

Law no. 129/2019
to prevent and combat money laundering and terrorism financing, as well as to amend
and supplement some legislative act

Effective starting with July 21st, 2019
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The Romanian parliament adopts this law.

CHAPTER I
General Provisions

SECTION 1

National system for preventing and combating money laundering and terrorism financing

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

- a) prosecuting agencies;
- b) public authorities and institutions with regulatory, information and control powers in the field, such as Romania financial information unit, authorities with powers of financial/fiscal control or authorities with powers of fiscal control, customs authority;
- c) state bodies specialized in the activity of information referred to in art. 6 paragraph (1) of Law No. 51/1991 on national security of Romania, republished, with subsequent additions;
- d) autonomous administrative authorities and institutions with the role of regulation and sectoral supervision and control of reporting entities, such as the National Bank of Romania, The Financial Supervisory Authority, the National Gambling Office.

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

(3) The Office shall be the responsible authority for the assessment of the risks of money laundering and terrorism financing at the national level and the evaluation shall be carried out in co-operation with the authorities and institutions referred to in paragraph (1), ensuring the protection of personal data. The office shall coordinate the national response to the assessed risks , in cooperation with the authorities and institutions referred to in paragraph 1, and inform the European Commission, the European Supervisory Authority and the member states thereof.

(4) In order to prevent and combat the risks of money laundering and terrorism financing, the authorities and institutions referred to in paragraph.(1) letter b)- d) shall carry out risk assessments of these criminal phenomena at sectoral level and, where appropriate, issue regulations or instructions on risk factors and countermeasures and mitigation measures.

(5) The risk-based approach shall be carried out, at national level, by at least the following components:

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

b) the fulfilment of the obligations imposed at letter a) by measures adopted and enforced by reporting entities according to the assessed individual risk.

(6) The risk assessments referred to in paragraphs (3) and (4) shall be compiled taking into consideration the conclusions of the evaluation on the risks of money laundering and terrorism financing carried out by the European Commission and they are updated at least every 4 years at sectoral and national level, taking into account the evolution of the risks and the effectiveness of the measures taken to mitigate them, and they are used to allocate and prioritize resources to effectively combat money laundering and terrorism financing.

(7) The Office shall ensure that a summary of the national risk assessment is published on its own website and shall forward the relevant elements of the national assessment to the supervisory authorities.

(8) The supervisory authorities shall immediately make available to the reporting entities the relevant elements of the national and sectoral assessment corresponding to the field, in order to carry out and update their own risk assessments after the completion of the risk assessments provided in paragraphs (3) and (4).

(9) The authorities and institutions referred to in paragraph (1) letters a), b) and d) compile statistics on the effectiveness of measures to prevent and combat money laundering and terrorism financing in the specific field of activity, which include:

a) data for measuring the size and importance of the different sectors falling within the scope of this law, including the number of entities and persons, as well as the economic importance of each sector;

b) data for measuring the reporting, investigation and judicial phases of the national framework for combating money laundering and terrorism financing, including the number of reports on suspect transactions submitted to the Office, the actions taken as a result of the respective reports and, annually, the number of cases investigated, the number of persons prosecuted, the number of persons convicted of money laundering or terrorism financing offenses, the type of offenses generating assets subject to money laundering, where this information is available, as well as the Euro value of the goods which have been impounded or confiscated;

c) if available, data indicating the number and percentage of reports that result in further investigation, together with the annual report to reporting entities detailing the usefulness and follow-up of the reports they have submitted;

d) data on the number of cross-border requests for information that have been made, received, partially or completely rejected by the Office.

(10) The authorities and institutions referred to in paragraph (1) letters a), b) and d) shall transmit to the Office, in electronic form, the statistics referred to in paragraph (9) under the form laid down by it. The office shall ensure that a consolidated version of the statistics is published annually on its own website.

(11) The Office shall forward the statistics referred to in paragraph (10) to the European Commission.

(12) The Office shall forward to the European Commission, the European Supervisory Authority, and the member states the risk assessment referred to in paragraph (3).

SECTION 2

Definitions

Art. 2. - For the purposes of this law, the terms and expressions below have the following meanings:

a) money laundering means the offense in referred to in article 49;

b) terrorism financing means the offense referred to in article 36 of law no. 535/2004 on preventing and combating terrorism, with subsequent amendments and completions;

c) property means assets of any kind, whether corporeal or incorporeal, movable or immovable, tangible or intangible, as well as legal documents or instruments in any form, including electronic or digital, attesting to a title or a right or interest thereon;

d) correspondent relationship represents:

1. the provision of banking services by one credit institution as a correspondent for another credit institution as a respondent, including current or deposit account services and related services, such as cash management, cross-border fund transfers, check clearing, correspondent accounts services accessible directly to clients and foreign exchange services;

2. the relationship between a credit institution and a financial institution, or between two financial institutions ,for the provision of services similar to those of point 1 by the corresponding institution for the respondent institution, including the relationships established for transactions with securities or transfers of funds;

e) external transfers to and from bank accounts means cross-border transfers, as well as the payments and collection operations performed on the Romania territory by a non-resident client;

f) credit institution means an institution as defined in art. 4 paragraph (1) point 1) of Regulation (EU) no. 575/2013 of the European Parliament and of the Council of June 26th, 2013 on prudential requirements for credit institutions and investment companies and

amending Regulation (EU) no. 648/2012, including branches located in a Member State of such an institution, whether the head office is located in a Member State or in a third state;

g) financial institution means:

1. the undertaking, other than a credit institution, which carries out one or more of the activities listed in art. 18 paragraph (1) letters b) -1), n) and n 1) of the Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, approved with modifications and completions by Law no. 227/2007, as subsequently amended and supplemented, including postal service providers providing payment services and specialized entities carrying out foreign exchange activities;

2. insurers, composite insurers, captive insurers, mixed insurers, reinsurers, as defined in art. 1 paragraph (2) of Law no. 237/2015 on the authorisation and supervision of the business of insurance and reinsurance, as subsequently amended and supplemented, and insurance and/or reinsurance intermediaries, as defined in art. 3 paragraph (1) points 11 and 13 of Law no. 236/2018 on the distribution of insurance, with subsequent additions, with the exception of secondary intermediaries, as defined in art. 3 point 16 of law no. 236/2018, with subsequent completions;

3. central depositories, managers of alternative investment funds, central counter parties, financial investment services companies and other entities authorized under national law to provide investment services and activities, investment management companies, investment companies, entities that manage a trading venue, the Investor Compensation Fund, as defined according to the legal provisions;

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

5. branches located in a member state of the financial institutions referred to in point. 1-4, regardless of whether their actual headquarters are located in a member state or in a third state;

6. an investment firm as defined in national law regarding the markets for financial instruments;

7. a collective investment undertaking who market their units or shares;

h) a branch of a credit or financial institution means a work point which is a part legally dependent on a credit institution or financial institution and which directly carries out all or some of their specific activities;

i) business relationship means the professional relationship related to the activities carried out by the reporting entities referred to in art. 5 and which, at the time of establishing contact, are considered to be of a certain duration;

j) occasional transaction means the transaction carried out outside a business relationship, as defined in letter i);

k) shell bank means a credit institution, financial institution or other entity carrying out activities equivalent to those performed by a credit institution or financial institution which is registered in a jurisdiction in which it does not have a physical presence through which the management and administration of the institution is effectively exercised and which is

not affiliated with a regulated financial group and effectively subject to consolidated supervision;

l) service providers for companies and other legal entities or legal arrangements shall mean any natural or legal person professionally providing any of the following services for third parties:

1. incorporates companies or other legal persons;
2. performs the duties of a director or manager of a company, or an associate of a partnership or a joint venture or a similar capacity in relation to the other legal persons or arranging another person to exercise these functions or qualities;
3. provides a registered office, a chosen domicile or any other service related to a company or any other legal person or similar legal construction;
4. exercise the trustee capacity in a trust or similar arrangements or arrange for another person to exercise that quality;
5. acts or arranges for another person to act as a shareholder for a legal person other than a company whose shares are traded on a regulated market which is subject to advertising requirements in accordance with European Union law or international standards;

m) a group shall mean a group of undertakings consisting of a parent undertaking, its subsidiary undertakings and the entities in which the parent undertaking or its subsidiaries hold a participation, as well as the companies which have the obligation to file consolidated financial statements, in accordance with the accounting Law no. 82/1991, republished, with subsequent amendments and completions;

n) self-regulatory body shall mean unions, professional bodies or other associative forms of regulated professions, which have powers to regulate the activity of their members, by issuing regulations and instructions on the activity and ethical conduct of members to control and supervise the exercise of their legal powers;

o) higher-level management shall mean any person who has sufficient knowledge of the entity's exposure to the risk of money laundering and terrorism financing and who occupies a position high enough to make decisions with effect on this exposure, without being always necessary to be a member of the collective management and administration body;

p) gambling services shall mean any service which involves a stake with monetary value in gambling games, including those with an element of skill such as lotteries, casino games, poker games and betting, which are supplied physically in a building or by any type of remote media, by electronic means or by means of any other kind of technology for facilitating communication, and at the individual request of a recipient of services;

r) the client/clientele shall mean any natural person, legal entity or entity without legal personality with which the reporting entities are conducting business relations, or with which perform other operations, whether permanent or occasional basis. The client of a reporting entity is considered to be any person with whom, in the course of its activities, the reporting entity has negotiated a transaction, even if the respective transaction has not been finalized, as well as any person who benefits or previously has benefited from the services of a reporting entity;

s) the terms: payment service provider, payment institution, agent, money remittance shall have the meanings set out in art. 2 and art. 5 points 1, 16 and 27 of the Government Emergency Ordinance No. 113/2009 on payment services, approved with amendments by Law no. 197/2010, with subsequent amendments and completions;

t) the terms: electronic money issuer, electronic money institution, electronic money, distributor shall have the meanings set out in art. 2 paragraph (1) and art. 4 paragraph (1) let. d) -f) of Law no. 127/2011 on the activity of issuing electronic money, as subsequently amended;

u) real headquarters - the headquarters defined in art. 14 paragraph (1) of the Government Emergency Ordinance No. 99/2006, approved with amendments and completions by law no. 227/2007, as subsequently amended and completed;

(v) member state shall mean a member state of the European Economic Area.

Art. 3. - (1) For the purposes of this law, publicly exposed persons are natural persons who exercise or have exercised important public functions.

(2) For the purposes of this law, important public functions shall be:

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

b) members of Parliament or similar central legislative bodies;

c) members of the governing bodies of political parties;

d) members of supreme courts, constitutional courts or other high-level courts whose decisions can be appealed only by extraordinary means of appeal;

e) members of the governing bodies of the courts of accounts or members of the governing bodies of the boards of central banks;

f) ambassadors, in charge of business and senior officers in the armed forces;

g) members of boards of directors and supervisory boards and persons holding management positions of autonomous administrations, predominantly publicly owned undertakings and national companies;

h) directors, deputy directors and members of the management board or members of the governing bodies of an international organisation.

(3) None of the categories referred to in paragraph (2) shall not include persons holding interim or lower positions.

(4) Members of the family of the publicly exposed person are, for the purposes of this law:

a) the spouse of the publicly exposed person or his/her concubine / the person with whom he / she is in relations similar to those of the spouses;

b) children and spouses or their concubines, persons with whom children are in relations similar to those of the spouses;

c) parents.

5) Persons known to be close associates of persons publicly exposed shall be:

a) the natural persons known as the real beneficiaries of a legal person, of an entity without legal personality or of a legal arrangement similar to them together with any of the

persons mentioned in paragraph (2) or as having any other close business relationship with such a person;

b) the natural persons who are the only real beneficiaries of a legal person, of an entity without legal personality or of a legal arrangement similar to them, known as being established for the de facto benefit of one of the persons mentioned in paragraph (2).

(6) Without prejudice to the enforcement, based on a risk assessment, of the additional measures of knowing the clientele, after the expiration of a time limit of one year from the date when the person ceased to hold an important public function within the meaning of paragraph (2), the reporting entities no longer consider that person as being publicly exposed.

Art. 4. - (1) For the purposes of this law, a real beneficiary means any natural person who ultimately owns or controls the client and / or the natural person on whose behalf a transaction, operation or activity is performed.

(2) The concept of a real beneficiary includes at least:

a) in the case of companies provided for in the Law of companies no. 31/1990, republished, with subsequent amendments and completions:

1. the natural person or persons who ultimately own or control a legal person by exercising the right of ownership, directly or indirectly, on a number of shares or voting rights sufficiently large to ensure their control or by participating in their own capital of the legal person or by exercising control by other means, the legal person owned or controlled being not a legal person registered in the trade register whose shares are traded on a regulated market and which is subject to advertising requirements in accordance with those regulated by European Union law or with internationally standards. This criterion is considered to be fulfilled in the case of holding at least 25% of the shares plus one share or the participation in the equity of the legal person in a percentage of over 25%;

2. the natural person or persons who ensure the management of the legal person, if, after exhausting all possible means and provided there are no grounds for suspicion, no natural person is identified in accordance with point 1 or if there is any doubt that the identified person is the real beneficiary, in which case the reporting entity is obliged to retain and record the measures applied in order to identify the real beneficiary in accordance with point 1 and this point;

b) in the case of trusts:

1. settlor/s;

2. trustee/s;

3. protector/s, if any;

4. the beneficiaries or, where the persons benefiting from the legal arrangement or the legal entity have not yet been identified, the category of persons for whose main interest the legal arrangement or the legal entity are constituted or operate;

5. any other natural person exercising ultimate control over the trust through the direct or indirect exercise of ownership or other means;

c) in the case of legal entities such as foundations and legal arrangements similar to trusts, the natural person (natural persons) who occupy positions that are equivalent to or similar to those referred to in the letter b);

(d) in the case of legal persons other than those referred to in subparagraph a) - c), and entities managing and distributing funds:

1. the natural person beneficiary of at least 25% of the assets, respectively the social shares or the actions of a legal person or an entity without legal personality, if the future beneficiaries have already been identified;

2. the group of persons in whose main interest a legal person or entity is established or operates without legal personality, if the natural persons benefiting from the legal person or the legal entity have not yet been identified;

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

CHAPTER II Reporting entities

Art. 5. - (1) The following reporting entities are subject to the present law:

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

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

c) managers of private pension funds, in their own name and for the private pension funds they manage, with the exception of professional occupational retirement houses;

d) gambling service providers;

e) auditors, chartered accountants and authorised accountants, censors, persons providing tax, financial, business or accounting consultancy;

f) notaries public, lawyers, bailiffs and other persons exercising liberal legal professions, if they assist in the preparation or completion of operations for their clients regarding the purchase or sale of immovable property, shares or social shares or goodwill items, administration of financial instruments, securities or other assets of clients, operations or transactions that involve a sum of money or a transfer of property, setting up or managing bank accounts, savings or financial instruments, organizing the process of underwriting the contributions required for the incorporation, the operation or administration of a company; the establishment, administration or management of such companies, collective investment undertakings in securities or other similar structures, as well as if they participate on behalf or for their clients in any operation of financial character or aiming immovable property;

g) providers of services to the companies or trusts, other than those referred to in the letter. e) and f);

h) real estate agents;
i) other entities and natural persons who market, as professionals, goods or provide services, insofar as they carry out cash transactions whose minimum limit represents the equivalent in lei of 10,000 euros, whether the transaction is executed through a single operation or through several operations that have a connection between them.

