Commercial Real Estate

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Romania

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Leasing

Practical points

(a) *Securing the premises*

Occupation of the premises in advance of them being constructed or simply available can be done pursuant to a lease contract or a pre-let agreement. In the first case, the lessee becomes entitled to take the premises over at the agreed takeover date directly on the basis of the lease contract. Failure by the lessor to hand the premises over at the agreed date is a contractual breach that entitles the lessee to lease termination or enforced takeover of the premises with damages for the losses incurred, in any of the two scenarios. Securing the premises by means of a pre-let agreement is less insuring. Any party's refusal to further conclude the lease contract may result in damages for the non-defaulting party. In certain cases, the non-defaulting party also has the possibility to file a claim for the court to render a decision replacing the lease agreement.

There is a noticeable new trend with Romanian courts to allow specific performance remedies within rent agreements, as opposed to damage compensation, in those cases where the good faith and equitable treatment principles require it.

If the premises whose occupation is meant to be secured under a lease or pre-let agreement are leased to a third party at the time contracts are entered into, the lease shall be effective, conditional upon the existing lessee not exercising its preference right.[1]

(b) *Taxes and fees payable*

Triple net leases being customary for commercial premises, property taxes incumbent on the landlord are in fact borne *pro rata* by the tenants. Such property taxes include the land tax and the tax on buildings.

Several amendments to the property taxes became effective as of January 1, 2016 when a new Fiscal Code[2] entered into force.

With respect to the tax on buildings, *inter alia,* a new principle has become applicable, in the sense that tax on buildings varies not only by reference to the quality of the owner (individual or legal entity), but also by reference to the use of the building (residential, non-residential or mixed-use buildings).

The tax quota in case of non-residential buildings is in the range of 0.2% to 1.3%, being established by means of the local council's decision.

As regards the land tax, the exemption from property tax for the land situated beneath buildings has been removed, so that the land tax is currently computed also for the surface corresponding to the building footprint.

In case of both land and buildings, starting January 1, 2016, property taxes are due by the new owners as of 1st January of the year following the acquisition of the property and not starting the 1st calendar day of the month following the acquisition, as applicable until 2016.

Rental of real estate remains VAT-exempted, but the landlord may opt for such to be subject to VAT by notifying its option to the tax authorities. The standard VAT quota has decreased to 20% as of January 1, 2016 and further decrease is contemplated to apply as from January 2017.

Lease agreements are deemed concluded by the mere consent (*solo consensu*) of the parties. Nevertheless, lessors may be interested in having the lease agreement authenticated by a notary public, as such lease agreements are enforceable deeds for the payment of the rent at the terms and in the conditions contractually agreed. The notary public's fee for authenticating the lease agreement currently amounts to 0.3% of the value of the rent due for the entire lease term.

On the condition that the lease agreement does not include specific terms on lease termination upon the sale of the leased premises, the buyer is obliged to respect the lease, provided this was registered with the land register. Registration requires payment of a small fee.

(c) *Fitting-out works*

Fitting-out works may not be carried out by the tenants without the landlord's approval, such approval being – to the extent possible – secured under the lease agreement. Besides obtaining the landlord's prior approval, performing the fit-out works is subject to the tenant obtaining (with the landlord's assistance, if the case) all required authorisations and permits.

The tenants' obligation to notify the value of the works carried out in case of extension, improvements or other amendments brought to the leased premises should be secured by the landlord, as in case such works prompt the increase or decrease of the taxable value of the building by more than 25%, the landlord has the obligation to submit a new tax statement within 30 days as from the amendment. Modified tax will be due starting 1st of January of the following year.

Because of tax implications, as well as due to various operational constraints, fit-out works contributions, as a landlord incentive to tenants, are becoming less popular. Instead, pure cash contributions by the landlord to the tenant budget needed for moving into the property are more frequent. This usually comes on top of rent-free grants.

(d) *Codes of practice*

There are no industry codes or guidelines a potential occupier could benefit from when negotiating the lease.

Key commercial terms

(a) *Rent*

In the absence of mandatory statutory requirements, payment of rent and the basis of calculation thereof (i.e. measurement methods for the space occupied) are a matter of contractual arrangement between occupiers and landlords. Payment of rent is usually made in advance, either on a monthly or quarterly basis.

