

REGULATION No. 4/2005

on the foreign exchange regime

(republished in *Monitorul Oficial al României*, Part One, No. 616 of 6 September 2007)

CHAPTER 1

General provisions

Art. 1. – (1) This Regulation establishes the foreign exchange regime.

(2) For the purpose of this Regulation, the terms, expressions, and classification of foreign currency operations are those laid down in the Nomenclature at Annex 1.

CHAPTER 2

Foreign exchange regime

Section 1

Foreign currency operations performed between residents and non-residents

Art. 2. – Current and capital transactions as laid down in the Nomenclature are performed freely between residents and non-residents, in foreign currency and domestic currency (*leu*).

Section 2

Foreign currency operations performed between residents

Art. 3. – (1) Payments, receipts, transfers and any other operations similar in nature between residents, for operations related to trading in goods and services shall be carried out only in domestic currency (*leu*), except the operations provided for in Annex 2 – “Categories of residents that may perform foreign currency operations”, which can be performed in foreign currency as well.

(2) All the other operations performed between residents that are not related to trading in goods and services may be performed freely, either in the domestic currency (*leu*) or in foreign currency.

(3) Operations provided for in para. (2) and Annex 2 to this Regulation may be performed in foreign currency as well, on the basis of mutual agreement between the parties.

Section 3

Regime applicable to non-residents

Art. 4. – (1) Non-residents have the right to acquire, hold, and use financial assets expressed in foreign currency and in domestic currency (*leu*).

(2) The amounts in domestic currency (*leu*) and in quoted currencies held by non-residents may be converted on the forex market.

(3) Non-residents may open and hold accounts in foreign currency and in domestic currency (*leu*) with credit institutions.

(4) Non-residents may repatriate and transfer financial assets.

Section 4

Regime applicable to residents

Art. 5. – (1) Residents have the right to acquire, hold, and use financial assets expressed in foreign currency.

(2) The amounts in domestic currency (*leu*) and in quoted currencies held by residents may be converted on the forex market.

(3) Residents may open accounts in foreign currency and in domestic currency (*leu*) with credit institutions and other institutions similar in nature.

CHAPTER 3

Safeguard measures

Art. 6. – (1) Where short-term capital flows of exceptional magnitude impose severe strains on foreign exchange market and lead to serious disturbances in the conduct of monetary and exchange rate policies, being reflected in particular in substantial variations in domestic liquidity and severe imbalances of the balance of payments, the National Bank of Romania may take safeguard measures concerning capital transactions listed in Annex 3.

(2) The National Bank of Romania shall inform the European Commission and the other Member States of such safeguard measures by the date of their entry into force at the latest.

(3) The period of application of safeguard measures taken pursuant to this Article shall not usually exceed six months.

(4) The safeguard measures shall apply to both residents and non-residents.

(5) For the situations referred to in para. (1), the National Bank of Romania may take one or several of the safeguard measures in respect of capital transactions listed in Annex 4.

(6) At the explicit request of the European Commission, the National Bank of Romania shall amend, replace or abolish the safeguard measures referred to in para. (1).

CHAPTER 4

Common provisions

Art. 7. – (1) For the enforcement of this Regulation, the National Bank of Romania may issue norms and circulars.

(2) In cases going beyond the framework governed by this Regulation, based on well-defined reasons, the National Bank of Romania shall comply with the principles laid down by this Regulation and with the other applicable legal provisions.

(3) Non-compliance with the provisions of this Regulation and with the Norms issued by the National Bank of Romania for the application of this Regulation shall be punished according to the provisions of Law No. 312/2004–The NBR Act or of Law No. 58/1998 on banking activity, as republished and subsequently amended, as the case may be.

CHAPTER 5

Final provisions

Art. 8. – (1) This Regulation shall enter into force on 11 April 2005.

(2) Annexes 1-4 are an integral part of this Regulation.

Art. 9. – As from the date of the entry into force of this Regulation, NBR Regulation No. 1 of 30 January 2004 on foreign currency operations published in *Monitorul Oficial al României*, Part One, No. 117 of 10 February 2004, as subsequently amended and supplemented, shall be repealed.