(2) Without prejudice to the provisions of paragraph (1) the agents and the distributors of electronic money institutions and payment institutions, including those institutions from other member states providing services on the territory of Romania or the central point of contact, as appropriate, comply with the legal obligations in the field of the prevention and combating of money laundering and terrorism financing.

(3) In the enforcement of paragraph (2), electronic money institutions and payment institutions shall contractually require to the agents and distributors through which they provide services on the territory of Romania to comply with the provisions of this law and the regulations issued in its enforcement and establish the compliance mechanisms.

CHAPTER III Reporting obligations

SECTION 1 Report of suspect transactions

Art. 6. - (1) The reporting entities referred to in article 5 are required to report suspect transactions exclusively to the Office if they know, suspect or have reasonable grounds to suspect that:

- a) the goods come from offenses or are related to terrorism financing;
- b) the person or proxy/representative/trustee is not who he/she claims to be; or
- c) the information that the reporting entity holds may be used to enforce the provisions of this law; or
- d) in any other circumstances, or with respect to the elements of such a nature as to raise a lot of questions about the nature, purpose, or motivation of the transaction, such as the existence of certain anomalies in comparison with the profile of the customer, as well as when there is an indication that the data possessed about a customer or the real beneficiary are not real, or out of date, and the client is refusing to update or provide explanations that are not plausible.

(2) In addition to the situations mentioned in paragraph (1), the reporting entities submit a report for suspect transactions to the Office when the objective factual circumstances related to a business relationship or occasional transactions correspond in whole or in part to the indicators or typologies of suspect transactions publicly presented by the Office.

(3) The reporting entities shall consider as suspect any business relationship or occasional transaction with a person whose identification data have been communicated by the Office

in a targeted manner. In this case a report for suspect transactions shall be submitted by the reporting entity to the Office, the provisions of art. 9 paragraph (1) not being enforceable.

(4) The National Agency for Fiscal Administration shall immediately send a report for suspect transactions to the Office when, in the enforcement of Regulation (EC) no. 1.889 / 2005 of the European Parliament and of the Council of October 26th, 2005 regarding cash control at the entrance or exit of the Community, possessed by them at the entrance or exit of the Union, knows, suspects or has reasonable reasons to suspect that the goods / funds originate from the commission of offenses or related to terrorism financing or the person has violated the obligations established by this regulation.

SECTION 2

Reporting of transactions that do not indicate signs of suspicious

Art. 7. - (1) The reporting entities shall have the obligation to report to the Office cash transactions, in Ron or foreign currency, whose minimum limit represents the equivalent in lei of 10,000 euro.

(2) If the transactions provided for in paragraph (1) are carried out through a credit or financial institution, the reporting obligation shall rest with it, except for the operations from the money remittance activity that will be reported according to paragraph (5).

(3) The credit and financial institutions, as referred to in this law, shall submit on-line reports regarding the external transfers in and from accounts, in lei or in foreign currency, whose minimum limit represents the equivalent in lei of 15,000 euro.

(4) For the purposes of paragraph (1), the term transaction shall include operations whose value is fragmented into tranches smaller than the equivalent in lei of 15,000 euros, which have common elements such as: the parties of the transactions, including the real beneficiaries, the nature or category in which the transactions fall, and the amounts involved. The reporting entities shall establish in the policies and internal rules referred to in art. 24 paragraph 1, proportional to the risk of money laundering and terrorism financing to which they are exposed, the term according to which the common elements are relevant, as well as any other scenarios that could lead to transactions connected between them.

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

(6) The National Agency of Fiscal Administration shall submit to the Office reports concerning the information included in the statements of the individuals regarding cash in foreign currency and/or in the national currency, which is greater than or equal to the limit laid down by Regulation (EC) no. 1.889/2005 of the European Parliament and of the Council of October 26th, 2005, in their possession at the entrance or exit from the Union.

(7) The report for the transactions referred to in paragraphs (1), (3) and (5) shall be submitted to the Office no later than 3 working days from the time of the transaction, and the report referred to in that paragraph (6) shall be forwarded to the Office no later than 3 working days after the date of submission of the statement in accordance with Regulation

(EC) 1.889/2005 of the European Parliament and of the Council of October 26th, 2005, in their possession at the entrance or exit from the Union, in accordance with a methodology approved by the decree of the president of the Office.

SECTION 3 Reporting Rules

Art. 8. - (1) The reporting entities referred to in art. 5 shall immediately forward to the Office the report on suspect transactions referred to in art. 6 prior to any transaction related to the customer connected with the reported suspicion.

(2) The Office shall immediately confirm in writing, by allocating the registration number, including by electronic means, the receipt of the report of suspect transactions.

(3) The transaction shall not be carried out until the expiry of a time limit of 24 hours from the moment of registration referred to in paragraph (2). If the Office does not order the transaction to be suspended within the previous mentioned time limit, the reporting entity may carry out the transaction.

(4) In order to analyse the transaction and verify the suspicion, the Office may suspend the performance of the transaction for up to 48 hours, as a result of the information received under the provisions of the present law, of some requests in this respect received from the Romanian judicial bodies or foreign institutions who have similar powers and who have the obligation to keep the secret under similar conditions or based on other possessed information. The decision of the Office to suspend the conduct of a transaction shall be communicated to the reporting entity immediately, in both printed and electronic form, and shall be implemented immediately.

(5) If the suspicion reported is not confirmed, the Office shall decide to terminate the suspension of a transaction before the expiry of the time limit referred to in paragraph (4), a decision which shall be communicated to the reporting entity forthwith and which shall be implemented immediately.

(6) Before the expiry of the term provided in par. (4), the Office, if it is considered to be necessary, it may request for one time with good reasons, to the Public Prosecutor's Office attached to the High Court of Cassation and Justice, the extension of the suspension of transaction performance with a maximum of 72 hours, which is calculated starting with the hour when the suspension decision expires.

(7) The Office may request if it has good reasons the Public Prosecutor's Office attached to the High Court of Cassation and Justice to terminate the extension of the suspension at any time within the time limit referred to in paragraph (6).

(8) The decision of the Public Prosecutor's Office attached to the High Court of Cassation and Justice shall be communicated forthwith to the Office, which shall communicate it forthwith to the reporting entity.

(9) If, before the expiry of the time limit set in the suspension decision, the Office has not communicated its decision to extend the suspension, the reporting entity may carry out the transaction.

(10) If the time limits set per hour, in accordance with paragraphs (3), (4) and (6) are fulfilled on a day that is declared a non-working for public institutions involved in suspension procedure, they shall be extended until the same hour on the next working day.

(11) The form and content of the reports referred to in art. 6 and 7 for financial and non-financial reporting entities and the methodology for their transmission shall be established by decree of the Office president , in consultation with supervisory authorities and self-regulatory bodies.

(12) The reporting entities shall have the obligation to transmit to the Office the reports referred to in art. 6, 7 and art. 9 paragraph (1) only in electronic form, through the channels made available by the Office, in the form and content established pursuant to paragraph (11).

(13) The Office will return to the reporting entity or the customs authority the reports that do not respect the form and content established by it and will consider the reporting obligation as not fulfilled until the deficiencies have been rectified.

(14) The deficiencies indicated by the Office will be rectified and a new report will be sent by the reporting entity or the customs authority no later than two working days from the date of receipt of the returned report. In the case of the report for suspect transactions, the period referred to in paragraph (3) shall start from the moment the Office confirms the receipt of the duly completed report.

(15) The reports referred to in art. 6, 7 and art. 9 paragraph (1) as well as any other documents received by the Office indicating suspicions of money laundering or terrorism financing do not constitute a petition within to the effect of Government Ordinance no. 27/2002 concerning the regulation of the activity of solving petitions, approved with amendments and completions by Law no. 233/2002, with subsequent amendments.

Art. 9. - (1) By way of exception to the provisions of art. 8, the reporting entities may perform a transaction which is connected with a suspect transaction without reporting in advance, if refraining from carrying out the transaction is impossible or if the failure to perform it would hamper the efforts to track the beneficiaries of the suspect transaction, under the provision of maintaining the obligation to send a report of suspect transactions exclusively to the Office immediately, but not later than 24 hours after the execution of the transaction, specifying also the reason for which the provisions of art. 8 were not complied with.

(2) The reporting entities shall immediately send a report of suspect transactions exclusively to the Office, when it acknowledges that one or more transactions that have been carried out and which are connected to the client's activity exhibits suspicions of money laundering or terrorism financing.

(3) The persons referred to in art. 5 paragraph (1) letters e) and f) shall have the obligation to send a report of suspect transactions only insofar as the information they receive from

one of their clients or they obtain in connection with them during the evaluation of the legal situation of the client during court proceedings or fulfilling the obligation to defend or represent the client in court proceedings or in connection with these procedures, including legal advice on initiating or avoiding proceedings, whether or not this information is received or obtained before the proceedings, during or after them.

(4) The provisions of paragraph (3) shall not apply in cases where the persons referred to in art. 5 paragraph (1) letters e) and f) are aware of the fact that the legal advice activity is provided for the purpose of money laundering or terrorism financing or when they know that a client wants legal advice for the purpose of money laundering or terrorism financing.

(5) In the case of reporting entities referred to in art. 5 paragraph (1) letters e) and f), the reports shall be made to the Office, and shall be notified to the management structures of liberal professions on the submission of suspect transaction reports.

(6) It is exempted from the reporting obligations provided in art. 7 paragraph (1) the following operations carried out on behalf and on own account: 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 operations of numismatic effects and the exchange of damaged or withdrawn from circulation banknotes, carried out by the National Bank of Romania.

CHAPTER IV

Measures of clientele knowledge

Art. 10. (1) The credit Institutions and financial institutions do not provide accounts or anonymous saving books, for which the identity of the holder or the real beneficiary is not properly known and evidenced.

(2) In the enforcement of the provisions of paragraph 1, credit institutions and financial institutions shall, as soon as possible, apply clientele knowledge measures to all holders and beneficiaries of existing anonymous accounts and savings books.

(3) The use in any way of existing anonymous accounts and savings books is permitted only after the enforcement of the clientele knowledge measures provided for in art. 13, 16 or, as the case may be, art. 17.

(4) Credit and financial institutions shall be prohibited from establishing or continuing correspondent relationships with a fictitious bank.

(5) Credit and financial institutions shall take appropriate measures to ensure that it does not enter into correspondent relations or does not continue such relations with a credit institution or financial institution known to allow a fictitious bank to use its accounts.

(6) Credit and financial institutions shall apply procedures for clientele knowledge and retaining the records connected to it at least equivalent to those provided in this law in all their branches and subsidiaries located in third countries.

(7) In the event that the reporting entities have branches or majority-owned subsidiaries located in third countries where the minimum requirements to combat money laundering

and the terrorism financing are no less stringent than those laid down in this law, its branches and majority-owned subsidiaries located in the third country concerned shall implement the provisions of this law, including those relating to data protection, to the extent permitted by the law of the third country.

Art. 11. - (1) Reporting entities shall be required to apply standard clientele knowledge measures to enable:

a) identifying the customer and verifying his or her identity based on documents, data or information obtained from credible and independent sources, including by means of electronic identification as provided for in Council Regulation (EU) no. 910/2014 of the European Parliament and of the Council of July 23rd, 2014 on electronic identification and trust services for electronic transactions on the internal market and repealing of the Directive 1999/93/EC;

b) identifying the real beneficiary and taking reasonable steps to verify its identity, so that the reporting entity ensures that it has identified the real beneficiary, including as regards legal entities, trusts, companies, associations, foundations and entities without similar legal personality, as well as to understand the structure of customer ownership and control;

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

d) performing ongoing monitoring of the business relationship including by examining the transactions concluded throughout the duration of the respective relationship, so that the reporting entity make sure that the transactions carried out are in accordance with the information possessed regarding the client, the activity and the risk profile, including, as the case may be , the source of the funds, as well as that the documents, data or information held are updated and relevant.

(2) By way of exception of the provisions of paragraph 1. reporting entities may apply simplified measures in an appropriate manner to the risk of money laundering and associated terrorism financing.

(3) Reporting entities shall **have adequate risk management systems**, including procedures based on risk assessment, in order to determine whether a client or the real beneficiary of a client is a publicly exposed person.

(4) In the enforcement of the measures referred to in paragraph. (1) letters a) and b), the reporting entities shall also verify whether a person who claims to act on behalf of the client it is authorized to act in this respect, in which case they identify and verify the identity of that person.

(5) When this law and the sectoral regulations or instructions issued by the competent authorities in the enforcement of the provisions of art. 1 paragraph (4) include endorsements regarding the application of a certain category of clientele knowledge measures, the reporting entity is obliged to apply at least the respective category, but it may decide, based on its own risk assessment, to apply a category of measures more restrictive than the compulsory ones.

(6) When assessing the risk of money laundering and terrorism financing, reporting entities shall be required to consider at least the following:

- a) the purpose of initiating a relationship or conducting an occasional transaction;**
- b) the level of assets to be traded by a customer or the size of the transactions already made;**
- c) regularity or duration of the business relationship;**
- d) regulations and sectoral instructions issued by the competent authorities in the enforcement of the provisions of art. 1 paragraph (4).**

(7) The reporting entities shall be responsible for demonstrating to the supervisory and control authorities or self-regulatory bodies that the customer knowledge measures applied are appropriate in terms of the money laundering and terrorism financing risks that have been identified.

(8) The reporting entities are required to verify the identity of the client and the real beneficiary before establishing a business relationship or carrying out the occasional transaction.

(9) When the reporting entity is not able to apply the customer knowledge measures, it must not open the account, initiate or continue the business relationship or carry out the occasional transaction and must draw up a suspect transaction report in relation to that client, whenever there are grounds for suspicion, which will be transmitted to the Office.

Art. 12. - The manner of enforcement of clientele knowledge measures shall be duly completed with the provisions of the regulations and sectoral instructions issued by the competent authorities in application of the provisions of art. 1 paragraph (4).

SECTION 1

Standard measures of customer knowledge

Art. 13. - (1) Reporting entities shall be required to apply standard customer knowledge measures in the following situations:

- a) when establishing a business relationship;**
- b) when carrying out occasional transactions:**

1. Amounting at least the equivalent in lei of 15,000 euros, whether the transaction is carried out through a single operation or through several operations that have a connection between them;

2. Which constitutes a transfer of funds, as defined by art. 3 point 9 of Regulation (EU) 2015/847 of the European Parliament and of the Council of May 20th, 2015 on the information accompanying the transfers of funds and repealing Regulation (EC) no. 1.781 / 2006, amounting over 1,000 euros;

c) in the case of persons trading goods, as professionals, when carrying out occasional cash transactions amounting at least 10,000 euros, whether the transaction is carried out by a single operation or by several operations that are connected between them.

(2) The reporting entities referred to in art. 5 paragraph (1) letter d) shall have the obligation to apply the standard clientele knowledge measures at the time of collecting the winnings, when buying or changing chips when making transactions whose minimum value is the equivalent in lei of at least 2,000 euros, through a single operation.

(3) If the amount is not known at the time of acceptance of the transaction, the reporting entity shall apply the standard procedures of clientele knowledge, when it is informed of the transaction value and when it has established that the applicable minimum limit has been reached.

(4) In the case of life insurance and other types of insurance products which include an investment component, credit and financial institutions shall apply, in addition to the standard procedures of clientele knowledge required in relation to the customer and the real beneficiary, the following knowledge measures, as soon as the beneficiaries of these types of insurance are identified or designated:

a) in the case of beneficiaries identified by name, the credit or the financial institution shall apply the measures for the customers knowledge in relation to them;

b) in the case of beneficiaries designated by characteristics or category or by other means, the credit or financial institution will request to obtain sufficient information regarding the respective beneficiaries, so as to ensure that, at the time of payment, it will be able to establish the identity of the beneficiary of these types of insurance.

