International Property Markets Scorecard

Romania Market Conditions – Desktop Survey April 2017

[Diagram showing various factors affecting the property markets in Romania]

CIPE

IRPF
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Scorecard Background & Information

The Scorecard reflects the status of the six Core Elements necessary for transparent and efficient property market development. Each Core Element includes three Lead Indicators that are further divided into Sub-Indicators. Colors signify the strength of institutions that support market development – very strong, strong and weak. No color indicates that institutions are very weak. Gray indicates more information is needed for an objective determination.

Acknowledgement

The International Property Markets Scorecard Project is the latest development in the continued cooperative work between the Center for International Private Enterprise (CIPE) and the International Real Property Foundation (IRPF). The Scorecard derives from the work of an academic panel led by Richard Green, PhD., Director of the University of California’s Lusk Center for Real Estate and the University of Denver, Burns School of Real Estate and Construction Management’s Global Real Estate Project under the direction of Dr. Mark Lee Levine.

This Scorecard research was conducted by William Endsley, Principal, World Citizen Consulting, LLC.

For Education Purposes Only

While great care has been taken to provide accurate and current information, neither the Center for International Private Enterprise, the International Real Property Foundation nor its editors, staff or contractors assume responsibility for the accuracy of the data contained herein. Further, the general principles and conclusions presented in the text are subject to significant market fluctuations over time as well as local, state, and federal laws and regulations, court cases, and any revisions of the same. This publication is distributed for education purposes with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional service.

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The International Property Markets Scorecard Methodology is a systems analysis tool to measure the strength of institutional support for transparent, rational and effective property markets. It provides stakeholders with a visual representation of the status of the core elements necessary for sustainable property markets that help to distribute power and economic opportunity.

Quantitative and qualitative measures are taken from established international economic development organizations and paired with on-the-ground assessments of market participants. The purpose of the Scorecard is to bring about an awareness of the interconnections between the microeconomic factors necessary for development and provide advocates, policymakers, and development groups with clear, actionable goals for continuous improvement.

Property markets are inherently local and can vary widely from one city to another, even from one block to the next. The Scorecard is meant to measure how policy decisions and levels of implementation affect property markets. It is not meant to provide specific guidance, measures or predictions of individual property performance and is only completely valid in the cities where field assessments have occurred.
1. Property Rights

Goal – Property rights that are legally protected, secure, recorded in a single, accurate, widely accessible electronic registry and that lead to high levels of formal ownership for all citizens

1.1 Legal Protection

Core Question: Does an effective and sufficient legal framework exist to protect property rights for all citizens? **No – Weak**, Foreign ownership of land is very limited. Security of tenure has decreased significantly since the resignation of the Prime Minister in November 2015.
Legal Framework

1.1.1 Are property rights clearly defined and protected by law? **No – Weak – Ranking 99th out of 138; Score 3.9 out of 7**

Security of Tenure

1.1.2 Can citizens challenge the legality of government takings? **No – Very Weak – 121st out of 138; Score 2.6 out of 7; Trend ↓ [2015-2016 83rd of 140; Score 3.3 out of 7]**

[http://reports.weforum.org/global-competitiveness-index/country-profiles/#economy=ROU](http://reports.weforum.org/global-competitiveness-index/country-profiles/#economy=ROU)

Bundle of Rights

Survey Question

SQ1 What is the bundle of rights (group of rights such as occupancy, use and the right to sell or lease) associated with both residential and commercial property ownership? **Strong – The Romanian Constitution, adopted in December 1991 and revised in 2003, guarantees the right to ownership of private property.**

Source: International Trade Administration
[https://www.export.gov/article?id=Romania-Protection-of-Property-Rights](https://www.export.gov/article?id=Romania-Protection-of-Property-Rights)

1.2 Registries

| Core Question: | Does a reliable property registry exist including cadastral, title and mortgage lien information? **Yes – Strong, Most of the urban land has clear title, yet over 10 percent of the agricultural land does not. The National Cadaster Agency is slowly and deliberately working to identify property owners and register land titles.** |

1.2.1 Cadastral Information

**Status – Strong, town planning certificates and construction documents must be obtained from the local authorities.**

Survey Questions

SQ 2 Is cadastral information (information about the dimensions and location of land parcels) accessible to the public? **Yes**
SQ 3  Is zoning/permitted use information included and are regulations respected and enforced? **No**

