearest town to the company's headquarters.</p> <p>ii) for SE – The new Social Economy Law foresees the following criteria for an organisation to qualify as social Enterprise – the objective of the Enterprise, criteria on profit distribution – ex ante (through salaries) and ex post, and asset lock, more specifically</p> <ul style="list-style-type: none"> • legal objective constraint - acting in a social and / or general interest of the community; • profit-distribution constraint - allocate at least 90% of the profit to the social purpose and statutory reserves; apply the principle of social equity to employees - salary levels are fair, differences may not exceed the ratio of 1 8 • asset-lock - assets remaining after liquidation transferred to one or more social enterprises; <p>Associations and foundations may comply with all these criteria. Some cooperatives may also comply on two out of four criteria (social goal and asset lock) the other two have to be checked. Companies – limited liability companies with single shareholder may not comply with the asset lock as by law in case of dissolution assets go to the owner.</p>
2.2	<p>Registration procedures: a) Where and how is the entity registered (trade registry? business registry? Is there a special registry for that type of entity? What are the institutional arrangements for keeping such a registry? b) Describe main requirements regarding registration of a cooperative/SE: membership</p>

	requirements (number and type), capital requirements, registration procedures.
	<p>i) for cooperatives</p> <p>a) Trade registry – together with companies – same procedure</p> <p>b) Registration requirements</p> <p>The share capital of the cooperative is variable and cannot be less than 500 lei.</p> <p>The minimum number of cooperative members of a cooperative is established by statute but not less than 5.</p> <p>ii) for SE</p> <p>a) According to their legal form – if a cooperative in the Trade Registry – see above, if association or foundation by court decision registered in the Registry of Association and Foundations</p> <p>And also after certification as social enterprise in the Registry of Social Enterprises to be kept by the National Agency for Employment under the Ministry of Labor and Social Protection</p> <p>b) Membership and capital requirements vary depending on the legal form</p> <p>For associations – at least three members, capital at registration at least one minimum monthly salary</p> <p>For foundations – no minimal number of founders, capital at registration 50 minimum salaries for fund-raising foundations, and 100 salaries for the other types of foundations</p>
2.3	What are the initial costs of setting up the cooperative or SE legal business form? What are the costs of maintaining the legal status of the business (e.g. yearly fees, taxes, filings, cost of mandatory audits, etc.?)
	<p>i) for cooperatives</p> <p>Cooperative –</p> <p>Registration costs 400 RON for the Trade Register, and notary fees for each member of 50 RON</p> <p>Minimum start-up capital 500 RON</p> <p>ii) for SE Association/foundation Fees</p> <p>- Name of the Organisation - registration tax of the Registry 5 RON</p> <p>- Authentication of by-laws by Notary – 400 RON</p> <p>Minimum start-up capital – equals minimum wage value - 700 RON</p> <p>Tax records of members – 20 RON tax for each member authenticated declaration Court tax 19 RON</p>
3	Membership
3.1	Does applicable law regulate voting rights? If so, describe how votes are determined.
	<p>i) for cooperatives</p> <p>One person - one vote</p> <p>ii) for SE</p> <p>According to the legal form – cooperatives – see above, associations – one man one vote, foundations – board members – one man one vote</p>
3.2	Does applicable law allow non-members/users to have voting rights?
	<p>i) for cooperatives</p> <p>No</p> <p>ii) for SE</p> <p>According to the legal form – cooperatives – see above, associations – no voting rights for non-members</p>
3.3	Does applicable law allow specific requirements to be met on the admission of members/users? E.g. the obligation to pay an entrance fee, specific characteristics of the member, etc.?
	<p>i) for cooperatives</p> <p>Common bond between members defined as follows</p> <ul style="list-style-type: none"> handicraft/worker cooperatives - individuals engaged in joint production activities, trading goods, work contracts and services that contribute directly or indirectly to the development of their members craft; consumer cooperatives - individuals engaged in common activities of supply to