(5) The measures provided in paragraph (4) shall be adopted at the latest at the time of payment or at the time of assignment, in whole or in part, of the policy.

(6) In the case of an assignment, in whole or in part, of a life insurance policy or other insurance policy related to the investment by a third party, the credit and financial institutions who have knowledges about the assignment shall identify the real beneficiary at the time of the assignment to the natural or legal person or to the legal arrangement that receives, for its own benefit, the value of the transferred policy.

(7) In the case of the beneficiaries of the trust or similar legal arrangement which is assigned on the basis of specific characteristics or category, the reporting entities are required to obtain sufficient information about the beneficiary, so as to ensure that they will be able to establish the identity of the beneficiary at the time of payment or exercise by the beneficiary of the acquired rights.

(8) Compelled entities may not apply clientele knowledge measures regarding electronic currency, if all the following risk mitigation conditions are met:

a) the payment instrument is not rechargeable or has a maximum limit of EUR 150 for monthly payment transactions, which can only be used in that member state;

b) the maximum amount stored electronically does not exceed 150 euro;

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

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

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

(9) The waiver provided for in paragraph (8) shall not apply in the case of the cash buy-back or cash withdrawal of the monetary value of the electronic currency if the buy-back amount exceeds 150 euros.

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

Art. 15. - (1) The identification of the clients and the real beneficiaries shall include at least:

a) in the case of natural person - all the civil status data provided in the identity documents provided by law;

b) in the case of legal persons - the data contained in the articles of incorporation or registration certificate and the data of the legal representative of the legal entity which concludes the contract;

c) the data and information provided for in the enforceable sectoral regulations.

(2) In the case of foreign legal entities, a translation into Romanian of the documents referred to in paragraph (1) letter b), notarized under the law, shall be required

SECTION 2

Simplified clientele knowledge measures

Art. 16. - (1) Reporting entities may apply simplified clientele knowledge measures exclusively to customers at low risk.

(2) The classification in a low degree of risk shall be achieved through the overall assessment of all identified risk factors, according to the provisions of art. 11 paragraph (6) and taking into consideration at least the following specific factors:

a) customer risk factors:

1. public companies listed on a stock exchange and subject to the requirements of information disclosure, either by stock exchange rules, or by law or by enforcement means, which impose requirements to ensure adequate transparency of the real beneficiary;

2. public administrations or public undertakings;

3. customers residing in low-risk geographical areas, as referred to in letter c);

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

1. life insurance policies, if the insurance premium or the total annual payment instalments are lower or equal to the Ron equivalent of 1,000 euro or the single insurance premium paid is amounting up to the Ron equivalent of 2,500 euro;

2. insurance policies for pension schemes where there is no early buy-back clause and the policy cannot be used as a guarantee;

3. pension systems, annuities or similar systems providing employees with pension benefits, where contributions are represented by amounts paid by participants or employers on their behalf to a private pension fund;

4. financial products or services that provide services appropriately defined and limited to certain types of customers, so as to increase access for the purpose of financial inclusion;
 5. products for which the risks of money laundering and terrorism financing are managed by other factors, such as financial limits or transparency of property;
 6. products which, by their nature and manner of trading, fall under sectoral or national assessments in the categories of low risk of money laundering or terrorism financing;
- c) geographical risk factors:
1. member states;
 2. third countries with effective anti-money laundering and terrorism financing systems;
 3. third countries identified from reliable sources as having a low level of corruption or other criminal activity;
 4. third countries which, based on reliable sources, such as mutual assessments, detailed evaluation reports or published monitoring reports, have provided for the requirements of combating money laundering and terrorism financing in compliance with the revised recommendations of the Financial Action Group and effectively apply those requirements.

(3) Before applying the simplified measures of clientele knowledge, the reporting entities shall have the obligation to ensure that the business relationship or the occasional transaction presents a reduced degree of risk, determined at least on the basis of the factors referred to in paragraph (2).

(4) The reporting entities shall perform, in all cases, appropriate adequate, documented and formalized monitoring of transactions and business relationships to enable the detection of unusual or suspect transactions.

SECTION 3

Additional measures of clientele knowledge

Art. 17. - (1) Reporting entities shall apply, in addition to standard clientele knowledge measures, additional clientele knowledge measures in all situations which, by their nature, may present an increased risk of money laundering or terrorism financing, including in the following situations:

- a) in the case of business relationships and transactions with persons from countries which do not apply, or apply insufficiently, the international standards in the field of the prevention and combating of money laundering and terrorism financing or which are internationally known as non-cooperating countries;
- b) in the case of correspondent relations with credit institutions and financial institutions of other member states or third states;
- c) in the case of transactions or business relationships with publicly exposed persons or clients whose real beneficiaries are publicly exposed persons, including for a period of at least 12 months from the date on which that person no longer occupies an important public office;

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

e) in the cases provided for in the sectoral regulations or instructions issued by the competent authorities in the enforcement of the provisions of art. 1 paragraph (4).

(2) The reporting entities shall have an obligation to examine the background and the purpose of all complex transactions and which have unusually high values or of all unusual types of transactions that have no obvious economic, commercial or legal purpose.

(3) The circumstances and purpose of such transactions should be examined as soon as possible by the reporting entities, including based on additional documents requested from the client to justify the transaction. Also, **the reporting entities shall increase the degree and nature of monitoring of the business relationship, in order to determine whether those transactions or activities appear to be suspect.** The conclusions of the inspections carried out must be recorded in writing and shall be made available at the request of the competent authorities or self-regulatory bodies.

(4) The Office shall inform the competent supervisory and control authorities of the vulnerabilities of anti-money laundering and terrorism financing systems in other countries and shall publish on its website the list of countries that present vulnerabilities in the systems of prevention and control of money laundering and terrorism financing and that do not apply or insufficiently apply the international standards in the field, according to the public communications of the international bodies in the field.

(5) The supervisory and control authorities, as well as the self-regulatory bodies, by specific provisions, will develop applicable requirements and mechanisms regarding the briefing of reporting entities, regarding the vulnerabilities of prevention systems and control of money laundering and terrorism financing in other countries.

(6) Based on the specific provisions regulated by the supervisory and control authorities, as well as the self-regulatory bodies, the reporting entities will examine the circumstances and scope of the transactions involving persons from countries with vulnerabilities in the systems for preventing and combating money laundering and terrorism financing and who do not apply or insufficiently apply the international standards in the field and will make available to the authorities with control powers or self-regulatory bodies, upon their request, the conclusions recorded in writing.

(7) In the **case of correspondent relations** with respondent institutions from other member states and third states, credit institutions and correspondent financial institutions shall apply, in addition to standard clientele knowledge measures, the following measures:

a) obtain sufficient information about the respondent institution to fully understand the nature of its activity and to determine, based on publicly available information, its reputation, including whether it has been the subject of a surveillance measure or money laundering or terrorism financing investigations;

b) obtain sufficient information on the quality of supervision to which the respondent institution is subject;

c) assess the mechanisms implemented by the respondent institution to prevent and combat money laundering and terrorism financing in order to ensure that they are appropriate and effective;

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

e) establish on the basis of documents the responsibilities of each party;

f) in the case of correspondent accounts directly accessible to the customer, it shall ensure that the respondent institution shall apply on an ongoing basis the measures of clientele knowledge to these customers and is able to provide to the correspondent institution, upon request, information obtained through the enforcement of these measures.

(8) In the enforcement of paragraph (1), the credit institutions and the corresponding financial institutions may consider fulfilled the obligations from paragraph (7) letters b), c) and f) in the case of the credit institutions and the respondent financial institutions from the member states which are compelled entities according to art. 2 paragraph (1) of Directive (EU) 2015/849 of the European Parliament and of the Council of May 20th, 2015 on preventing the use of the financial system for the purpose of money laundering or terrorism financing, of amending Regulation (EU) no. 648/2012 of the European Parliament and of the Council and of repealing the Directive 2005/60 / EC of the European Parliament and of the Council and of Commission Directive 2006/70 / EC, as subsequently amended and supplemented.

(9) In the case of **occasional transactions or business relationships with persons who are publicly exposed** or who have as their real beneficiary persons who are publicly exposed, the reporting entities apply, in addition to the standard measures of clientele knowledge, the following measures:

a) obtain the approval of senior management for establishing or continuing business relations with such persons;

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

c) carry out on a permanent basis an increased monitoring of the respective business relations.

(10) The measures referred to in paragraphs (9) and (11) - (13) shall also apply to family members or persons known to be close associates of publicly exposed persons.

(11) Reporting entities shall be required to apply reasonable measures to determine the beneficiaries of a life insurance policy or other investment-related insurance policy and/or, where applicable, the real beneficiary of the policy beneficiary are persons publicly exposed.

(12) The measures referred to in paragraph (11) shall be adopted at the latest at the time of payment or at the time of assignment, in whole or in part, of the policy.

(13) If increased risks have been identified, the reporting entities shall apply, in addition to the standard measures of client knowledge, the following measures:

a) inform senior management prior to payment of the income related to the insurance policy;

b) performs an enhanced examination of the entire business relationship with the insured.

(14) In assessing the risks of money laundering and terrorism financing, the following **specific factors of potentially high-risk situations will also be considered:**

1. customer risk factors:

a) the business relationship is performed in unusual circumstances;

(b) customers residing in high-risk geographical areas as referred to in point 3;

c) legal persons or entities without legal personality with the role of personal asset management structures;

d) companies with apparent shareholders (nominee shareholders) or bearer shares;

e) activities where a lot of cash is running;

f) the shareholding structure of the company appears unusual or excessively complex given the nature of its business;

2. risk factors for products, services, transactions or distribution channels:

a) personalised banking services;

b) products or transactions that might favour anonymity;

c) business relationships or overseas transactions without certain safeguards, such as electronic signature;

d) payments received from unknown or non-associated third parties;

e) new products and new commercial practices, including new distribution mechanisms and the use of new or developing technologies for both new and pre-existing products;

3. geographical risk factors:

a) countries that, according to the assessment of the international bodies in the field, do not have effective systems to combat money laundering /terrorism financing;

b) countries which, according to reliable sources, have a high level of corruption or other criminal activity;

c) countries subject to sanctions, embargoes or similar measures, established, for example, by the European Union or the United Nations;

d) countries providing financing or support for terrorism activities or in whose territory designated terrorism organisations operate.

SECTION 4

Performance by third parties

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

a) apply clientele knowledge measures and document storage requirements that are similar to those referred to in this law; and

b) they are supervised with regard to their application in a manner similar to that provided for in this law.

(2) Reporting entities may not use third parties located in high-risk third states.

(3) The authorities and bodies referred to in art. 26 paragraph (1) may establish also by sectoral regulations other categories of entities that cannot be used as third parties by the entities they supervise.

4. Reporting entities may use, for the purpose of enforcement of the standard clientele knowledge measures provided for in art. 11 paragraph (1) letters (a) - (c), customer information obtained from third parties, even if such information is obtained based on documents which differ in form from that used internally.

(5) In the situation referred to in paragraph (4) the responsibility for complying with all clientele knowledge requirements shall rest with those who use the information obtained from the third party.

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

a) all the necessary information according to its own procedures for applying the clientele knowledge measures provided for in art. 11 paragraph (1) letters a) -c);

b) upon request, copies of documents on the basis of which the third party has applied the measures of clientele knowledge provided for in art. 11 paragraph (1) letters a)- c).

7. The authorities and bodies referred to in art. 26 paragraph (1) may consider that a reporting entity, which applies the procedures established in accordance with the provisions of art. 24 paragraph (7) at the level of the group to which it belongs, shall comply with the requirements laid down in paragraphs (1), (4) and (5), if all of the following conditions are met:

a) the compelled entity shall rely on information provided by a third party that is part of the same group;

b) the group shall apply the clientele knowledge measures, the requirements for records retaining and programs to combat money laundering and terrorism financing similar to those provided by this law;

(c) compliance with the requirements set out in letter (b) shall be supervised at group level by the competent authority from the home member state or from a third state.

(8) The reporting entities may implement, through the entities to which activities **have been outsourced**, clientele knowledge measures arising from outsourced activities, **only if they contractually require them to comply with the legal obligations regarding the prevention and control of money laundering and terrorism financing** and lay down the mechanisms which ensures the compliance. In these cases, the reporting entities shall continue to remain responsible for fulfilling their obligations under this law in the cases where they do not directly apply clientele knowledge measures.

SECTION 5
Information on the real beneficiary

Art. 19. - (1) The legal persons governed by private law, and, trusts registered on Romania territory shall have the obligation to obtain and possess adequate, correct and up-to-date information on their real beneficiary, including the modality through which this quality materializes, and to make them available to the control bodies and supervisory authorities, at their request.

(2) Legal Persons and trusts shall disclose their status and provide to the reporting entities in due time the information referred to in paragraph (1) and art. 4 paragraph (2) where, in their capacity as trustees, they establish a business relationship or perform an occasional transaction with a value exceeding the thresholds laid down in art. 13 paragraph (1) letter b) and paragraph (2).

(3) Legal entities and trustees registered on Romania territory shall have the obligation to provide to the reporting entities, in due time, in addition to the information on their rightful owner, information on the real beneficiary, when the reporting entities apply clientele knowledge measures.

(4) The reporting entities shall **retain documented records** of the measures taken to identify the real beneficiaries in accordance with the provisions of the law.

(5) The information referred to in paragraph (1) shall be registered:

a) in a central register organized at the level of the National Trade Registry Office for legal persons who have the obligation to register in the trade register, with the exception of the autonomous administration, national companies and societies;

b) in a central register organized at the level of the Ministry of Justice for associations and foundations;

c) in a central register organised at the level of the National Agency for Tax Administration in the case of trusts.

(6) The Office shall inform the European Commission about the characteristics of these arrangements, based on the information received from the authorities referred to in paragraph (5).

(7) The information contained in the registers referred to in paragraph (5) they must be adequate, correct and up-to-date. The authorities referred to in paragraph (5) verify these aspects and update its own registers.

(8) The access to the registers referred to paragraph (5)n shall be provided, in accordance with the norms regarding the protection of personal data, free of charge:

a) to the authorities that have supervisory and control powers, to the judicial bodies, according to the Law no. 135/2010 regarding the Criminal Procedure Code, as subsequently amended and supplemented, and to the Office, in due time, without any restrictions and without alerting the person concerned;

b) to the reporting entities when applying clientele knowledge measures;

c) to any persons or organisations which may demonstrate a legitimate interest.

(9) The persons or organisations referred to in paragraph (8) letter (c) shall have access to the name, month and year of birth, nationality and country of residence of the real beneficiary as well as to the information on how this quality materializes.

(10) In order to fulfil the obligation to identify the real beneficiary reporting entities will rely on the central register referred to in paragraph (5).

(11) In the case of the beneficiaries of the trust or legal arrangements which are designated according to specific characteristics or category, reporting entities shall have the obligation to obtain adequate, accurate and up-to-date information on the beneficiary, so as to ensure that they will be able to establish the beneficiary's identity at the time of payment or the beneficiary exercising his/her acquired rights.

(12) The competent authorities and the Office shall provide the information referred to in paragraph (1) and (5) to competent authorities and to financial information units of other member states in due time.

