ROMANIAN PARLIAMENT

Law No. 129
of July 11th, 2019

for the prevention and combating money laundering and terrorism financing, as well as for amending and completing some legal acts

The Romanian Parliament adopts the present Law.

CHAPTER. I – GENERAL PROVISIONS

SECTION 1 – THE NATIONAL SYSTEM FOR PREVENTING AND COMBATING MONEY LAUNDERING AND TERRORISM FINANCING

Art. 1 - (1) This law regulates the national framework for preventing and combating money laundering and terrorism financing, which includes, but it is not limited to the following categories of authorities and institutions:

a) judicial bodies;

b) authorities and public institutions with regulatory, information and control responsibilities, in the field, including the Financial Intelligence Unit of Romania, financial/fiscal control authorities, or authorities with fiscal control attributions, customs authorities;

c) state bodies specialized in the intelligence activity, provide by art. 6, para (1) of the Law 51/1991 on the national security of Romania, republished, with subsequent modifications and completions;

d) autonomous administrative authorities and institutions with sectorial supervisory and regulatory role on reporting entities, such as the National Bank of Romania, the Financial Supervisory Authority, the National Gambling Office.

(2) The Financial Intelligence Unit of Romania is the National Office for Prevention and Control of Money Laundering, hereinafter referred to as *the Office*.

(3) The Office is the authority which coordinates the assessment of the risks of money laundering and terrorism financing at national level, the assessment being performed in cooperation with the authorities and institutions provided in para (1), ensuring the protection of personal data. The Office coordinates the national answer to the assessed risks, in cooperation with the authorities and institutions provided in para (1), and informs the European Commission, the European Supervisory Authority and the Member States.

(4) For the purpose of prevention and combating money laundering and terrorism financing risks, the authorities and institutions provided in para (1), let. b)- d) perform assessments of the risks of occurring these criminal phenomena, at sectorial level, and, as the case may be, issue regulations and norms regarding the risk factors and the measures to counter and diminish the risks.

(5) The risk-based approach is carried out at national level, including the following components, but not limited to:

a) establishment of fields and categories of reporting entities based on money laundering and terrorism financing risks analysis to which they are exposed to and establishment of the administrative obligations in order to mitigate these risks, as well as the notification of the European Commission by the Office, on the situations of extension of reporting entities categories.

b) fulfillment of the obligations imposed on letter a) through the measures adopted and applied by the reporting entities based on individual risk assessment.

(6) The risk assessments mentioned in para. (3) and (4) are performed taking into account the conclusions of the ML/TF risk assessment of the European Commission, and are updated every 4 years at sectorial and national level, taking into account the evolution of the risks and the effectiveness of the measures adopted to mitigate them and are used to allocate and prioritize the resources in order to efficiently combat ML/TF.

(7) The Office publishes on its own web-site a synthesis of the national risk assessment and transmits to the supervisory authorities the relevant elements from the national risk assessment.

(8) The supervisory authorities make available immediately for the reporting entities the relevant elements from the national and sectorial risk assessment, according to their field, in order to perform and update their own risk assessments, after the risk assessments provided in para (3) and (4) are done.

(9) The authorities and institutions as provided in para. (1) let. a), b) and d) shall keep relevant statistical data for the efficiency of the measures for prevention and combating money laundering and terrorism financing in their specialized area, shall include:

a) data for measuring the size and the importance of different sectors which enters in the appliance field of the present law, including the number of persons and entities as well as the economic importance of each sector;

b) data for measuring different phases of reporting, investigation and judicial of the national frame for combating money laundering and terrorism financing, including the number of the suspicious transaction reports submitted to the Office, the follow-up actions performed, and yearly, the investigative cases, the number of the prosecuted persons, the number of the convicted persons for money laundering or terrorism financing, the type of the predicate offences, if this information is available, as well as the value in euro of the goods which were blocked or seized;

c) depending on their availability, data which indicates the number and the percentage of the reports which has as finality a supplementary investigation, together with the annual report to the reporting entities in which are detailed the utility and the follow up of the presented reports;

d) data on the cross-border requests for information which were performed, received, partially rejected or fully processed by the Office.

(10) The authorities and institutions provided in para (1) lett. a), b) and d) send to the Office, in electronic format, the statistics referred to in para. (9), in the form

established by the Office. The Office ensures, annually, the publication of the consolidated version of the statistical data, on its website.

(11) The Office shall submit to the European Commission the statistical data mentioned in para. (10).

(12) The Office shall submit to the European Commission, the European Supervisory Authority and to the Member States the national risk assessment mentioned in para. (3).

SECTON 2 – DEFINITIONS

Art. 2 – For the purpose of the present law, the terms and the following expressions have the following meaning:

a) **money laundering** means the criminal offense referred to in art. 49;

b) **terrorism financing** means the criminal offense referred to in art. 36 of the Law no. 535/2004 on preventing and combating terrorism, with subsequent amendments;

c) **goods** means assets of any kind, whether material or immaterial, movable or immovable, tangible or intangible, as well as legal documents or instruments in any form, including electronic or digital, evidencing a right to or related interests.

d) **correspondent relation** represents:

1. providing of banking services by a credit institution as a correspondent for another credit institution as respondent, including the current and deposit account services, and related services, such as cash management, cross-border transfers of funds, compensation of checks, services of correspondent accounts directly available to customers and foreign exchange services;

2. the relationship between a credit institution and a financial institution, or between two financial institutions, for providing similar services to those from point 1 by the correspondent institution for the respondent institution, including relations established for transactions with securities or transfers of funds.

e) **external transfers to and from bank accounts** means cross-border transfers, as well as operations of payments and receipts, made in Romania by a non-resident customer;

f) **credit institution** means an institution as defined in Article 4 para. (1) point 1 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, including branches located in a Member State of such institutions, whether if its headquarter is located in a Member State or in a third country;

g) **financial institution** means:

1. the enterprise, other than a credit institution, which carries out one or more activities listed in art. 18 para. (1) b – 1) n and n^1 of the Emergency Government Ordinance no. 99/2006, approved with amendments by Law no. 227/2007, as amended and supplemented, including postal service providers providing payment services and specialized entities performing foreign exchange;

2. the insurers, the composite insurers, the captive insurers, the mixed insurers, reinsurers, as they are provided in Art. 1 para. (2) of Law no. 237/2015 on the

authorization and supervision of the business of insurance and reinsurance, with subsequent modifications and completions, and intermediaries of insurance and/or reinsurance, as they are provided in Art. 3 point (11) and (13) of Law no. 236/2018 on the distribution of insurance, except for secondary insurance intermediaries as they are provided in art. 3 pt. 16 of Law no. 236/2018;

3. the central securities depositories, the managers of alternative funds investment, central counterparties, companies of financial investment services, and other entities authorized under the national legal framework, for providing investment services and activities, management companies of investment firms, entities managing a place of business trading, the Investors Compensation Fund, as defined according to the Law;

4. private pension fund managers, on their own behalf and for the private pension funds which they manage;

5. branches located in a Member State of the financial institutions as provided in point 1 – 4, regardless of whether their real premises are located in a Member State or in a third state

6. an investment entity as it is provided in the national legislation on the financial instrument markets;

7. a collective investment undertaking marketing its units or shares;

h) **branch of a credit or financial institution** is a working point, representing a part which depends from the legal point of view to a credit or financial institution, and which performs directly all or part of the activities of the institution.

i) **business relationship** is the professional or commercial relationship related to the activities conducted by reporting entities provided in Art. 5 and which, at the moment of establishing the professional relationship, it is considered to have an element of duration;

j) **occasional transaction** means the transaction carried out outside the business relationship, as defined in lett. i);

k) **shell bank** means a credit or financial institution, or an institution that carries out equivalent activities to those carried out of a credit or by financial institution, registered in a jurisdiction in which it has no physical presence, where the institution's management and administration is actually exercised and which is not affiliated to a regulated financial group at a consolidated level;

l) **service providers for legal person or legal arrangement** means any natural or legal person who provides within a professionally framework, any of the following services for third parties:

1. establishing companies, or other legal entities;

2. acting as a director or administrator of a company, or acting as associate/shareholder of a company or a joint ventures, or a similar quality in relation to other legal persons or intermediates another person to exercise those functions or qualities;

3. provides a registered office (headquarter), an administrative address or any other related service for a legal person or for any other legal arrangement;

4. acts as a fiduciary in a trust or in a similar legal construction, or intermediates for another person to exercise that quality;

5. acting as or arranging for another person to act as a shareholder for another legal person, other than a company listed on a regulated market that is subject to disclosure requirements according to the European legislation, or with international standards;

m) **group** means a group of companies formed by a parent company, its subsidiaries and entities in which the parent company or its subsidiaries hold a participation, as well as the companies which have the obligation to file the consolidated financial statements, as provided in Law no. 82/1991 on Accounting, republished, with subsequent amendments and completions;

n) **self-regulatory body** means the unions, the professional bodies or other associative forms of the regulated professions which have the competence to regulate the activity of their members by issuing regulations and norms on the activity and ethical conduct of the members, controlling and supervising the exercise of their legal tasks.

o) **senior management** means any person who has sufficient knowledge regarding the institution's exposure to the risk of money laundering and terrorism financing and who has a sufficiently high function to take decisions with effect on that exposure and who is not always necessary to be a member of the board of directors;

p) **gambling services** means any services which implies a gamble of monetary value in gambling, including those with a skill element such as lotteries, casino games, poker games and bets, provided in a physical location or by any means at a distance, electronically or by any other type of technology which facilitates communication, and at the individual request of the recipient of the services.

r) **customer/customers** means any natural or legal person, or legal arrangement without legal personality with which the reporting entities carry out business relationships or for which they perform other operations with permanent of occasional elements. It is considered to be a customer of a reporting entity, any person with whom in the performing of its activities, the reporting entity has negotiated a transaction, even if that transaction has not been completed, as well as any person who benefits or has benefited in the past by the services of a reporting entity;

s) **The terms: payment service provider, payment institution, electronic money issuer, electronic money issuer, electronic money, distributor, agent**, have the meaning provided in the Art. 2, Art. 5, point 1, point 16, point 27 of the Emergency Ordinance no. 113/2009 on payment services, with subsequent amendments and completions, approved by Law no. 197/2010 for the approval of Government Emergency Ordinance no. 113/2009 on payment services;

t)**The terms**: issuer of electronic currency, institution issuer of electronic currency, electronic currency, and distributor of electronic currency have the meaning provided in art. 2, para (1), art. 4 para (1) lett. d) – f) of Law no. 127/2011 on the activity of issuing electronic currency, with subsequent amendments and completions;

u) **real office** means the headquarter defined in art.14 par. (1) of the Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, approved with amendments and completions by Law no. 227/2007, with subsequent amendments and completions.

v) **Member State** means any Member State of the European Economic Area.

Art. 3 - (1) For the purpose of this law, **publically exposed persons** are natural persons who have or had important public functions.

(2) For the purpose of this Law, the important public functions are:

a) heads of state, heads of government, ministers and deputy ministers or state secretaries;

b) members of the Parliament or similar central legislative bodies;

c) members of the governing bodies of political parties;

d) members of the Supreme Courts, Constitutional Courts or other high-level courts whose decisions cannot be appealed only through extraordinary appeals;

e) members of the Board of the Court of Accounts, or members of the Board of the Councils of the Central Banks;

f) ambassadors, charge d'affairs and senior officers in the armed forces;

g) members of the Board of directors and of the supervisory boards, and the persons holding the leading positions of the autonomous regia, of the companies having majority state capital and of the national companies.

h) directors, deputy directors and members of the board of directors or members with equivalent functions within an international organization.

(3) None of the categories provided in paragraph (2) does not include persons who hold intermediate or inferior positions.

(4) Family members of the **publically exposed persons** are, in accordance with this Law:

a) husband/wife of the publically exposed person, or the person considered to be the equivalent of a husband/wife of a politically exposed person;

b) their children and their spouses, or the person considered to be the equivalent of their spouse;

c) parents.

(5) Persons publicly known as close associates of the **publically** exposed person are:

a) the natural persons known to be the beneficial owners of a legal person or entity without legal personality, or of a legal construction similar to these, together with any persons reoffered to in para (2) or as having any other privileged/close business relationship with such a person;

b) the natural persons who are the sole beneficial owner of a legal person, of an entity without legal personality or of a similar juridical structure thereof, known as being established de facto for the benefit of one of the persons provided in para. (2).

(6) Notwithstanding the implementation of this Law, on a risk based assessment, on additional CDD measures, after one year from the date when the person has ceased to be in an important public position, in the sense of para. (2), the reporting entities may not consider that person as publically exposed person.

Art. 4 - (1) For the purpose of the present Law, **beneficial owner** means any natural person who ultimately owns or controls the customer and/or the natural person on whose behalf or interest a transaction, an operation or activity is being conducted, directly or indirectly.

(2) The beneficial owner shall at least include:

a) in the case of legal entities, as defined in Law no. 31/1990 on Companies, republished, as amended and completed:

1. the natural person(s) who ultimately owns or controls a legal entity through direct or indirect ownership over a sufficient percentage of the shares or voting rights sufficient to ensure control in that legal entity, either through equity participation of the legal person, or by exercising control by other means, the legal entity owned or controlled not being a person registered in the trade register of which shares are traded on a regulated marked and subject to certain requirements advertising in accordance with the legislation of the European Union, or with international standards. This criterion is considered as fulfilled, in the case of holding of at least 25% of the shares plus one share, or has the equity interest of the legal person in a percentage over 25%;

2. **the natural person/s who holds a senior management position** if, after all possible means have been exhausted and provided that there are no grounds for suspicion, no natural person shall be identified in accordance with point 1 or, any doubt that the identified person is the beneficial owner, case in which the reporting entity is obliged to keep the records of the measures applied in order to identify the beneficial owner as provided in point 1 and in this point;

b) i**n the case of trusts**

1. The settler/s;
2. The trustee/s;
3. The protector of the trust, if the case may be;
4. Beneficiaries or, if they are not specified in the trust agreement and subsequently designated, the category of persons for the main benefit of, the legal construction or legal entity was established or is functioning;
5. Any other natural person exercising the ultimate control of the trust by direct or indirect exercise of the right of ownership or by other means.

c) **In the case of legal entities such as foundations and legal constructions similar to trusts, the natural person(s) who holds positions equivalent or similar to those referred to in lett. b)**;

d) **in the case of legal entities, other than those referred to in lett. (a) - (c), and of the entities which administrate and distribute funds**:

1. the natural person who is the beneficiary at least of 25 % of the goods, respectively capital shares or shares of a legal person or other entities or legal arrangements, where the future beneficiaries have already been determined;

2. the group of persons whose principal interest is the constitution or operation of a legal person or an entity or legal arrangement where natural persons benefiting from a legal person or a legal entity have not yet been determined;

3. the person or natural persons exercising control over at least 25% of the assets of a legal person or of an entity without legal personality, including by exercising the power to appoint or for revoke a majority of the members of the administrative, management or supervisory bodies of that entity or legal arrangement.

CHAPTER.II – REPORTING ENTITIES

Art. 5 - The following reporting entities are subject to this law:

a) Romanian legal entities credit institutions, and branches of foreign legal entities credit institutions;

b) Romanian financial institutions and branches of foreign legal persons financial institutions;

c) private pension fund administrators on their own behalf and for the private pension funds they manages, excepting the occupational pension fund;

d) providers of gambling services;

e) auditors, authorized accountants, censors, tax, financial, business or accounting advisers;

f) public notaries, lawyers, bailiffs and other persons exercising liberal legal professions when they assist in planning or executing transactions for purchasing or sale of real estate, shares or capital shares or elements of the trading fund, the management of financial instruments, securities or other goods of customers, operations or transactions involving a amount of money or a transfer of the ownership, the establishment or administration of bank accounts, savings or financial instruments, the organization of the process of subscription of the contributions necessary for the establishment, the operation or management of a company, the establishment, management or leadership of such companies, collective investment undertakings in securities or similar structures, and where they participate on their behalf or for their customers in any financial or real estate transaction;

g) service providers for legal entities or trusts, other than those referred to in e) or f);

h) real estate agents;

i) other entities and natural persons trading as professionals, goods or performing services, to the extent that they perform cash transactions whose minimum limit is the equivalent in RON of 10.000 EUR, regardless of whether the transaction is executed through a single operation or through several operations which seems to be connected between them.

