

Briefing

18 July 2018

Quarterly distribution of dividends now allowed for Romanian companies

On 12 July 2018, Law no. 163/2018 was published in the Official Gazette of Romania amending the Accounting Law no. 82/1991 and Companies Law no. 31/1990, which introduces the possibility for companies to distribute dividends on a quarterly basis - as opposed to only annually, as previously regulated.

The quarterly distribution of dividends is calculated pro-rata with the participation quota of the shareholders to the share capital of the company, based on interim financial statements. The settlement of the quarterly dividends (further distributions or reimbursements by the shareholders, as applicable) is carried out based on the annual financial statements, within 60 days of the approval of such statements by the general meeting of the shareholders of the company.

Quarterly dividends will be distributed within the limit of the quarterly net accounting profit plus potential reported profits and amounts withdrawn from the available, minus any recorded losses and amounts used to make up the required reserves.

Quarterly distribution of dividends is optional for the companies - however, if companies decide to take this option, than they are required to prepare interim financial statements.

This material is for general information only and is not intended to provide legal advice. For further information on this topic please contact us at: office@volciucionescu.com. The Volciuc-Ionescu website can be accessed at www.volciucionescu.com.