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

Art. 20. - The organization and operation of the registers referred to in art. 19 paragraph 5 shall be regulated by acts issued by the managing authorities.

SECTION 6

Documents retention

Art. 21 - (1) The reporting entities, when applying clientele knowledge measures, shall have the obligation **to retain, in a printed form or electronic format**, in a form admitted in the judicial procedures, **all the records obtained** by applying these measures, such as copies of the identification documents, the monitoring and verifications carried out, including the information obtained through the electronic identification means necessary to comply with the clientele knowledge requirements, for a period of 5 years from the date of termination of the business relationship with the client or from the date of the occasional transaction.

(2) Reporting entities shall retain supporting documents and records of transactions, consisting of account records or commercial correspondence, necessary for the identification of transactions, including the results of any customer-related analysis, e.g. requests to establish the history and purpose of complex, unusually large transactions. These documents can be either originals or copies admissible in court proceedings and must be retained for a period of 5 years from the date of the termination of the business relationship with the customer or from the date of the occasional transaction.

(3) When it shall be necessary to extend the period of retention of documents, in order to prevent, detect or investigate money laundering or terrorism financing activities, the reporting entities are obliged to extend the deadlines provided in paragraph (1) and (2) with the period indicated by the competent authorities and this extension cannot exceed 5 years.

(4) Upon expiry of the retention period, the reporting entities shall be required to delete personal data, except where other legal provisions require that the data continue to be preserved.

Art. 22 - (1) The personal data shall be processed by the reporting entities on the basis of the present law, and in compliance with the legislation in force concerning the processing of personal data solely for the purposes of the prevention of money laundering and terrorism financing and shall not be further processed in any manner incompatible with that purpose. The processing of personal data for other purposes, such as commercial ones, is prohibited.

(2) The reporting entities shall to provide new clients, before establishing a business relationship or carrying out an occasional transaction, at least the information provided below, unless the person is already informed of these data:

- a) the identity of the operator and, where appropriate, of the representative;
- b) the purpose of the processing for which the data are intended;
- c) any additional information, such as:
 1. recipients or categories of recipients of the data;
 2. if the answers to questions are mandatory or voluntary, as well as the possible consequences of avoiding the answer;
 3. the existence of the right of access to the data concerning it and the rectification of the personal data, insofar as, taking into account the specific circumstances in which the data are collected, such additional information is necessary to ensure a correct processing of the data regarding the targeted person.

(3) The information referred to in paragraph (2) include general information on the legal obligations of reporting entities under this law when processing personal data for the purpose of preventing money laundering and terrorism financing.

(4) The processing of personal data in the context of paragraph (1) is considered to be necessary in order to carry out measures of public interest, in accordance with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27th, 2016 on the protection of natural persons with regard to processing of personal data and regarding the free movement of such data and repealing of Directive 95/46 / EC (General Data Protection Regulation).

CHAPTER V

Assigned person and internal procedures

Art. 23 - (1) The reporting entities shall have the obligation to designate one or more persons who have responsibilities in the enforcement of this law, specifying the nature and limits of the entrusted responsibilities, whose names will be communicated to the Office, exclusively in electronic format, through the channels made available by it.

(2) Credit institutions and financial institutions shall have the obligation to designate a compliance officer at management level, who shall coordinate the implementation of internal policies and procedures for the enforcement of this law. In the case of cooperative networks, in the meaning provided in the Government Emergency Ordinance no. 99/2006, approved with amendments and completions by law no. 227/2007, with subsequent amendments and completions, the compliance officer may be appointed at the level of the central house to coordinate the implementation of policies and procedures throughout the network.

(3) The persons designated according to the provisions of paragraph (1) and (2) shall have direct and in due time access to the relevant data and information, possessed by the reporting entities, necessary for the fulfilment of the obligations provided by this law.

(4) The provisions of paragraph (1) shall not be enforceable to natural persons acting as reporting entity and to reporting entities referred to in art. 5 paragraph (1) letter i).

(5) Given the nature of the responsibilities entrusted to the persons mentioned in paragraphs (1) and (2), the supervisory and control authorities and the reporting entities have the obligation to create mechanisms to protect them, including by granting the right to address in their own name to report to the state authorities violations of any kind of this law within the reporting entity, in which case the identity of these persons will be adequately protected.

(6) The mechanisms referred to in paragraph (5) include, where appropriate, at least:

a) specific procedures for receiving reports of violations of any nature of this law and taking further action;

b) adequate protection of employees or persons in a similar position within reporting entities, who report violations of any nature of this law, committed within them;

(c) adequate protection of the persons referred to in paragraphs (1) and (2);

d) the protection of the personal data of the person who reports the breach of any of the nature of the law, as well as the natural person who is allegedly responsible for a breach, in accordance with the principles laid down in the Regulation (EU) 2016/679;

e) clear norms to ensure that confidentiality is guaranteed in all cases with regard to the identity of the person reporting any violations of this law, committed within the reporting entity, unless disclosure is required by other legal provisions.

Art. 24. - (1) According to the nature and volume of the activity carried out and taking into account the regulations, prudential requirements and the sectoral instructions issued by the competent authorities in the enforcement of the provisions of art. 1 paragraph (4), the reporting entities establish **internal policies and norms, internal control mechanisms and procedures for managing the risks of money laundering and terrorism financing, which include at least the following elements:**

a) enforceable customer knowledge measures;

b) enforceable measures for reporting, records and all documents retention as required by this law and for the prompt provision of data at the request of the competent authorities;

c) enforceable internal control, risk assessment and management, compliance and communication management measures;

d) enforceable measures regarding the protection of the own personnel involved in the process of applying these policies, against any threats or hostile or discriminatory actions;

e) training and periodic evaluation of employees.

(2) Depending on the size and nature of the activity, the reporting entities shall have the obligation to provide an **independent audit** function in order to test the policies, internal norms, mechanisms and procedures referred to in paragraph (1).

(3) The reporting entities shall **approve and monitor** the policies, internal rules, mechanisms and procedures referred to in paragraph (1) **at the level of senior management**.

(4) The reporting Entities shall have the obligation to ensure regular **appropriate training** of employees with regard to the provisions of this law, as well as with regard to the relevant provisions on the protection of personal data, and to carry out **the process of the verification of the employees**, in accordance with sectoral regulations or instructions, issued by the competent authorities in the enforcement of the provisions of art. 1 paragraph (4). Documents drawn up for this purpose shall be made available to control authorities and self-regulatory bodies at their request.

(5) Depending on the risks to which they are exposed, the size and nature of the activity, the reporting entities shall include, in the process of training the employees, the participation in special programs of permanent training whose purpose is the acknowledgement by employees of the operations that may be connected with money laundering or terrorism financing.

(6) In the case of credit institutions and financial institutions, it shall be mandatory to establish **adequate standards in the process of recruiting staff with responsibilities in the enforcement of the present law and its participation in training programs whenever it is needed, but not later than an interval of 2 years**, in compliance with sectoral regulations or instructions.

(7) The reporting entities that are part of a group shall be required to implement **group-level policies, procedures and training**, including data protection policies and policies and procedures regarding sharing information within the group in order to combat money laundering and terrorism financing, which it applies also to the branches and subsidiaries that are majority owned in the member states and in third countries.

(8) The supervisory authorities shall inform each other and also the European supervisory authorities of the cases in which the law of the third country does not allow the implementation of the policies and procedures required by the provisions of paragraph (7) and in this direction it can be undertaken actions to identify a solution.

(9) If the law of the third country does not allow the implementation of the policies and procedures provided in paragraph (1), the reporting entities shall ensure that the majority owned **branches and subsidiaries of the respective third country apply additional measures** to effectively deal with the risk of 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 article 26 **shall apply additional supervisory measures, including measures requiring the group not to establish business relations or to cease those business relations, not to carry out transactions and, if necessary, to close its operations in the third country.**

(10) If a natural person who falls into any of the categories listed in art. 5 paragraph (1) letters d) -i) performs professional activities as an employee of a legal person, the obligations provided in this chapter shall apply to the respective legal person, and not to the natural person.

CHAPTER VI

Obligation to assess risks

Art. 25. - (1) The reporting activities shall have the obligation to identify and evaluate the risks of the activity carried out regarding the exposure to money laundering and terrorism financing, taking into account the risk factors, including those related to customers, countries or geographical areas, products, services, transactions or distribution channels.

(2) The assessments drawn up for this purpose shall be documented, updated, including on the basis of the national and sectoral evaluation and of the regulations or instructions issued by the authorities in the enforcement of the provisions of art. 1 paragraph (4), and they are made available to the authorities with supervisory and control powers and to the self-regulatory bodies, upon their request.

(3) The assessments carried out shall form the basis of the own risk management policies and procedures as well for determining the set of clientele knowledge measures that are applicable to each client.

(4) The reporting entities operating through branches, agents or distributors in another member state shall be obliged to ensure that **they comply with the provisions of national law of the respective member state regarding the prevention of the use of the financial system for the purpose of money laundering or terrorism financing.** Where the provisions of this law are more restrictive, the reporting entities shall ensure also the compliance by their branches, agents or distributors from another member state with those provisions.

CHAPTER VI

Supervision and control

Art. 26. (1) The way of enforcement of the provisions of the present law shall be supervised and controlled, within the framework of the attributions of service, by the following authorities and bodies:

a) The National Bank of Romania and the Financial Supervisory Authority, for the categories of entities subject to supervision according to the provisions of art. 27, respectively art. 28;

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

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

d) The Office, in respect of all reporting entities which are not subject to the supervision of the authorities referred to in letter a);

e) Self-regulatory bodies, for the reporting entities they represent and coordinate.

(2) The competent authorities and bodies referred to in paragraph 1 shall immediately **inform the Office**, as appropriate:

a) Where, in the exercise of specific tasks, they discover facts which might be related to money laundering or terrorism financing;

b) Regarding other violations of the provisions of the present law with a significant impact on the exposure to the risk of money laundering and terrorism financing, identified according to the specific attributions.

(3) The Office may carry out inspections on legal persons and entities without legal personality other than those under the supervision of the authorities referred to in paragraph (1) letter a) when from the data possessed by the Office there are suspicions of money laundering or terrorism financing regarding the transactions carried out by them.

(4) The reporting entities subject to supervision or control **shall be required to make available to the authorized**, namely appointed, representatives of the authorities referred to in paragraph (1) **the data and information** required by them for the performance of specific tasks. The authorized representatives of the authorities referred to in paragraph (1) in the exercise of supervisory and control tasks, may **retain copies** of the documents verified.

(5) The reporting entities **shall be required to carry out the measures ordered** by the authorities referred to in paragraph 1 within the time limit indicated, in accordance with the control report or other documents issued to that effect.

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

(7) The authorities referred to in paragraph (1) **shall cooperate with the competent authorities of another member state**, in order to ensure the efficient supervision of the fulfilment of the requirements of the present law. The authorities referred to in paragraph (1) shall cooperate with the competent authorities of another member state on whose territory the entity with its registered office in Romania carries out economic activities, in order to ensure the efficient supervision of the fulfilment of the requirements required by normative acts that transpose the Directive (EU) 2015/849, with the subsequent

modifications and completions. Cooperation may include the provision of information from joint supervision and inspections.

(8) When **applying a risk-based approach to supervision, the competent authorities referred to in paragraph (1) shall ensure that:**

- a) clearly understand the risks of money laundering and terrorism financing;
- b) have access to all relevant information on specific domestic and international risks related to the clients, products and services of reporting entities;
- c) decide on the frequency and intensity of supervision according to the risk profile of the reporting entity, and the risks of money laundering and terrorism financing, which shall be reviewed on a regular basis, as well as when there are major events or developments in the management of the reporting entities.

Art. 27. - (1) The National Bank of Romania shall have exclusive responsibilities regarding the supervision and control, based on risk, of the compliance with the provisions of the present law by the following categories of entities, which carry out activity and have a 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 persons and branches of payment institutions in other member states;
- c) institutions issuing electronic money Romanian legal entities and branches of institutions issuing electronic money in other member states;
- d) non-banking financial institutions registered in the special Register, and the non-banking financial institutions registered only in the Register, which have also the status of a payment institution or institution issuing electronic money.

2. in the case of the institutions referred to in paragraph. (1) letters a)- c) Romanian legal entities, the National Bank of Romania shall supervise and control the activity performed by them directly on the territory of another member state.

(3) Entities supervised and controlled by the National Bank of Romania shall transmit, according to the law, any information possessed, at its request, in order to supervise compliance with the provisions of this law or to fulfil other legal duties.

(4) The National Bank of Romania may perform supervision both on the basis of the information provided by these entities according to the requirements of the National Bank of Romania, as well as by inspections performed at their headquarters and territorial units and of the entities to which they have outsourced activities, including agents and distributors, by the personnel empowered in this respect or by financial auditors or experts appointed by the National Bank of Romania, whenever it deems necessary.

(5) The National Bank of Romania may make recommendations to the entities referred to in paragraph (1) in order to adopt the appropriate measures for the improvement of the administration framework, policies, procedures and controls implemented to effectively mitigate and manage the risks of money laundering and terrorism financing. The entity shall

have the obligation to communicate to the National Bank of Romania the adopted measures, within the deadlines set by it.

(6) Regardless of the formulation of recommendations, the National Bank of Romania may dispose to the entities referred to in paragraph (1) which violates the provisions of the present law or does not implement a recommendation in order to mitigate the risks or to eliminate the deficiencies and their causes, the following supervisory measures:

a) to require 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 aspects that need to be improved;

b) to impose the obligation to apply the standard measures of clientele knowledge for products, operations and / or clients where the internal policies and procedures of the entity establish the enforcement of simplified measures and / and impose the obligation to enforce additional measures for operations or clients in which case they establish the enforcement of standard or simplified of clientele knowledge measures ;

c) to restrict or limit the business, operations or network of branches, agents and distributors, including through the revocation of the approval granted for setting up of branches in other member states or third countries, and where appropriate, suspending the activity or ceasing the activity of some of the branches until the deficiencies are eliminated;

d) to order the cessation of the payment or distribution service of electronic money through an agent or distributor;

e) to require the entity to mitigate the risks associated with its operations, products, services and IT systems, mentioning the risks that have been identified and must be mitigated;

f) to order to the entity the replacement of the designated persons to ensure the management of the compartments and / or branches that have responsibilities on the line of application of policies and procedures for client knowledge, mitigation and management of the risks of money laundering and terrorism financing.

(7) By way of exception from the provisions of art. 43 and 44, the National Bank of Romania may apply administrative penalties and / or penalising measures, according to the present law, in cases where it finds that an entity provided in paragraph (1) and / or any of the administrators or directors of the entity or persons designated to ensure the management of the compartments or of its branches are guilty, as the case may be, of the following facts:

a) non-compliance with supervisory measures ordered by the National Bank of Romania;

b) failure to provide, delayed supply or provision of erroneous data and information to the National Bank of Romania, in the exercise of its powers of supervision and control;

c) serious, repeated, systematic violation - or a combination thereof - of the provisions of art. 6 paragraph (1) - (3), art. 7 paragraph (1) - (5) and(7), art. 8 paragraph (1), (3), (4), (9), (12) and(14), art. 9 paragraph (1), art. 10, art. 11, art. 13 paragraph (1) and(3), art. 14-16, art. 17 paragraph (1) - (3), paragraph (6) - (14), art. 18 paragraph (2), (3), (6) and (8), art. 19 paragraph (4), art. 21 paragraph (1) - (3), art. 23 paragraph (1), (3), (5) and (6), art. 24

paragraph (1) - (7) and (9), art. 25, art. 26 paragraph (5) and (6) and art. 33 paragraph (1) - (3)

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

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

(8) In the cases referred to 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, entity responsible and the deed committed;

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

d) a fine enforceable to the responsible individual, between 10,000 lei and 23,000,000 lei;

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

(9) The penalising measures that can be applied according to the present law are:

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

b) temporary prohibition of the exercise of functions in an institution by the persons referred to in paragraph (7) responsible for the commission of the crime;

(c) withdrawal of the authorisation granted to the entity.