(b) *Rent adjustments*

Yearly indexation of the rent, based on a contractually pre-agreed index, is standard practice as regards commercial premises. The most commonly used indexes are

MUICP and EICP. It is of note, however, that the market looks set not to allow base rent reduction on grounds of the consumer price index posting a negative figure, as 2015 showed, for example. Thus, many rent agreements do now provide safeguards for the landlord in this respect.

When the contractual rent review clauses are missing and dramatic change of circumstances evidently affects the contractual balance, recourse may be made to the provisions of the New Civil Code which specifically acknowledge judicial review of the contractual terms in case of hardship. The court may decide either to order the contract to be adapted in such a manner that the contractual balance is re-established, or for it to be terminated at a date and under terms to be ruled by the court.

(c) *Other occupational costs*

Triple net leases are standard practice. By means of service charges, the tenant becomes prorated responsible for all common areas maintenance costs, for the building insurance costs, and for the property taxes incumbent on the landlord in consideration of its ownership right over the real estate accommodating the commercial premises.

The service charges are generally paid in advance (monthly or quarterly). Each year, the advance on service charges is settled against the actual incurred costs. Tenant's annual audit of effective costs incurred by the landlord is a standard practice.

(d) *Period of occupation*

Lease agreements are generally concluded for periods of three to five years. Large occupiers or anchor tenants, as the case may be, are likely to prefer committing to longer lease terms, while insisting on benefiting from break options capable of ensuring an anticipated exit from the lease.

(e) *Remaining in occupation*

In practice, lessees used to secure a first option to lease the premises upon expiry of the initial lease term, even prior to the entering into force of the New Civil Code. The New Civil Code expressly regulates the lessee's preference right to lease the premises under the same terms and conditions as offered to a third party. The preference right is acknowledged in case of both residential and commercial leases, and is conditional upon the lessee having complied with its obligations under the previous lease agreement.

(f) *Disposing of the premises*

Lessees seeking to secure an early exit from the lease have to specifically agree on break options upon entering into the lease agreement, as under Romanian law lease contracts for commercial premises concluded for a definitive term cannot be unilaterally terminated without cause by the parties. On the other hand, the lessee has the right to assign the lease agreement or to sublet the premises in their entirety or in part if such possibilities were not expressly prohibited under the lease agreement. Such a prohibition is rather standard practice, however, and based on contractual arrangements any assignment or subleases are allowed only subject to the lessor's prior consent.

(g) *Alterations*

Tenants are not allowed to alter or make any improvements in the leased premises without the landlord's consent. The landlord shall approve or reject the proposed works on the basis of the plans and technical documentation supplied by the tenant for such purpose. All costs (legal permitting costs, when necessary, costs incurred by the landlord with plans' revision, costs associated with carrying out the works) are usually borne by the tenant.

Whenever alterations are made with the landlord's prior consent, the landlord may not request the tenant to remove the improvements upon the termination of the lease. In addition, the landlord may be obliged to indemnify the tenant for the losses encountered upon making the alterations. If alterations were made without approval from the landlord, the latter has the right to decide upon termination of the lease whether to keep the respective works or request the tenant to remove them. If the decision is to keep the alterations, the tenant is not entitled to any compensation.

(h) *Repair of the premises*

During the lease term, the landlord has the duty to perform any repairs which are necessary to maintain the premises in a condition suitable for the envisaged use, except for minor maintenance repairs resulting from the normal use of the premises, which are under the tenant's responsibility. A tenant who becomes aware of repairs under the landlord's responsibility is bound to immediately inform the latter upon the necessity thereof. Failure to comply with this obligation may result in the tenant becoming liable for damages and other potential expenses.

Investment

Practical points

(a) *Exclusivity*

Within the past two decades, a certain transactional behaviour has emerged and with it, specific market practices. It is now standard approach within the early stages of transactions that a form of Letter of Intent, Memorandum of Understanding, Term Sheet or a Framework Agreement is concluded, with the main purpose of securing the key commercial parameters of the deal, the timelines, due diligence terms and, of course, the exclusivity of the parties' undertakings.

The exclusivity clause is usually mutual, limited in time and conditioned to agreement over final contract terms. It is in any event seen as mandatory and its enforceability is usually secured, when in the early stages of the transactions, by submission to penalty payment in case of breach, or to specific performance undertakings when more advanced in the process. Other options may be considered, such as forfeiture of down payments or advances on transaction costs.

