

I. PUBLICLY EXPOSED PERSONS (P.E.P.)

Art. 3 of Law no. 129/2019 on preventing and combating money laundering and terrorist financing, as well as for the amendment and completion of some normative acts:

- (1) For the purposes of this law, **publicly exposed persons** are natural persons who exercise or have exercised functions important public functions.
- (2) For the purposes of this law, **important public functions** shall mean:
 - 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 may be challenged only by extraordinary means of appeal;
 - e) members of the governing bodies of the courts of auditors or members of governing bodies of the boards of central banks;
 - f) ambassadors, chargés d'affaires and senior officers in the armed forces;
 - g) members of the boards of directors and supervisory boards and persons exercising functions of autonomous companies, companies with majority state capital and companies with majority state capital national companies;
 - h) directors, deputy directors and members of the board of directors or members of the supervisory bodies of an international organization.
- (3) **None** of the categories referred to in paragraph (2) **shall include persons occupying intermediate functions or inferior posts.**

According to paragraph (3¹) the National Integrity Agency shall draw up a list of important public functions provided for in the national legislation, which is continuously updated. You can consult the List of Important Public Functions drawn up by the National Integrity Agency here <https://www.integritate.eu/Home/LISTA-FUNC%C8%9AILOR-PUBLIC-IMPORANTE.aspx>

- (4) **Family members of the publicly exposed person** are, for the purposes of this Act:
 - a) the spouse of the publicly exposed person or his or her cohabitant/person with whom he or she is in a relationship similar relationship between spouses;
 - b) children and their spouses or cohabitants, persons with whom the children are in a similar relationship between spouses;
 - c) parents.
- (5) **Persons known as close associates** of publicly exposed persons are:

- a) natural persons known to be beneficial owners of a legal person, an entity without legal person or a legal arrangement similar thereto together with any of the following persons referred to in paragraph 1. (2) or as having any other close business relationship with such person;
 - b) natural persons who are the sole beneficial owners of a legal person, a non-legal entity or a legal person or a legal arrangement similar thereto, known to be established in for the de facto benefit of one of the persons referred to in paragraph 1. (2).
- (6) Without prejudice to the application, based on a risk assessment, of additional measures for the knowledge of the client, ***after the completion of a period of one year from the date on which the person ceased to occupy a function public office within the meaning of paragraph 1. (2), the reporting entities shall no longer consider that person to be publicly exposed.***

II. BENEFICIAL OWNER

Article 4 of Law No 129/2019 on preventing and combating money laundering and terrorist financing, as well as for the amendment and completion of some normative acts:

- (1) For the purposes of this law, **beneficial owner** means any natural person who owns or controls in the client and/or the natural person on whose behalf or in whose interest the client is directly or indirectly, a transaction, operation or activity.
- (2) The notion of "beneficial owner" includes at least:
 - a) in the case of companies subject to commercial registration and foreign corporate entities:
 - 1. the natural person or natural persons who ***ultimately own or control the company*** subject to registration in the commercial register through direct or indirect ownership of ***a sufficient percentage of the number of shares or voting rights*** or information in accordance with European Union law or equivalent international standards ensuring adequate transparency of information on the exercise of ownership. Ownership of ***25% plus one of the shares or a shareholding in the capital*** of a company of more than 25% of by a natural person is an indication of the exercise of ownership. Ownership of 25% plus one shares or an interest in the capital of a company of more than 25% by a foreign corporate entity, which is controlled by a natural person, or more than one foreign corporate entities controlled by the same natural person is an indication of indirect exercise of ownership;
 - 2. if, after all due diligence and provided there are no grounds for suspicion, no person is identified in accordance with point 1 or if there is any doubt that person identified is the beneficial owner, ***the natural person occupying a senior management position***, namely: the director(s), the members of the board of directors, the directors/supervisory board, directors with delegated powers from the administrator/board of directors, members of the management board. The reporting entities keep records of the measures taken to the identification of beneficial owners in accordance with point 1 and this point, and difficulties encountered in verifying the identity of the beneficial owner;
 - b) in the case of *trusts or similar legal arrangements* - ***all of the following***:
 - 1. the settlor(s) and the persons appointed to represent his/her/their interests in the law;

2. the trustee;
 3. the beneficiary/beneficiaries or, if his/her/their identity is not identified, the category of persons in whose main interest the trust is constituted or operates; or similar legal arrangement;
 4. any person who has ultimate control over the foreign law trust or similar legal arrangement through the direct or indirect exercise of ownership or by other means;
- c) in the case of *non-profit legal persons*:
1. partners or founders;
 2. members of the board of directors;
 3. persons with executive functions empowered by the board of directors to exercise its powers;
 4. in the case of associations, the category of natural persons or, as the case may be, the natural persons in whose interest, respectively, in the case of foundations, the category of natural persons in whose interest they were constituted;
 5. any other natural person exercising ultimate control, by whatever means, over the non-profit legal person;
- d) in the case of *legal persons other than those referred to in points a) to c), and entities managing and distribute funds*:
1. a natural person who is the beneficiary of at least 25% of the assets, shares or stock 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 is formed or operates or unincorporated entity, if the natural persons benefiting from the person legal person or legal entity has 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 unincorporated entity, including by exercising the power of appointment or dismissing the majority of the members of the administrative, management or supervisory bodies of that entity;
 4. the natural persons who ensure the management of the legal person, if, after the person or persons who are responsible for the management of the legal person, if, after all due diligence and provided that there are no grounds for suspicion, no natural person in accordance with items 1-3 or if there is any doubt that the natural person identified is the beneficial owner, in which case the reporting entity is also obliged to keep records measures applied for the purpose of identifying the beneficial owner in accordance with paragraphs 1-3 and this this paragraph.

III. TAX RESIDENT PERSONS

Art. 7, points 28 and 37 of Law no. 227/2015 on the Fiscal Code

- **Resident** - any Romanian legal person, any foreign legal person having the place of exercise of effective management in Romania, any legal person with registered office in Romania, established according to European legislation and any resident natural person.

- **Resident natural person** - any natural person fulfilling at least one of the following conditions:
 - a) Has domicile in Romania;
 - b) the centre of vital interests of the person is located in Romania;
 - c) is present in Romania for a period or periods exceeding 183 days in total, during any period of 12 consecutive months ending in the calendar year concerned;
 - d) is a Romanian citizen working abroad, as a civil servant or employee of Romania in a foreign state.
- **Non-resident natural person** - any natural person who does not meet the above conditions, such as any natural person who is a foreign citizen with diplomatic or consular status in Romania, a foreign citizen who is an official or employee of an international and intergovernmental body registered in Romania, foreign citizens who are officials or employees of a foreign state in Romania and their family members.