SQ 4  Are Geographic Information Systems (GIS) including Global Positioning Satellite (GPS) information used to create and update the registry? **Yes**

Source: National Cadaster Agency

### 1.2.2 Title Registry

**Strong – Ranking – 57th out of 190 Trend ↓**

1.2.2.1  What is the number of procedures required to register the transfer of a property from one owner to another? **7**

1.2.2.2  What is the duration of time in calendar days that it would take to complete the transfer? **21**

1.2.2.3  What is the total cost of the transfer including all fees, taxes, etc. expressed as a percentage of the value of the property? **1.4%**

Source – *Doing Business 2017 – Registering Property*
http://www.doingbusiness.org/data/exploreeconomies/romania

### 1.2.3 Mortgage Registry

**Status – Weak, 2006 legislation established specialized mortgage banks and also made possible a secondary mortgage market by regulating mortgage bond issuance mechanisms.**

Survey Questions

SQ 5  The mandatory use of notaries or similar officials slows down and adds cost to the process. Does a notary need to be involved in the registration process? **Yes**

SQ 6  Is information in the registry available electronically? **No**

SQ 7  Title insurance is indemnity insurance against financial loss from defects in title and from the invalidity or unenforceability of mortgage liens. Is title insurance available to lenders? **Yes, however use of title insurance is not common.**

Source: International Trade Administration
https://www.export.gov/article?id=Romania-Protection-of-Property-Rights
1.3 Formal Ownership

Core Question: Do citizens understand and trust property rights institutions and avoid the informal sector? Yes – Strong, however, informal employment is a widespread phenomenon in Romania and a key challenge for the country’s development.

Survey Questions

1.3.1 Land

SQ 8 What is the status of land ownership? Strong – Following Romania's accession to EU in 2007, individuals and companies within the EU who are resident in Romania are allowed to purchase land subject to the same conditions as Romanian individuals and companies.


1.3.2 Home Ownership

SQ 9 What is the percentage of formal home ownership? 84% – Very Strong.


Informal Sector

1.3.3 What is the percentage of services firms that report competing with unregistered or informal firms? Large – 34.6% Weak Formal Sector

In-Country Assessment Information

[NOTE: This is a Desktop Scorecard conducted from internet research from the sources sited. Scores need to be verified and the following questions answered by an in-country partner conducting interviews and on the ground verification of actual transactions and the experience of stakeholders.]

Field Question (FQ) 1 Even if legal provisions exist, what is the actual status of property rights and ownership for small businesses?

FQ 2 Are standard leases used for commercial space? If not, what is a typical arrangement for rental?

FQ 3 What are the processes for government expropriation of property especially notice and due process for owners? Are those laws followed or do expropriations happen by collusion between officials and connected elites?

FQ 4 Are businesses owners compensated fairly when their property is taken for public use?

FQ 5 What protections do businesses have who lease space from arbitrary eviction by owners?

FQ 6 What is the actual experience of transferring a property, accessing the registry and dealing with registry officials?

FQ 7 How large is the presence of informal markets for goods, i.e. itinerate vendors?
2. Access to Credit

Goal – An efficient, transparent financial sector that provides a broad range of citizens with access to multiple forms of competitive credit so that they can start businesses, build wealth, and purchase property

2.1 Banks

Core Question: Are traditional banking services robust and extensive enough to serve the needs of the population to help them build wealth and purchase property? **No** – Weak, The banking sector is relatively sound and stable, with a high degree of capitalization. Foreign-owned banks account for over 70 percent of total assets.
Access

2.1.1 How easy is it to obtain a bank loan? Very Weak – Ranking 110th out of 138; Score 3.1 out of 7; Trend ↑

Soundness

2.1.2 How sound are the country’s banks? Weak – Ranking 90th out of 140; Score 4.1 out of 7; Trend ↓

http://reports.weforum.org/global-competitiveness-index/country-profiles/#economy=ROU

2.1.3 Microlending

Status – Weak, Some 47,000 microloans were granted in Romania in 2013. Close to one in five went to entrepreneurs, and were, on average, sums of less than 7,000 euros each.