(b) *Restrictions on disposing of property*

Foreign legal entities may own and freely dispose over Romanian property titles, as movables, shares, bonds, coupons, other entitlements, financial instruments related to real estates, mortgage-backed, etc.

There are no restrictions on Romanian legal entities owning or disposing any title over any kind of Romanian real estate properties, except, of course, for public property.

Since 2014 there are no longer legal capacity constraints to direct land acquisition for EU citizens and EU legal entities. Thus, any EU citizen or EU incorporated legal entity is allowed to acquire and register in its own name, lands in Romania.

Foreign citizens, stateless persons not domiciled in Romania or in an EU member state, and legal entities established outside the EU may acquire land in Romania under the terms regulated by the international treaties, on a reciprocity basis.

However, the Romanian Government is currently planning the introduction of certain quantitative restrictions to non-Romanian citizens acquiring agricultural land.

(c) *Impacts on timing*

Proper timing of a real estate deal ranges from a couple of months (for simple asset-based operations) to nine months or even more (for complex corporate-based and leveraged transactions). Therefore, the impact on timing is different and the time-sensitive indicators vary depending on the deal structure (asset deals or share deals, or the mix) or on its object (transactions involving standing investments, or forward transactions, purchase of minority stakes and portfolio investments or the acquisition of controlling interests).

These being said, investors are advised to consider as time-sensitive processes all those cases in which: (i) third party consent or consultation in connection to investment must be secured or pursued; and, definitely (ii) involvement of the authorities in transactions is required.

In terms of authorities' involvement, to start with, securing clearance from the Competition Council in case of share deals involving change of control (if the transacted business and/or involved parties exceed a certain size) may take a couple of months at least.

But there are a number of other checks and balances in the sales/acquisition of property involving public authorities, particularly when transactions take the form of asset deals. Local councils will normally play a role in most of the deals, with the potential to impact their timing.

Romania offers a viable and functional cadastralisation and land register system, which will soon become accessible over the internet, but to date only slightly more than 20% of the Romanian land fund is mapped and registered for cadastral purposes. The overall situation is, however, better as regards buildable lands and constructions.

Local or regional Environmental Protection Agencies might get involved in certain deals involving industrial real estate, in permitting or consultation/notification roles. The Ministry of Agriculture and Rural Development or its local structures (in connection to agricultural lands disposals, for example, including in connection to exhaustion of pre-emption right procedures), Ministry of Culture or its local structures (in case of real estate that is also classified as a historical monument, or in connection to real properties that require archaeological discharge) and, of course, tax authorities, could have a role, with a direct impact on the transaction's timing.

As to other third parties, holders of change of control or of other rights to the transacted title should be given proper consideration and at least their time toll.

(d) *Key milestones in the acquisition process*

Depending on scope, size, nature or financing, real estate transactions are structured as *one-shot* or *multi-staged.* It is true that asset deals do normally get concluded as *one-shot* when execution and transfer or completion take place on the same date, with variations, while corporate-share deals run through at least two stages, with execution being decoupled from completion by a number of completion conditions, terms or procedures. However, structuring an investment transaction as an asset deal is likely to become more appealing, particularly in relation to standing projects that have an operational history and are changing owners for a second or third time. In such cases, the asset-based transactions get a very complex process.

Securing third party consent, including regulator's approval, is in most cases the reason for breaking-down a transaction, while milestones would normally refer to dates when such approvals are obtained.

(e) *Requirement for transfer of monies*

Since most parties in most cases would want their transaction to follow a form of *payment against documents* principle, in sizeable deals, escrow mechanisms are put in place. They could involve bank escrow agents or other third party professionals acting as escrow agents, for money or for the transaction documents, or for both. Arranging an escrow agreement would normally take a week or two, assuming the commercial elements are all aligned.

Most transactions are agreed for cash; incidentally, payment through set-off or netting takes place, but strict AML and notification proceedings are to be followed in such cases, while it is worth noting that payment through set-off or assignment of receivables or debt may give rise to an additional tax burden, depending on specific circumstances.

(f) *Execution procedure*

Last year, Romania took an important step in the process of relinquishing the formalism upon execution of legally binding documents, by expressly repealing the necessity to use the corporate stamp by private entities.

Further, there is already digital signing legislation in place. Although businesses have started to use it, its use is still limited and execution in the physical presence of hard-copy documents by all signatories or appointees, in one original set for each party, remains the market practice rule.

