

The amendments to Law no. 31/1990 brought by Law no. 239/2025

By Law no. 239/2025, the legislator has made significant additions to the Companies Law no. 31/1990, mainly with the aim of limiting the practices of distributing interim dividends and financing associates/shareholders to the detriment of creditors and the state budget, as well as strengthening the financial discipline of companies.

I. Restrictions on dividends and loans

The new provisions prohibit cash flows to shareholders:

- **Prohibition of loans:** Companies that distribute quarterly (interim) dividends can no longer grant loans to associates or affiliated persons until the differences resulting from the distribution of dividends during the year are regularized.
- **Prohibition of loan repayment:** If the net assets of the company fall below half of the share capital, the company is no longer allowed to repay the loans previously received from associates or related persons.
- **Joint Liability:** In case of non-compliance, the company and the beneficiary partner are jointly and severally liable for the outstanding budgetary obligations of the company (within the limit of the amounts borrowed/restored).
- **Sanctions:** Fine between 10,000 lei and 200,000 lei, applied by ANAF.

II. New conditions for profit distribution

The order of priority of the use of current profit is now strictly regulated by law:

1. Establishment of legal reserves.
2. Coverage of the deferred accounting loss (absolute priority over dividends).
3. Establishment of statutory reserves.
4. **Net asset replenishment:** Companies that, based on the interim financial statements, have a net asset value reduced to less than half of the value of the subscribed share capital may not make interim dividend distributions from the profit of the current financial year if they have not replenished the net assets at the minimum value provided by law.

Failure by the company to comply with the obligation to replenish the net assets up to the level of a value at least equal to half of the share capital at the latest by the end of the financial year subsequent to the one in which the losses were ascertained constitutes a contravention and is sanctioned, with a fine from RON 10,000 to RON 200,000.

III. The obligation to convert receivables into share capital

This is probably the most severe change, applicable to both SAs and LLCs:

- **Mandatory conversion:** If a company has net assets below half of the share capital and has debts to the partners (loans received), and the situation is not remedied within 2 years, the partners are obliged to increase the share capital by converting these loans into shares/shares.
- **Sanctions for non-compliance:** Fine between 40,000 lei and 300,000 lei.
- **Prescription period:** Sanctions are prescribed within 12 months from the commission of the deed.
- **Exceptions:** Certain categories of professional investors, investment funds and individuals who have invested amounts between 2,500 and 200,000 euros are exempt (under certain holding conditions below 25% and a term of 4 years).

The provisions come under the magnifying glass of ANAF starting with **2027** (starting with the 2025 financial year).

Note: The aspects mentioned in this newsletter do not represent specialized advice, but general information. For further details, please contact us.

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