2.1.3.1 Microfinance allows citizens without traditional creditworthiness to build a credit history. How many microfinance institutions are operating in the country? 5

2.1.3.2 What is the number of active borrowers per institution? 100,000


2.2 Other Sources

| Core Question: | Are entrepreneurs free to raise capital outside the banking system including venture capital and/or by issuing stock in a well-regulated stock exchange? No – Very Weak, The equity market had only 84 listed companies and a capitalization of €32 billion as of end-2015. The fixed-income market is also relatively small and undiversified, with around 80 bonds traded at the Bucharest Stock Exchange of which a majority is securities issued by central and local governments. There are only seven corporate bonds. |

Financial Freedom

2.2.1 How much control does the government exert over financial services? Weak for entrepreneurs – Score 50 out of 100 – Moderately free

Source: Index of Economic Freedom 2017, Heritage Foundation
http://www.heritage.org/index/country/romania
Venture Capital

2.2.2 How easy is it for entrepreneurs to find venture capital? Very Weak – 125TH out of 138; Score 2.1 out of 7; Trend ↓

Equity Investors

2.2.3 How easy is it to raise money by issuing shares on the stock market? Very Weak – 123RD out of 138; Score 2.6 out of 7; Trend ↓

http://reports.weforum.org/global-competitiveness-index/country-profiles/#economy=ROU

2.3 Credit Bureau

| Core Question: Is comprehensive credit information available through public and private credit bureaus? Yes – Very Strong, The Romanian Banking Association runs a Credit Bureau and international firms such as Experian operate in the country. |

Overall Ranking 7TH out of 190 Trend =

Coverage

2.3.1 What is the depth of information available in credit bureaus? Strong – Score – 7 out of 8 with a higher number indicating more information is available

Public

2.3.2 What is the extent of public credit registry coverage? 16.8% - Strong

Private

2.3.3 What is the extent of private credit bureau coverage? 51.1% - Very Strong

Source: Doing Business 2017– Getting Credit, World Bank
http://www.doingbusiness.org/data/exploereconomies/romania#getting-credit
## In-Country Assessment Information

[NOTE: This is a Desktop Scorecard conducted from internet research from the sources sited. Scores need to be verified and the following questions answered by an in-country partner conducting interviews and on the ground verification of actual transactions and the experience of stakeholders.]

| FQ 8 | How available are mortgage loans for purchasing commercial property (office, retail, industrial and logistics), who is the typical user and what are the prevailing trends? |
| FQ 9 | What are the interest rates, term and loan-to-value ratios? |
| FQ10 | In addition to microloans, to what extent are microenterprises (5 or fewer employees) active in the country? Approximately what percentage are formally registered firms? |
| FQ11 | What services other than loans such as insurance, funds transfers, and business development training are available from microfinance organizations for formal businesses? |
| FQ12 | What professional financial services are available outside state owned banks including insurance, credit cards and investment management? |
| FQ13 | What has been the appreciation (or depreciation) rate for commercial property over the last several years? |
| FQ14 | How available is seed money or angel investors for the start up of small businesses? |
| FQ15 | Do small businesses have access to credit information about potential customers? |
| FQ16 | Can businesses gain access to information about them contained in credit bureaus and correct inaccuracies? |
Goal – A popularly elected government free of corruption and functioning efficiently and transparently enough to guarantee economic freedom to individuals and support equitable property markets

3.1 Democratic Representation

Core Question: Does the country have free and open elections for the leadership and can citizens engage in free enterprise? Yes – Strong, however the former Prime Minister resigned in November 2015 following protests against government corruption. A caretaker government managed the country for about a year until a new Prime Minister was appointed at the end of 2016.
3.1.1 Voice & Accountability

3.1.1.1 Are citizens able to elect their government and do they enjoy freedom of expression, association and a free media? **Yes – Strong – Percentile Rank 61.58 – Trend ↑**

Source: *Worldwide Governance Indicators 2015*, World Bank
http://info.worldbank.org/governance/wgi/index.aspx#reports

3.1.1.2 Are citizens free to form political and civic organizations free of state interference and surveillance? **Yes – Strong – Score 8.24 out of 10**

**Overall Ranking – 61st out of 167**

Source: *The Economist* Intelligence Unit Democracy Index 2016
https://en.wikipedia.org/wiki/Democracy_Index

3.1.2 Fair Elections

Does the country enjoy a wide range of political rights, including free and fair elections? **Yes – Very Strong – Percentile Rank 84**


3.1.3 Market Intervention

**Overall Freedom Ranking – Very Strong 39th out of 180 Trend ↑**

3.1.3.1 To what extent does the government control prices? **Score 83.6 out of 100 with a higher score indicating less control**

