

Norms of 6 June 2005
on the recognition of the redenomination of the face value of shares/subscribed
share capital/mutual fund units following the enforcement of
Law No. 348/2004 on domestic currency redenomination,
as subsequently amended and supplemented

Published in *Monitorul Oficial al României*, Part One, No. 518 of 17 June 2005

1. In order to carry out the redenomination of the face value of shares/subscribed share capital, the extraordinary general meeting of shareholders/partners of companies referred to in Art. 5 para. (3¹) of Law No. 348/2004 on domestic currency redenomination, as subsequently amended and supplemented, shall decide by 30 June 2005 upon the changes to share capital, so that the face value of shares/subscribed share capital shall be a multiple of ROL 100.

In the case of open-end investment funds, the board in charge of management of the fund investments shall decide by 30 June 2005 upon the changes to the mutual fund units, so that the face value of the mutual fund units shall be a multiple of ROL 100.

2. The share capital/mutual fund units shall be increased or reduced by maintaining the number of shares/subscribed share capital/mutual fund units and the subscription quota in the share capital/mutual fund units.

3. The increase in share capital by raising the face value of shares/subscribed share capital, decided upon by the extraordinary general meeting of shareholders/partners, pursuant to the provisions under point 1, shall be recognised by the persons applying the Accounting Regulations harmonised with Directive IV/EEC and the International Accounting Standards, approved by Order No. 94/2001 issued by the Minister of Public Finance, as subsequently amended and supplemented, and the simplified Accounting Regulations harmonised with the European Directives, approved by Order No. 306/2002 issued by the Minister of Public Finance, as subsequently amended, depending on the source of increase, as follows:

a) from the accounting profit made in the previous accounting years:

117 "Retained earnings" = 1011 "Subscribed and non-paid-up capital"

b) by including share premiums:

104 "Share premiums" = 1011 "Subscribed and non-paid-up capital"

c) by including reserves:

106 "Reserves" = 1011 "Subscribed and non-paid-up capital"

d) by shareholders'/partners' subscription:

456 "Capital settlements with shareholders/partners" = 1011 "Subscribed and non-paid-up capital",

and after the capital was paid up, the following posting shall be made:

5121 "Current accounts in ROL with banks" = 456 "Capital settlements with shareholders/partners"

After recording the company's statement of changes in share capital with the Trade Register, in keeping with the provisions of Art. 5 para. (3²) of Law No. 348/2004, as subsequently amended and supplemented, the conversion of subscribed and non-paid-up capital into subscribed and paid-up capital shall be recorded:

1011 "Subscribed and non-paid-up capital" = 1012 "Subscribed and paid up capital"

– decrease in share capital, in the case of rounding downwards:

1012 “Subscribed and paid-up capital” =	%	ROL 40,000
	106	(ROL 40/share x 1,000 shares)
	“Reserves”	
	117	
	“Retained earnings”	
	456	
	“Capital settlements with shareholders/partners”	

6. Following the enforcement of the provisions of Law No. 348/2004, as subsequently amended and supplemented, increases/reductions in share capital/mutual fund units shall be recognised by the legal persons and open-end investment funds applying specific accounting regulations, via the accounts in the chart of accounts applicable to them.