	<p>members (and non-members) of third-party or own products and services;</p> <ul style="list-style-type: none"> • marketing cooperatives - individuals engaged in direct distribution or processing of their products; • agricultural cooperatives - individuals who jointly exploit agricultural land owned by the cooperative members, conduct joint land improvement works, jointly use the machines and plants; • housing cooperative - individuals who build, buy, preserve, renovate and manage housing for their members; • fishery cooperative - individuals aiming to jointly establish fish farms and aquaculture, to produce, repair, maintain and purchase equipment, machinery, installations, fishing boats and the fish, process and distribute fisheries products; • transport cooperatives (consumers/producers)- individuals aiming to achieve transport activities and related for cooperative members and others, to improve the technical and economic transport activities carried out by members; • forestry cooperatives - individuals which aim to jointly operate, regenerate and protect forest owned by them; <p>Entrance fee – at least the value of one social share as mentioned in the articles of constitution. ii) for SE Depending on the legal form – cooperatives – see above, associations as defined in the bylaws,</p>
4	Internal Governance
4.1	Which governance bodies are mandatory? (e.g. board, assembly, supervisory board, auditors, etc.)
	<p>i) for cooperatives - General Assembly - Management Board or Board of Directors - President of the cooperative - chairman of the board directing the current activities of the cooperative society, fulfilling the decisions of the general meeting and the Board of Directors. - May have an Executive Director - auditors – one auditor for cooperative societies with up to 50 members, three auditors for cooperatives with more than 50 members</p> <p>ii) for SE Depending on the legal form – For associations – General Assembly, board of directors; internal auditor or, auditing committee depending on number of members For foundations - board of directors; internal auditor or, auditing committee</p>
4.2	How does the regulation provide for members/users to effectively influence/participate in the decision-making process?
	<p>i) for cooperatives General Assembly of members has the following powers: to discuss, approve or modify the annual accounts, after hearing the report of the directors, auditors or financial auditors as appropriate, and fix the amount of dividends; to elect the president, the directors and auditors; establish the remuneration due to the directors and auditors, to establish the income and expenses and, where appropriate, the work program for the next financial year; to decide on hiring an Executive Director and establish performance criteria for the management contract; approve the entry of new members and the exclusion of cooperative members; approve the creation and use of statutory or contractual reserves and other reserves.</p> <p>ii) for SE For associations, General Assembly of members has the following powers: establishing the strategy and general objectives of the association; approval of the income and expenditure account and balance sheet; election and removal of board members; elect and revoke the auditor or, where appropriate, the auditing committee members; amend the memorandum and articles of association. For Foundations the founders have power over appointment of the Board.</p>

4.3	Do legal requirements allow a composition of the board of directors partially or wholly by non-member/user professional managers?
	<p>i) for cooperatives There is not an explicit provision that only members can be part of governing bodies but it is mentioned under members rights that <i>Cooperative members have the right to elect and be elected to the governing bodies of the cooperative</i></p> <p>ii) for SE For Associations – same as for cooperatives For Foundations boards are appointed by founders.</p>
4.4	If not, is this considered to be a problem in having an effective board of directors?
	<p>The issue is not discussed</p> <p>i) for cooperatives ii) for SE Non-member participation in SEs is not an issue in the current debates in the sector in Romania.</p>
4.5	What are the legal requirements on the composition of the supervisory board or entity?
	<p>i) for cooperatives The auditing committee – auditor for cooperatives up to 50 members, committee of 3 for cooperatives with higher number of members – at least one of the three has to be chartered accountant paid by the General Assembly.</p> <p>ii) for SE – depending on their legal form – for cooperatives – see above, for associations and foundations</p>
4.6	Is the legal structure and rules on the supervision of the board of directors effective with respect to the accountability of the board towards members? Are non-members/users allowed?
	<p>i) for cooperatives ii) for SE Although not explicitly forbidden it is not clear whether non-members are allowed in Board of Directors of cooperatives and associations. .</p>
4.7	Does the law stipulate rules on the appointment and dismissal of the board of directors and the supervisory board?
	<p>i) for cooperatives - Management Board ensures the administration and management of the cooperative or the board of directors composed of an odd number of members, elected by secret ballot for a period established by the memorandum, according to the complexity of society and the number of cooperatives members</p> <p>ii) for SE Associations – Board elected and removed by the General Assembly - Foundations – Board appointed by founders</p>
5	Financing of Cooperatives and SE and Profit/Benefit Distribution, Asset distribution in case of liquidation
5.1	What legal methods and instruments for financing/raising equity are allowed?
	<p>i) for cooperatives Cooperative bonds (1) The cooperative may, issue cooperative bonds for an amount not exceeding 33% of the share capital subscribed and paid according to the latest annual financial statements approved by the General Assembly. (2) The amount of annual interest granted bond cooperative is established by the cooperative society issuing prospectus for subscription and cannot exceed by more than 10% of the reference interest rate set by the National Bank of Romania.</p> <p>ii) for SE Associations and foundations Revenues – membership fees – for associations – interest and dividends from investments in legal terms;</p>