Public Registrars do maintain online filing procedures, but to avoid inconsistencies in the process, particularly in multi-party, complex transactions, it is advisable to follow by filing hard copies upon appointment with Registrar Officers.

One particular development in recent years is the expanded role of legal counsels within transactions. It is not only that in most deals, issuing legal opinions on parties' capacity and executory effectiveness terms appear now as standard conditions to completion; legal counsels often act as documentary escrow agents or fiduciary agents, mainly within execution procedures, but also within transaction implementation stages.

(g) *Other procedural requirements*

Asset deals involving lands or constructions require authentication by a public notary and this is a pre-requisite to valid land title transfer. Registration with the land register of all transfer deeds is currently necessary for purposes of effect extensibility to third parties, but is envisaged to become a condition for the transfer itself being effective as soon as cadastral works in the territorial unit where the real estate is located are completed. When real estate entitlements are set in general terms, for creation of security interests, their registration with the land register and the Electronic Archive of Secured Transactions shall also be made.

(h) *Taxes and fees payable*

Asset-based transactions require payment of title notarisation and registration fees which, in aggregate, may well exceed 1% of the transacted value. When construed as corporate transactions or share deals, such asset-based title notarisation and registration fees are not due, but certain administrative basic fees are paid in connection with the share transfer registration.

However, importantly, the VAT regime applicable to the transaction shall be carefully assessed.

The sale of shares is VAT exempt. Nevertheless, in case tax authorities consider that the legal form of the transaction (i.e. sale of shares) does not correspond to the economic reality, requalification may occur. The risk of a requalification being performed depends on actual facts and circumstances, but items like the real estate constituting the only asset of the company, lack of debts, as well as the company concerned being recently set up, may represent risk factors. If the transaction would be requalified in a sale of real estate, the VAT treatment which would have otherwise been applied to the sale of real estate will be applied in such cases as well. In this respect, starting January 1, 2016, the VAT reverse charge mechanism applies for the transfer of land and constructions which are subject to VAT (either based on law or due to the seller's option), in case such transactions are performed between entities/individuals which are VAT-registered in Romania.

Key commercial terms

(a) *Deposit*

In asset deals of low to medium size, pre-agreements secured by deposits, with forfeiture clauses in case of liable transfer non-performance, are often seen. Deposits vary from basic figures (covering direct transaction costs and opportunity costs) to 10% or more of the transaction value.

In corporate transactions, deposits are less popular. Still, various advance payments are agreed, particularly within investments against real estate development schemes. Investors do operate as mezzanine lenders or purchasers-financiers, advancing amounts as financing or as down payments against progress of works/development.

(b) *Timing*

Property in Romania may be legally acquired as fast as within one week (including notarisation when required), or it may take months or even more in case mandatory administrative approvals are required, such as release of state pre-emption rights, or other clearances.

(c) *Employees*

Generally, employees follow the property if the property is core to the business operated by the employer. In fact, any transfer of property which is either a business unit, or a business line, or an activity, or the entire business, would be automatically deemed under the local law to be a transfer of business, which would imply the "transfer" of all employment agreements to the new owner.

(d) *Warranties for construction of building*

Guarantees securing: (i) advance payments received by the contractors for mobilisation purposes; (ii) timely and proper performance of the construction works and of the other obligations under construction contracts; and (iii) remedy of potential defects during defects liability periods, are standard practice. Commonly, such guarantees are in the form of bank letters of guarantee, payable on first demand. Less frequently, retentions for warranty are constituted by means of retention of a certain percentage (up to 15% until completion and takeover) of each contractor's invoice. After takeover upon completion of works, part of the retained money is released to the contractor, with the remainder to be released, if not enforced by then, only after the end of the defects liability period.

(e) *Transfer of other tax or financial benefits*

Any investor in a Romanian deal may also claim the benefits of EU legislation (including the Parent Subsidiary, Interest and Royalty and Merger Directives), which

entails possibilities for tax-efficient structuring in all investment cycles (acquisition, operation and exit). In addition, Romania has an extensive network of Conventions for the avoidance of double taxation (more than 80 to date), which include favourable Conventions with "white list", low-tax holding jurisdictions such as Cyprus and The Netherlands. VAT grouping is partially available.