(10) The administrative penalties and penalising measures referred to in paragraphs (8) and (9) may be applied simultaneously with the issuance of recommendations or the arrangement of supervisory measures in accordance with the provisions of paragraphs (5) and (6) or independently of them. The enforcement of penalties or penalising measures shall be prescribed within 5 years from the date of committing the crime.

(11) By way of exception to the provisions of art. 45, when determining the type of administrative penalty or the penalising measure and the amount of the fine, the National Bank of Romania takes into account all the relevant real and personal circumstances of the offense, including the following aspects, as the case may be:

a) the severity and duration of the crime;

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

c) the financial soundness of the responsible natural or legal person responsible for it, as evidenced, for example, the annual income of the responsible natural person or the total turnover of the legal person in charge;

d) the importance of the profits made by the person - entity responsible, insofar as they can be determined;

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

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

g) any potentially systemic consequences of the act committed.

(12) The administrative penalties provided in paragraph (8) letters c) and d) and the penalising measure referred to in paragraph (9) letter b) shall apply, separate from the penalty enforceable to the legal person, to the persons having this capacity to which the deed can be imputed, as this would not have occurred if the respective persons had properly exercised their responsibilities arising from the duties of their function established in accordance with the law enforceable to the companies, to the regulations issued in the enforcement of this law and to the internal regulatory framework.

(13) The acts by which the supervisory measures, the administrative penalties and the penalising measures referred to in paragraphs (6), (8) and (9) are ordered, shall be issued by the governor, the first deputy governor or the deputy governor of the National Bank of Romania, except for the withdrawal of the approval granted to the directors and / or the administrators of the entity, temporarily prohibiting the performance of certain functions in an institution by the persons mentioned in paragraph (7), responsible for committing the deed, and withdrawing the authorization granted to the entity, whose enforcement is within the competence of the Board of Directors of the National Bank of Romania.

(14) The acts referred to in paragraph (13) should include a description of the deed and its circumstances and the legal basis for the arrangement of the supervisory measure, administrative penalty or penalising measure.

(15) The acts adopted by the National Bank of Romania according to the provisions of the present law, including those regarding the withdrawal of the approval granted to the directors and / or the administrators of the entity, the temporary prohibition of the performance of certain functions in an institution by the persons referred to in paragraph (7), responsible for committing the deed, and withdrawing the authorization granted to the entity, can be challenged within 15 days from the communication, to the Board of Directors of the National Bank of Romania, which it shall be decided by a reasoned decision within 30 days from the date of referral. The decision of the Board of directors of the National Bank of Romania may be challenged to the administrative court and fiscal Department of the High Court of Cassation and Justice, within a period of 15 days from the communication date. The National Bank of Romania is the only authority able to rule on opportunity considerations, qualitative and quantitative assessments and analyses that underpin the issuance of its acts.

(16) The National Bank of Romania shall supervise, on the basis of risk, if the agents and distributors in Romania of electronic money institutions and payment institutions from other member states ensure compliance with the legal provisions regarding the prevention and combating of money laundering and terrorism financing and, in case of serious deficiencies that require immediate solutions, it may take the adequate and proportionate measures referred to in paragraph (17)

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

a) capping the total traded volume at agent or distributor level, per client or product / suspension of the activity of the distributor of the electronic money institution or the agent of the payment institution or the institution of electronic money from another member state;

b) arranging for the presentation of a plan to restore compliance with the legal requirements regarding the prevention and combating of money laundering and terrorism financing;

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

d) transmission of relevant information to the competent authority of the home member state of the financial institution which carries out the activity through agent or distributor;

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

(18) The measures referred to in paragraph (17) letters a) and e) may be imposed until the identified deficiencies are remedied, but not exceeding one year.

(19) The fines collected are transformed into revenues to the state budget, in the case of those applied to legal entities, and, respectively, to the local budget, in the case of those applied to natural persons. Enforcement is carried out under the conditions laid down by the legal provisions on the forced execution of tax claims.

Art. 28. - (1) The Financial Supervision Authority has the exclusive powers for the regulation, supervision and control in respect of compliance with the provisions of this law by the financial institutions under its supervision, according to its own legislation, including the branches of foreign financial institutions that carry out business activity and have a physical presence in the territory.

(2) The entities referred to in paragraph (1) shall submit to the Financial Supervisory Authority any information required for the purpose of supervision and control of compliance with the provisions of this law or the fulfilment of other legal duties.

(3) The supervision and control shall be carried out both on the basis of the information and reports provided by the entities referred to in paragraph(1) as well as through control actions carried out at their headquarters and territorial units, by the personnel empowered in this regard, through the personnel empowered in this regard, whenever it is considered necessary.

(4) Where deemed necessary, The Financial Supervisory Authority may request that certain audits be performed by the auditors of the entities referred to in paragraph (1), the conclusions of the verifications following to be made available to the Financial Supervisory Authority, within the deadlines set by it.

(5) For the enforcement of this law, the Financial Supervisory Authority it is the only authority able to rule on the opportunity, the evaluations and the qualitative analyses that underlie the issuing of its acts.

(6) The Financial Supervisory Authority may dispose of the entities mentioned in paragraph (1) which violates the provisions of this law, of regulations or another acts issued in the enforcement of this law, recommendations, remedial and / or penalising measures by the regulations issued according to its statutory competences, in order to mitigate the risks or to eliminate deficiencies and their causes.

(7) The recommendations or remedial measures may be issued / ordered independently or concurrently with the enforcement of penalties.

(8) The decisions to penalise or to order measures are adopted by the Board of the Financial Supervisory Authority, under the signature of the President of the Financial Supervisory Authority.

Art. 29. - (1) In the enforcement of Regulation (EU) 2015/847, it is designated in capacity of authorities responsible for the supervision and control of compliance with the provisions regarding the information accompanying the transfers of funds:

a) The National Bank of Romania, for the entities it supervises according to the provisions of art. 26;

b) National Office for Prevention and Control of Money Laundering, for postal service providers which provide payment services according to the enforceable national legislative framework.

(2) Transfers of funds referred to in article 2 paragraph (5) from the regulation shall be exempted from the enforcement of Regulation (EU) 2015/847 , which meet the cumulative conditions listed in those provisions.

(3)The National Bank of Romania shall exercise the supervisory and control powers referred to in paragraph (1) letter a) with the proper application of the provisions of art. 27 paragraphs (3) - (19).

Art. 30.- (1) The authorization or registration of the entities that carry out foreign exchange activities on the territory of Romania, other than those which are the object of the supervision of the National Bank of Romania according to the present law, shall be carried out by the Ministry of Public Finance, through the Commission of authorization of the foreign exchange activity, hereinafter referred to as Commission.

(2) The legal provisions relating to the tacit approval procedure shall not apply in the procedure for the authorisation and/or registration of the entities referred to in paragraph (1).

(3) The composition of the Commission referred to in paragraph (1) shall be determined by a joint order of the ministry of finance, the ministry of internal affairs, and the president's Office, from its structure making part at least one representative of the Ministry of Public Finance, the Ministry of Internal Affairs and the Office.

(4) The authorization and/or registration procedure shall be established by Government decision, elaborated by the Ministry of Public Finance together with the Ministry of Internal Affairs and the Office's opinion, within 90 days from the date of entry into force of this law.

(5) Currency conversion performed by intermediaries on the capital market on behalf of their clients, as a related service associated with the main trading services do not fall under the activity referred to in paragraph (1).

Art. 31. - (1) It is forbidden to carry out activities without authorization or registration by the following entities: exchange and cashing traveller checks offices, service providers defined according to art. 2 letter l), as well as gambling service providers.

(2) The competent authorities referred to in article 26 paragraph (1) **shall have the obligation to verify** that persons holding a managerial position within the entities referred to in paragraph (1) and the persons who are the real beneficiaries of these entities **are suitable and competent persons**, who can protect the respective entities against the abusive use for criminal purposes.

(3) The competent authorities referred to in article 26 paragraph (1) shall have the obligation to take the necessary measures, in respect of the reporting entities referred to in article 5 paragraph (1) letters e), f) and H), **in order to prevent that irrevocably sentenced persons for the crime of money laundering or terrorism financing to hold a managerial position within these entities or from being their real beneficiaries.**

Art. 32. - (1) In the cases laid down in the regulatory technical standards issued by the European Banking Authority, electronic money issuers and payment service providers authorized in other member states operating in the territory of Romania based on the right of establishment in a different form than through a branch, according to the enforceable law, establish a single point of contact on Romania territory,

(2) The single point of contact is mandated by the compelled entity from other member states to ensure compliance by all persons in Romania providing services on its behalf, the requirements regarding combat of money laundering and terrorism financing and facilitates the exercise by the National Bank of Romania of the supervisory function, including by providing, on request, documents and information.

(3) In the enforcement of the provisions of paragraph (2) the single contact point shall perform the functions set out in the regulatory technical standards developed by the European Banking Authority.

CHAPTER VII

Analysis and processing of financial information, exchange of information and prohibition of disclosure

Art. 33. - (1) The Office shall require from the reporting entities, public or private authorities or institutions the data and information necessary for the performance of the duties established by law. The requested data and information are transmitted to the Office exclusively in electronic format and are processed and used within the Office in confidentiality, in compliance with the security measures of personal data processing.

(2) The reporting entities, public and private authorities and institutions shall have the obligation to communicate directly to the Office the requested data and information, in the format indicated by the Office, within a **maximum of 15 days** from the date of receipt of the request, and for the applications that have an emergency character, marked in this sense, within the term indicated by the Office, even if they did not submit a report of suspect transactions in accordance with the provisions of art. 6 paragraph (1).

(3) In the case of requests for information made by the Office or of other authorities and institutions, by which it is verified whether the reporting entities have, or have had, in the course of a period of the past 5 years a business relationship with a particular person, and what is the nature of the relationship, reporting entities are required **to establish systems that allow them to respond completely and quickly directly to the Office** empowered or other competent authorities according to the law, through **secure channels**, which guarantee the complete confidentiality of requests for information.

(4) The professional secrecy and banking secrecy to which the reporting entities are kept, including those provided for by special laws, shall not be opposable to the Office, except for the entities referred to in paragraph (5).

(5) The lawyers shall comply with the provisions referred to in this law, in compliance with the provisions referred to in Law no. 51/1995 for the organization and exercise of the profession of lawyer, republished, with subsequent modifications, regarding the maintenance of professional secrecy.

(6) In order to fulfil the legal obligations of the National Bank of Romania and the Financial Supervisory Authority, the Office shall provide, upon their reasoned request, information on persons and entities that have associated risk of money laundering and terrorism financing.

Art. 34. - (1) The Office shall analyse and process the information and when there is evidence of money laundering or terrorism financing, it shall immediately inform the Prosecutor's Office of the High Court of Cassation and Justice.

(2) The Office shall immediately inform the Romanian Intelligence Service with regards to the suspected terrorism financing operations.

(3) The Office shall inform the criminal prosecution bodies and, where appropriate, other competent authorities about the suspicions of criminal offences other than money laundering or terrorism financing.

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

(5) If the Office does not ascertain the existence of money laundering, terrorism financing suspicions or suspected crimes other than money laundering or terrorism financing, the information shall be kept for 5 years from the time of registration in Office. If the confidential information kept in the records are not exploited and completed for 5 years, they will be destroyed and deleted from the databases.

(6) The identity of the natural person who informed the natural person designated in accordance with art. 23 paragraph (1) as well as the natural person who, in accordance with art. 23 paragraph (1), has notified the Office may not be disclosed within the information.

(7) Anonymous complaints will not be verified and processed.

(8) Criminal prosecution bodies shall notify, annually, the Office of the status of the resolution of the information transmitted, as well as the amount of the sums in the accounts of the natural or legal persons for whom the blocking was arranged, as a result of the suspensions carried out or of the insurance measures arranged.

(9) The Office shall provide feedback to reporting entities, the customs authorities, as well as to the authorities with financial, fiscal control and prudential supervision powers, whenever possible, through a procedure considered appropriate, regarding the effectiveness and the actions taken by the Office as a result of the reports received from the reporting entities.

(10) The documents transmitted 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) At the request of the competent authorities at national level referred to in art. 34 paragraph (1) - (3), motivated by suspicions of money laundering, crimes generating assets subject to money laundering or terrorism financing, the Office shall disseminate the possessed information to them.

(2) The decision on the transmission of the information referred to in paragraph (1) shall belong to the Office and, in the case of non-submission, it shall give reasons to the requesting competent authorities for refusing to exchange information.

(3) The request for information shall necessarily contain at least the following elements: the relevant facts, the context, the reasons for the request and the way the information provided will be used.

(4) The competent authorities shall have the obligation to communicate to the Office the way in which the information transmitted by the office has been used pursuant to paragraph (1).

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

(6) The provisions of paragraphs (2) - (5) shall not apply in the case of requests for information made by the institutions referred to in art. 1 paragraph (1) letter c) in the activity of achieving national security.

Art. 36. - (1) The Office may exchange information, on its own initiative or on request, on the basis of reciprocity, through the channels of communication with foreign institutions that have similar functions or with other competent authorities in other member states or third countries, which have the obligation to maintain secrecy under similar conditions, if

such communications are made for the purpose of preventing and combating money laundering and terrorism financing, including with regard to the recovery of the proceeds of such offenses.

(2) The exchange of information referred to in paragraph (1) shall be carried out spontaneously or upon request, regardless of the type of the criminal offence generating assets subject to money laundering and even if their type was not identified at the time of the exchange of information.

(3) The information possessed by the Office from a financial information unit referred to in paragraph (1) may be transmitted only to the authorities referred to in art. 34 paragraphs (1) and (3), only with the prior authorization of the financial information unit that provided the information, and may be used only for the purpose for which they were requested.

(4) When the Office receives a report of suspect transactions relating to another member state, it is promptly redirected to the financial information unit in that member state.

(5) In order to respond to requests for information in a timely manner, the Office exercises all the competences established by law regarding the reception and analysis of information.

(6) When the Office receives a request from a financial information unit from another member state, having as object the obtaining of additional information from a compelled entity established in the territory of Romania and operating in the territory of the applicant state, the prior approval shall be promptly transferred.

(7) If the Office wishes to obtain additional information from an entity operating in the territory of Romania and established in another member state, it shall make a request in this regard to the financial information unit of the member state concerned.

(8) The Office may refuse to provide the agreement for the dissemination of the information transmitted pursuant to paragraph (1) if it is outside the scope of the provisions of this law or could impede a criminal investigation, it could harm the legitimate interests of a natural or legal person or contravene the national legal system or the sovereignty, security, national interests or international agreements, properly motivating to the applicant the refusal.

(9) The request for information shall necessarily contain at least the following elements: the relevant facts, the context, the reasons for the request and how the information provided will be used.