Source: *Index of Economic Freedom 2017* – Heritage Foundation www.heritage.org/index

3.2 Lack of Corruption

| Core Question: | Is the public sector transparent and free of corruption? **No – Weak, the government recently proposed a law to protect politicians from prosecution for corruption which led to massive protests and the withdrawal of the proposed law.** |

**Transparency**

3.2.1 What is the perceived level of corruption in the country? **Ranking – 57th out of 176; Score 48 out of 100 – Weak Formal Sector, Trend ↑**
Control of Corruption

3.2.2  How effective is the government in controlling corruption? **Score 57.69, Strong**
Source: *Worldwide Governance Indicators*, World Bank
http://info.worldbank.org/governance/wgi/index.aspx#reports

Extralegal Payments

3.2.3  How common is it for firms to make undocumented extra payments to “expedite” services or gain business? **90th out of 138, Score 3.6 out of 7 – Weak, Trend ↓**
http://reports.weforum.org/global-competitiveness-index/

3.3  Efficient Administration

| Core Question: Are quality services and qualified civil servants available to the public through the efficient use of public money? | **Yes – Strong, however the administration has not kept up with citizens’ expectations regarding a system of governance that both prevents corruption and ensures effective public service delivery.** |

Size of Government

3.3.1  What is the size of government relative to GDP? **34% - 25 to 30% considered optimum – Weak**
Source: *Index of Economic Freedom 2017*, Heritage Foundation
www.heritage.org/index

Civil Service

3.3.2  What is the quality of the civil service? **Strong – Score 74 out of 100**

Government Effectiveness

3.3.3  What is the overall effectiveness of the government? **Strong - Percentile Ranking – 51.92 Trend ↓**
In-Country Assessment Information

[NOTE: This is a Desktop Scorecard conducted from internet research from the sources sited. Scores need to be verified and the following questions answered by an in-country partner conducting interviews and on the ground verification of actual transactions and the experience of stakeholders.]

FQ17 What is the actual experience of small businesses in dealing with the government, particularly the number and complexity of required procedures and the prevalence of extra payments to facilitate services such as licenses or permits?

“The past two or so years will be remembered by Romanians as the years in which the fight for integrity in the public sector gained unprecedented impetus. Against the broader context of the security crisis in Eastern Europe, the spike in anti-corruption investigations – and the earthquake it produced in many institutions – has the true potential to become a turning point for Romania’s system of governance. Fighting corruption remains crucial for Romania, and the penal side of it will probably become a textbook case for many other countries that are trying to implement anti-corruption reforms. However, criminal prosecutions will not be enough to bring a reset in public values regarding corruption. The administrative scaffolding that supports an efficient and corruption-free state has not kept up with citizens’ expectations regarding a system of governance that both prevents corruption and ensures effective public service delivery.”

Source: Center for European Policy Analysis, Beyond the “Tipping Point” – Anticorruption works. Governance works better. November 2015 http://cepa.org/files/?id_plik=1895
4. Rational Dispute Resolution

Goal – An efficient institutional framework that balances the rights of the public, owners, lenders and borrowers in the event of a dispute or loan default

4.1 Rule of Law

Core Question: Do all market participants abide by the rule of law and have confidence in the courts and the ability of police to control crime? Yes – Strong, however the inadequately resourced courts suffer from chronic corruption and political influence.
**Impartiality**

4.1.1 What is the confidence level of the strength and impartiality of the police, courts and contract enforcement? **Strong – Percentile Ranking – 61.06 Trend ↓**

Source: *Worldwide Governance Indicators 2015*, World Bank  
http://info.worldbank.org/governance/wgi/index.aspx#reports

**Judiciary**

4.1.2 Can members of the judiciary be held accountable for their actions? **Yes – Score 58.5 out of 100 – Moderately free – Strong Trend =**

Source: *Index of Economic Freedom 2017*, Heritage Foundation  
http://www.heritage.org/index/country/romania

**Costs of Crime**

4.1.3 What are the business costs of crime and violence? **Moderate Costs, Strong – Ranking 39th out of 138 – Score 5.3 out of 7; Trend ↑**

http://reports.weforum.org/global-competitiveness-index/country-profiles/#economy=ROU

