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Romania: Update of the Credit Institutions Licensing Requirements

At the end of December 2020, the National Bank of Romania ("NBR") consolidated and updated the regulations dealing with the licensing of credited institutions by issuing Regulation no. 12/2020 on authorisation of credit institutions and changes in the status thereof ("**Banking License Regulation**").

The Banking License Regulation takes over, inter alia, the provisions of the Joint Guide issued by the European Banking Authority, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority on the prudential assessment of acquisitions and the increase of qualified holdings in the financial sector (JC / GL / 2016 / 01) and covers the following key aspects:

the procedure, documentation and conditions regarding the authorization of banks, housing saving and lending banks, mortgage banks and credit cooperative organizations, Romanian legal entities, generically called credit institutions, as well as Romanian branches of credit institutions from third countries ("**Credit Institutions**");

- the conditions under which changes may be made in the situation of Credit Institution, in order to ensure prudential supervision;
- the procedure and conditions for the prior approval of the merger and de-merger operations for the Credit Institutions;
- the conditions, requirements and documentation regarding the authorization of bridge credit institutions (in Romanian, *instituții de credit-punte*);
- the procedure, documentation and conditions for notifying a proposed acquisition of a Credit Institution.

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