(2) Notwithstanding the provisions of para (1), the agents and distributors of the institutions issuers of electronic currency and payment institutions, including those of the institutions from other Member States providing services on the territory of Romania, or the central contact point, are obliged to respect the legal provisions in the AML/CFT field.

(3) In the implementation of para (2), the institutions issuers of electronic currency and payment institutions shall impose by contract to their agents and distributors, used for providing services on the territory of Romania, to comply with the provisions of this LAW and with the regulations issued in the implementation of this Law, and establish compliance mechanisms.

CHAPTER. III - REPORTING OBLIGATIONS

Section 1. Suspicious Transaction Report

Art. 6 – (1) Reporting entities, mentioned in art. 5, are required to submit a s**uspicious transaction report** only to the Office if they know, suspect or have reasonable grounds to suspect that:

a) the goods originate from committing offenses or are related to terrorism financing; or

b) person or its proxy/representative/settler is not who they claim to be; or

c) the information that the reporting entity owns may be used to enforce the provisions of this Law; or

d) in any other situations or with regard to the elements which are likely to rise suspicious regarding the character, economic purpose or justification of transaction, such as the existence of some abnormalities to the customer's profile, as well as there are some grounds that the data hold regarding the customer or regarding the beneficial owner are not real or actual, and the customer refuse to update the data or to offer justifications which are not credible.

(2) Additionally to the situations mentioned in para. (1), the reporting entities shall submit a **suspicious transaction report** to the Office when the objective factual circumstances related to a business relationship or occasional transaction totally or partial correspond to the indicators or typologies of suspicious **transaction** publicly disclosed by the Office.

(3) Reporting entities consider that they suspect any business relationship or occasional transaction with a person whose identification data have been communicated to him by the Office on a punctual basis. In this case, a suspicious transaction report will be transmitted by the reporting entity to the Office, the provisions of art. 9 para (1) are not applicable.

(4) The National Agency for Fiscal Administration shall immediately submit a suspicious transaction report to the Office when, in application of Regulation (EC) 1.889/2005 of the European Parliament and of the Council of 26 October 2005 on the control of cash entering or leaving the Union, which they hold at the time of entry into or exit from the Union, knows, suspects or has reasonable grounds to suspect that the goods/funds originates from offenses or are related to the terrorism financing or the person has infringed the obligations established by this regulation

SECTION 2
Reporting of transactions which do not present indicators of suspicion

Art. 7. - (1) Reporting entities are required to report to the Office, transactions in cash in RON or other currency, whose minimum limit represents the equivalent in RON of 10,000 EUR.

(2) In case that transactions referred to in paragraph (1) are performed with a credit or financial institution, the reporting requirements incumbent on it, with the exception of the operations derived from money remittance activity which shall be reported in accordance with the provisions of para 5.

(3) Credit institutions and financial institutions defined by the present law will send online reports on external transfers in and from accounts, in RON or other currencies, whose minimum limit represents the equivalent in RON of 15,000 EUR.

(4) For the purposes of paragraph. (1) the term of transaction includes also the operations whose value is divided into parts smaller than the equivalent in RON of 15,000 EUR, which have commune elements such as: parties to the transactions, including beneficial owners, the nature or the category of the transactions and the amounts involved. The reporting entities shall establish into the internal policies and procedures mentioned in the art. 24 para (1), accordingly to their exposure to the risks of money laundering and terrorism financing, the term in which the commune elements are relevant, as well as any other scenario which could rise some connected transactions

(5) For money remittance activity, reporting entities will send to the Office reports on funds transfers whose minimum limit represents the equivalent in lei of 2,000 EUR.

(6) The National Agency for Fiscal Administration will send to the Office reports on information contained in the statements of the natural persons, related to cash in foreign and/or national currency, which equals or exceeds the threshold established by Regulation (EC) No. 1.889 / 2005 of the European Parliament and of the Council of 26 October 2005 on controls of cash entering or leaving the Union, held by them when entering or leaving the Union.

(7) The report for the transactions mentioned in para (1), (3) and (5) shall be sent to the Office within maximum 3 working days from the time of the transaction, and the report referred to in para. (6) shall be sent to the Office within maximum 3 working days from the time of declaration under Regulation (EC) No. 1.889 / 2005 of the European Parliament and of the Council of 26 October 2005 on controls of cash entering or leaving the Union, held by them entering or leaving the Union, according to a methodology approved by order of the President of the Office.

SECTION 3
Reporting Rules

Art. 8 - (1) The reporting entities mentioned under art. 5, shall immediately submit to the Office the suspicious transaction report referred to in art. 6, before performing any transaction, related to the customer, which are connected with the reported suspicious.

(2) Immediately, the Office confirms in writing, by registration number, including by electronic means, that the suspicious transaction report was received.

(3) The transaction shall not be performed till the expiry of the 24-hour term from the moment of the registration mentioned in para (2). If, in the above mentioned term, the Office does not suspend the performance of the transaction, the reporting entity can perform the transaction.

(4) For the purpose of analysis of the transaction and verification of the reported suspicion, the Office may suspend the performance of a transaction for a period of up to 48 hours, as a result of information received under this law, of requests received on this regard, from the Romanian judicial authorities or foreign institutions which have similar functions and have the obligation to keep the confidentially in similar conditions, or based on other information held. The decision of the Office, of suspension of performance of a transaction, is immediately communicated to the reporting entity, both on hard copy form and electronic form and will be immediately implemented.

(5) If the reported suspicion is not confirmed, the Office decides to terminate the suspension of a transaction before the expiration of the deadline provided in para. (4), decision that is immediately communicated to the reporting entity and will be immediately implemented.

(6) Before the expiry of the deadline stipulated in para. (4), the Office, if it considers to be necessary, may request, one single time, motivated, to the General Prosecutor`s Office by the High Court of Cassation and Justice, the extension of the suspension of the transaction with a maximum of 72 hours, that is calculated from the hour when the suspension decision expires.

(7) The Office may request, motivated, to the General Prosecutor`s Office by the High Court of Cassation and Justice, to cease the extension of the suspension, at any time within the term referred to in para. (6);

(8) The Decision of the General Prosecutor`s Office by the High Court of Cassation and Justice is immediately communicated to the Office, which in its turn will communicate it, immediately, to the reporting entity.

(9) If by the expiration of deadline set under decision for suspension, the Office did not communicate it the decision to extend the suspension, the reporting entity can perform the transaction.

(10) If the deadlines settled out in hours according to para. (3), para. (4) and para. (6) fulfills in a non-working day for public institutions involved in the suspension procedure, these are extended until the same hour within the next working day.

(11) The form and content of the reports referred to in art. 6 and 7 for the financial and non-financial reporting entities, as well as the methodology for their submission, will be established by the Order of the President of the Office, with the consultation of the supervisory authorities and self-regulatory bodies.

(12) The reporting entities are required to submit to the Office the reports established in art. 6, art. 7 and art. 9 para (1), in electronic format only, through the channels made available by the Office, in the form and content established according to para (11).

(13) The Office will return, to the reporting entity or to the customs authority, the reports that do not respect the established form and content and will consider the reporting obligation as being unfulfilled, until the deficiencies are addressed.

(14) The deficiencies indicated by the Office will be addressed and a new report will be submitted by the reporting entity or by the customs authority, whithin maximum two working days, from the date of receiving the returned report. In case of the suspicious transaction report, the deadline stipulated under para. (3) shall start from the date of confirmation by the Office that the properly filled report was received.

(15) The reports provided under art. 6, art. 7 and art. 9 para (1), as well as any other documents received by the Office through which suspicions of money laundering or terrorism financing are signalized, , do not represent a petition within the meaning of the Government Ordinance no. 27/2002 regarding the regulation of the activity of solving petitions, approved with amendments and completions through the Law no. 233/2002, with subsequent amendments.

Art. 9 - (1) By derogation from the provisions of art. 8, the reporting entities may carry out a transaction which is connected with the suspicious transaction, without prior reporting, if refraining from performing the transaction is impossible or if the non-performance would jeopardize the pursuit of the beneficiaries of the suspicious transaction, while maintaining the obligation to submit a suspicious transaction report, exclusively to the Office immediately, but not later than 24 hours, from performing the transaction, specifying also the reason due to which the provisions of art. 8 have not been applied.

(2) The reporting entities shall immediately submit a report of suspicious transaction, exclusively to the Office when it finds out that atransaction or more transactions that have been performed and are related to the customer activity, has suspicious of money laundering or terrorism financing.

(3) The persons referred to in art. 5 para. (1) let. e) and f) have the obligation to submit a suspicious transaction report only to the extent that are not taken into account the information they receive from one of their customers or obtain about them during assessment of the legal status of that customer in court proceedings or during the fulfillment of the defense or representation obligation of the customer in court proceedings or in connection with these proceedings, including legal advice on initiating or avoiding proceedings, regardless of whether this information is received or obtained before, during or after proceedings.

(4) The provision of para. (3) are not aplicable in cases where the persons referred to in art. 5 para. (1) let. e) and f) know that legal counseling is provided for the purposes of money laundering or terrorism financing or when it is known that a customer wants legal advice for the purpose of money laundering or terrorism financing.

(5) In the case of the reporting entities referred to in art. 5 para. (1) lett. e) and f), the reports shall be made to the Office and the governing bodies of the liberal professions shall be notified regarding the submission of the suspicious transaction reports.

(6) The following operations carried out on its own name and on its own account are exempted from the reporting obligations provided in art. 7 para. (1): between credit institutions, between credit institutions and the National Bank of Romania, between

credit institutions and the State Treasury, between the National Bank of Romania and the State Treasury, as well as sales of numismatic effects and exchange of damaged banknotes or out of circulation, performed by the National Bank of Romania.**CHAPTER IV**

CUSTOMER DUE DILLIGENCE MEASURES

Art. 10 - (1) The credit institutions and financial institutions shall not provide anonymous accounts or savings books, for which the identity of the holder or of the beneficial owner is not properly known and documented.

(2) for the purpose of the application of the provisions of para (1), the credit and financial institutions apply as soon as possible the customer due diligence measures in relation to all the owners and the beneficiaries of the existent anonymous accounts or savings books.

(3) Any use of existing anonymous accounts and savings books is only allowed after application of customer due diligence measures provided in art. 13, art. 16 or, as appropriate, art. 17.

(4) Credit and financial institutions are forbidden to establish or continue correspondent relationships with a shell bank.

(5) Credit and financial institutions shall take appropriate measures to ensure that they do not enter into correspondent relationships or continue such relationships with a credit institution or financial institution on which is known fact that allows to a shell bank to use its accounts.

(6) Credit and financial institutions have to apply customer due diligence procedures and procedures on records keeping referring to these, at least equivalent to those provided for in this Law, in all their branches and subsidiaries located in third countries.

(7) If the reporting entities have branches or subsidiaries held in the majority proportion which are located in third countries in which the minimum requirements on combating money laundering and terrorism financing are less strict than those provided by this law, the branches or subsidiaries held in the majority proportion located in the respective third countries shall implement the provisions of this law, including the ones related to data protection, to the extent that the law of the third country permits this.

Art. 11 – **(1)** The reporting entities are obliged to apply standard customer due diligence measures which will allow:

a) identifying the customer and verifying his identity based on the documents, data or information obtained from credible and independent sources, including through the means of electronic identification provided for in Regulation (EU) No. 910/2014 of the European Parliament and of the Council of July 23, 2014 on electronic identification and

trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC;

(b) identification of the beneficial owner and adoption of reasonable measures to verify his identity, therefore the reporting entity ensuring itself that have identified the beneficial owner, including in respect to legal entities, trusts, companies, associates, foundations and the entities without legal personality, as well as for understanding the structure of propriety and control of the customer;

(c) assesment on purpose and the nature of the business relationship and, if necessary, obtaining additional information about them;

(d) performance of a continuous monitoring of the business relationship, including by examining the transactions completed during the entire relationship, so that the reporting entity to ensure itself that the performed transactions are consistent with the information held, related to the customer, the profile of the activity and the risk profile, including, where the case may be, to the origin of the funds, and that the documents, data or information held are up to date and relevant.

(2) By derogation of provisions of para (1) the reporting entities may apply simplified customer due diligence measures, adequate to the associated risk of money laundering and terrorism financing.

(3) The reporting entities have adequate risk management systems, including risk based procedures, to determine whether a customer or a beneficial owner of a customer is a publically exposed person.

(4) In applying the measures referred to in para. (1) let. (a) and (b), the reporting entities verify, also, if a person who claims to act on behalf of the customer is authorized in this regard, case in which it identifies and checks the identity of that person.

(5) When this law and sectorial regulations or norms issued by the competent authorities in appliance of art. 1 para (4) contain references to the application of a certain category of identification measures, the reporting entity is required to apply at least the respective category, but it can decide, based on its own risk assessment, to apply a category of measures stricter than mandatory ones.

(6) The reporting entities shall consider at least the following variables in assessing the risk of money laundering and terrorism financing:

a) the purpose of initiating a relationship or performing an occasional transaction;
b) the level of assets to be traded by a customer or the size of the transactions already performed;
c) regularity or duration of the business relationship;
d) sactorial regulations or norms issued by the competent authorities in appliance of art. 1 para (4).

(7) The reporting entities have the responsibility to demonstrate to authorities with supervision and control responsibilities or to self-regulatory bodies that the applied customer due diligence measures are appropriate from the point of view of the risks of money laundering and terrorism financing that have been identified.

(8) The reporting entities have the obligation to verify the identity of the customer and of the beneficial owner before establishing a business relationship or before conducting an occasional transaction.

(9) When the reporting entity is unable to apply customer due diligence measures, it must not open the account, initiate or continue the business relationship or perform the occasional transaction and must fill a suspicious transaction report in relation to that customer whenever there are grounds for suspicion, which shall be submitted to the Office.

Art. 12 - The application of customer due diligence measures is completed accordingly with the provisions of the sectorial regulations and norms issued by the competent authorities as referred to in art. 1 para (4).

SECTION 1.
Standard Customer Due Diligence Measures

Art. 13 - (1) Reporting entities are required to apply standard customer due diligence measures in the following cases:

a) when establishing a business relationship;

b) when performing occasional transactions:

1. in value of at least the equivalent in lei of 15,000 EUR, regardless of whether the transaction is made through a single operation or through several operations that seem to have a connection between them;

2. which constitutes a funds transfer as defined by art. 3 point 9 of Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006 in value of over 1,000 EUR.

c) in the case of the natural persons who trade goods, as professionals, to the extent that they perform occasional cash transaction for at least the equivalent in RON of 10,000 EUR, regardless of whether the transaction is executed through a single operation or through several operations which seems to be connected between them.

(2) The reporting entities referred to in art.5 para. (1) lett. d) have the obligation to apply standard customer due diligence measures when collecting the winnings, buying or changing chips, or in all cases of performing transactions whose minimum value represents the equivalent in lei of 2.000 EUR, through a single operation.

(3) When the amount is not known at the time of accepting the transaction, the reporting entity apply standard customer due diligence measures when it is informed about the value of the transaction and when it has been determined that the minimum limit have been reached.

(4) In the case of life insurance or other types of insurance which include an investment component, credit institutions and financial institutions shall apply, in addition to standard customer due diligence measures for the customer and the beneficial owner, the following due diligence measures, as soon as the beneficiaries of these types of insurance are identified or designated:

a) in the case of beneficiaries identified by name, credit institutions or financial institutions shall apply customer due diligence measures in relation to them;

b) in the case of beneficiaries designated by characteristics or categories or by other means, credit institutions or financial institutions shall require obtaining of some sufficient information regarding the respective beneficiaries, so as to ensure that, at the time of payment, will be able to establish the identity of the beneficiary of these types of insurance.