**4.2 Enforcement of Contracts**

<table>
<thead>
<tr>
<th>Core Question:</th>
<th>Are systems in place for timely and efficient enforcement of contracts?</th>
<th>Commercial – Yes – Very Strong, Residential – Strong, a “passing to pay” bill where people could pass homes back to the banks for debt forgiveness became law in April 2016.</th>
</tr>
</thead>
</table>

**4.2.1 – Judicial Enforcement**

**Commercial – Very Strong – Ranking 26th out of 190 Trend =**

4.2.1.1 What is the quality of the judicial process? **Score 14 out of 18**

4.2.1.2 What is the time between the filing of a lawsuit and resolution in judicial enforcements? **512 days**

4.2.1.3 What is the cost of judicial enforcements as a percentage of debt value? **28.9%**

4.2.2 – Summary Proceedings

SQ 10 Summary proceedings are alternative dispute resolution processes where creditors can apply for a direct court order in property disputes. What is the time between notice of intent to foreclose and loan collection in summary proceedings if available to lenders? **Not Available – Very Weak**

SQ 11 What is the cost of summary proceeding if available to lenders as a percentage of property value? **Not Available – Very Weak**

4.2.3 – Power-of-Sale

SQ 12 Power-of-sale agreements give creditors the power to sell properties after notice to the borrower without court intervention. What is the time between notice of intent to sell and loan collection for power-of-sale agreements if available to lenders? **85 Days – Very Strong**

SQ 13 What is the cost of power-of-sale agreements if available to lenders as a percentage of property value? **1.92% – Very Strong**

Source – *Financing Homes, 2008* The International Bank for Reconstruction & Development / The World Bank
http://www.cipe.org/sites/default/files/publication-docs/Financing%20Homes%202008.pdf

4.3 Commercial Dispute Resolution

| Core Question: | Can commercial disputes be resolved efficiently and fairly without exorbitant expense and delay? **Yes – Strong, however the unpredictable and uneven regulatory system discourages foreign investors from doing business in Romania.** |

Survey Questions

Commercial Courts

SQ 14 Do specialized commercial courts exist for the handling of property disputes and foreclosures? **Yes – Strong, Commercial Tribunals operate in each county.**

Source: European Justice
https://e-justice.europa.eu/content_about_the_network-431-ro-en.do?member=1

Alternative Dispute Resolution

SQ 15 Are alternative dispute resolution mechanisms in place including commercial arbitration, private mediation and community based processes? **Yes – Strong, Member of the New York Convention, Mediation Council established in 2006**
Commercial Treaties

SQ 16 What bilateral, regional and international commercial treaties exist concerning business between countries? **Very Strong, full member of the European Union**

Source: US State Department [www.state.gov/r/pa/ei/bgn/35722.htm](http://www.state.gov/r/pa/ei/bgn/35722.htm)

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In-Country Assessment

[NOTE: This is a Desktop Scorecard conducted from internet research from the sources sited. Scores need to be verified and the following questions answered by an in-country partner conducting interviews and on the ground verification of actual transactions and the experience of stakeholders.]

FQ18 To what extent do small businesses trust public institutions to support contract enforcement?

“The Coalition for the Development of Romania (CDR) said that adopting the ‘passing to pay’ draft bill in its current form would “greatly affect the trust of investors regarding Romania’s ability to respect some fundamental principles,” according to a press release from the organization.”

5. Financial Transparency

Goal – A well developed and transparent financial system that includes strong supporting institutions and highly trained and ethical professionals that contribute to effective financial intermediation and deep and broad access to capital and financial services

5.1 Market Stability

Core Question: Are market risks sufficiently transparent and diversified so that efficient capital allocation can occur? No – Weak, Romania continues to recover from the recent global economic slowdown and has made fiscal sustainability a priority. Economic growth rates have improved, but the benefits have not been felt by all Romanians.
Financial Reporting

5.1.1 What is the strength of the country’s auditing and reporting standards? **Weak – 78th out of 138; Score 4.4 out of 7; Trend ↑**

Financial Services

5.1.2 Does the financial sector provide a wide variety of financial services to businesses? **No Very Weak – 125th out of 138; Score 3.4 out of 7; Trend ↓**