Art. 37. - (1) The enforcement of the provisions of art. 6, art. 7 and art. 9 paragraph (1) by the reporting entities, principals, or employees thereof, **shall not constitute a violation of a disclosure restriction imposed by the contract** or by a law or administrative act and does not entail any liability for the compelled entity or its employees, even in the circumstances in which they did not know accurately the type of criminal activity and regardless of whether the activity took place or not.

(2) The reporting entities shall be obliged **to ensure the protection of employees** and their representatives who report, either internally or to the Office, suspicions of money laundering or terrorism financing, **from exposure to threats, hostile or discriminatory actions at work, including ensuring confidentiality as to their identity.**

(3) The reporting entities shall have the obligation to establish appropriate procedures for employees or persons in a similar position regarding the reporting of violations, internally, **through a specific, independent and anonymous channel**, commensurate with the nature and size of the entity involved.

Art. 38. - (1) It is forbidden **to use for personal purpose** by employees of reporting entities the confidential information received under this law, both during the activity and after its termination.

(2) The reporting entities, the management, administration and control bodies of the company, the directors and employees of their entities **shall have the obligation not to transmit, except under the conditions stipulated by the law**, the information held in connection with money laundering and terrorism financing and **not to disclose** to the targeted clients nor to other third parties that the information is being transmitted, has been transmitted or will be transmitted in accordance with art. 6 and art. 9 paragraph (1) or that an analysis of money laundering or terrorism financing is in progress or could be carried out.

(3) The perpetration of the following facts in the exercise of the duties of the service shall not constitute a violation of the prohibition provided in paragraph (2):

a) **the transmission of information** between the credit institutions and the financial institutions of the member states, provided that they belong to the **same group**, or between the respective institutions and the branches and subsidiaries owned by a majority proportion established in third countries, provided that the respective branches and subsidiaries fully comply with the policies and procedures at the group level, including the procedures for the exchange of information within the group, and these policies and procedures at the group level comply with the requirements established by this law;

b) the transmission of information between the persons referred to in art. 5 paragraph (1) letters e) and f) from member states or between them and similar entities from third countries that impose conditions equivalent to those provided for in this law, which carry out their professional activity within the same legal person or of the same structure in which the shareholding, administration or compliance control is common;

c) the transmission of information between the persons referred to in art. 5 paragraph (1) letters a), b), e) and f), located in member states or third countries that impose requirements equivalent to those of this law, in cases related to the same client or the same transaction carried out by two or more of the aforementioned persons, provided that they come from the same professional category and have equivalent requirements regarding professional secrecy and the protection of personal data;

(d) the transmission, within a group, of the information reported to the Office on suspicion that the assets/funds come from criminal activities or are related to terrorism financing, unless the Office prohibits it.

4. It shall not be considered a violation of the obligations provided in paragraph (2) the deed of the persons referred to in art. 5 paragraph (1) letters e) and f) who, in accordance with the statutory provisions, try to discourage a client from carrying out illicit activities.

CHAPTER IX
National Office for Prevention and Control of Money Laundering

Art. 39. - (1) The National Office for Prevention and Control of Money Laundering is the financial intelligence unit of Romania, administrative type , with the headquarters in Bucharest municipality, a specialized body with juridical personality, independent and autonomous from operational and functional point of view of the, subordinated to Government and under the coordination of the prime minister's.

(2) The object of activity of the Office is the reception, analysis, processing and dissemination of financial information, supervision and control, according to the law, of the reporting entities in order to prevent and combat money laundering and terrorism financing.

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

a) receive the reports referred to in this law, as well as other information from the reporting entities, public authorities and institutions in connection with money laundering, offenses generating assets subject to money laundering and terrorism financing;

b) collect the information received by creating its own databases;

c) require to reporting entities, public authorities or institutions, private or public, the data and information necessary for the performance of the duties imposed by law, including classified information;

d) assess, process and analyse the information received;

e) order, in accordance with the law, the suspension of transactions connected to a suspect activity of money laundering or terrorism financing, and may order the revocation of the suspension measure, in accordance with the provisions of this law;

f) disseminate the results of the analyses carried out to the competent authorities under the conditions of this law;

g) keep records of information if there are no indications of money laundering, suspicion of terrorism financing or suspicion of committing crimes other than money laundering or terrorism financing;

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

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

j) issue instructions, recommendations and points of view for reporting entities in order to ensure an effective implementation of their obligations under this law, including for the purpose of indicating as a suspect an activity and / or of suspending the performance of a transaction, based on the transmission of identification data of a person or specific indicators or typologies;

k) adopt, by order of the President, at least the following regulations / guidelines in the field of preventing and combating money laundering and terrorism financing: the regulation on the transmission of information to the Office, the regulation on providing feedback to reporting entities in relation to the information transmitted to the Office, the guideline regarding the indicators of suspicion and typologies, the regulation on the registration of the reporting entity in the records of the Office, the guideline on the criteria and rules for recognizing the high or low risk situations of money laundering and / or terrorism financing;

l) receive notifications, receives and resolves applications for authorisation to conduct financial transactions in the event of restrictions on certain transfers of funds and financial services aimed to prevent nuclear proliferation;

m) supervise and control the reporting entities with regard to the implementation of international penalties, based on legislation in the field;

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

a) ascertain the contraventions and applies the sanctions to the reporting entities in their own area of competence provided by this law, by its own ascertaining agents, by minutes of ascertaining and penalising the contraventions;

p) organise training in the field of preventing the use of the financial system for the purpose of money laundering and terrorism financing;

q) exchange information, on its own initiative or upon request, on the basis of reciprocity, with institutions having similar functions or with other competent authorities in other member states or third countries and which have the obligation to maintain secrecy under similar conditions, according to the law;

r) exchange information at national level with the competent authorities according to the provisions of this law;

s) publish the annual activity report.

(4) The analysis function aims at least the operational analysis, which focuses on the individual cases and the specific objectives or on the appropriate selected information depending on the type and volume of the information received and the expected use of the information after their communication and the strategic analysis to address the trends and recurrent practices of money laundering and terrorism financing.

(5) In order to accomplish the object of its activity, the Office shall have access, directly, on a timely basis to the financial, fiscal, administrative, as well as any other information from law enforcement authorities and criminal prosecution bodies, for properly performing their duties.

(6) The office shall represent Romania in its field of competence and shall promote the exchange of experience in relations with international organizations and institutions of profile, it shall cooperate with foreign financial information units, may participate in the activities of international organizations and may be a member thereof.

(7) The Office may conclude protocols and / or cooperation agreements with the competent national authorities, as well as with national institutions of other states or

international institutions which have similar duties and who have the obligation to keep the secret under similar conditions.

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

Art. 40. - (1) In order to perform its duties, the Office shall have its own apparatus consisting of contract staff, at central level, whose organizational chart is established by the regulation of organization and operation of the Office, approved by government decision, and shall benefit of adequate financial, human and technical resources.

(2) The Office shall be headed by a president, who shall act as chief authorising officer, and by a vice-president, appointed by decision of the government. The president of the Office is a dignitary with the rank of Secretary of state. The vice-president is a dignitary with the rank of under-secretary of state.

(3) The president and the vice-president of the Office shall be appointed for a term of 4 years, which may be reinvested once for 4 more years.

(4) The president and the vice-president shall fulfil the following conditions cumulatively on the date of appointment:

a) they are licensed and have at least 10 years of experience in an economic or legal function;

b) to have Romanian citizenship and domicile in Romania;

c) to have full exercise capacity;

d) to enjoy a high professional reputation;

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

f) not to have been penalised in the last 5 years.

(5) In the event of the absence or unavailability of the president, his duties shall be taken over by the vice-president during his absence or unavailability.

Art. 41. - (1) The employment of the staff of the Office is made on the basis of competition or examination, organized according to the legal regulations in force. The specific conditions necessary for the performance of the functions within the Office are established by the regulation of organization and functioning.

(2) The staff of the Office shall have the obligation not to transmit the confidential information received during the activity except under the law. The obligation shall be maintained indefinitely.

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

(4) In order to verify that the criteria for professional competence and performance are met, the staff of the Office shall be subject each year to an assessment in accordance with the law.

(5) The staff of the Office shall be liable to disciplinary action for misconduct in office.

(6) The staff of the Office must be graduates of an institution of higher education with economic or legal specialization or graduates with secondary education, as the case may be,

with seniority in the work provided by law. For the computer activity, graduates of a higher education institution with a computer profile can be employed and for the activity of international relations, graduates of a higher education institution specializing in foreign languages, communication and public relations or public administration may be employed as financial analyst.

(7) Seniority in the Office shall be considered seniority in the specialty.

(8) The form and content of the minutes of ascertaining and sanctioning contraventions and control cards shall be established by order of the president of the Office, which shall be published in the Official Gazette of Romania, Part I.

(9) The ascertaining agents of the Office shall benefit from the protection of the law in the exercise of their duties. At the reasoned request of the ascertaining agents, the Office may request the competent bodies to ensure protection against threats, violence and acts of outrage.

(10) For the operation of the Office, the government shall approve by decision, under the law, the transfer in use of some buildings in the public domain of the state, within 60 days from the date of registration of the application. Also, the Office may rent, under the law, the buildings necessary for optimal operation.

(11) In order to fulfil the object of activity, appropriate resources shall be allocated, including for cooperation with other financial information units, in order to apply the latest technologies, according to the national legislation in force, which will allow the Office to compare the data with the data of other similar institutions in an anonymous way, as well as the confrontation of the data of the Office by the financial information units in the member states in an anonymous way, by ensuring the complete protection of the personal data, in order to detect in other member states persons who are the object of analysis and to identify their revenues and funds.

CHAPTER X

Responsibilities and penalties

Art. 42. - (1) The violation of the provisions of this law shall entail, as the case may be, civil, disciplinary, administrative or criminal liability.

(2) By way of derogation from the provisions of art. 13 of the Government Ordinance no. 2/2001 regarding the legal regime of contraventions, approved with modifications and completions by Law no. 180/2002, with the subsequent modifications and completions, the enforcement of the sanction of the civil fine is prescribed **within 5 years from the date of the deed.**

(3) The function of verification and control exercised by the authorized representatives of the competent authorities shall involve the exercise of the state authority.

Art. 43. - (1) The following acts shall constitute contravention if they have not been committed under such conditions as to constitute offences:

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

b) failure to comply with the obligations laid down in art. 25;

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

d) failure to comply with the reporting obligation provided for in art. 6, when the governing body, management, and control of the company, a director or an employee of the reporting entity disclose, at the national level, the existence of indications or certainties that a fact or transaction was linked to money laundering or terrorism financing;

e) obstruction of control and supervision, including non-provision, late provision or provision of erroneous data and information in the enforcement of the provisions of this law;

f) failure to comply with the obligation laid down in art. 37 paragraph (2) and (3);

g) initiation or continuation of the business relationship or execution of transactions with violation of the provisions of this law.

(2) For natural persons, the contraventions referred to in paragraph (1) letters a), d) and g) shall be penalized with warning or fine from 25,000 lei to 150,000 lei, the contraventions provided for in paragraph (1) letters b) shall be sanctioned with warning or fine from 20,000 lei to 120,000 lei, and the contraventions provided in paragraph (1) letters c), e) and f) shall be sanctioned with warning or fine from 10,000 lei to 90,000 lei.

(3) For legal persons the contraventions referred to in paragraph (1) shall be penalized with a warning or a fine referred to in paragraph (2) whose maximum limits shall be increased by 10% of the total revenue related to the fiscal period ended, prior to the date of drawing up the minute of finding and sanctioning the contravention. Sanctions and measures may be applied to members of the management body and other natural persons who are responsible for the violation of the law.

(4) The provisions of art. 8 paragraph (2) letter a) of Government Ordinance No. 2/2001, approved with amendments and completions by law no. 180/2002, as subsequently amended and supplemented, shall not apply to the penalties referred to in paragraph (2), (3) and (5).

(5) In case any of the contraventions from paragraph (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 thereof, without being committed in such conditions as to constitute a crime, the upper limits of the fines provided in paragraph (2) and (3) **are increased as follows:**

a) for legal entities with 5,000,000 lei;

b) for natural persons with 50,000 lei.

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

- a) confiscation of assets intended, used or resulting from contravention;
- b) suspension of the opinion, agreement or authorisation to pursue an activity or, where appropriate, suspension of the economic operator's activity for a period from one month to 6 months;
- c) withdrawal of the license or opinion for certain operations or for foreign trade activities, for a period from one month to 6 months or permanently;
- d) blocking the bank account for a period of 10 days to one month;
- e) annulment of the opinion, agreement or authorization to exercise an activity;
- f) closure of the branch or other secondary office;
- g) a public statement identifying the natural or legal person and the nature of the infringement;
- h) an order requiring the natural or legal person to put an end to the conduct in question and to refrain from repeating it;
- i) a temporary prohibition to exercise management positions in reporting entities against any person with managerial responsibilities in a compelled entity or any other natural person declared responsible for the violation.

(2) The Office may request duly justified to the authorities and self-regulatory bodies referred to in art. 26 paragraph (1) letters b), c) and e), as well as to the institutions with authorizing powers of the reporting entities that the Office supervises and controls the enforcement of complementary sanctions

(3) For the facts referred to in paragraph (1), the supervisory authorities may also enforce specific penalising measures, according to their competence.

(4) Unless otherwise provided, to the contraventions referred to in this law are applicable to the provisions of the Government Ordinance No. 2/2001, approved with amendments and completions by Law no. 180/2002, with subsequent amendments and additions, with the exception of art. 7, 12, 27 and 28.

(5) By way of derogation from the provisions of art. 15-42 of Government Ordinance No. 2/2001, approved with amendments and completions by Law no. 180/2002, with subsequent modifications and completions, in the situation of the entities supervised by the Financial Supervisory Authority, the finding of the contraventions, the enforcement of the contravention and complementary penalties, as well as their challenge is carried out according to the own legislation.

(6) The fines collected are revenues, where appropriate, to the state budget or the local budgets, according to the law. Enforcement is carried out under the conditions laid down by the legal provisions on the forced execution of tax claims.

(7) The contraventions **shall be established and penalised** by the authorized representatives of the authorities referred to in art. 26 paragraph (1) letters b) - d) or by the Financial Supervisory Authority, in accordance with its own legislation.

Art. 45. - The competent authorities in accordance with art. 26 paragraph 1 shall take into account, when determining **the type and level of administrative/contravention measures or penalties** applied, the relevant circumstances, such as:

- a) the frequency, gravity and duration of the infringement;
- b) the degree of responsibility of the natural or legal person declared responsible;
- c) the financial capacity of the natural or legal person declared responsible, indicated for example by the annual income of the natural or legal person declared responsible;
- d) the extent to which the natural or legal person declared responsible cooperates with the competent authority;
- e) previous infringements committed by the natural or legal person declared responsible;
- f) the degree of compliance with the recommendations and the plans of measures formulated by the authorized authorities referred to in art. 26 paragraph (1) or by the representatives authorized by them;
- g) the benefit obtained from the infringement by the natural or legal person declared responsible, insofar as it can be determined;
- (h) losses caused to third parties by infringement, insofar as they can be determined.

Art. 46. - (1) The competent authorities referred to in art. 26 paragraph (1) **shall have the obligation to publish on their official web site information regarding** the number and type of measures or administrative/contravention penalties applied for the violation of the provisions of this law, which became definitive, immediately after the penalised person is informed with regards to the respective decision.

