

Prolongation/relocation of registered offices - a difficult procedure?

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It is often the “simple” issues that can cause problems in practice. This concerns, among other things, the duration of the right to use a company's registered office in Romania. If this expires, the Romanian tax authorities can quickly take drastic measures with regard to the company. The same applies to the relocation of the registered office that has to be entered in the commercial register.

Currently, however, the extension or relocation of a company's registered office has become more difficult.

Reform of the trade register

As reported several times, a digital reform of the commercial register is currently taking place, which has proven to be a chaotic process.

Although this reform has been underway since July and has also simplified the online registration procedure for formation of companies, structural changes or dissolutions, there are still problems with uploading certain documents to the platform and even with company reservations - it is often necessary to submit the application offline.

It is worth mentioning that the registration number of companies will have a new, longer structure (form) than before due to the new IT system of the commercial register. The EUID will also be changed.

The biggest problem, however, is the time it takes to process the file, which experience has shown can take up to a month.

Slow processing of applications for the registered office at the commercial register poses a major problem from a tax perspective if the registered office expires before the file is resolved.

➤ Prolongation registered office

The duration of the registered office corresponds to the term of the document certifying the right to use the premises (e.g. a rental agreement). When the contract expires, the registered office must either be renewed (at the same address) or relocated.

The prolongation only requires a supplementary deed to the original contract and a theoretically simple procedure. However, since the introduction of the new digital commercial register system, in some cases company registered offices have expired before registration due to slow processing of the file, even if the documents were submitted to the trade register in good time.

The risk of the expired registered office is that the company may be declared inactive by the tax authorities for tax reasons, which can cause considerable problems and correction costs for the company. The declared tax inactivity is also noted in the tax clearance certificate of the managing directors, which means that they may not be active as shareholders or managing directors in other companies until the entry is deleted from the tax clearance certificate.

However, applications for an extension of the deadline for taking measures to avoid a declaration of inactivity are not always approved by the tax authorities.

The company is therefore dependent on the trade register office.

➤ **Transfer of registered office - Amendment of the certificate of registration**

In the event of a transfer of registered office, the file to be submitted to the commercial register must contain, among other things, the new loan or lease agreement and the updated deed of incorporation (*act constitutiv*).

Once the application has been resolved, the commercial register issues a new certificate of registration (*certificat de înregistrare*). This contains the following information about the company: company name, registered office, main object of activity, registration number and tax number. Changes to the company name or the object of activity therefore also lead to the issue of a new certificate of registration.

From a practical point of view, the amendment of the registration certificate in the event of a change of registered office has so far only led to the updating of the data on the registered office within the documents issued by the company. However, the change of registered office and the newly issued registration certificate now also require the registration number/EUID to be changed, which can cause additional work and waiting times.

The information contained on the registration certificate plays a crucial role in the precise identification of each company in its commercial and tax relations, thus facilitating various administrative and operational procedures.

Conclusion

It is the responsibility of the company (managing director, accountant or any person appointed for this purpose) to regularly verify the validity of the duration of the registered office. In view of the procedure and processing time at the commercial register and the impending tax consequences of a delay, these checks should be carried out regularly and corrective measures should be taken in good time.

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