(5) The measures provided for in para. (4) shall be adopted at the latest at the time of payment or at the time of total or partial assignment of the policy.

(6) In the event of a full or partial life insurance premium or other type of insurance related to investment to a third party, the credit and financial institutions that are aware of the value of the premium identifies the beneficial owner at the time of assignment to the individual or legal person or legal entity that receives, for its own benefit, the value of the premium.

(7) In the case of beneficiaries of trust or similar legal arrangement who are designated by specific characteristic or category, the reporting entities are required to obtain sufficient information regarding the beneficiary, so as to ensure that will be able to establish the identity of the beneficiary at the time of payment or at the time of exercise by the beneficiary of its acquired rights.

(8) The reporting entities may not apply customer due diligence measures in relation to the electronic money, in the case that are meet all the elements to risk mitigation:

a) the payment instrument is not rechargeable or has a maximum limit of 150 EUR for monthly payment transaction, which can only be used in the concerned Member State;

b) the maximum amount which is deposited does not exceed 150 EUR;

c) the payment instrument is used exclusively to acquire goods or services;

d) the payment instrument cannot be funded with anonymous electronic money;

e) the issuer performs sufficient monitoring of the transactions or business relationship to allow detection of unusual or suspicious transactions.

(9) The derogation provided in para. (8) is not applicable in the case of cash repurchase or cash withdrawal of monetary value of a electronic money if the redeemed amount exceeds 150 EUR.

Art. 14 -The reporting entities shall apply customer due diligence measures, not only to all new customers, but also to the existing customers, depending on the risk, including when relevant customer circumstances change.

Art. 15 - (1) The identification of customers and beneficial owners includes at least:

a) for natural persons - all civil status data specified in the identity documents provided by law;

b) for legal persons - data included in the registration documents or in incorporation certificate and data regarding the legal representative of the legal person concluding the contract;

c) data and information stipulated in the applicable sectorial regulations.

(2) In the case of foreign legal persons, shall be requested a translation into Romanian language of the documents mentioned in para. (1) let. b), authenticated according to the law.

SECTION 2
Simplified Customer due Diligence Measures

Art. 16 – (1) Reporting entities may apply simplified customer due diligence measures exclusively for its customers with a low risk.

(2) Framing into a low degree of risk shall be achieved through a global assessment of all identified risks, according to the provisions of art. 11 para. (6) and taking into account at least the following characteristic factors:

a) Customer risk factors:

1. public companies listed on a stock exchange and subject to the disclosure requirements, either by stock exchange regulations, or by law or by enforceable means, which impose requirements to ensure the proper transparency of the beneficial owner;
2. public administrations or public enterprises;
3. customers who reside in low-risk geographical areas, as set out in let. c).

b) Risk factors for products, services, transactions, or distribution channels:

1. life insurance policies, if the insurance premium or total of the annual payment installments are smaller or equal with the equivalent in RON of the amount of 1,000 EUR or single insurance premium paid is up to the equivalent in RON of the amount of 2,500 EUR;
2. insurance policies for pension systems, if there is no early redemption clause and the policy cannot be used as collateral;
3. pension systems, annuities or similar schemes that provide for employees pension benefits, where contributions are made by payments of the participants or by employers on behalf of the participants to a private pension fund;
4. products or financial services that provide limited and defined services to certain types of customers, so as to increase access to financial inclusion;
5. products for which the money laundering and terrorism financing risks are managed by other factors such as financial limits or property transparency;
6. products which, by their nature or by its trading mode, are ranked following sectorial or national assessments as low risk from the point of view of money laundering and terrorism financing.

c). Geographical risk factors:

1. member states;
2. Third countries that have effective anti-money laundering and terrorism financing systems
3. Third countries identified from credible sources as having a low level of corruption or other criminal activity;
4. Third countries which, based on credible sources, such as mutual evaluations, detailed assessment reports or published monitoring reports provide anti-money laundering and terrorism financing requirements in line with the revised FATF Recommendations and effectively implement those requirements.

(3) Before applying simplified customer due diligence measures, the reporting entities have the obligation to ensure that the business relationship or occasional transaction has a low degree of risk, determined at least on the basis of the factors in paragraph (2).

(4) The reporting entities carry out, in all cases, adequate monitoring of transactions and business relationship to allow detection of unusual or suspicious transactions.

SECTION 3.
Enhanced Customer Due Diligence Measures

Art. 17 - (1) The reporting entities apply, in addition to standard customer due diligence measures, enhanced customer due diligence measures in all situations, in which by their nature, may present an increased risk of money laundering or terrorism financing, including in the following situations:

a) in case of business relationships and of transactions which involve people from countries that do not comply or insufficiently comply with the international standards in the field of prevention and combating money laundering and terrorism financing, or which are internationally known as non-cooperating countries;

b) in case of correspondent relationships with credit institutions and financial institutions from other countries which are members or third countries;

c) in case of transactions or business relationships with publically exposed persons, or customers whose beneficial owners are publically exposed persons, including a period of at least 12 months starting with the date when he leaves the important public position;

d) in case of natural or legal persons established in third countries identified by the Commission as high-risk third countries.

e) in the cases provided for in the sectoral regulations or norms issued by the competent authorities pursuant to article 1 para. (4).

(2) The reporting entities have the obligation to assess, the circumstances and the purpose of all complex transactions, and with unusually high values, or of all kind of unusual transactions that do not have an obvious economic, commercial or legal purpose.

(3) The reporting entities have to assess the circumstances and purpose of such transactions, as soon as possible, including based on additional documents requested to the customer, in order to justify the transaction. Also, the reporting entities increase the level and nature of the monitoring business relationship, in order to establish whether those transactions or activities seem to be suspicious**.** The findings of the verifications carried out must be recorded in writing and will be available at the request of the competent authorities or of the self-regulatory bodies.

(4) The Office shall inform the competent supervisory and control authorities on the vulnerabilities of the systems of preventing and combating money laundering and terrorism financing from other countries, and it publishes on its website the list of the countries which presents vulnerabilities in the systems of prevention and combating money laundering and which do not apply or apply insufficiently international standards in the field, according to the public communications of the international organizations in the field.

(5) The supervisory and control authorities, as well as the self-regulatory bodies, through specific provisions will develop requirements and mechanisms for the information of the reporting entities, on the vulnerabilities of the systems of preventing and combating money laundering and terrorism financing in other jurisdictions.

(6) Based on specific provisions regulated by the supervisory and control authorities, as well as the self-regulatory bodies, the reporting entities shall examine the circumstances and the purpose of the transactions involving persons from other countries which present vulnerabilities in their systems of preventing and combating money laundering and terrorism financing and which do not apply or poorly apply the international standards in the AML/CTF field, and shall provide to the authorities with control responsibilities or to the self-regulatory bodies, at their request, their findings in writing.

(7) In case of correspondent relationship with respondent institutions from the Member States or third countries, correspondent credit and financial institutions apply, in addition to the standard measures of due diligence, the following measures:

a) obtain sufficient information on the respondent institution to fully understand the nature of its business and to determine, based on the public information, its reputation, including whether it was the subject of surveillance or investigations measures of money laundering or terrorism financing;

b) obtain sufficient information about the quality of the supervision to which the correspondent institution is subject;

c) assess the mechanisms implemented by the respondent institution for preventing and combating money laundering and terrorism financing, and to ensure that the mechanisms are adequate and effective;

d) obtain the senior management approval before establishing each new correspondent relationship;

e) establish, based on documents, the responsibilities of each party;

f) for the correspondent accounts directly accessible to customers, shall ensure that the correspondent institution applies on an ongoing basis the customer due diligence measures for these customers and is able to provide to the correspondent institution, on request, the information obtained through the application of those measures. (8) For the application of the para. (1), the correspondent credit and financial institutions can consider as fulfilled the obligations specified in para (7), letters b), c) and f) in case of the respondent credit and financial institutions in member states, which are obliged entities according to art. 2 para. (1) of Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council,

and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC, with subsequent amendments and completions.(9) In case of occasional transactions or business relations with **publically** exposed persons, or who have as beneficial owner a **publically** exposed persons, the reporting entities shall apply, in addition to the standard measures of customer due diligence, the following measures:

(a) obtains the senior management approval for establishing or continuing the business relationship with such persons;

(b) Adopts appropriate measures to establish the source of wealth and of funds involved in business relationships or in transactions with such persons;

(c) performs a continuous permanent increased monitoring of such business relationships. (10) The measures stipulated in para (9), (11) - (13) are also applicable to the family's members or to the persons known as closed associates of the **publically** exposed person. (11) The reporting entities are obliged to apply reasonable measures to determine whether the beneficiaries of a life insurance policy or of another insurance policy related to investments and/or, where applicable, the beneficial owner of the beneficial are **publically** exposed persons.

(12) The measures provided in para. (11) shall apply at the latest at the time of payment or at the time of the total or partial assignment of the insurance policy. (13) If there were identified increased risks, the reporting entities shall apply, in addition to the standard measures of customer due diligence, the following measures:

(a) inform the senior management before the performing of the payment of the corresponding revenues to the holder of the insurance policy;

(b) performs an enhanced assessment of the entire business relationship with the holder of the insurance policy.

(14) At the assessment of the money laundering and terrorism financing risks shall be taken into consideration at least several of the following potential high risk situations:

1. Risks factors related to the customers:

(a) business relation is performed in unusual circumstances;

(b) customers with residency in geographical area with high risk, as it is mentioned in item 3;

(c) legal persons or entities without legal personality with role in administrative structures of the personal assets;

(d) companies with nominee shareholders or with barrier shares;

(e) cash based activities;

(f) the structure of the shareholders of the company is unusual or excessively complex, taking into account the nature of the its activity. 2. Risks factors on products, services, transactions or distribution channels:

(a) personalized banking services;

(b) products or transactions which can favor the anonymity;

(c) remote business relations or transactions, without protection measures, such as electronic signature;

(d) payments received from unknown third parties or unassociated persons;

(e) new products and commercial practices, including new distribution mechanism and use of new technology or in developing phase both for new products as well as for the existing ones.

3. Geographical risk factors:

(a) Countries, which according to the assessment of the international organizations, do not have effective systems for combating money laundering/terrorism financing;

(b) Countries which, according the reliable sources, have high level of corruption or other criminal activities;

(c) Countries under sanctions regimes, embargoes or similar measures established by, for example, EU or UN;

(d) Countries which ensure financing or support for terrorism activities or on which territory operates designated terrorism organizations.

SECTION 4.
Execution By Third Parties

Art. 18 - (1) For the purposes of this section, third parties are the reporting entities referred to in article 5, as well as other institutions or persons located in a member state or in a third country that:

a) apply customer due diligence and record keeping requirements that are similar to those set out in this law; and

b) are supervised in relation to their application in a manner similar to that provided in the present law.

(2) The reporting entities may not use third parties located in high-risk third countries.

(3) The authorities and bodies referred to in article 26 para.(1) may establish by sectorial norms and other categories of entities that cannot be used as third parties by the entities they supervise.

4) The reporting entities may use, for the purpose of applying the customer due diligence measures provided in article 11 para. (1) lit. (a) - (c), customer information obtained from third parties, even if that information is obtained on the basis of documents in different form from those used internally.

(5) In the situation referred to in para. (4), the responsibility for meeting of all customer due diligence requirements lies with persons using the information obtained from third parties.

(6) Reporting entities using third parties shall ensure that they obtain from them immediately:

a) all necessary information according to its own procedures for the application of customer due diligence provided in article 11 para. (1) lett. a) – c).

b) by request, copies of the documents on the basis of which the third party has applied the customer due diligence measures provided for article 11 para. (1) lit. a) – c).

(7) The authorities referred to in article 26 para.(1) may consider that a reporting entity which comply with the requirements of article 24 para.(7) at the level of the group to which it belongs, and it applies the procedures established to para. (1), (4) and para. (5) if all of the following conditions are met:

a) the reporting entity is based on information provided by a third party belonging to the same group;

b) the group applies customer due diligence measures, record keeping requirements and anti-money laundering and terrorism financing programs similar to those provided for in this law;

c) the compliance with the requirements of letter (b) is supervised at the group level by the competent authority of the home Member State or of a third State.

(8) The reporting entities may apply, through the entities to which activities have been outsourced, customer due diligence measures stemming from outsourced activities only if they require contractual compliance with legal obligations to prevent and combat money laundering and terrorism financing, and establish the mechanisms by which compliance is ensured. In these cases, the reporting entities remain responsible for fulfilling their obligations under this law and in cases where they do not directly apply customer knowledge measures.

SECTION 5.
Information on the Beneficial Owner

Art. 19 - (1) The legal persons and the trusts registered in Romania are required to obtain and hold adequate, correct and up to date information on their beneficial owner, including with regard to the way in which this quality is achieved, and to make them available to the control bodies and to the supervisory authorities at their request.

(2) The legal persons and the trusts reveal the status that they have and are required to provide to the reporting entities, timely, the information referred to in para. (1) and in Art. (4) para (2), when, in their quality of trustee, they establish a business relationship or perform an occasional transaction within a value which is beyond the value referred to in Art. 13, para. (1) let. b) and para. (2).

(3) The legal persons and the trusts registered in Romania are required to provide to the reporting entities, timely, supplementary to the information provided on their real owner, information on the beneficial owner, when the reporting entities apply customer due diligence.

(4) The reporting entities keep records on measures applied in order to identify the beneficial owners in accordance with the law.

(5) The information under para. (1) are registered:

a) in a Central Register at the level of the Romanian National Trade Office Register for legal persons, which have the obligation to register in the trade register, except for autonomous regies, companies and national companies;

b) in a Central Register at the level of Ministry of Justice for the associations and foundations;

c) in a Central Register at the level of the National Agency for Fiscal Administration for trusts.

(6) The Office shall inform the European Commission on the characteristics of those mechanisms on the basis of the information received from the authorities referred to in paragraph 5.

(7) The information contained in the records referred to in para. (5) must be appropriate, accurate and updated. The authorities referred to in para (5) shall assess these aspects and update their own registers.

(8) The access to the registries referred to in para (5) is ensured in accordance with the norms on the protection of personal data, free of charge for:

(a) the competent authorities having supervisory and control powers, the judicial bodies as referred to in Law no. 135/2010 on the Criminal Procedure Code, with subsequences and amendments, and the Office, in timely manner, without any restriction and without alerting the concerned person;

(b) the reporting entities when they apply customer due diligence measures;

(c) to any person or organization that can demonstrate a legitimate interest.

(9) The persons or organizations referred to in paragraph (8) let. c) have access to the name, the month and the year of birth, the citizenship and the country of residence of the beneficial owner, as well as information on the way in which this quality is achieved.

(10) In order to fulfill the obligation to identify the beneficial owner, the reporting entities will rely on the Central Register referred to in para. (5).

(11) In the case of beneficiaries of trusts or of similar legal constructions that are designated according to their particular characteristics or category, the reporting entities are required to obtain adequate, accurate and up-to-date information about the beneficial so as to ensure that they are in a position to determine the identity of the beneficiary at the moment of the payment or exercise by the beneficiary of his acquired rights.

(12) The competent authorities and the Office provide the information referred to in para. (1) and para. (5) to competent authorities and financial intelligence units of other Member States in due time.

(13) The measures provided for in this article shall apply to all types of legal constructions with a structure or function similar to the trusts.

Art. 20 – The organization and functioning of the registries referred to in art. 19 para. (5) is regulated by norms issued by the authorities who are managing them.

SECTION 6.
Record Keeping

Art. 21 - (1) When they apply the customer due diligence measures the reporting entities, , are obliged to keep the documents in paper or in electronic format, under the form which is admissible in judicial proceedings, all the records obtained by applying these measures, such as ID copies, of the monitoring and verifying of the relationships, and also, of the assessment performed, including information obtained by electronic identification means, required for compliance with the customer due diligences measures, for a five-year period, starting from the date when the business relationship comes to an end, respectively from the performance of the occasional transaction.

