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REAL ESTATE

Acquisition of the ownership right over the lands by foreign natural and legal persons

The recent enactments have brought significant changes in the legal regime of the privately owned lands circuit, the latest amendments being provided by the Law no. 312/2005 on the acquisition of the ownership right over the lands by foreign citizens and stateless persons, as well as by foreign legal entities.

The persons under the provisions of the Law no. 312/2005

The Law no. 312/2005 enforces in fact the provisions of art. 44 par. 2 of the Constitution regarding the natural and legal persons from the member states of the European Union (including the stateless persons domiciled in Romania or in a member state).

The conditions for lands acquisition by natural or legal persons outside the member states of the European Union shall be settled under international treaties, on mutual basis, but the legal regime may not be more favourable than the one applicable to the citizens of the European Union states or to legal persons set up in accordance with the legislation of such a state.

The conditions under which the lands in Romania may be acquired by natural or legal persons citizens of the European Union states.

As per Law 312/2005, from the Romania joining to the European Union – date when this law comes into force – the foreign persons citizens of the European Union states may acquire the ownership right over the land under the same conditions as the Romanian citizens and the Romanian legal entities.

As a derogation from this rule, the foreign persons – natural or legal entities – non-resident in Romania shall have the right to acquire lands for secondary residences/ secondary head offices provided that a minimum 5 year period has elapsed from the Romania's accession.

With respect to the agricultural and the forestry lands, whether the citizen of the member state or the legal entity established in compliance with the member state specific legislation is or not resident in Romania, the referred lands may be acquired in ownership, provided that a 7 year period has elapsed from the completion of the accession process.

The provisions of Law 312/2005 do not apply to the land acquired by legal inheritance as for this particular case the constitutional provisions are directly applicable, currently the foreign citizens being able to become owners of lands situated in Romania, by legal succession.

As for the other modalities of acquisition of the ownership right over the lands, the foreign persons originating in the European Union states shall have to wait the completion of the Romanian accession process, and, in respect of the referred cases, the end of the transition periods of 5 and 7 years granted to Romania pursuant to the negotiations with EU.

EMPLOYMENT

The system of the unemployment insurance and incentive of the labour force occupancy

Law no. 76/2002 on the unemployment insurance and incentive of the labour force occupancy has been amended and completed by the Government Emergency Ordinance no. 144/2005.

Extension of the legal definition of unemployed person

Government Emergency Ordinance no. 144/2005 enlarges the range of the persons who may benefit from the provisions of Law no. 76/2002, including in the notion of unemployed persons the persons who are in search of a job, but who are not dully registered with the manpower occupancy agencies.

Furthermore, the minimum income limit qualifying a person as unemployed was increased by 25%. Therefore, the persons who have an income lower than the national gross minimum wages may benefit from the

unemployed indemnity and the other rights granted by Law no. 76/2002.

Decrease of the contribution to the unemployment insurance budget

The contributions the employers, respectively the optionally insured persons owe to the unemployment insurance budget, pursuant to an unemployment insurance agreement, have been diminished. Thus, the employers contribution, applied to the total fund of gross salaries received by the compulsory insured persons, decreased from 3% to 2.5%. On the other hand, the contribution of the optionally insured persons based on the unemployment insurance agreement, applied to the monthly income declared in the agreement, decreased from 4% to 3.5%.

As concerns the term for the payment of contributions to the unemployment insurance budget, this shall not differ anymore depending on the date settled by each employer for the salaries payment, respectively the one specified in the insurance agreement, and shall be the same with the filling term of the monthly statement on the nominal record of the insured persons and the payment obligations to the unemployment insurance budget. The new term for the statement submittal shall be the 25th day of the month following the one for which the salary rights and/or the revenue of the same kind are owed.

The unemployment benefit

The quantum of the unemployment benefit shall not be at the same level for all the employees, it shall be established differentially depending on the duration of the subscription stage of each insured person and the quantum of the revenue prior to the unemployment.

Thus, the basic unemployment, applicable to the persons with at least one year subscription period shall be of 75% from the national basic minimum gross salary. A quota shall be added to the amount resulted, varying between 3% and 10%, depending on the duration of the subscription period, which shall be applied to the average of the basic monthly gross salaries earned during the previous 12 months. As for the optional insured persons, the computation basis shall be the monthly income declared in the insurance unemployment agreement.

All along with the amendments of the Emergency Governmental Ordinance no.

144/2005, the beneficiaries of the unemployment indemnities, participants to the vocational training programmes have the obligation to attend the graduation examination as well.

Emergency Government Ordinance no. 144/2005 also amends the granting conditions, as well as the range of the facilities granted to graduates, special education forms graduates, as well as the unemployed over 45 years or those whose parents are sole providers of mono-parental families, as exemptions from the payment of the contributions due to the unemployment insurance budget, and the equivalent of one or several salaries, as the case may be, provided that the labour relations are maintained for a certain period of time.

Finally, we would like to mention that the amendments to the Emergency Government Decision no. 144/2005 are to come into effect as of January 1st, 2006.