	<ul style="list-style-type: none"> – dividends from companies established by associations or federations; – income from direct economic activities; – donations, sponsorships or legacies; – resources from the state budget and / or local budgets; – other revenues provided by law. <p>- Associations and foundations may establish companies. Dividends derived by associations and foundations in the activities of these companies, if not reinvested in the same companies, must be use for achieving the purpose of the association or foundation.</p> <p>- Associations and foundations may carry out any other direct economic activities, if they have accessory character and are closely related to the purpose of the legal person.</p>
5.2	What are the rules on the distribution of profits and benefits?
	<p>i) for cooperatives Cooperative members receive dividends from annual profits in proportion to the share capital; the dividends are decided by the general assembly.</p> <p>ii) for SE Associations do not distribute any profits to members, foundations to administrators; although there is no limit to the amount of revenues they can receive from the organisation's revenues. Credit unions which are registered as non-profit organisations may distribute benefits to members.</p>
5.3	Are the rules flexible or restrictive with regard to the distribution of profits to members/users/donors?
	<p>i) for cooperatives ii) for SE See above</p>
5.5	Do national law/applicable regulation allow non-member/user participation in the equity capital of the social enterprise? Financing members?
	<p>i) for cooperatives Only members can own shares</p> <p>ii) for SE SE is not a legal form but a label given to all types of companies which comply with the SE criteria as described above. As such they can only be associations and foundations – companies cannot comply with the partial profit distribution constraint criteria for SE according to their law</p>
5.7	Are the rules on distribution of profits (e.g. asset lock) facilitating or restricting for cooperatives and social enterprises?
	<p>i) for cooperatives Profit distribution constraint 5% of the gross profit of cooperatives is taken every year to constitute the legal reserve until it reaches at least one fifth of the share capital. If the legal reserve, after preparation, decreased for any reason, it will be duly completed</p> <p>Asset lock The assets remaining after payment of amounts owed to creditors Cooperative Society and part divisible by cooperative members shall be transferred following a decision of the general assembly, or by the competent court to another cooperative of the same type, from the nearest town to the company's headquarters.</p> <p>ii) for SE – Objective of the Enterprise, Profit distribution – ex ante (through salaries) and ex post, and asset lock</p> <ul style="list-style-type: none"> • legal objective constraint - acting in a social and / or general interest of the community; • profit-distribution constraint - allocate at least 90% of the profit to the social purpose and statutory reserves; apply the principle of social equity to employees - salary levels are fair, differences may not exceed the ratio of 1 8 <p>asset-lock - assets remaining after liquidation transferred to one or more social enterprises;</p> <p>ii) for SE Associations and foundations – total asset lock and total distribution constraint</p>

	Asset lock - In case of dissolution the assets can be transferred to similar legal persons (associations or foundations). Some particular types of associations such as credit unions have partial profit distribution constraint.
6	Exit provisions
6.1	Does the national law allow specific restrictions on exit of members? i) for cooperatives ii) for SE Not that we can identify.
6.2	If so, are these restrictions reasonable and fair or do they cause problems? Please explain. i) for cooperatives ii) for SE Seem reasonable and fair.
6.3	Does the current practice of restrictions on exit of members deter potential members/users to join the social enterprise? i) for cooperatives ii) for SE Open membership is a theoretical principle – in practice applications for membership are submitted by invitation of existing members only.
7	Change and Reorganisation
7.1	Does the applicable law provide effective tools/rules for cooperatives and SE to reorganise, e.g. through legal mergers or reorganisations or changing business form? i) for cooperatives - <i>seem reasonable</i> The merger is accomplished by absorbing a cooperative or other cooperative society by merging two or more cooperatives to form a new cooperative society. Merger or division may be made between different forms of cooperatives, provided dissolution without liquidation, as appropriate. The dissolution of the cooperative brings up the liquidation. The dissolution without liquidation occurs when a company merger or total division cooperatives or in other cases provided by law. Many provisions for such cases are similar or identical to those foreseen for companies in the Company Law 31/1990. The cooperative Law explicitly forbids Cooperative societies to reorganize or transform into companies under the Companies Act no. 31/1990, republished, as amend ii) for SE The law on associations and foundations makes no reference to the possibility of reorganizing under a different business form. Mergers and splits are possible
7.2	Are reorganisations of cooperatives and social enterprises effected by rules on employee involvement? If so, in what way? i) for cooperatives ii) for SE
7.3	Are reorganisations of cooperatives and social enterprises affected by rules of tax law? If so, in what way? i) for cooperatives ii) for SE
8.	TAX LAW ASPECTS
8.1	Which tax law regime applies to the legal business form of the cooperative or social enterprise? i) for cooperatives Cooperatives are subject to all company taxes. ii) for SE <i>Depending on the legal form</i>