(2) The reporting entities keep the supporting documents and the records of the transactions, consisting in account sheets or business correspondence necessary to identify the transactions, including the results of any assessment performed in respect with the customer, for example requests to determine the history and purpose of complex transactions, which involves an unusually large amount of money. These documents may be originals or copies which can be used as evidence in judicial proceedings and must be kept for a period of 5 years starting with the date when the business relationship comes to an end, or after the date of an occasional transaction.

(3) When it is considered necessary to extend the record keeping period, in order to prevent, detect or investigate the activities of money laundering or terrorism financing, the reporting entities are obliged to extent, the deadlines provided in paragraph (1) and (2) with the period specified by the competent authorities, without this extension being allowed to exceed five years. (4) At the end of the retention period, the reporting entities have the obligation to delete the personal data, excepting the situation where other legal provisions impose the obligation to further retain data.

Art. 22 - (1) Personal data are processed by the reporting entities on the basis of this law and in compliance with the legislation in force on the processing of personal data only for the purpose of preventing money laundering and terrorism financing, and are not subsequently processed in a way incompatible with this purpose. It is forbidden to process personal data for other purposes, such as commercial purposes.

(2) Before establishing the business relation, the reporting entities provides to new customers, , or before carrying out an occasional transaction, at least the following information, mentioned below, unless the person is already informed about this data:

(a) the identity of the operator and, accordingly of the representative;

(b) the purpose of processing data;

(c) any other supplementary information such as:

1. the recipients or the category of the recipients of the data;

2. if the answers to the questions are mandatory or voluntary, as well as any possible consequences of the avoidance of the answer;

3. the existence of the right to access their data and for correction of the personal data, to the extent that, taking into account the specific circumstances in which the data

is collected, thus supplementary information is necessary for assurance a correct processing data related to envisaged person.

(3) The information mentioned in para.(2) includes a general notification in relation the legal obligations of the reporting entities in the sense of the present law when processing personal data in the purpose of prevention money laundering and terrorism financing.

(4) The processing of personal data as referred to in para (1) is considered necessary for the purpose of carrying out measures of public interest, in accordance with the provisions of the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

CHAPTER V.
Designated Person and Internal Procedures

Art. 23 - (1) T**he reporting entities, have the obligation todesignate one or several persons with responsibilities in applying the present law,** specifying the nature and the limits of the entrusted responsibilities**, whose names shall be communicated to the Office, exclusively in electronic form, through the channels provided by the Office.**

(2) The credit institutions and the financial institutions are obliged to designate a compliance officer at the management level, who coordinates the implementation of the internal policies and procedures, for the application of the present law. In the case of cooperative networks within the meaning of the Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, as subsequently amended and supplemented through Law no. 227/2007, with subsequent amendments and completions, the compliance officer may be appointed at central level to coordinate the implementation of policies and procedures across the entire network.

(3) The persons designated according to para (1) and (2) have direct and timely access to the relevant data and information from the reporting entities, for the application of the present law.

(4) The provisions of para. (1) are not applicable for the natural persons which have the quality of reporting entities, as well as for the reporting entities provided by article 5, para. (1) let. i). (5) Given the nature of the responsibilities entrusted to persons referred to in para. (1) and (2), the supervisory and control authorities, and the reporting entities are required to create mechanisms for their protection, including by granting the right to appeal on their behalf to notify the state authorities the violations of any nature of the present law in the reporting entity, in which case their identities will be protected accordingly.

(6) The mechanism mentioned in para (5) include, by case, at least:

(a) specific procedures for receiving reports for noncompliance to the provisions of the present Law, and for follow up measures;

(b) an appropriate protection of the employees, or of the persons who are in a similar position within the reporting entities, who reports violations of any nature of the present law, committed within them;
(c) an appropriate protection of the persons referred to in para. (1) and (2);
(d) the protection of personal data of the person who reports the violation of any nature of the present law, as well as of the natural person suspected for violation, in accordance with the Regulation (EU) 2016/679;
(e) clear norms which ensure the fact that is guaranteed the confidentiality in all the cases in which the person who reports any violations of this law, committed within the reporting entity, unless disclosure is required by other subsequent legal procedures.

Art. 24 – (1) The reporting entities shall establish, according to the nature and the volume of the work performed, and having regarded the regulations, prudential requirements and sectoral norms issued by the competent authorities for the application of Article 1 para. (4), prudential requirements, as appropriate, policies and internal norms, internal control mechanisms and procedures to manage the risks of money laundering and terrorism financing, including at least the following elements: customer due diligence measures;

b) measures for reporting, record keeping and all of the documents, according to this law and providing in due time, data for the competent authorities;

c) measures applicable to internal control, risk assessment and management, also on compliance and communication management;

d) measures concerning the protection of self employees involved in application of these policies, against any threats or hostile or discriminatory actions.

e) the periodic training and assessment of the employees.

(2) Depending on the size and the nature of the business, the reporting entities are required to ensure an independent audit function, in order to test internal policies, controls, mechanisms and procedures referred to in para. (1)

(3) The reporting entities approve and monitor policies, internal norms, mechanisms and procedures referred to in para. (1) at the level of high management;

(4) The reporting entities are required to ensure the proper and regular training of the employees on the provisions of the present law, and on relevant personal data protection requirements, and to assess the employees, according to the regulations or sectoral norms issued by the competent authorities in application of article 1 paragraph (4). The documents drawn up for this purpose will be made available to the control authorities and also to the self regulatory bodies, at their request.

(5) Depending on the risks exposure, the size and nature of the business, the reporting entities include, in the process of the training of the employees, the participation in special ongoing training programs, in order to be able to recognize operations which may be related to money laundering or terrorism financing.

(6) In case of credit and financial institutions it is mandatory to set up appropriate standards in recruiting staff with responsibilities in the application of this law, and to participate in training programs whenever necessary, but no later than two years in compliance with sectoral regulations or norms**.**

(7) The reporting entities that are part of a group are required to implement policies, procedures and trainings sessions at group level, including data protection

norms and policies and procedures on the exchange of information within the group, in order to combat money laundering and terrorism financing, which they apply also to the owned branches and subsidiaries in member states and third countries.

(8) The supervisory authorities informs each other on cases where the law of the third country does not allow the implementation of the policies and procedures required by paragraph 7, in which coordinated action may be taken to identify a solution.

(9) In the case when the law of the third country does not allow the policies and procedures required in paragraph 1 to be implemented, the reporting entities shall ensure that subsidiaries and branches with a majority shareholding in that third country apply additional measures to deal effectively with the risk money laundering or terrorism financing and shall inform the competent authorities of the home Member State. If the additional measures are not sufficient, the competent authorities referred to in Art. 26 shall apply enhanced supervision measures, including measures requiring the group not to establish business relations or to cease business relations, not to conduct transactions and, if necessary, to close its operations in the third country.

(10) In the case when a natural person falling within any of the categories listed in art. 5 para. (1) let. (d) - (i) performs professional activities as an employee of a legal person, the obligations laid down in this Chapter apply to the legal person in question and not to the individual.

CHAPTER VI
Risk Assessment Obligation

Art. 25 – (1) The reporting entities are obliged to identify and assess the risks of their activity, concerning the exposure to ML/TF, taking into account the risk factors, including those related to customers, countries or geographical areas, products, services, transactions or channels of distribution.

(2) The assessments performed for this purpose are based on documents, and updated, including on the basis of the national and sectorial assessments, and of the regulations or norms issued by the authorities for the implementation of art. 1, para (4), and are submitted to the authorities with supervision and control attributions and to the self-regulated bodies, on their request.

(3) The performed assessments are base for their own risk management policies and procedures, as well as for establishing the set of customer due diligence measures to be applied for each customer.

(4) The reporting entities performing their activity through branches, agents or distributors in another MS, are obliged to ensure that they respect the internal legal provisions of the respective MS, concerning the prevention of the use of the financial system for the purpose of ML/TF. In the situation when the provisions of this Law are

stronger, the reporting entities shall ensure the implementation, by their branches, agents and distributors in another state, also of these provisions.

CHAPTER VII
Supervision and Control

Art. 26 - (1) The implementation of the provisions of the present law is verified and controlled, within the professional attributions, by the following authorities and organizations:

a) The National Bank of Romania and the Financial Supervisory Authority for the category of entities which are subject to supervision in accordance with the provisions of Art. 27 and Art. 28;

b) The National Agency for Fiscal Administration and other authorities of financial/ fiscal control which control the reporting entities, except of those supervised by authorities provided for in letter a), with regard to the fulfillment of the reporting obligations referred to art. 7 paragraph (1), (3) and (5);

c) The National Gambling Office for the reporting entities referred to in Art. 5 para. (1) letter d);

d) The Office, for all reporting entities which are not subject to the supervision of the authorities provided in letter a).

e) The self – regulatory bodies for the reporting entities which they represent and coordinate.

(2) The competent authorities and structures provided in Art. (1) shall immediately inform the Office, by case:

a) when, in the exercise of their specific duties, they discover acts that may be related to money laundering or terrorism financing

b) with respect to other violations of the provisions of present law with significant impact on exposure to the risk of money laundering and terrorism financing, ascertained and sanctioned according to their specific duties.

(3) The Office may perform controls on the legal persons and entities without legal personality, other than those under the supervision of the authorities referred to in paragraph (1) lit. a), when from the data owned by the Office there are suspicious of money laundering or terrorism financing on the transactions carried out by them.

(4) The reporting entities which are subject to supervision and control have the obligation to make available to the authorized representatives appointed by the authorities referred to in para. (1), the data and the information requested by them to carry out their specific duties. The authorized representatives of the authorities referred to in para. (1), in the exercise of their supervisory and control duties, may take photocopies of the verified documents.

(5) The reporting entities have the obligation to carry out the measures disposed by the authorities stipulated in paragraph (1) within the indicated time, according to the control documents or other documents issued for this purpose.

(6) The authorities referred to in para. (1), depending on the area of competence, shall ensure the supervision of the compliance with the provisions of this law, by the reporting entities supervised and controlled in Romania by other entities from a Member State.

(7). The authorities referred to in para (1) shall cooperate with the competent authorities from another Member State, in order to ensure an effective supervision of the fulfillment of the requirements of this law. The authorities referred to in para (1) cooperate with the competent authorities from another Member State on the territory in which the entity with headquarter in Romania performs economic activities, in order to ensure an effective supervision of the fulfillment of the requirements of the legislation which transpose the Directive (UE) 2015/849, with subsequences and amendments. The cooperation may involve providing information from the supervision activity and common inspections.

(8) When it is applied a risk based approach in supervision, the competent authorities mentioned in para. (1) shall ensure that:

a) they clearly understand the risks of money laundering and terrorism financing;

b) they have access to all relevant information on internal and international specific risks related to the customers, products and services of the reporting entities;

c) they establish the frequency and the intensity of the supervision taking into account the risk profile of the reporting entities and of the risks of money laundering and terrorism financing, which are reviewed periodically, as well as when there are events or major changes in the management of the reporting entities.

Art. 27 – (1) The National Bank of Romania has exclusive responsibility for supervising and controlling, on a risk based approach, of the compliance with provisions of the present law by the following categories of entities that carry out activity and have physical presence on the territory of Romania:

a) credit institutions, Romanian legal entities and branches of credit institutions, foreign legal entities;

b) payment institutions, Romanian legal entities and branches of payment institutions from another Member States;

c) institutions issuing electronic money, legal Romanian entities and branches of institutions issuing electronic money from other Member States;

d) non-banking financial institutions registered in the Special Register and non-banking financial institutions registered only in the General Register which also have the status of payment institutions or electronic money institutions.

(2) In the case of the authorities referred to in para (1) letters a) - c), Romanian legal persons, the National Bank of Romania supervises and controls, also, the activity performed by them directly on the territory of another Member State

(3) The entities supervised and controlled by the National Bank of Romania shall submit, according to the law, any information held, at its request, for the purpose of monitoring compliance with the provisions of this law or in order to perform other legal tasks.

(4) The National Bank of Romania may carry out the surveillance both on the basis of the information provided by these entities according to the requests of the National Bank of Romania, and by inspections carried out at the headquarters and their

territorial units of them and of the entities to which they have outsourced activities including agents and distributors, through the personnel empowered in this respect, or by financial auditors or appointed experts by the National Bank of Romania, whenever it deems necessary.

(5) The National Bank of Romania can make recommendations to the entities referred to paragraph (1) in order to take appropriate measures to improve the governance framework, policies, procedures and controls implemented to effectively mitigate and manage the risks of money laundering and terrorism financing. The entity has the obligation to communicate to the National Bank of Romania the measures taken within the time limits set by it.

(6) Notwithstanding of the formulation of some recommendations, the National Bank or Romania is empowered to dispose to the entities referred to in para. (1) which violates the provisions of the present law or does not implement a recommendation, to reduce the risks and/or to eliminate the deficiencies and their causes, the following supervisory measures:

a) to require from the entity to improve the management framework, policies, procedures and controls implemented to effectively mitigate and manage the risks of money laundering and terrorism financing, indicating the issues to be improved;

b) to impose the obligation to apply standard customer due diligence measures for products, operations and / or customers for which the entity's internal policies and procedures establish the application of simplified customer due diligence measures and / or the imposition of additional measures for operations or customers for which they establish the application of standard or simplified customer due diligence measures;

c) to restrict or limit the activity, operations or network of branches, agents and distributors, including by withdrawing the approval granted for the establishment of branches from other Member States or third countries, as the case, suspending of activity or terminating the activity of some of the branches until the deficiencies have been eliminated;

d) to dispose the cession of providing the payment service or distribution of electronic money through an agent or distributor;

e) to require from the reporting entity to reduce the risks associated with its operations, products, services and It's IT systems, indicating the risks identified and which must be reduced;

f) to dispose to the reporting entity the replacement of the persons designated to ensure the management of the compartments and / or branches that have responsibilities in the implementation of customer due diligence policies and procedures, mitigating and managing the risks of money laundering and terrorism financing.

(7) By way of exception to the provisions of art. 43 and 44, the National Bank of Romania may apply administrative sanctions and / or sanctioning measures, according to the present law, in cases where it finds that an entity stipulated in par. (1), and / or any of the managers or directors of the entity or persons designated to manage the compartments or its branches shall be responsible of any of the following:a) not-complying with the supervision measures disposed by the National Bank of Romania;

b) failing to submit, providing in delayed period of time, or providing erroneous of data and information to the National Bank of Romania in the exercise of its supervisory and control duties;

c) serious, repeated, systematic infringement or a combination of those, of the provisions mentioned in art. 6 par. (1) - (3), art. 7 par. (1) – (5) and (7), art. 8 par. (1), par.(3), par.(4), par.(9) par.(12) and par. (14), art.9 par. (1), art. 10, art.11, art.13 par.(1) and par. (3), art.14 – art.16, art. 17 par (1)- par(3), par (6) - par.(14), art. 18 par. (2), par. (3), par. (6) and par. (8), art. 19 par. (4), art. 21 par. (1) - (3), art. 23 par. (1), par. (3), par.(5) and par. (6), art. 24 par. (1) – (7) and par.(9), art. 25, art. 26 par. (5) and par.(6) and art. 33 par. (1) - par. (3);

d) limiting the persons empowered by the management of the National Bank of Romania to carry out supervisory and control actions;

e) initiating or continuing of business relationship or executing of some transactions in violation of the provisions of this law.

(8) In the cases provided in paragraph (7) The National Bank of Romania may apply the following administrative penalties:

a) written warning;

b) public warning, which will be published on the website of the National Bank of Romania indicating the natural person, the responsible entity and the committed act;

c) fine applicable to the reporting entity up to 10% of the total annual turnover, calculated on the basis of the latest available financial statements, approved by the management body or up to 23,000,000 RON;

d) fine applicable to the responsible person, with valued between 10,000 RON and 23,000,000 RON;

e) withdrawal of approval granted to the directors and / or managers of the entity.