(2) The information referred to in paragraph (1) shall include the type and nature of the breach and the identity of the persons responsible for and shall be maintained on site for a period of 5 years. The personal data included in the information disclosed shall be kept on the official website only for the period necessary, in accordance with the legal provisions in force regarding the protection of personal data.

(3) The competent authority may consider the publication of the identity data of the persons responsible as being disproportionate, after a case-by-case evaluation performed with regards to the proportionality of the publication of these data or if the publication endangers the stability of financial markets or an ongoing investigation, in which case the competent authority shall:

- a) postpone publication of the decision to impose the measure or the administrative / contravention penalty until the reasons for non-publication cease;
- b) publish the decision to impose the measure or the contravention / administrative penalty with anonymous title, if the publication with anonymous title ensures an effective protection of the personal data; in the case of a decision to publish the measure or the contravention / administrative penalty with anonymous title, the publication of the relevant

data may be delayed for a reasonable period if it is expected that, during the respective period, the reasons underlying the publication with anonymous title cease;

c) not publish the decision to impose the measure or the contravention / administrative sanction, if the options provided in letters a) and b) are considered insufficient to ensure:

1. that the stability of financial markets will not be jeopardised; or

proportionality of publication of the decision in cases where the respective measures are considered to be of a minor nature.

Art. 47. - (1) Failure to comply with the obligations laid down in art. 38 paragraph (1) and (2) and art. 41 paragraph (2) and (3) shall constitute a criminal offence and is punishable by imprisonment from 6 months to 3 years or a fine, if the offence does not constitute a more serious offence.

(2) Failure to comply with the obligations laid down in art. 31 paragraph (1) shall constitute a crime and is punished according to law no. 286/2009 on the Criminal Code, as subsequently amended and supplemented.

Art. 48. - The authorities referred to in art. 26 paragraph (1) letter a) shall transmit where appropriate, to the European supervisory Authority, the European banking Authority, the European Authority for insurance and occupational pensions, European Authority for securities and markets :

a) all information necessary for them to fulfil their tasks in the field of preventing and combating money laundering and terrorism financing, in accordance with the provisions of Regulation (EU) no. 1.093 / 2010 of the European Parliament and of the Council of November 24th, 2010 establishing the European Supervisory Authority (European Banking Authority), amending Decision no. 716/2009 / EC and repealing Commission Decision 2009/78 / EC, Regulation (EU) no. 1.094 / 2010 of the European Parliament and of the Council of November 24th, 2010 establishing the 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. 1.095 / 2010 of the European Parliament and of the Council of November 24th, 2010 establishing the European Supervisory Authority (European Securities and Markets Authority), amending Decision no. 716/2009 / CE and repealing Commission Decision 2009/77 / EC;

b) all administrative penalties and measures imposed in accordance with art. 27 and 28 to credit institutions and financial institutions, including appeals regarding them and their result.

Art. 49. - (1) It shall constitute crime of money laundering and it shall be punished by imprisonment from 3 to 10 years:

a) the exchange or transfer of assets, knowing that they come from the commission of crimes, for the purpose of hiding or concealing the illicit origin of these goods or to help the person who committed the crime from which the assets originates from to evade from prosecution, trial or punishment execution;

b) the concealment or hiding of the true nature, source, location, provision, movement or ownership of the assets or the rights over them, knowing that such assets are originated from crimes commission;

c) the acquisition, possession or use of assets by a person other than the active subject of the offence from which the assets originate, knowing that they originate from the commission of crimes.

(2) The attempt shall be punished.

(3) If the offence is committed by a legal person, in addition to the fine, the court shall apply, as appropriate, any one or more of the additional penalties referred to in art. 136 paragraph (3) letters a)- c) of Law No. 286/2009, as amended and supplemented.

(4) The acknowledgement of the origin of the assets or the purpose pursued must be established by the objective factual circumstances.

(5) The provisions of paragraphs (1) - (4) above shall apply irrespective of whether the offense from which the assets originate was committed on Romania territory or in other member states or third countries.

Art. 50. - If an offence of money laundering or terrorism financing has been committed, it is mandatory to take insurance measures , according to the Law no. 135/2010 on the Criminal Procedure Code, with subsequent amendments and completions.

Art. 51. - (1) In the case of crimes of money laundering and terrorism financing, it shall apply the provisions regarding the confiscation of assets from Law no. 286/2009, as subsequently amended and supplemented.

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

(3) Income or other material benefits derived from the goods referred to in paragraph (2) shall be confiscated.

(4) If the assets subject to confiscation cannot be individualized from the legally acquired assets, it shall be confiscated assets up to the value of the assets subject to confiscation.

(5) The provisions of paragraph (4) shall also apply accordingly to income or other material benefits derived from assets subject to confiscation which cannot be individualised in relation to assets legally acquired.

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

CHAPTER XI

Provisions regarding the modification and completion of some normative acts

Art. 53. - Government Ordinance No. 26/2000 on associations and foundations, published in the Official Gazette of Romania, part I, Nr. 39 of January 31st, 2000, approved with amendments and additions by law no. 246/2005, as subsequently amended and supplemented, shall be amended and supplemented as follows:

1. In Article 6 paragraph (2), letters a) and c) will be amended and will have the following content:

"a) the identification data of the associated members: name, surname, personal numeric code, series and number of identity card for natural persons, the name and the tax identification code of the associated legal person and, where appropriate, the domicile or residence or address of the registered office;

.....

c) name of the association: the name will mandatorily contain the word "association". The name expressed in a foreign language will include the translation into Romanian."

2. In article 6, after paragraph 3, a new paragraph, paragraph 4 shall be inserted, with the following content:

"(4) If the association includes persons whose names or denominations are drafted in a script different than the Latin one, the names or denominations are transliterated in the Latin script, according to the identity documents, respectively the incorporation documents issued by the authorities of the State they belong to or to the Romanian state and are used in such a transliterated form whenever these persons are referred in the official documents of the association."

3. In article 7 paragraph (2), after letter c), two new letters, letters c¹) and c²) will be inserted, with the following content:

"c¹) certified copies for compliance with the original of the documents proving the identity of the associated members;

c²) affidavit, concluded in authentic form, of the person who, pursuant to paragraph (1), formulate the application for registration, which contains the identification data of the real beneficiaries of the association, within the meaning of regulations in the field of prevention and combating money laundering and terrorism financing. The identification data of the real beneficiary are: name, surname, birth date, personal numeric code, series and number of the identity document, nationality, domicile or residence".

4. In article 7, after paragraph 2, a new paragraph, paragraph 2¹, shall be inserted, with the following content:

"(2¹) If the documents referred to in paragraph (2) letter c) and c¹) are drafted in a foreign language, they shall be submitted in certified copy, accompanied by the legalized translation performed by an authorized translator."

5. In Article 13, paragraph (4) shall be amended and shall have the following content:

"(4) In order to register the branch, the representative of the association shall submit the application for registration to the court in which constituency the branch shall have the headquarters, together with the decision to incorporate the branch, the statute, the articles of incorporation, the justifying documents of the headquarters and its initial patrimony, as well as certified copies for compliance with the original of the documents proving the identity of the members of the branch. The provisions of art. 6, art. 7 paragraph (2¹) and art. 9-12 are enforceable accordingly. "

6. In article 13¹, after paragraph 2, a new paragraph, paragraph 2¹, it shall be inserted, with the following content:

"(2¹) Branches can only operate after they are registered in the Register of associations and foundations. The application for registration, accompanied by the decision of the General Assembly, will be submitted to the registry of the court in whose constituency the association has its headquarters, the provisions of art. 8-12 applying accordingly. "

7. In Article 15, paragraphs 2 and 3 shall be amended and shall have the following content:

"(2) The foundation's initial patrimonial assets must include assets in kind or in cash, whose total value is at least 100 times of the minimum gross basic wage per country guaranteed in payment, at the date of foundation incorporation.

(3) By way of exception from the provisions of paragraph (2), in the case of foundations whose exclusive purpose, under the sanction of dissolution by judicial means, is to carry out fund raising operations to be made available to other associations or foundations, in order to carry out programs by the latter, the initial patrimonial asset can have a total value of at least 20 times the minimum gross basic wage per country guaranteed in payment. "

8. In article 16 (2), letter a) and a) shall be amended and shall have the following meaning:

"a) the identification data of the founder or, as the case may, of the founders' name, surname, personal numeric code, series and number of identity card for natural persons, the name and tax identification number of the legal person and, where appropriate, the domicile/residence or the address of the registered office;

.....

c) foundation name: the name will necessarily contain the word "foundation". The provisions of art. 6 paragraph (2) letter c) the second sentence shall apply accordingly."

9. In article 16, after paragraph 2, two new paragraphs, paragraphs (2¹) and (2²), shall be inserted with the following content:

"(2¹) If the names or denominations of the founders are drafted in a script different than the Latin one, they are transliterated in the Latin script, according to the identity documents, respectively the incorporation documents issued by the authorities of the State they belong to or to the Romanian state and are used in such a transliterated form whenever these persons are referred in the official documents of the foundation".

(2²) The provisions of paragraph (2¹) shall apply accordingly to the members of the board of directors of the foundation."

10. In article 17 paragraph (2), after letter c), two new letters, letters c¹) and c²) shall be inserted, with the following content:

"c¹) certified copies for compliance with the original of the documents proving the identity of the founders and members of the board of directors;

c²) affidavit, concluded in authentic form, of the person referred to in art. 16 paragraph (2) letter h), which includes the identification data of the real beneficiaries of the foundation, within the meaning of the regulations in the field of prevention and combating money laundering and terrorism financing. The provisions of art. 16 paragraph (2) letter a) shall

apply accordingly. The identification data of the real beneficiary are: name, surname, birth date, personal numeric code, series and number of the identity document, nationality, domicile or residence".

11. In Article 17, paragraph 3 shall be amended and shall have the following content:

"(3) The provisions of art. 7 paragraph (1), (2¹), (3)-(3⁵) and (4), of art. 8-12 and art. 14 shall apply accordingly."

12. In article 27², letter a) shall be amended and shall have the following content:

"a) to verify, at least once a year, how the patrimony of the association is administered;"

13. A new article shall be inserted after Article 27², article 27³, with the following content:

"Art. 27³. - Associations shall have the obligation to keep at least 5 years the records of the transactions carried out. "

14. In Article 31, paragraph 2 shall be amended and shall have the following content:

"(2) The provisions of art. 27-27³ shall apply accordingly."

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

"CHAPTER IV

The Amendment of the articles of incorporation, of the statute or of the real beneficiary of the association or foundation.

Merger and division"

16. After article 34³ two new articles, articles 34⁴ and 34⁵, shall be inserted with the following content :

"Art. 34⁴. - (1) On an annual basis or whenever a change occurs regarding the identification data of the real beneficiary, the association or foundation has the obligation to communicate to the Ministry of Justice the identification data of the real beneficiary, in order to register of the update of the records regarding the real beneficiaries of the associations and foundations.

(2) For this purpose, the board of directors of the association or the foundation empowers an individual to communicate, by means of an affidavit, concluded in authentic form, the identification data of the real beneficiary.

(3) The annual statement referred to in paragraph (1) shall be communicated to the Ministry of Justice by January 15th.

(4) If there is a change regarding the identification data of the real beneficiary, the declaration provided in paragraph (1) shall be submitted within 30 days from the date on which it intervened.

Art. 34⁵. - (1) Failure by an association or foundation to comply with the obligation laid down in art. 34⁴ shall be considered a contravention and is fined from 200 lei to 2,500 lei.

(2) Finding the contravention referred to in paragraph (1) shall be made by the National Office for Prevention and Control of Money Laundering through its own ascertaining agents.

(3) The offender shall have the obligation that within 30 days from the notification of the minutes of finding the contravention referred to in paragraph (1) to communicate the identification data of the real beneficiary.

(4) In the report of finding the contravention there will be entered a mention regarding the obligation stipulated in paragraph (3).

(5) The minutes shall be communicated to the offender, as well as to the Ministry of justice for registration in the bookkeeping of the real beneficiaries of associations and foundations.

(6) Non-communication by an association or foundation of the identification data of the real beneficiary, in order to record the updating of the record regarding the real beneficiaries of the associations and foundations, if it has been previously penalised for not complying with the provisions stipulated in art. 34⁴, constitutes a contravention and is penalised with a fine from 500 lei to 5,000 lei.

(7) The offender sanctioned according to paragraph (6) shall have the obligation that within 30 days from the notification of the minutes of finding the contravention referred to in paragraph (6) to communicate the identification data of the real beneficiary.

(8) In the minutes of finding the contravention referred to in paragraph (6) it shall be entered a mention regarding the obligation provided in paragraph (7), as well as the sanction enforceable in case of non-communication of the identification data of the real beneficiary, within 30 days from the moment of its communication, respectively the dissolution of the association or foundation according to art. 56 paragraph (1¹) or, as the case may be, art. 59. The provisions of paragraph (5) shall apply accordingly.

(9) The contraventions provided for in this ordinance are enforceable to 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 subsequent amendments and completions."

17. In Article 38 paragraph (1), after letter d) a new letter, letter d¹), shall be inserted, with the following content:

"d¹) the value of the patrimonial asset for each of the 3 previous years, it is at least equal to the value of the initial patrimony / 3 times the value of the gross wage per country guaranteed in payment; "

18. In Article 39 paragraph (1¹), point e) shall be amended and shall have the following content:

"e) the identification data of natural persons: name, surname, personal numerical code, series and number of identity document, the name, registered office and tax identification number of the legal entities with which the association or the foundation shall collaborate regularly in order to attain the object of its activity for which it requires the recognition of the status of public utility; "

19. In article 56, the introductory part of paragraph 1 shall be amended and shall have the following content:

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

20. In Article 56, after paragraph (1) the following new paragraph, paragraph 1¹, shall be inserted and shall have the following content:

"(1¹) In case of non-communication of the identification data of the real beneficiary within the term provided in art. 34⁵ paragraph (7), the association shall be dissolved, by judicial decision, at the request of the Public Ministry or the National Office for Prevention and Control of Money Laundering. "

21. In article 56, after paragraph 2, a new paragraph shall be inserted , the paragraph (3) with the following content:

"3. The cause of dissolution referred to in paragraph (1¹) it may be removed before conclusions are drawn in effect."

22. In article 60, paragraph (4) shall be amended and shall have the following content:

"(4) If the association or foundation has been dissolved for the reasons set out in art. 56 paragraph (1) letters a)-c) or art. 56 paragraph (1¹), the remaining assets after liquidation will be taken over by the state, through the Ministry of Finance, or, where appropriate, the township or city in whose territorial jurisdiction the association or foundation had its headquarters, if the latter was of local interest. "

23. In article 73, paragraph 2 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. In article 74, paragraph (1) shall be amended and shall have the following content:

"Art. 74. - (1) For the purpose of setting up and functioning of the National Register, the courts shall be obliged, ex officio, to communicate electronically to the Ministry of Justice copies of the court decisions remaining definitive regarding the establishment, modification and termination of any association, foundation or federation, as well as from the supporting documents, in within 3 days from the date at which the court decision has become final. Within the same period, the courts will transfer the entries contained in the special registers kept by them to the central server installed at the Ministry of Justice headquarters."

25. In Article 75, paragraphs 1 and 2 will be amended and will have the following content:

"Art. 75. - (1) The National Register of legal persons without patrimonial purpose is public, except for the data that are subject to the regulations on the protection of personal data and the data from the records on the real beneficiaries of associations and foundations.

(2) The Ministry of Justice shall issue, at the applicant's expense, certified copies of the records made in the National Register and of the supporting documents, except for data which are subject to the regulations on the protection of personal data."