Share deals entail a full set of tax benefits, as well as the cash-flow advantage (as no VAT is applicable), but they also effect a full inheritance of the investee's fiscal liabilities (both assessed and dormant ones).

When combined with mergers, or even when mergers are considered as a stand-alone investment alternative, any fiscal liabilities of the entity involved in the transaction have the potential of consolidation within the books of the entity resulting out of the merger. However, close attention should be paid to specific corporate tax rules, as well as to reserves set up from tax incentives. But the basic rule remains that the fiscal loss of the absorbed company within a merger can be taken over by the acquiring company, proportionally with the transferred assets and liabilities.

A final word as regards basic property sales declared and taxed as a transfer of business as a going concern (outside the scope of VAT). The joint liability of the acquiring entity for the payment of non-levied VAT (if assessed at a later date by tax authorities, if the transaction is considered not to qualify as a transfer of business) has been repealed under the new Fiscal Code, which entails additional comport for the buyers.

Development

Practical points

(a) *Land ownership and assembly*

Acquisition of land can take place either by means of acquiring small parcels to be further joined together or directly, by purchasing consolidated development areas. To the extent land is already registered with the land register, once the cadastral number of the land is known, the owner can be rather easily identified via inquiries with the relevant cadastre and real estate publicity office. In case of unregistered plots, the starting point for learning the owner's identity is the city hall.

Acquisition of land is a matter of contractual arrangement between the parties. The sale of agricultural plots located outside the locality limits is, however, subject to the pre-emptive rights of the co-owners, lessees, owners of the neighbouring land and of the Romanian State.

(b) *Land transfer*

Purchase of ownership rights over land usually takes place on the basis of sale purchase agreements. In order to secure the land acquisition, the prospective purchaser can enter into a pre-sale agreement. If one of the parties of the pre-sale agreement further refuses to conclude the definitive agreement, the other party can, *inter alia,* seek assistance in court, with a view to obtaining a decision replacing the sale purchase agreement. An action in court has to be filed no later than six months as of the date the agreement should have been concluded.

For third party opposability purposes, acquisition of real estate needs to be registered with the land register. However, this applies only as long as the cadastral works in the territorial unit in which the land is located have not been finalised. Thereafter, registration shall become a condition for the land ownership transfer itself.

(c) *Taxes and fees payable*

Transfer of ownership rights over land can validly take place only pursuant to an agreement authenticated by the notary public. The latter's fee for authenticating the contract decreases gradually with the increase of the land price.

The land book registration fee is 0.5% of the land price stated in the agreement in cases where the buyer is a legal entity, and 0.15% of the land price where the new owner is an individual.

Land ownership is subject to local taxation, the tax being established by reference to the surface of the land, the rating of the locality where the land is located, the zone and the land's category of use.

Sale of new buildings and of buildable land is subject to VAT at 20%, and a reverse charge mechanism is applicable if the transaction is performed between entities/ private individuals which are VAT-registered in Romania.

Key commercial terms

(a) *Price*

In order to determine the market value of development land, one should normally resort to valuation by certified valuers. The authority that organises, coordinates and authorises the activity of certified valuers in Romania is the National Association of Authorised Romanian Valuers. The current valuation standards developed by the said association, which are mandatory for its members, incorporate the International Valuation Standards, as well as other standards prepared by the association, compliance with the European Valuation Standards being achieved as well.

(b) *Payment structure*

Payment of the price is the main obligation incumbent on the buyer and except if otherwise agreed, the price becomes due as soon as ownership rights are transferred. Should payment of a certain portion of the price be postponed, the seller benefits from a legal mortgage over the land sold for the unpaid balance of the sale price. Such legal mortgage is registered with the land register.

(c) *Deal structures*

More legal structures, such as simple asset or share deal structures, forward purchase schemes or forward funding schemes, are commonly used to acquire and/or develop real estate property in Romania, with one or another taking precedence at certain times.

In the office sector, pre-leases remain increasingly important in the overall leasing activity. However, although most developments going forward are supported by high-profile tenant pre-let commitments, we may say now that speculative development has returned to a buoyant Romanian real estate development market.

(d) *Taxes and fees payable*

Apart from the taxes and fees payable in relation to land acquisition,[3] there are various taxes associated with a compliant construction process, that have to be considered.