(9) The sanctioning measures that may be applied under this law are:

a) order to cease the unlawful conduct of the natural or legal person and to refrain from repeating it;

b) temporarily prohibiting the performance of positions in an institution by persons referred to in paragraph (7) responsible for committing the act;

c) withdrawal of the authorization granted to the entity.

(10) The administrative sanctions and the sanctioning measures provided for in para. (8) and (9) may be applied simultaneously with the issuance of recommendations or the provision of surveillance measures in accordance with paragraph (5) and paragraph (6) or independently thereof. Applying sanctions or sanctioning measures is prescribed within 5 years from the date of the offence.

(11) By exempting from the provisions of art. 45, when establishing the type of administrative sanction or the sanction measure and the amount of the fine, the National Bank of Romania considers all relevant real and personal circumstances of the act, including the following, as the case may be:

a) the severity and duration of the act;

b) the degree of guilt of the responsible natural or legal person;

c) the financial solidity of the responsible natural or legal person, as it turns out, for example, in the annual income of the responsible person or in the total turnover of the responsible legal person;

d) the significance of the profits made by the person in charge of the entity in so far as they can be determined;

e) the degree of cooperation of the natural or legal persons responsible with the National Bank of Romania;

f) previously violations committed by the responsible natural or legal person;

g) any potentially systemic consequences of the offence committed.

(12) The administrative sanctions provided in paragraph (8) lit. c) and d) and the sanction measure provided in par. (9) lit. (b) applies, distinct from the applicable sanction to the legal person, to persons of that capacity to whom the act may be imputed, since it would not have occurred if those persons had duly exercised their responsibilities arising from the duties assigned to them according to the legislation applicable to companies, the regulations issued in application of this law and the internal regulatory framework.

(13) The acts through which are disposed the sanctioning measures, the administrative sanctions and the supervision measures stipulated in para. (6), (8) and (9) are issued by the Governor, the Prime Vice-Governor or by the Vice-Governor of the National Bank of Romania, with the exception of the withdrawal of the approval given to the directors and / or administrators of the entity, the temporary prohibition of the exercise of certain functions in an institution to the persons referred to in paragraph (7), responsible for committing the offence and withdrawing the authorization granted to the entity whose enforcement is the responsibility of the Board of Directors of the National Bank of Romania

(14) The offences stipulated to paragraph (13) shall include the description of the offence and its circumstances and the legal basis for the granting of the supervisory measure, the administrative sanction or the sanction measure.

(15). The documents adopted by the National Bank of Romania in accordance with the provisions of the present law, including those regarding to the withdrawal of the approval granted to the directors and / or administrators of the entity, temporary prohibition of the performance of functions in an institution by the persons referred to in paragraph (7) responsible for the act and the withdrawal of authorizations of entity may be challenged within 15 days from communication to the Board of Directors of the National Bank of Romania, which shall give its decision within 30 days from the date of the notification. The decision of the Board of Directors of the National Bank of Romania may be appealed to the Administrative and Tax Litigations Chamber of the High Court of Cassation and Justice, within 15 days from the communication. The National Bank of Romania is the only authority able to decide on the considerations of the opportunity, the qualitative and quantitative assessments and analyzes underlying the issuance of its acts.

(16) The National Bank of Romania supervises on a risk base approach whether the Romanian agents and distributors of electronic money institutions and of payment institutions from other Member States ensure compliance with the legal provisions on preventing and combating money laundering and terrorism financing and, in case of serious deficiencies which requiring immediate solutions, it may take appropriate and proportionate measures as provided for in paragraph (17).

(17) In the case of identification at the agents and distributors level provided in paragraph (16) of serious deficiencies which require immediate solutions, the National Bank of Romania may take the following temporary measures to remedy the situation:

a) capping the total traded volume at the level of agent or distributor, per customer or per product / suspending the activity of the distributor of the electronic money institution, or the agent of the payment institution, or issuing institution from another Member State;

b) requiring to provide a plan to restore compliance with legal requirements on preventing and combating money laundering and terrorism financing;

c) requesting to improve the framework of risks management, procedures, processes and controls implemented in order to comply with legal provisions on the prevention and combating of money laundering and terrorism financing;

d) submitting relevant information to the competent authority of the origin of the Member State of the financial institution which carries out the activity through an agent or distributor.

e) capping the maximum amount of transfers / electronic money sold to a customer / time unit.

(18) The measures referred to in paragraph (17) lit. a.) and e) may be imposed until the solving of the identified deficiencies, but not more than one year.

(19) The fines received became incomes, for the state budget, in the case of those applied to the legal entities, and respectively, to the local budget, in the case of those applied to natural persons. The execution is carried out under the conditions provided by the legal provisions regarding the forced execution of the tax receivables.

Art. 28 – (1) The Financial Supervisory Authority has the exclusive powers of supervision and control, regarding the compliance of the provisions of the present law by the financial institutions under its supervision, according to their own legislation, inclusively by the branches of foreign financial institutions which perform activities and they have a physical presence on the Romanian territory.

(2) The entities referred to in para. (1) shall transmit to the Financial Supervisory Authority any information requested by it, for the purpose of supervision and control of the compliance with the provisions of this law, or with other legal attributions.

(3) The supervision and the control shall be carried out both on the basis of the information provided by the entities mentioned in para. (1), as well as by inspections at the headquarters and their territorial units, through the personnel empowered in this respect, whenever it is necessary.

(4) Whenever it is necessary, the Financial Supervisory Authority may require that certain verification to be carried out by the auditors of the entities referred to in paragraph (1), and the conclusions of the verifications will be made available to the Authority within the time limits set by it.

(5) For the application of the present law, the Financial Supervisory Authority is the only authority able to decide on the opportunity, the assessments and qualitative analyzes underlying the issuance of its acts.

(6) The Financial Supervisory Authority may dispose to entities referred to in paragraph (1) which violates the provisions of this law, the regulations or other acts issued pursuant to this law, recommendations, remedial measures and / or sanctions by

regulations issued according to its statutory powers, in order to reduce the risks or to eliminate the deficiencies and their causes.

(7) The recommendations or remedial measures may be issued / disposed independently, or at the same time with application of sanctions.

(8) The decisions of sanctioning or for imposed measures are disposed by the Board of the Financial Supervisory Authority, under the signature of the President of the Financial Supervisory Authority.

Art. 29 – (1) In application of the Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information which accompanying transfers of funds and repealing Regulation (EC) No 1781/2006, there are designated as authorities responsible for the supervision and control of compliance with the provisions on the information accompanying the transfers of funds:

a) the National Bank of Romania, for the entities that fall into its responsibility to be supervised as referred to in Art. 26.

b) the National Office for Prevention and Control of Money Laundering, for the postal service providers which operates payment services under the applicable national legal framework.

(2) They are exempted from the application of the provisions of the Regulation (EU) 2015/847, the transfers of funds referred to in art. 2 para. 5 from the Regulation, which meet the cumulative conditions listed in those provisions.

(3) The National Bank of Romania performs the supervisory and control powers provided for in paragraph (1) letter a), applying the provisions of Art.27 par. (3)-(19).

Art. 30 - (1) The authorization or registration of the entities that perform activities of foreign currency exchange in Romania, other than those subject to supervision of the National Bank of Romania according to this law, is performed by the Ministry of Public Finance, through the Commission for Authorization of Foreign Currency Exchange Business, hereinafter called *the Commission*.

(2) The legal provisions on the tacit approval procedure does not apply in the authorization procedure and / or registration of entities provided in para. (1);

(3) The Commission structure provided in par. (1) is established by a common order issued by the Minister of Public Finance, the Minister of Internal Affairs and the President of the Office, from its structure being at least one representative of the Ministry of Public Finance, the Ministry of Internal Affairs and the Office.

(4) The procedure for approval and / or registration shall be established by the Government Decision, draw up by the Ministry of Public Finance, together with the Ministry of Internal Affairs, and endorsed by the Office, within 90 days from date of the entry into force of this law;

(5) The activity of foreign exchange carried out by the capital market intermediaries on behalf of its own customers, as a related service, related to the main trading services, does not fall within the activity foreseen in paragraph(1).

Art. 31 – (1) It is forbidden to perform the following activities, without authorization or registration of the following entities: currency exchange offices, and collection of travel check offices, the service providers referred to in art. 2 lit. l) as well as providers of gambling services.

(2) The competent authorities provided in art. 26 par. (1) have the obligation to verify if the persons who hold a management position within the entities referred to in paragraph (1) and the persons who are the beneficial owners of these entities are suitable and competent persons capable of protecting those entities against their abusive use for criminal purposes.

(3) The competent authorities provided in art. 26 paragraph (1) have the obligation to adopt the necessary measures regarding the reporting entities referred to in art. 5 para. (1) lit. (e), (f) and (h) to prevent the persons permanently convicted of money laundering or terrorism financing from having a leading position within these entities or being their beneficial owners.

Art. 32 - (1) In situations provided by the technical regulatory standards issued by the European Banking Authority, electronic money issuers and the authorized providers of payment services in other Member States operating in Romania under the right of establishment in another form than through a branch, according to the applicable law, establish a single point of contact in Romania.

(2) The single point of contact is mandated by the obliged entity from another Member States to ensure compliance, by all the persons in Romania providing services on its behalf, with the requirements for combating money laundering and terrorism financing and to facilitate the exercise by the National Bank of Romania of its supervision function, including providing the requested documents and information.

(3) In the implementation of para. (2), the single contact point performs its functions under the regulatory technical standards developed by European Banking Authority.

CHAPTER VIII
ANALYSIS AND PROCESSING OF FINANCIAL INFORMATION, EXCHANGE OF INFORMATION AND PROHIBITION OF DISCLOSURE

Art. 33 - (1) The Office require from the reporting entities, the public authorities, or from the public or private institutions, data and information necessary to perform the duties prescribed by this law. The requested data and information are submitted exclusively in electronic form to the Office, and are processed and used in the Office under confidential regime, in compliance with the security measures of the processing of personal data.**(2)** The reporting entities, the public authorities, the public and private institutions are required to submit directly to the Office the requested data and information, in the format specified by the Office, no later than 15 days from the receipt of the request, and for the requests submitted as a matter of urgency, marked as such, within the period specified by the Office, even if they do not have submitted a report of suspicious transaction in accordance with art. 6 para. (1).

(3) In the case of the requests for information submitted by the Office or by other competent institutions or authorities, to verify if the reporting entities have or had, over a period preceding of five years, a business relationship with certain persons, and what is the nature of that relationship, the reporting entities are required to set up systems to

enable them to respond fully and rapidly trough secure channels which guarantee full confidentiality of the inquiries or directly to persons empowered by the Office or other competent authority under law. **(4)** Professional and banking secrecy of the reporting entities, including those provided by special laws, are not applicable to the Office, excepting the entities provided in para. (5)

(5) The lawyers will carry out the provisions of this law, in compliance with the provisions of the Law no. 51/1995 for the organisation and practice of the lawyer's profession, republished, on the keeping of professional secrecy.

(6) In order to fulfill the legal obligations of the National Bank of Romania and the Financial Supervision Authority, the Office provides, at their motivated request, information on persons and entities that have a risk of money laundering and terrorism financing.

Art. 34 - (1) The Office analyzes and processes the information and when it finds that there are grounds of money laundering or terrorism financing, informs immediately the Prosecutor's Office attached by the High Court of Cassation and Justice.

(2) The Office immediately informs the Romanian Intelligence Service on suspected terrorism financing operations.

(3) The Office informs the criminal prosecution bodies and, where appropriate, other competent authorities, on suspicions of committing offenses, other than money laundering or terrorism financing.

(4) The Office may, on its own initiative, submit information to the competent authorities or to the public institutions, on the non-compliance of the reporting entities as well as on issues relevant to their field of activity.

(5) If the Office finds no grounds of money laundering, suspicions of terrorism financing or suspicions of committing offenses other than money laundering or terrorism financing, the information is kept on file for five years, from registration at the Office. If the confidential information kept on file are not used and completed for five years, they are destroyed and wiped legally from databases.

(6) The identity of the natural person who informed the designated person in accordance with art. 23 para. (1), and also, the identity of the natural person, in accordance with art. 23 para. (1), who notified the Office, cannot be disclosed by the Office in the content of the information.

(7) The anonymous complaint will not be verified and processed.

(8) The criminal prosecution bodies will submit annually, to the Office, the stage of solving of the information sent, and also the amounts of money that are in the accounts of the natural or legal persons for which it was disposed the fund blocking, due to suspensions made, or due to the disposed provisional measures.

(9) The Office provides feedback to reporting entities, customs authority, and to the authorities with financial, fiscal control competences, and for the prudential supervision, whenever possible, through a procedure deemed as appropriate, on the effectiveness of and actions taken by the Office, following the reports received from reporting entities.

(10) The documents forwarded by the Office may not be used as evidence in judicial, civil or administrative proceedings, except for the application of the provisions of Art. 43.

Art. 35 - **(1)** On the request of the competent national authorities referred to in art. 34 para. (1) - (3) based on suspicions of money laundering, associated predicate offenses or terrorism financing, the Office will disseminate the information to them.

(2) The decision to submit the information specified in para. (1) belongs to the Office and where failure to submit, it motivates the refusal to the requesting competent authorities.

(3) The request for information includes, mandatory, at least the following elements: the relevant facts, the context, the reasons for the request, and how they will use the provided information.

(4) The competent authorities are required to notify the Office on how they used the provided information submitted to them as referred in para. (1).

(5) The Office may refuse to exchange information as provided in par. (1) where there are factual reasons to assume that the provision of such information would have a negative impact on the on-going analysis, or, in exceptional circumstances, in the case when the disclosure of the information would be clearly disproportionate to the legitimate interests of a natural or legal person, or irrelevant in relation to the purposes for which it was requested.

(6) The provisions of para. (2) – (5) are not applicable to the requests for information submitted by the institutions referred to in Art. 1 para. (1), letter (c), in complying with the task of national security.

Art. 36 - **(1)** The Office may exchange information, on its own initiative or upon request, based on reciprocity, through secured channels with foreign institutions having similar functions, or with other competent authorities from other Member State or third countries, that are bound to similar secrecy keeping, if such communications are made to prevent and combat money laundering and terrorism financing, including in terms of recovery of the proceeds of crimes. **(2)** The exchange of information as referred to in paragraph. (1) is performed spontaneously or on request, regardless of the type of associated predicate offenses and even if their type was not identified at the time of the exchange.

(3) The information stored by the Office from a Financial Intelligence Unit mentioned in para. (1) can be submitted only to the authorities mentioned in art. 34 para. (1) and (3), and only with the prior authorization from the Financial Intelligence Unit which provided the information, and can be used only for the purpose for which they were requested.

(4) When the Office receives a suspicious transaction report that refers to another Member State, it is forwarded promptly, to the Financial Intelligence Unit of the Member State concerned.

(5) To respond to requests for information in a timely manner, the Office exercises all the powers established by the law on the receiving and analyzing the information.

(6) When the Office receives a request from a Financial Intelligence Unit of another Member State, with the purpose of obtaining supplementary information from an obliged entity established in Romania, and operating within the territory of the requesting State, the prior approval is transferred promptly.

(7) If the Office is seeking additional information from an entity operating in Romania, and it is established in another Member State, makes a request in this sense to the Financial Intelligence Unit of the Member State concerned.

(8) The Office may refuse to provide the consent for dissemination of information submitted in accordance with para. (1), if it will be outside the scope of this law or may impede a criminal investigation, or it could prejudice the legitimate interests of a natural or legal person, or it would contravene to the national legal system, or the sovereignty, security, national interests or international agreements, justifying the refusal accordingly.

(9) The request for information includes, mandatory, at least the following elements: relevant facts, the context, the reasons for the request and how it will be used the information.