8.2	Are there any provisions in tax law fostering or promoting cooperatives and social enterprises? If so, in what way?
	<p><i>No tax facilities for cooperatives</i> <i>For SE depends on the legal form</i></p> <p>Associations and foundations engaged in business activity are profit tax exempt for revenues of up to 15.000 Euro or 10% of the overall income, and also can received income tax exempt donations, or profit tax exempt sponsorship from companies and 2% of income tax directed by tax payers.</p> <p>Social enterprises providing social services (accredited social service providers) may apply for property tax exemption on land and buildings to local councils. These may grant them exemption from property tax on land and on buildings. In addition work integration social enterprises which receive social label are by law exempt from property tax on land and buildings owned or used.</p>
8.3	Are there any restrictions in tax law affecting cooperatives and social enterprises? If so, in what way?
	<p>i) for cooperatives Cooperatives are subject to all company taxes</p> <p>ii) for SE <i>Depending on the legal form</i></p>
8.4	How does the overall burden of the taxation of the social enterprise or cooperative and its members/users compare to the taxation of non-social-enterprise investor-owned firms?
	<p>i) for cooperatives Cooperatives are subject to all company taxes</p> <p>ii) for SE See above</p>
9.	Other public policies that support cooperatives and SE
9.1	Describe public authorities that work with/support cooperatives and SE
	<p>i) for cooperatives Cooperatives have very little facilities from the state – there is one SME funding/grants /subsidies program dedicated to cooperatives and crafts managed by the National Agency for SMEs – Ministry of Economy</p> <p>ii) for SE SE in Romania is an accreditation given by the Local Employment Agency irrespective to the legal form to legal entities that respect social economy principles. Similarly work integration social enterprises WISE is a label given by the same agency for enterprises that have more than 30% disadvantaged workers. For young employees a WISE may receive a subsidy for a job for one year.</p>
9.2	Describe public policies that support cooperatives and SE such as start-up initiatives or particular funding programs, training systems
	<p>i) for cooperatives</p> <p>ii) for SE Starting with next year social enterprises may apply in one of the programs of subsidies for SMEs – one of 5 SME programs is designed for this type of enterprises together with program for women or youth start-up for instance.</p>
10.	Networks and umbrella organizations
10.1	Describe main networks for cooperatives and SE (e.g. Second tier cooperative, regional or national associations, federations, business alliances, etc. and their role (e.g. funding, providing information, providing services to members, etc.). Specify whether public or private.
	<p>i) for cooperatives Union of Crafts Cooperatives (worker coops) and county unions of workers' coop UCECOM</p>

Union of Consumer-coops and county unions CONSUMCOOP Union of Credit cooperatives Credit Coop ii) for SE Union of Credit Unions Federation of Credit Unions Federation of Credit Unions of the Retired Romanian Network of Work Integration Social Enterprises

Links to main relevant laws, regulations, and policies:

1. Law no. 1 of 21 February 2005 regarding the organization and operation of cooperatives
<http://legislatie.just.ro/Public/DetaliuDocument/59553>
2. Ordinance no. 26 of 30.1.2000 on associations and foundations -
<http://www.just.ro/Sectiuni/SistemulJudiciar%C3%AEnRom%C3%A2nia/OrdonantaNr26din30012000/tabid/332/Default.aspx>
3. Law on social economy - http://www.dreptonline.ro/legislatie/legea_219_2015_economia_sociala.php

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