In the construction permitting stage, these include principally: (i) the tax for issuance of the urbanism certificate – established by local councils with reference to the surface of the concerned plot within the limits set forth by the Fiscal Code; (ii) taxes and fees for the issuance of the various permits and approvals that may be necessary for obtaining the building permit, as they are set forth in the urbanism certificate; (iii) tax

for the issuance of the building permit, which usually amounts to 1% of the authorised value of the works; and (iv) tax for the issuance of the building permit for site setup works, amounting to 3% of the site setup costs, such building permit being necessary when the site works were not authorised together with the construction envisaged.

A tax of 0.1% applied to the authorised value of the works is due to the State Construction Inspectorate prior to commencement of the construction works. The tax, initially calculated based on the estimated value of the works, is subject to regularisation after completion thereof. Another tax, amounting to 0.5% of the value of the construction works, is payable half in advance and half until signing of the takeover minutes upon completion of the construction works.

Financing

Practical points

(a) *Level of loan*

In real estate development, the debt-equity ratio would very seldom exceed 50% on a cash-on-cash basis, as land value is usually excluded from own equity coverage. Thus, developers are still having a hard time to bank-finance projects, with the consequence that, depending on the scale and timing of the project, banks will normally end up financing a little less than 30 to 40% of the overall development budget. This is one persistent negative consequence of the financial tensions in the Eurozone, with equity requirements decreasing only theoretically. In fact, recent confusion triggered by Brexit and older regional turbulences associated with the deferral of the Greek sovereign debt resolution are likely to perpetuate the demand in corporate financing for a high level of own-equity contribution by investors.

In terms of leveraging mergers and acquisitions, financing investment in real estate remains prudent and risk-averse, while the valuation approach that the banks promote is extremely conservative. In essence, even in those cases where a real estate deal is backed by the banks, they either syndicate to split the risk, or engage in arrangements under which the effectively disbursed financing is usually below 50% of the transaction value, including re-financing where applicable.

(b) *Security*

The key principle here is that the financed project is fully pledged to the banks, movable and immovable securities being concurrently set. Mortgage, pledge, assignment of receivables, all movable and immovable security interests related to the project are set, most of the time, concurrently, at the banks' choosing, and for secured amounts significantly higher than the committed amounts. Particularly within real estate development finance, additional security, outside the project, including third party guarantees, agreements for surety, but also owner and founders' or promoters' personal guarantees, are also asked for.

(c) *Lender due diligence*

Banks usually recommend to borrowers due diligence counsels and transaction advisors and valuers who are deemed trustworthy. In real life, this has the consequence of borrowers bearing the brunt of the recommendation, in most cases resulting in a conservative valuation of the asset or the development prospect, a harsh compliance program for the borrower, and in general resulting in a costly exercise, ultimately covered by the same borrower.

(d) *Enforcement*

Romania offers a stable legal framework and very strong enforcement tools to banks.

Although certain practical difficulties may be faced by banks given the fact that the Civil Code and the Civil Procedure Code are recently introduced − hence they are still being tested − we think that the only real enemy for the banks in terms of enforcement process is the borrower/debtor's commencement of insolvency proceedings.

It is a fact that even in the well advanced stages of enforcement, the borrower may ask the court to open the voluntary procedure, which decision can be made in 10 days only, with the consequence of suspending the enforcement.

Key commercial terms

(a) *Length of loan*

Long-term property loans are less welcome. It is difficult to locate a model, but project finance is usually three years plus, with a maximum 10-year formula, with repayments in line with a 10-year return on investment plan, while property loans may well extend to 20 years or more.

(b) *Interest rate and payment dates*

Euribor plus anything between 150 to 350 basis points is the benchmark nowadays for interest, under the assumption that negative Euribor will mean Euribor 0 for the lender in most cases. Capitalisation rules always apply; interest is paid almost always in advance annually, bi-annually, etc.

(c) *Repayment*

Repayment takes place upon schedule or in balloon payments, as per the agreement. Early repayment is very often demanded by the banks in connection with major corporate changes affecting the borrower, compliance issues or imminent project failure.

* * *

Endnotes

1. Please refer to 'Leasing, Commercial terms, Remaining in occupation' for comments on the tenant's preference right.
2. Law no. 227/2015 on the Fiscal Code was published in the Official Gazette, Part I, no. 688/10.09.2015.
3. Please refer to comments under 'Development, Practical points, Taxes and fees payable'.

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