Art. 37 - (1) The application of the provisions of art. 6, art. 7 and art. 9 para. (1) by the reporting entities, their directors or employees does not represent a breach of a disclosure restriction imposed by contract or by law, regulation or administrative act and does not entail any liability for the enforced entity or its employees, even in the case when they did not know precisely the type of criminal activity and whether or not that activity took place.

(2) The reporting entities are obliged to ensure the protection of their employees and representatives who report at the internal level, or to the Office, suspicions of money laundering or of terrorism financing, the exposure to threats, hostile or discriminatory actions at work, including ensuring confidentiality regarding their identity.

(3) The reporting entities are required to establish appropriate procedures for employees or persons in a similar position to report violations internally via a specific, independent and anonymous channel, in proportion to the nature and size of the entity in question.

Art. 38 - (1) It is forbidden the use for personal purposes by the employees of the reporting entities of the confidential information received, both during work and after its termination;

(2) The reporting entities, the management, the administration and the supervisory bodies of the company, the directors and the employees of their entities are under no obligation to transmit, outside the conditions provided by law, the information held in relation to money laundering and terrorism financing and shall not disclose to the customer concerned nor to other third persons that the information is being submitted, have been or will be submitted in accordance with art. 6 and art. 9 para. (1), or that it is on-going or it could be an analysis of money laundering or terrorism financing.

(3) Committing the following acts in the line of duty does not infringe the prohibition in para. (2):

a) the submission of information between the credit and financial institutions in Member States, on the condition that they belong to the same group or between those institutions and their branches and subsidiaries owned in majority, established in third countries, on the condition that such branches and subsidiaries comply fully to policies and procedures at group level, including procedures for information exchange within the

group and these policies, and that the procedures at group level comply with the requirements of this law;

b) the submission of information between persons as referred to in art. 5, para. (1), letter e) and f) of the Member States, or between them and similar entities from third countries which impose requirements equivalent to those laid down in this law and their professional activity within the same legal entity or the same structure in which the ownership, management or control line is common;

c) the submission of information between the persons referred to in art. 5 alin. (1) letter a), b), e) and f), located in Member States or third countries which impose equivalent requirements to those of this law, in cases related to the same customer and the same transaction carried out by two or more persons mentioned above, on the condition that they came from the same professional category and that should be applied equivalent requirements on professional secrecy and protection of personal data.

d) the submission, in a group, of the information reported to the Office on the suspicion that the goods / funds derived from criminal activity or related to the terrorism financing, unless the Office forbid it.

(4) It is not considered a breach of the obligations under paragraph. (2) the act of the persons referred to in art. 5 para. (1) letter e) and f), in accordance with the statutory provisions, seek to dissuade a customer to carry out illicit activities.

CHAPTER IX
NATIONAL OFFICE FOR PREVENTION AND CONTROL OF MONEY LAUNDERING – FIU ROMANIA

Art. 39 - (1) The National Office for Prevention and Control of Money Laundering is the Financial Intelligence Unit of Romania, of administrative type, having its headquarter in Bucharest, specialized body with legal personality, independently and autonomous from an operational and functional point of view, subordinated to the Government and coordinated by Prim-Ministry.

(2) The Office's object of activity is to receive, analyze, process and disseminate financial information, to supervise and control the reporting entities for the purpose of preventing and combating money laundering and terrorism financing.

(3) In fulfilling its object of activity, the Office:

a) receives the reports provided by this law, as well as other information from the reporting entities, public authorities and institutions in connection with money laundering, criminal offences generating goods subject to money laundering and terrorism financing;

b) collects information received, through establishment of its own databases;

c) requests to reporting entities, public authorities or institutions or private, for data and information necessary to perform the duties established by law, including classified information;

d) evaluates, processes and analyzes information received;

e) in accordance with the law, dispose suspension of transactions relating to a suspicious activity of money laundering or terrorism financing, and may dispose the revocation of the suspension measure, according to the provisions of this law;

f) disseminates the results of the carried out analyzes to the competent authorities, in accordance with the present law;

g) keeps in evidence the information if there is no evidence of grounds of money laundering, suspicious of terrorism financing or suspicious of committing other offenses than money laundering or terrorism financing;

h) informs other public authorities about developments, threats, vulnerabilities, risks of money laundering and/or terrorism financing;

i) cooperates with the self-regulatory bodies on how to implement their obligations under this law and secondary legislation in the field;

j) issues instructions, recommendations and point of views to reporting entities to ensure the effective implementation of their obligations under this law, including indicating as suspicious of an activity and/or suspending a transaction, based on the transmission of identification data of a person or of specific indicators or typologies;

k) adopts, by order of the President, at least the following regulations/guides in the field of prevention and combating money laundering and terrorism financing: the Regulation on the transmission of information to the Office, the Regulation providing feedback to reporting entities on the information submitted to the Office, the guide on the suspicion indicators and typologies, the regulation on the registration of the reporting entity in the Office's records, the guide on the criteria and norms for the recognition of high or low risk of money laundering and/or terrorism financing;

l) receives the notifications, receives and solves the requests for authorization to conduct financial transactions in the case of restrictions on certain transfers of funds and financial services, for preventing nuclear proliferation;

m) supervises and controls the reporting entities on the implementation of international sanctions under the legislation in the field;

n) supervises and controls the reporting entities in its field of competence, on how to implement their obligations under this law and secondary legislation in the field;

o) ascertains the contraventions and applies the sanctions to the reporting entities in its own area of competence provided by the present law, through their own ascertaining agents, by minutes of finding and sanctioning the contravention;

p) organizes training sessions in preventing the use of the financial system for money laundering and terrorism financing;

q) performs exchange of information, on its own initiative or on request, on the basis of reciprocity, with institutions that have similar functions or with other competent authorities in other Member States, or third countries that have the obligation to keep the secrecy of the information under similar conditions, in accordance with the law;

r) performs exchange of information at national level with competent authorities in accordance with the provisions of this law;

s) publishes the annual activity report.

(4) The analysis function shall cover at least **the operational analysis** that focuses on individual cases and specific objectives ,or on appropriate information depending on the type and volume of information received and on the intended use of the information after its communication, and **the strategic analysis** to address recurring trends and practices of money laundering and terrorism financing.

(5) In order to accomplish its object of activity, the Office have access, directly, in a timely manner, to financial, tax, administrative, as well as to any other information from the law enforcement authorities and from criminal prosecution bodies, for performing properly its tasks.

(6) The Office represents Romania in its own field of activity and promotes exchange of experience in relation with international organizations and international institutions, cooperates with foreign Financial Intelligence Units, can participate in the activities of international bodies and may be a member of them.

(7) The Office may conclude protocols and/or cooperation agreements with the national competent authorities, as well as with other national or international institutions with similar responsibilities, and with the obligation of secrecy under similar conditions.

(8) The Office shall communicate in writing, to the Commission the information referred to in paragraph 1.

Art. 40 - (1) In the exercise of its attributions, the Office has established its own structure formed by contractual employees, at central level, whose chart is established by the Regulation of Organization and Functioning of the Office, approved by Government Decision and has adequate financial, human and technical resources.

(2) The Office is headed by a President appointed by a Government Decision, who is a principal credit orderer, helped by a Vice-President, appointed by Government Decision. The President of the Office is an official with secretary of state rank. The Vice-President is an official with sub-secretary of state rank.

(3) The President and the Vice-President of the Office are appointed for a 4-years mandate and can be re-invested once for another 4 years.

(4) The President and the Vice-President must cumulatively fulfill the following conditions at the date of appointment:

a) to be licensed and have at least 10 years of seniority in an economic or legal position;

b) to have Romanian citizenship and residence in Romania;

c) to have full exercise capacity;

d) to enjoy a high professional reputation;

e) to have management experience of at least 3 years in management positions;

f) not to have been disciplinary sanctioned in the past 5 years.

(5) In the event of the President being absent or unavailable, his duties shall be taken over by the Vice-President of the Office for the absence or unavailability period.

Art. 41 - (1) The employing process of the Office staff is performed on the basis of a competition or exam, organized according to the legal regulations in force. The specific conditions required for occupying the Office's functions are laid down in the Regulation of Organization and Functioning of the Office.

(2) The Office employees shall not transmit the confidential information received during the activity, except under the law. The obligation is maintained indefinitely.

(3) It is forbidden for the Office employees to use confidential information received and processed within the Office, both during the activity and after its termination.

(4) In order to verify the fulfillment of the professional competence and performance criteria, the Office employees are subject to an annual assessment according to the law.

(5) The Office employees are sanctioned disciplinary for non-compliance with service tasks.

(6) The Office employees must be graduates of a higher education institution with economic or legal specialization, or graduates of a secondary education institution, as the case may be, with the length prescribed by law. For the IT activity, it can be employed as financial analyst, graduates of a higher education institution of informatics, and for the international relations activity, it can be employed as financial analyst, graduates of a higher education institution with specialization in foreign languages, communication and public relations, or public administration.

(7) The period of service in Office is considered seniority in the specialty.

(8) The form and the content of the minutes of finding and sanctioning the contravention, and of the control cards shall be established by order of the President of the Office, which shall be published in the Official Gazette of Romania.

(9) The control agents of the Office have legal protection in the exercise of their duties. At the motivated request of the control agents, the Office may request to the competent bodies to provide protection against threats, violence and insult.

(10) For the functioning of the Office, the Government approves by Decision, under the terms of the law, the putting into use of state-owned real estates within 60 days from the filing date of the application. Also, the Office can rent, under the law, the buildings necessary for its operation in optimal conditions.

(11) In order to accomplish the object of activity, adequate resources are allocated, including for the cooperation with other Financial Intelligence Units, applying the cutting-edge technologies, according to the national legislation in force, allowing the Office to confront data with other similar institutions, in an anonymous way, as well as allowing the Office to confront data with other Financial Intelligence Units from Member States in an anonymous way, by ensuring full protection of personal data, in order to detect persons under analysis in other Member States, and to identify their income and their funds.

CHAPTER X
RESPONSIBILITIES AND SANCTIONS

Art. 42 – (1) The violation of the provisions of the present law brings about, as appropriate, civil, disciplinary, contravention, administrative or penal responsibility.

(2) By derogation from the provisions of art. 13 from the Government Ordinance no. 2/2001 regarding the legal system of contraventions, approved with modifications and completions by the Law no. 180 / 2002 with the subsequent modifications and completions, the application of the administrative sanction of fine shall be prescribed within 5 years from the date of committing the act.

(3) The competence of verification and control, performed by the authorized representatives of the competent authorities, imply the exercise of state authority.

Art. 43 - (1) The following acts are contraventions, if not committed under such circumstances as to be criminal offenses:

a) failure to comply with the obligations referred to in the art. 6 para.(1) – (3), art. 8 para. (1), (3), (4), and (14), art. 9 para. (1), art. 10, art.11 para. (1), (4) – (9), art. 13 para. (1) – (6) , art. 14 - 16, art. 17 para.(1) – (3), and para.(6) – (14), art. 18 para. (2), (3), (6) and (8), art. 19 para. (1) – (4) and para. (10) – (11), art. 21 para. (1) – (3), art. 23 para. (1) - (3), (5) and (6), art. 24 para.(1) – (7) and para. (9), art. 26 para. (5),

b) failure to comply with the obligations referred to in the art. 25,

c) failure to comply with the obligations referred to in the art. 7 para.(1) - (5) and (7), art. 8 para. (12), art. 26 para. (4), art. 32 para. (2), and art. 33 para. (2)- (4).

d) Failure to comply to the reporting obligation referred to in art. 6, when the management, administration and control body of the company, a director or an employee of the reporting entity has reveal at internal level the existence of some grounds or certainties that an act or a transaction was related to money laundering or terrorism financing;

e) The obstruction of the control and supervision activity, including failure to provide, late delivery, or providing inaccurate data and information in application of the provisions of this law;

f) Failure to comply with the obligation mentioned in art. 37 para.(2) and (3);

g) Initiating or continuing the business relation, or carrying out transactions in violation of the provisions of this law.

(2) For the natural persons, the contraventions provided in para (1) lett. a), d) and g) shall be sanctioned by warning or fine, ranging from 25,000 RON to 150,000 RON, the contraventions provided in para (1) lett. b) shall be sanctioned by warning, or fine ranging from 20,000 RON to 120,000 RON, and the contraventions provided in para (1) lett. c), e) and f) shall be sanctioned by warning or fine ranging from 10,000 RON to 90,000 RON.

(3) For the legal persons, the contraventions provided in para (1) shall be sanctioned by warning or by fine set out in para. (2), whose upper limit is increased with 10% of total revenue, reported to the fiscal period ended before the date of the minutes of finding

and sanctioning the contravention. The sanctions and the measures can be applied to the members of the management body, and to other natural persons who are responsible for failure to comply with the provisions of the present law.

(4) The provisions of the art. 8 para. (2) let.a) from Government Ordinance no. 2/2001 on the legal regime of contraventions, approved with amendments and completions by Law no. 180/2002, with the subsequent modifications and completions, are not applicable to the sanctions set out in para.(2), (3) and (5).

(5) In the event that any of the contraventions provided in para. (1) is committed by a financial institution, other than those supervised by the National bank of Romania, and if it is serious, repeated, systematic, or a combination of these, and it has not been committed in such a way as to be a criminal offense, the upper limits of the fines set out in the para. (2) and (3), increase as follows:

a) with 5.000.000 RON, for legal persons,

b) with 50.000 RON, for natural persons.

Art. 44 - (1) For violations of the provisions of the present law, supplementary to the sanction of the contravention fine, there may be applied to the offender, one or more of the following complementary sanctions:

a) confiscation of the goods designated, used or resulted from the contravention;

b) suspension of the endorsement, license or authorization to carry out an activity or, by case, suspension of the economic agent's activity, for a period of one month to 6 months;

c) withdrawal of the license or of the endorsement for some operations, or for international commerce activities, for a period of 1 month to 6 months, or definitively;

d) blocking of the bank account for a period of 10 days up to one month;

e) cancellation of the endorsement, license or authorization for carrying out an activity;

f) the closure of the branch, or of another secondary establishment;

g) a public statement which identifies the natural or legal person and the nature of the violation;

h) an order requiring the natural or legal person to cease the conduct and to refrain from repeating it;

i) a temporary prohibition to exercise management functions within obliged entities, against any person with managerial responsibilities within an obliged entity or against any other natural person declared responsible for violation.

(2) The Office may require, motivated, to the authorities and self-regulatory bodies provided for in Art. 26 para. (1) let. b) c) and e), as well as to the institutions responsible for authorizing the reporting entities that are supervised and controlled by the Office, the application of the complementary sanctions.

(3) For the acts set out in para. (1), the supervisory authorities may apply, supplementary, specific sanctioning measures, according to their competences.

(4) Unless otherwise stated, the contraventions provided in the present Law shall be completed with the provisions of the Government Ordinance no. 2/2001 on the legal regime of contraventions, approved with amendments and completions by Law no.

180/2002, with the subsequent modifications and completions, with the exception of art. 7, 12 and 27 and 28.

(5) By derogation from the provisions of art. 15 – 42 from Ordinance no. 2/2001 on the legal regime of contraventions, approved with amendments and completions by Law no. 180/2002, with the subsequent modifications and completions in the case of the entities that are supervised by the Financial Supervisory Authority, the ascertainment of the contraventions, the appliance of the contravention and additional sanctions, as well as their contestation, shall be carried out in accordance with their own regulations.

(6) The collected fines shall become income, as the case may be, to the state budget or to the local budget, according to the law. The execution is carried out under the conditions provided by the legal provisions regarding the enforced execution of the tax receivables.

(7) The contraventions are ascertained and sanctioned by the authorized representatives of the authorities set out in art. 26 para. (1) lit. b) - d), or by the Financial Supervisory Authority, according to their own regulations.