Art. 54. - Company Law No. 31/1990, republished in the Official Gazette of Romania, part I, no. 1.066 of November 17th, 2004, as subsequently amended and supplemented, shall be amended and supplemented as follows:

1. In article 8, letter f) shall be amended and shall have the following content:

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

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

"Art. 91. - (1) In the joint stock company, the share capital is represented by registered shares issued by the company.

(2) The nature of shares will be determined by the articles of incorporation. Registered shares may be issued in material form, in paper form, or in dematerialized form, in which case they are registered in the Register of shareholders."

3. In article 92, paragraphs 2 and 4 shall be repealed.

4. In article 94, paragraph 1 shall be amended and shall have the following content:

"Art. 94. - (1) Shares shall be of equal value; they shall grant equal rights to owners."

5. In article 98, paragraph (1) shall be amended and shall have the following content:

"Art. 98. (1) The ownership right over the shares issued in material form shall be transmitted by a statement made in the register of shareholders and by the mention made on the title, signed by the transferor and the transferee or their agents. The ownership right over the shares issued in dematerialized form is transmitted by a statement made in the shareholders register, signed by the transferor and the transferee or their agents. Other forms of transmission of ownership of shares may be provided for in the articles of incorporation."

6. Article 99 shall be repealed.

7. In article 99¹, paragraph 1 shall be amended and shall have the following content:

"Art. 99¹. - (1) The incorporation of pledges on the shares is made through a document under private signature, which will show the amount of the debt, the value and the category of the actions with which it is guaranteed, and in the case of the shares issued in material form, also by mentioning the mortgage on the title, signed by the creditor and the shareholder debtor or their agents. "

8. In article 100, paragraph 2 shall be amended and shall have the following content:

"(2) If the shareholders will not make the payments after this summons, the board of directors, respectively the directorate will be able to decide either the pursuit of the shareholders for the outstanding payments or the cancellation of these shares. "

9. In article 102 paragraph (3) shall be repealed.

10. In article 113, letter i¹) shall be repealed.

11. In article 117, paragraph 4 shall be amended and shall have the following content:

"(4) The convening may be made only by registered letter or, if the articles of incorporation permits, by letter sent electronically, having incorporated, attached or logically associated the extended electronic signature, sent at least 30 days before the date of the meeting, to the address of the shareholder, registered in the shareholders register. The change of address cannot be opposed to the company unless it has been communicated to the shareholder in writing. "

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

"Art. 122. - In the case of closed companies, by the articles of incorporation it may be convened to hold general meetings also by correspondence. "

13. Article 123 paragraph (1) shall be repealed.

14. In article 177 paragraph (1), letter a) shall be amended and shall have the following content:

"a) a register of shareholders showing, as the case may be, the first and last name, the personal numeric code, the name, the domicile or the headquarters of the shareholders, as well as the payments made in the account of the shares. The records of the shares traded on a regulated market / alternative trading system shall be made in compliance with the legislation specific to the capital market; "

15. In article 201, paragraph (1) shall be amended and shall have the following content:

"Art. 201. - (1) The financial statements shall be drawn up according to the norms provided for the joint-stock company, the provisions of art. 185 applying accordingly."

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

"Art. 270. - (1) The amounts due to the shareholders, not collected within two months of the publication of the financial statement, shall be deposited with a bank or one of its units, indicating the name and surname of the shareholder.

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

17. In Article 270³, after paragraph 3, a new paragraph shall be inserted, paragraph (4) with the following content:

"(4) The contraventions provided by this law are enforceable to 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 subsequent amendments and completions."

18. In article 273, letter d) shall be amended and shall have the following content:

"d) hand over to the holder the actions before the deadline or hand over the shares issued in whole or in part, except in the cases established by law;"

Art. 55. - Law no. No 207/2015 on the fiscal Procedure Code, published in the Official Gazette of Romania, part I, no. 547 of July 23rd, 2015, as subsequently amended and supplemented, shall be modified and completed as follows:

1. In article 61, paragraph (4) shall be amended and shall have the following content:

"(4) The National Office for Prevention and Fight against Money Laundering, shall transmit monthly, to the A.N.A.F. (National Agency for Fiscal Administration) the reports for the transactions, with amounts in cash, reports relating to external transfers in and from accounts and the reports on the money remittance activities received from the reporting entities that have the obligation to send the respective information to the National Office for Prevention and Fight against Money Laundering. "

2. A new article shall be inserted after article 62, article 621, with the following content:

"Art. 62¹. - Access of the central fiscal body to information on combating money laundering in order to implement the provisions of Directive (EU) 2016 / 2.258 amending Directive 2011/16 / EU regarding the access of tax authorities to information on combating money laundering, the reporting entities that fall under the legislation for the prevention and combating of money laundering and terrorist financing shall make available, at the

request of the central fiscal body, within the deadline stipulated by the law, information and documents regarding:

- a) the mechanisms and procedures under which they apply customer knowledge measures;
- b) identification of the client and the real beneficiary;
- c) evaluation of the aimed purpose and nature of the business relationship;
- d) monitoring the business relationship;
- e) records of transactions."

CHAPTER XII

Transitional and final provisions

Art. 56. (1) The legal persons subject to the obligation of registration in the trade register, with the exception of autonomous administrations, national companies and societies, and companies wholly-owned or majority state-owned enterprises, shall submit at registration, on an annual basis or whenever there is a change to the statement relating to the real beneficiary of a legal entity, for the purposes of registration in the Register of the real beneficiaries of the company.

(2) The affidavit of the legal representative of the legal person referred to in paragraph (1) shall include the identification details of the real beneficiaries as well as the arrangements for exercising control over the legal person.

3. The identification data of the beneficial owner within the meaning of paragraph (1) are: surname, name, date of birth, personal numeric code, serial number and number of identity card, nationality, domicile or residence.

(4) The annual statement shall be submitted to the trade register office where the legal person is registered within 15 days from the approval of the annual financial statements, and if a change occurs regarding the identification data of the real beneficiary, the statement shall be submitted within 15 days from the date to which it intervened.

(5) The statement referred to in paragraph (1) it may be given in the presence of the representative of the Trade Register Office or submitted in authenticated form, personally or through the representative.

Art. 57. - (1) Failure by the legal representative of the legal persons referred to in art. 56 paragraph (1) to comply with the obligation to submit the statement regarding the identification data of the real beneficiary constitutes a contravention and is sanctioned with a fine from 5,000 lei to 10,000 lei. The minutes of finding the contravention shall be communicated to the Trade Register Office, in which it shall be recorded that the non-submission of the declaration shall entail the dissolution of the company, under the

conditions of art. 237 of Law no. 31/1990, republished, with subsequent amendments and completions.

(2) If, within 30 days from the date of application of the contravention penalty, the representative of the legal person referred to in art. 56 paragraph (1) did not submit the declaration regarding the identification data of the real beneficiary, at the request of the National Trade Register Office, the court or, as the case may be, the specialized court may pronounce the dissolution of the company. The cause of dissolution may be removed before conclusions in effect are drawn. The provisions of art. 237 paragraph (4) - (13) of Law no. 31/1990, republished, with subsequent amendments and completions, shall apply accordingly.

(3) The finding of contraventions and the application of the penalties referred to in paragraph (1) shall be carried out by the control bodies of the Ministry of Public Finance - the National Agency for Fiscal Administration and its territorial units. The finding of the contravention referred to in paragraph (1) may also be done by the office, by its own ascertaining agents.

Art. 58. - (1) Within 60 days from the date of entry into force of this law, the Office shall submit to the government for approval the regulation of organization and operation of the Office.

(2) Until the adoption of the regulation of organization and functioning provided in paragraph (1), the Office will operate according to its own regulation of organization and functioning existing at the date of entry into force of this law, insofar as it does not contravene it.

(3) On the date of entry into force of this law, the mandate of the members of the Plenary of the Office shall cease. The termination of the mandate is established by government decision within 10 days of the entry into force of this law. The President of the Office in function at the date of entry into force of the law shall exercise his/her mandate until the appointment of a new president under the conditions of this law.

Art. 59. - (1) Not later than 120 days after the date of entry into force of this law, the supervisory authorities and self-regulatory bodies shall have an obligation to issue sectoral-specific regulation in order to implement the provisions of this law.

(2) At the request of the supervisory authorities and bodies referred to in paragraph (1) the Office shall issue views on the proposed sectoral regulations.

(3) In the enforcement of this law, the National Bank of Romania and the Financial Supervisory Authority shall issue sectoral regulations establishing requirements regarding:

- a) clientele knowledge measures;
- b) internal control framework, including policies, procedures and systems of reporting entities;
- c) recruitment, training and professional verification of employees;
- d) measures to mitigate the risk of money laundering or terrorism financing and to remedy deficiencies, including measures on reporting obligations, as appropriate.

(4) The reporting entities under the supervision of the National Bank of Romania, Financial Supervisory Authority and the Office shall comply with the guidelines issued by the European supervisory authorities according to the regulations, guidelines and/or specifications issued by them.

Art. 60. - (1) The order of the President of the Office, stipulated in art. 8 paragraph (11), will be published in the Official Gazette of Romania, Part I, within 90 days from the date of entry into force of this law.

(2) Until the entry into force of the order referred to in paragraph. (1), the reporting entities shall transmit the reports set out in art. 6 and 7 according to the decision of the plenum of the National Office For Prevention And Control Of Money Laundering no. 2.742/2013 as regards the form and content of the Report of suspect transactions, the Report of cash transactions and the Report of external transfers and the Decision of the Plenum of the National Office For Prevention And Control Of Money Laundering no. 673/2008 for the approval of the working methodology regarding the transmission of cash transaction reports and external transfer reports, as subsequently amended and completed.

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

(4) Persons who, at the date of entry into force of this law, occupy the position of adviser to the president are considered to be re-assigned to the position of first-degree financial analyst without fulfilling the conditions of study and seniority in economic or legal specialty.

(5) Starting with the date of entry into force of this law, in annex no. VIII to Framework Law No. 153/2017 on the salary of staff paid from public funds, published in the Official Gazette of Romania, part I, no. 492 of June 28th, 2017, as subsequently amended and supplemented, in chapter II, letter A, point II, subsection 3, letter a), the current number 1 in the table, the phrase "Advisor / General Manager" is replaced by the phrase "General Manager".

(6) Starting with the date of entry into force of this law, in annex no. IX to the Framework Law no. 153/2017, with subsequent modifications and completions, at heading 39 of letter B, the phrase "Member of the Plenary" is replaced by the phrase "Vice-President".

Art. 61. - (1) At the date of entry into force of this law, it is forbidden to issue new bearer shares and to carry out operations with the existing bearer shares.

(2) The bearer shares issued before the entry into force of this law shall be converted into nominal shares in accordance with the provisions of paragraph (3) and (4) and the updated articles of incorporation shall be submitted to the Trade Register Office.

(3) The holders with any title of bearer shares shall deposit them at the headquarters of the issuing company within 18 months from the date of entry into force of this law.

(4) On the date of expiry of the period referred to in paragraph (3) the board of directors of the company will enter on the titles and in the register of shareholders the name, first name, personal numeric code and domicile of the natural person shareholder or the name,

registered office, registration number and unique registration code of the legal person shareholder, as the case may be.

(5) The bearer shares not deposited at the headquarters of the issuing company are cancelled by law upon the expiration of the term provided in paragraph (3), with the consequence of the corresponding reduction of the share capital.

(6) Failure to comply, until the expiry of the period referred to in paragraph (4) with the obligation of conversion by the joint stock companies and in the joint stock partnership shall attract their dissolution.

(7) At the request of any interested person, as well as the National Trade Register Office, the court or, as the case may be, the specialized court may pronounce the dissolution of the company. The case for dissolution may be dismissed before any conclusions can be drawn in effect, the court being able to grant a deadline for this purpose.

(8) The provisions of art. 237 paragraphs (4) - (13) of Law No. 31/1990, republished, with subsequent amendments and completions, shall apply accordingly.

Art. 62. (1) Within 12 months from the entry into force of this law, the companies registered up to the date of entry into force of this law in the trade register, with the exception of national companies and companies, as well as of companies wholly or mainly owned by the state, shall submit, by the care of the legal representative, for registration in the Register of the real beneficiaries of the companies, kept by the National Office of the Trade Register, a statement regarding the identification data of the real beneficiaries.

(2) Failure by the administrator representing the company to comply with the obligation referred to in paragraph (1) constitutes contravention and is sanctioned with a fine of 5,000 lei to 10,000 lei.

(3) Finding the contravention and applying the sanction provided for in paragraph (2) shall be carried out by the control bodies of the Ministry of Public Finance - the National Agency for Fiscal Administration and its territorial units. The finding of the contravention referred to in paragraph (2) may also be made by the Office by its own ascertaining agents.

Art. 63. - Within 12 months from the entry into force of this law, associations and foundations shall have the obligation to complete the documents according to the requirements of art. 6, 7, 16 and 17 of Government Ordinance No. 26/2000, approved with amendments and completions by law no. 246/2005, with subsequent amendments and completions, as well as those brought by this law, the provisions of art. 7 applying properly. Upon expiry of the period, associations and foundations which have not complied with the obligation shall be dissolved, by court decision, at the request of the public ministry or of any other interested person, under the conditions laid down in the Government Ordinance No. 26/2000, approved with amendments and completions by law no. 246/2005, with subsequent amendments and completions, as well as those brought by this law.

Art. 64. - Within 120 days from the entry into force of this law, the registers of real beneficiaries provided by this law shall be operationalized.

Art. 65. - On the date of entry into force of this law it shall be repealed:

a) The law no. 656/2002 for prevention and sanctioning money laundering, as well as for the implementation of measures to prevent and combat terrorism financing , published in the Official Gazette of Romania, Part I, no. 702 of October 12th, 2012, as subsequently amended and supplemented;

b) Government Decision no. 594/2008 regarding the approval of the Regulation applying the provisions of Law no. 656/2002 for the prevention and sanctioning of money laundering, as well as for the establishment of measures to prevent and combat the financing of terrorist acts, published in the Official Gazette of Romania, Part I, no. 444 of June 13th, 2008, as subsequently amended;

c) Decision of the Plenum of the National Office for the Prevention and Combating of Money Laundering no. 496/2006 for the approval of the Norms regarding the prevention and combating of money laundering and the financing of terrorist acts, the standards of clientele knowledge and internal control for reporting entities that are not subject to the prudential supervision of authorities, published in the Official Gazette of Romania, Part I, no. 623 of July 19th, 2006, with subsequent additions.

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This law transposes:

- Directive (EU) 2015/849 of the European Parliament and of the Council of May 20th, 2015 on the prevention of the use of the financial system for the purpose 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, series L, no. 141 of June 5th, 2015; and

- Council Directive (EU) 2016/2.258 of December 6th, 2016 amending directive 2011/16/EU as regards access by tax authorities to anti-money laundering information, published in the Official Journal of the European Union, L series, no. 342 of December 16th, 2016.

This law was adopted by the Romanian Parliament, under the conditions of art. 147 paragraph (2), in compliance with the provisions of art. 75 and art. 76 paragraph (1) of the Romanian Constitution, republished.

PRESIDENT OF THE CHAMBER OF
DEPUTIES-MARCEL CIOLACU

PRESIDENT OF THE SENATE
CĂLIN-CONSTANTIN-ANTON
POPESCU-TARICEANU

Bucharest, July 11th, 2019.

No. 129.