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Legal Fresh – Up to Date

THE POSSIBILITY OF CERTAIN ENTITIES TO POSTPONE THE PAYMENT OF RENT AND UTILITIES

The Government has adopted a series of economic and fiscal-budgetary measures to support the business environment, in the current context of the spread of COVID-19 virus and the economic effects generated by it, through the Government Emergency Ordinance no. 29/2020 regarding some economic and fiscal-budgetary measures.

One of the measures taken is **the possibility of certain categories of entities to postpone the payment of utilities**- electricity, natural gas, water, telephone and internet services, **but also of the rent** for the premises of their registered office and of their secondary offices.

1. Relevant legislation

- *Government Emergency Ordinance no. 29/2020 regarding some economic and fiscal measures (hereinafter referred to as GEO 29/2020);*
- *Government Decision no. 281/2020 for approving the criteria for establishing the beneficiaries provided in art. X paragraph (5) of the Government Emergency Ordinance no. 29/2020 regarding some economic and fiscal-budgetary measures;*
- *Law no. 346/2004 on stimulation setting up and developing small and medium-sized enterprises (hereinafter referred to as Law 346/2004).*

2. The categories of beneficiaries

The following types of entities can benefit from this measure, during the state of emergency:

2.1 Small and medium enterprises that have interrupted their activity, totally or partially, based on the decisions issued by the competent public authorities during the state of emergency declared.

Small and medium enterprises are defined by the Law 346/2004 as those enterprises which cumulatively fulfill the following conditions:



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- have an annual average number of employees of less than 250;
- realize a net annual turnover of up to 50 million euros, equivalent in RON, or have total assets that do not exceed the equivalent in RON of 43 million euros, according to the last approved financial statement. The term “total assets” means fixed assets plus current assets plus prepayments.

2.2 Other entities whose activity is directly affected by the measures adopted by the public authorities for the prevention and control of the COVID-19 pandemic, respectively:

- the following liberal professions that perform services of public interest: the forms of practicing the profession of public notary, the forms of practicing the profession of lawyer and the forms of practicing the profession of judicial executor;
- the offices of general practitioners and dental offices, where there are no more than 20 persons operating;
- national sports federations and sports clubs holding a sport identity certificate.

3. The conditions that need to be met by the entities in order to benefit from this measure

3.1 Regarding the conditions that need to be met by small and medium enterprises

In order to benefit from this measure, small and medium enterprises need to fulfill the following conditions:

- the activity of the economic operator has been totally or partially interrupted based on the decisions issued by the competent public authorities;
- the economic operator needs to hold the certificate for emergency situation issued by the Ministry of Economy, Energy and Business Environment through the platform <https://csu.prevenire.gov.ro/>.

3.2 Regarding the conditions that need to be met by the other beneficiary entities

According to GEO 29/2020, the conditions that need to be met by the other beneficiary entities (other than small and medium enterprises) in order to benefit from this measure will be established by decision of the Government, which has not been adopted until the date of publication of this informative note.



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** This material contains the data and information updated until the 21st of March 2020. Given the exceptional situation, new measures and procedures are constantly being adopted, the process being very dynamic.*

This informative note presents the general legal framework in the matter, without claims of exhaustiveness on the subject. The ideas presented are strictly informative and do not eliminate the need to analyze the legal provisions set out, nor the need for legal advice offered by a lawyer, being no substitute for them in a specific case.