Art. 45 – When determining the type and level of applied administrative/contraventional sanctions or measures, the competent authorities according to art. 26 para. (1) take into account relevant circumstances, such as:

a) the frequency, the severity and the duration of the violation;

b) the degree of responsibility of the natural or legal person declared in charge;

c) the financial capacity of the natural or legal person declared in charge, indicated, by example, by the annual income of the natural or legal person declared responsible

d) the extent to which the natural or legal person held liable cooperates with the competent authority ;

e) previous violations committed by natural or legal person declared in charge;

f) the degree of compliance with the recommendations and action plans formulated by the competent authorities provided for in art. 26 paragraph (1), or by the representatives empowered specifically by them.

(g) the benefit obtained from the violation by the natural or legal person declared in charge, insofar as it can be determined;

h) the losses incurred to third parties through violation, insofar as they can be determined.

Art. 46 – (1) The competent authorities referred to in art. **26 para. (1)** are required to publish, on their official website, information on the number and type of measures or contravention/administrative sanctions imposed for violation of this law, which are final, immediately after the sanctioned person is informed of that decision.

(2) The information provided in para. (1) include the type and nature of the violation, as well as the identity of the in charge persons and are kept on the site for a period of five years. The personal data included in the published information is kept on the official website only for a period of time in accordance with the applicable legal provisions applicable to the protection of personal data.

(3) The competent authority may consider publishing the personal data of the persons in charge as disproportionate, following a case by case assessment on the proportionality of the publication of such data or where publication jeopardizes the

stability of financial markets or an investigation in progress, in which case the competent authority:

(a) delays the publication of the decision to impose an administrative sanction or measure until the moment at which the reasons for not publishing cease to exist;

(b) publishes the decision to impose an administrative/contravention sanction or measure on an anonymous basis, if such anonymous publication ensures an effective protection of the personal data concerned; in the case of a decision to publish an administrative/contraventional sanction or measure on an anonymous basis, the publication of the relevant data may be postponed for a reasonable period of time if it is foreseen that within that period the reasons for anonymous publication shall cease to exist**;**

(c) do not publish the decision to impose an administrative/contravention sanction or measure at all, in the event that the options set out in points (a) and (b) are considered insufficient to ensure**:**

1. that the stability of the financial markets would not be put in jeopardy**; or**

2. the proportionality of the publication of the decision, in cases when the respective measures are considered to be of a minor nature**.**

Art. 47 – (1) The violation of the obligations referred to art. 38 para. (1) and (2) and art. 41 par. (2) and (3) shall be a criminal offense and shall be punished by imprisonment from 6 months to 3 years, or by a fine, if the act does not constitute a more serious criminal offense.

(2) The violation of the obligations referred to in art. 31 paragraph (1) constitutes a criminal offense and is punished according to the Law no. 286/2009 on Criminal Code, with subsequent modifications and completions.

Art. 48 - (1) The authorities mentioned in art. 26 para (1) letter a) shall inform, as appropriate, the European Supervisory Authorities, respectively the European Banking Authority, European Insurance and Occupational Pensions Authority and European Securities and Markets Authority:

a) all the needed information for them to perform their tasks in the field of prevention and combating money laundering and terrorism financing, in accordance with the previsions of the Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC, the Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC, and respectively, Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC;

b) all administrative sanctions and measures imposed in according to Art. 27 and Art. 28 on the credit and financial institutions, including the appeals against them and their outcome.

Art. 49 – (1) The following acts represent the criminal offence of money laundering and it is punished with prison from 3 to 10 years:

a) the conversion or the transfer of property of the products, knowing that such products are derived from criminal activity, for the purpose of concealing or disguising the illicit origin of that product, or for the purpose of assisting the person who committed the offence generating the property, to evade the prosecution, trial and punishment execution;

b) the concealment or disguise of the true nature of the origin, location, disposition, movement or ownership of a proceed, or rights with respect to such products, knowing that such property is derived from criminal activity;

c) the acquisition, possession or use of product, by other person than the active subject of the offense from which the goods derives, knowing that such property is derived from a criminal activity.

(2) The attempt is punished.

(3) If the act was committed by a legal person, in addition to the fine sanction, the court shall apply, as appropriate, one or more of complementary penalties provided for in article 136, para (3) let. (a) –(c) of Law no. 286/2009 of the Criminal Code, with subsequent modifications and completions.

(4) Knowing the origin of property or the intended purpose must be inferred/deducted from objective factual circumstances.

(5) The provisions of paragraph (1) - (4) shall apply irrespective of whether the offense from which the property originates was committed in the territory of Romania or in other Member States or third States.

Art. 50. If money laundering or terrorism financing has been committed, taking precautionary measures is mandatory, according to the previsions of the Law no. 135/2010 on Criminal Procedure Code, with subsequent modifications and completions.

Art. 51 - (1) In the case of money laundering and terrorism financing offenses, the provisions on confiscation of property from the Law no. 286/2009 of the Criminal Code, with subsequent modifications and completions shall apply.

(2) If the goods, subject to confiscation, are not found, their equivalent value in money, or the goods acquired in exchange shall be confiscated.

(3) The income or other valuable material benefits obtained from the proceeds of crime referred to in para (2) shall be confiscated.

(4) If the goods subject to confiscation cannot be individualized out from the licit goods, there shall be confiscated the goods up to the value of the proceeds of crime subject to confiscation.

(5) The provisions of para (4) shall be also applied to the income or other valuable benefits obtained from the goods subject to confiscation, which cannot be singled out from the licit good.

Art. 52 The final court decision concerning the offence of money laundering or terrorism financing shall be communicated to the Office.

CHAPTER XI
PROVISIONS ON THE AMENDMENT AND COMPLETION OF NORMATIVE ACTS

Article 53 - Government Ordinance no. 26/2000 on associations and foundations, published in the Official Gazette of Romania, Part I, no. 39 of 31 January 2000, approved with amendments and completions by Law no.246 / 2005, as amended and supplemented, are amended and completed as follows:

1. Article 6 para (2) let. (a) and (c) shall be amended and shall have the following content:

"a) the identification data of the associated members: name, surname, personal identification code, series and number of ID for natural persons, name and fiscal code of the associated legal person and, where appropriate, domicile or residence or registered office;".

.....

"c) the name of the association; the name will necessarily include the word "*association*". The name expressed in a foreign language will also include the translation into Romanian. ".

2. In Article 6, after paragraph (3), is inserted a new paragraph, (4), with the following wording:

"(4) Where the association includes persons whose names are written in a alphabet different from the Latin one, the names are transliterated in the Latin script, according to the identity documents, respectively the acts of incorporation issued by the authorities of the state of affiliation or of the Romanian state and are used in such transliterated form whenever such persons are mentioned in the official documents of the association. "

3. In Article 7 para. (2), after paragraph (c), two new letters, letters c^1) and c^2), shall be inserted, with the following wording:

"(c^1) certified copies in accordance with the original of the identity documents of the associate members;

" c^2) a declaration on his own responsibility, in authentic form, of the person who, pursuant to par. (1), formulates the application for registration, which contains the identification data of the beneficial owners of the association, within the meaning of the Law on the prevention and combating of money laundering and terrorism financing. The identification data of the beneficial owner are: name, surname, date of birth, personal identification code, series and number of ID, nationality, domicile or residence."

4. In Article 7, after paragraph (2), a new paragraph (2^1) shall be inserted with the following content:

"(2^1) When the documents referred to in para. (2) let. c) and c^1) are written in a foreign language, they shall be submitted in a certified copy, accompanied by a certified translation by an authorized translator. ".

5. Paragraph (4) of Article 13 shall be amended and shall have the following content:

"(4) In order to register the subsidiary, the representative of the association submits to the court in whose jurisdiction the subsidiary has its headquarters, the application for registration together with the decision on the establishment of the subsidiary, the statute, the constitutive document, the documents proving the headquarters and the original patrimony as well as copies certified in accordance with the original of the identity documents of the members of the subsidiary. The provisions of art. 6, art. 7 par. (2^1) and art. 9 - 12 shall apply accordingly. ".

6. In Article 13^1, after paragraph (2), is inserted a new paragraph, (2^1), with the following content:

"(2^1) Subsidiaries may carry out their activity only after their registration with the Register of Associations and Foundations. The application for registration, together with the decision of the general meeting, shall be filed with the court in whose district the association has its headquarters, the provisions of Article 8 -12 shall apply accordingly. "

7. Paragraphs (2) and (3) of Article 15 shall be amended and shall have the following content:

"(2) The original patrimonial assets of the foundation shall include goods in nature or in cash with a total value of at least 100 times the guaranteed minimum gross national salary at the time of establishment of the Foundation.

(3) By derogation from the provisions of paragraph (2), in the case of foundations whose sole purpose, under the sanction of judicial dissolution, is to carry out fundraising operations which will be made available to other associations or foundations for the purposes of programs by the latter, the patrimonial assets it may initially have a total value of at least 20 times the country's minimum gross basic salary guaranteed in payment. "

8. In Article 16, paragraph 2 let. (a) and c) shall be amended and shall have the following content:

"a) the identification data of the founder or, where appropriate, of the founders: name, surname, personal identification code, series and number of ID for natural persons, name and fiscal identification code of the legal person and, as appropriate, residence or registered office; ".

.....
.

"c) the name of the Foundation; the name will necessarily include the word "foundation". The provisions of art. 6 par. (2) lit. c) sentence II shall apply accordingly. ".

9. In Article 16, after paragraph (2), two new paragraphs, (2^1) and (2^2) are inserted, with the following content:

"(**2^1**) If the names of the founders are written in a alphabet other than the Latin one, they are transliterated in the Latin script, according to the identity documents, respectively the acts of incorporation issued by authorities of the state of affiliation or of the Romanian state, and are used in the form thus transliterated whenever such persons are mentioned in the official documents of the Foundation.

(**2^2**) The provisions of paragraph (**2^1**) shall apply accordingly to the members of the Board of Directors of the Foundation.".

10. In Article 17 para. (2), after the letter c), two new letters, c^1) and c^2) are inserted, with the following contents:

"(c^1) certified copies in accordance with the original of the identity document of the founders and members of the board of directors;

(c^1) a declaration on own responsibility, concluded in authentic form, of the person referred to in art. 16 par. (2) lit. h), which contains the identification data of the beneficial owners of the foundation, within the meaning of the Law on prevention and combating money laundering and terrorism financing**.** The provisions of art. 16 par. (2) lit. a) shall apply accordingly. The identification data of the beneficial owner are: name, surname, date of birth, personal identification code, series an number of ID, nationality, domicile or residence. "

11. Paragraph (3) of Article 17 shall be amended and shall have the following content:

"(3) The provisions of art. 7 par. (1), par. (**2^1**), (3) - (3^5) and paragraph (4), of Art. 8 – 12, and Art. 14 shall apply accordingly ".

12. In Article 27^2, letter (a) shall be amended and shall have the following content:

"a) verify, at least once a year, the manner in which the patrimony of the association is administered;".

13. After Article 27^2, a new Article 27^3 shall be inserted, with the following content:

"Art. **27^3**- The associations have the obligation to keep at least 5 years the records of the transactions performed."

14. Paragraph (2) of Article 31 shall be amended and shall have the following content:

"(2) The provisions of art. 27 to 27^3 shall apply accordingly: ".

15. The title of Chapter IV shall be amended and shall have the following content:

"Chapter IV - Modification of the constitutive act, status or of the beneficial owner of the association or foundation. Merger and division. "

16. After article 34^3, two new articles, art. 34^4 and art. 34^5, with the following content:

"Art. 34^4 - (1) Every year, or whenever there is a change in the identification data of the beneficial owner, the association or the foundation has the obligation to communicate to the Ministry of Justice, the identification data of the beneficial owner, in order to update the record of the beneficial owners of associations and foundations.

(2) For this purpose, the management board of the association or foundation empowers a natural person to communicate, by means of a declaration on its own responsibility, in authentic form, the identification data of the beneficial owner.

(2) The annual declaration provided for in paragraph (1) shall be communicated to the Ministry of Justice by January 15th.

(3) If there is an amendment to the identification data of the beneficial owner, the declaration provided in paragraph (1) shall be submitted within 30 days of the date on which it intervened.

Art. 34^5 - (1) Failure by an association or a foundation to comply with the obligation provided by art. 34^4 is a contravention and is sanctioned by a fine from 200 to 2,500 RON.

"(2) The ascertainment of the contravention provided in par. (1) shall be carried out by the National Office for Prevention and Control of Money Laundering through its own control agents. "

(3) The offender has the obligation, within 30 days from the communication of the minutes of finding and sanctioning the contravention provided in paragraph (1), to communicate the identification data of the beneficial owner.

(4) Within the minute of finding and sanctioning the contravention, it will be specified a mention related to the obligation stipulated in par. (3)

(5) The minutes of finding and sanctioning the contravention shall be communicated to the offender, as well as to the Ministry of Justice, for registration in the records of the beneficial owners of the associations and foundations.

(6) Failure by an association or a foundation to communicate the identification data of the beneficial owner, in order to update the record of the beneficial owners of associations and foundations, if this was previously sanctioned for non- compliance with the obligation it is contravention and is sanctioned by a fine from 500 RON to 5,000 RON.

(7) The offender sanctioned as referred to in para. (6) has the obligation, within 30 days from the communication of the minute of finding and sanctioning the contravention, provided in paragraph (6), to communicate the identification data of the beneficial owner.

(8) Within the minute of finding and sanctioning the contravention as referred to in para. (6) it will be specified a mention related to the obligation stipulated in par. (7), as well as the applicable sanctions if it will not be provided, within 30 days from the moment of submitting it, respectively, the dissolution of the association or of foundation according to Art. 56, para. (1^1) or, by case, Art. 59. The provisions of para. (5) shall apply accordingly.

(9) The provisions of the present law on contraventions shall be duly completed with the provisions of the Government Ordinance no. 2/2001 on the legal regime of contraventions, approved with amendments and completions by Law no. 180/2002, as amended and supplemented."

17. In Article 38 para. (1), after let. d), a new letter d^1) is inserted, with the following content:

" d^1) the value of the patrimonial asset in each of the previous three years is at least equal to the amount of the original patrimony / 3 times the value of the gross national salary guaranteed in payment;".

18. In article 39 para. (1^1), letter (e) shall be amended and shall have the following content:

"e) the identification data of natural persons: name, surname, personal identification code, series and number of ID, respectively the name, registered office and tax identification code of the legal entities, with which the association or foundation frequently collaborates with to achieve its object of activity for which it requires the recognition of public utility status; ".

19. The introductory part of paragraph (1) of article 56 shall be amended and shall have the following content:

"Art. 56 - (1) The Association shall be dissolved by a court order, at the request of the Public Ministry or of any other interested person: ".

20. In Article 56, after the paragraph 1, a new paragraph 1^1) is inserted, with the following content:

"**1^1)** in the case of failure to communicate the identification data of the beneficial owner within the term stipulated by art. 34^5 par. (7), the association shall be dissolved, on the request of the Public Ministry of the National Office for Prevention and Control Money Laundering".

21. In art. 56, after paragraph (2) a new paragraph, para. (3), is inserted, with the following content:

"(3) The cause of dissolution provided in par. **1^1)** can be removed before making any substantive conclusions."

22. Paragraph (4) of art. 60 shall be amended and shall have the following content:

"(4) If the association or the foundation has been dissolved for the reasons provided in art. 56 para. (1) let. a) - c), or art. 56 para. **1^1**, the goods remaining after the liquidation shall be taken over by the state, through the Ministry of Public Finance, or, as the case may be, by the commune or the city in whose territorial jurisdiction the association or foundation has its headquarters, if the latter was of local interest".

23. Paragraph (2) of article 73 shall be amended and shall have the following content:

"(2) The National Register shall be kept by the Ministry of Justice through the specialized directorate, in electronic format.".

24. Paragraph (1) of Article 74 shall be amended and shall have the following content:

"Art. 74 - (1) In order to establish and operate the National Registry, the courts are obliged, ex officio, to electronically communicate to the Ministry of Justice, copies of the final decisions regarding the establishment, modification and termination of any association, foundations or federations, as well as of the supporting documents, within 3 days from the date of the final ruling of each court decision. Within the same term, the courts will transfer the entries contained in the special registers kept by them to the central server installed at the Ministry of Justice. "

25. Paragraphs (1) and (2) of Article 75 shall be amended and shall have the following content:

"(1) The national register of legal entities without patrimonial purpose is public, with the exception of the data subject to the regulations regarding the protection of personal data and the data from the records on the beneficial owners of the associations and foundations.

(2) The Ministry of Justice shall issue, at the expense of the requesting person, certified copies of the entries made in the National Register and of the supporting documents, except for the data subject to the regulations on the protection of personal data. "

Art. 54 – Law No. 31 of 16 November 1990, republished, on trading companies published in the Official Gazette of Romania, Part I, no. 1066 of 17 November 2004, as amended and supplemented, it shall be amended and supplemented, as follows:

1. Letter f) of art. 8 shall be amended and will have the following content:

”f) the number and the nominal value of shares;”.

2. Art. 91 shall be amended and will have the following content:

”**Art. 91** - **(1)** In the joint - stock company the registered capital shall be represented by registered shares issued by the company

(2) The type of the shares shall be determined by the constitutive act. The registered shares may be issued in a material form, on paper, or in a dematerialized form, case in which it shall be registered in the shareholder’s register.”.

3. Para (2) and (4) of Art. 92 shall be repealed.

4. Paragraph (1) of art. 94 shall be amended and shall have the following content:

“The shares should be of an equal value; and they offer to the owners equal rights.”

5. Paragraph (1) of art. 98 shall be amended and shall have the following content:

“The ownership right on the issued shares in the material form is transmitted through a statement made in the Register of the associates, and by a mention on the title, signed by the assignor and the transferee of their agents. The ownership right of

the shares issued in the immaterial form by the assignor and by transferee or their agents. By the establishment act it can be inserted other forms of transfer of the ownership on the shares.

6. Art. 99 shall be repealed.

7. Para. (1) of Art. 99[1] shall be amended and will have the following content:

" **Art. 99[1] (1)** The security interests in personal property over the shares shall be established by a document under private signature, that shall indicate the amount of the debt, the value and the category of the secured shares, and in case of registered shares issued in material form, also by mentioning the security on the title, signed by the creditor and debtor shareholder or by their proxies."

8. Para. (2) of Art. 100 shall be amended and will have the following content:

"(2) If following such a request, the shareholders will not be able to transfer the money, the Board of Administration, respectively the Board of Directors could decide either to track shareholders for outstanding payments, either canceling those actions. "

9. Para (3) of Art. 102 shall be repealed.

10. Letter i[1]) of Art. 113 shall be repealed.

11. Para. (4) of Art. 117 shall be amended and will have the following content:

"**(4)** The convening may be carried out only by registered letter or, if the constitutive act allows it, by electronic letter, having incorporated, attached or logically associated the extended electronic signature, sent at least 30 days before the day fixed for the assembly to the shareholder's address, registered in the register of the shareholders. The change of the address cannot be opposed to the company as long as the shareholder did not inform the company in writing about it.".

12. Art. 122 shall be amended and will have the following content:

" Art. 122 - In the case of closed companies, the establishment act may arrange the holding of general meetings also through correspondence. "

13. Para (1) of Art. 123 shall be repealed.

14. Para (1), letter a) of Art. 177 shall be amended and will have the following content:

„(a) a register of the shareholders showing, where appropriate, first name, surname, date of birth, Personal Identification Number, serial number and Identity Card number, nationality, domicile or residence of the shareholders, as well as the payments made for the shares. The record of the shares traded on a regulated/alternative trading market is carried out in compliance with the capital market specific legislation.

15. Para (1) of Art. 201 shall be amended and will have the following content:

„**Art. 201 (1)** The financial statements shall be drawn up according to the norms stipulated for the joint- stock company, in order to be published in compliance with Art. 185.”.

16. Art. 270 shall be amended and will have the following content:

”**Art. 270 - (1)** The sums of money due to shareholders, which were not cashed within two months as from the publication of the financial statement, shall be deposited with a bank or one of the branches thereof, indicating the shareholder’s name and first name.

(2) The payment shall be made to the indicated person.”.

17. In Art. 270^3 after para. (3), a new paragraph, para. (4) is inserted, with the following content:

(4) The provisions of the present law referring to contraventions are completed in accordance with the provisions of the Government Ordinance No. 2/2001 regarding the legal regime of contraventions, approved with modifications and completions by the Law no. 180/2002, with subsequent modifications and completions”.

18. Letter d) of Art. 273 shall be amended and will have the following content:

”d) hands over the shares to the holder ahead of schedule or does the same with shares paid totally or in part, except for the cases stipulated by law;”.

Art. 55 –Law no.207 on the Fiscal Procedure Code of 20 July 2015, published in the Official Gazette no. 547, 1st Part of 23 July 2015, as subsequently amended and supplemented, shall be amended and will have the following content:

1. Para (4) of Art. 61 shall be amended and will have the following content:

(4) The National Office for Prevention and Control of Money Laundering shall send monthly, to NAFA, the cash transaction reports, the external transfers reports in and out of the accounts and of money remittance activities reports, from the reporting entities which are obliged to submit the information to the National Office for Prevention and Control of Money Laundering.”

2. **In art. 62, a new Art. 62^1, is inserted, with the following content:**

“The access of the central fiscal body to the information on combating money laundering”

Art. 62^1 – For implementation of the provisions of Directive (EU) 2016/2258 amending the Directive (EU) 2011/16/EU on the access of the fiscal authorities to information on combating money laundering, the reporting entities that fall under the provisions of the legislation on prevention of money laundering and terrorism financing shall made available to the central fiscal body, upon request, within the deadline of the record keeping provided by law, information and documents relating to:

a) Mechanism and procedures based on which they apply customer due diligence;
b) Identifying the customer and the beneficial owner;

c) The assessment of the objective and the nature of the business relationship;
d) The monitoring of the business relationship;
e) The records of transactions.

CHAPTER XII
TRANSITIONAL AND FINAL PROVISIONS

Art. 56 – (1) The legal entities subject to registration in the Romanian National Trade Office Register, except for autonomous companies, legal entities and national companies and companies wholly or majority owned by the state, file at establishment, annually, or whenever a change occurs, a statement regarding the beneficial owner of the legal person, for registration in the Register of the Beneficial Owners of the Legal Entities.

(2) Statement on own responsibility of the legal representative of the legal entity provided in para. (1) shall contain the identification data of the real beneficiaries, as well as the ways in which the control over the legal person is exercised.

(3) The identification data of the beneficial owner within the meaning of para. (1) are: first name, surname, date of birth, Personal Identification Number, serial number and Identity Card number, nationality, domicile or residence.

(4) The annual statement shall be submitted to the Trade Office Register in which the legal entity is registered within 15 days of the approval of the annual financial statements, and if there is an amendment of the identification data of the beneficial owner, the statement shall be submitted within 15 days from the date on which it was intervened.

(5) The statement provided in para (1) may be filled in with the representative of the Romanian National Trade Office Register, or it may be filed in authentic form, personal, or through a proxy.

Art. 57 – (1) When violations of the obligation to file the statement regarding the identification data of the beneficial owner by the legal representative of the legal entities referred to in Art. 56 para. (1) constitute contravention and shall be sanctioned by fine ranging from 5,000 RON to 10,000 RON. The report on the ascertainment of contravention shall be communicated to the Romanian National Trade Office Register, in which it is recorded that the failure of the statement on own responsibility leads to dissolution of the company, as provided in Art. 237of Law no. 31/1990, republished, with subsequent amendments and completions.

(2) If within 30 days from the date of application of the contravention sanction, the legal representative of the legal entity provided in Art. 56 para. (1) has not submitted the statement on own responsibility of identification data of the beneficial owner, at the request of the National Trade Register Office, of the court, or by case, of the specialized court, may pronounce the dissolution of the legal entity. The case of dissolution may be removed before substantive conclusions may be drawn. The provisions of Art. 237 para.

(4) – (13) of the Law No. 31/1990, republished, on trading companies, as subsequently amended and supplemented shall apply accordingly."

(3) The ascertainment of the contraventions and the application of the sanctions provided in para. (1) shall be carried out by the specialized personal for control from the Ministry of Public Finance – the National Agency for Tax Administration and its territorial units. The ascertainment of the contravention referred to in para. (1) might be carried out by the Office, through their own control agents.

Art. 58 - (1) Within 60 days after the date of coming into force of the present law, the Office shall present to the Government, for approval, the Regulation of organization and functioning of the Office.

(2) By the moment of adopting the Regulation of organization and functioning referred to in para. (1), the Office shall operate according to Regulation of organization and functioning of the National Office for Prevention and Control of Money Laundering existent on the date of entry into force of this law, insofar as it does not contravene to it.

(3) By the moment of entering into force of this law, the mandate of the members of the Board of the Office shall cease. The end of mandate shall be established by Government Decision within 10 days from the entry into force of this law. The President of the Office, in office at the date of entry into force of this law, exercises his mandate until the appointment of a new president under the terms of this law.

Art. 59 – **(1)** Within 120 days from the date of entry into force of this law, the supervisory authorities and the self-regulatory bodies are required to issue sectorial regulations to implement the provisions of this Law.

(2) At the request of the supervisory authorities and of the bodies referred to in para. (1), the Office will issue positions on the proposed sactorial regulations.

(3) In applying this Law, the National Bank of Romania and the Financial Supervisory Authority will issue sectorial regulations, setting out requirements on:

a) customer due diligence measures;

b) internal control framework, including policies, procedures, and systems of the reporting entities;

c) recruitment, training and professional verification of employees;

d) measures to reduce the risk of money laundering or terrorism financing and address the deficiencies, including on reporting obligations, as appropriate.

(4) The reporting entities under the supervision of the National Bank of Romania, the Financial Supervisory Authority and the Office shall apply the guidelines issued by the European Supervisory Authorities, according to the regulations, norms and/ or explanations issued by them.

Art. 60 - **(1)** The Order of the President referred to in Art. 8 para. (11) shall be published in the Official Gazette of Romania Part I, within 90 days from the entry into force of the present law.

(2) By the entering into force of the order referred to in para. (1), the reporting entities shall submit the reports set out in Art. 6 and Art. 7 according to the Decision of the Board of the Office no. 2472/2013 on the form and the content of the suspicious transaction reports, of the cash transaction reports and of the external transfers reports and to the Decision of the Board of the Office no. 673/2008 for approval of the working

methodology regarding the submitting of the cash transaction reports and of the external transfers reports, with subsequent modifications and completions.

(3) The reporting entities comply with their obligations under this law within 180 days from the date of entry into force.

(4) The persons who, at the date when the law enters into force, has the position of counselor of the President, shall be deemed to be reinstalled on the position of Financial Analyst grade I, without fulfilling the conditions of study and seniority in economic or legal domain.

(5) From the date of entry into force of this law, the Annex no. VIII of the Frame – Law no. 153 of 28 June 2017, published, in the Official Gazette of Romania, part I, no. 492 of 28 June 2017, with subsequent amendments and completions, at Chapter II, letter A, point II, sub-point 3 letter a), no. 1 of table, the phrase "Adviser/ General Director" shall be replaced with "General Director".

(6) From the date of entry into force of this law, the Annex no. IX of the Frame-Law no. 153 of 28 June 2017, with subsequent amendments and completions, at position 39 of letter B, the phrase "Board member" shall be replaced with "Vice-President".

Art. 61 - **(1)** By the date of entering into force of this Law, it is forbidden to issue bearer shares and performing of operations with the existing bearer shares.

(2) Previous to the date of entering into force of this Law, the bearer shares will be convert into registered shares, according to para (3) and (4) and to the constitutive act and it shall be registered to the Romanian National Trade Office Register

(3) The owners with any bearer share will file them to the headquarter to the issuing company, within 18 months from the date of entry into force of this law.

(4) At the date of expiring the deadline provided in para. (3), the Administration Board of the Company will mention on the title and also on the register of the shareholders, the name, the first name, the personal identification number, the address of the natural person shareholder, or de name, the headquarter, the registration number and the code of registration of the legal person, by case.

(5) The bearer shares which were not filed to the headquarter of the issuing company will cease by law on the date of expiring the deadline referred to in para. (3), with the result of the reduction of the capital share.

(6) Failure, until the expiration of the term referred to in para. (4) of the conversion obligation of the joint – stock companies and the limited partnership by shares leads to their dissolution.

(7) On the request of any interested person, as well as of the Romanian National Trade Office Register, the court, or, by case, the specialized court will shall pronounce the dissolution of the company. The dissolution cause may be removed before substantive conclusions may be drawn, the court may allow a limit of time for that purpose.

(8) The provisions of Art. 237 para. (4) – (13) of the Law No. 31/1990, republished, on trading companies, as subsequently amended and supplemented shall apply accordingly.

Art. 62 - (1) Within 12 months from the entry into force of this law, the companies registered in the trade register until the date of entry into force of this law,

except for the companies and national legal entities owned partially or fully by state, file a statement through the legal representative, regarding the identification data of the beneficial owners for registration in the Registry of the Beneficial Owners of the Companies, kept by the Romanian National Trade Office Register.

(2) The non-compliance by the administrator who represents the legal entity, the obligation provided for in the para.(1) represents a contravention and shall be sanctioned by a fine ranging from 5.000 to 10.000 lei.

(3) The ascertainment of the contraventions and the application of the sanctions provided in para. (2) shall be carried out by the specialized personal for control from the Ministry of Public Finance – the National Agency for Tax Administration and its territorial units. The ascertainment of the contravention referred to in para. (2) might be carried out by the National Office for Prevention and Control of Money Laundering, by their own control agents.

Art. 63 – Within 12 months after the date of entering into force of this law, the associations and foundations are required to complete the documents as referred to Art. 6, 7, 16 and 17 of the Government Ordinance no. 26 of 30 January 2000 on associations and foundations, approved with amendments and completions through Law no. 246/2005, with subsequent modifications and completions, as well with the amendments brought by this law, the provisions of Art. 7 applying accordingly. Upon the end of this period of time, the associations and foundations that have not complied with this obligation, shall be dissolved by a court order at the request of the Public Ministry or at the request of any other interested person under the conditions laid down in the Government Ordinance no. 26/2000 on associations and foundations, with the amendments of this law, approved with amendments and completions through Law no. 246/2005, with subsequent modifications and completions, as well with the amendments brought by this law.

Art. 64 Within 120 days after the date of entering into force of this law, the Registers for the Beneficial Owners provided by the present law shall be operational.

Art. 65 – On the date of entering into force of this law, shall be repealed:

a) Law No. 656, republished, on the prevention and sanctioning of money laundering and on setting up of certain measures for the prevention and combating terrorism financing, as amended and completed, published in the Official Gazette of Romania, Part I, no. 702 of October 12, 2012, with subsequent modifications and completions.

b) Government Decision no. 594 on the approval of the Regulation for application of the provisions of the Law no. 656/2002 for the prevention and sanctioning money laundering as well as for instituting some measures for prevention and combating terrorism financing acts, published in the Official Gazette of Romania, Part I, no. 444 of June 13, 2008, with subsequent modifications.

c) Decision of the Board of the Office no. 496/2006 for the approval of the Norms on prevention and combating money laundering and terrorism financing, customer due diligence and internal control standards for reporting entities which do not have

overseeing authorities, published in the Official Gazette of Romania, Part. I, no. 623 of July 19, 2006, with subsequent completions.

This law transposes

- the Directive (EU) 2015/849 Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorism financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC, published in the Official Journal of the European Union serial L, no. 141, on June 5, 2015, and
- The Directive (EU) 2016/2258 of 6 December 2016 amending Directive 2011/16/EU as regards access to anti-money-laundering information by tax authorities published in the Official Journal of the European Union serial L, no. 342, on December 16, 2016.

This Law was adopted by the Romanian Parliament under the conditions of Art. 147 para. (2), taking into account the provisions of Art. 75 and Art. 76 para. (1) of the Romanian Constitution, republished.