Insolvency Process

**Strong – Ranking – 49th out of 190 Trend ↑**

5.1.3 What is the average time to complete bankruptcy proceedings? **3.3 years**

5.1.4 What is the cost of bankruptcy proceedings as a percentage of the estate? **10.5%**

5.1.5 What is the recovery rate of bankruptcy proceedings? **34.4 cents on the dollar**

Source: *Doing Business 2017– Resolving Insolvency* [www.doingbusiness.org](http://www.doingbusiness.org)

5.2 Independent Asset Valuers

| Core Question: Do trained, independent and ethical asset valuers exist for all types of assets? **Yes – Strong, the Valuers association has more than 4,500 individual members and 152 affiliated firm members. It has a staff of six competent professionals and a cadre of 40 trainers. It represents about 70 percent of all appraisers in Romania.** |

Survey Questions

Standards

SQ 17 How easy is it to find a valuer who implements International Valuation Standards? – **Strong – the National Association of Romanian Valuers is a member of IVSC & TEGoVA**

Training

SQ 18  What is the level of training of valuers?  – *Very Strong, Romania has strong valuer training programs and also helps train valuers in the region.*

_Civil Society Resource: International Real Property Foundation:  
www.nar.realtor/rpf.nsf/pages/romania_

Ethics

SQ 19  Are opinions offered by valuers free of influence from parties to the transaction? *Yes, Strong*

5.3  Data Standards

| Core Question: | Is accurate property information available electronically in formats that are consistent with international standards? *Yes – Strong, information on properties for sale is compliant with international standards and construction permit laws are available online.* |

Survey Questions

Sales & Operating Data

SQ 20  A multiple listing service is an electronic exchange system where brokers and agents can widely share contracted real estate listings of properties that are for sale. Do multiple listing type services exist? *Yes – Strong, the Association of Professional Real Estate Agents of Romania manages an MLS recognized by NAR.*


SQ 21  Do resources exist for obtaining building income and expense estimates? *No – Weak*

Interchange Formats

SQ 22  Do electronic data interchange formats conform to international standards (ebXML – electronic business using extensive markup language)? *No – Weak*

_Civil Society Resource: Open Standards Consortium for Real Estate International  
www.oscre.org_
Technical Standards

SQ 23  Do building codes and office building measurement standards (ANSI/BOMA Z65.1) conform to international standards? Yes, Strong – Law #50/1991 dealing with construction permits was amended at the end of 2016.

Civil Society Resources:  BOMA International  www.boma.org
Institute of Real Estate Management  http://irem.org/

In-Country Assessment

[NOTE: This is a Desktop Scorecard conducted from internet research from the sources sited. Scores need to be verified and the following questions answered by an in-country partner conducting interviews and on the ground verification of actual transactions and the experience of stakeholders.]

Valuation Profession

FQ19  How many independent valuers exist in the market? Can small businesses obtain fair valuations for property they want to buy or sell?
FQ20  What are the valuation standards and do they conform to international and regional standards?
FQ21  What valuation methods and techniques are used in the market?

Data Availability

FQ22  How available is information for commercial properties that are for sale or that have been sold?
6. Appropriate Regulation

Goal – A comprehensive regulatory regime that is transparent, efficient, simple in its implementation and that leads to accurate reporting of property values and prudent protection from market risks

6.1 Fair Tax Regime

Core Question: Do market participants feel the overall tax rate is fair and participate in formal transactions? **Yes – Strong** – Gains derived by all entities from the sale real property are included in overall profits and taxed at the general corporate tax rate of 16%.
**Transfer Tax**

6.1.1 What is the total property transfer tax including all duties and payments? **1.4% - Very Strong**

**Overall Tax**

6.1.2 What is the overall tax rate on entrepreneurs (as a percentage of profits)? **38.4%** — Ranking **– 50th out of 190**, Strong – Trend ↑

**Divestment**

Survey Question

SQ 24 What is the tax on profits for foreign investors when divesting property? **16% Corporate Profits tax – Strong**


[www.doingbusiness.org](http://www.doingbusiness.org)

**6.2 Professional Services**

| Core Question: | Are the professional services necessary for efficient and transparent property markets available and appropriately regulated and supervised? **No – Weak**, although there are licensing requirement to enter the profession as a real estate practitioner, a license is not required. |

**Asset Valuers**

Survey Questions

SQ 25 Are property valuers licensed and/or certified by the government? **No – Weak**, although the National Association of Romanian Valuers is very active and international firms are well represented.

SQ 26 How effective are mechanisms in place to discipline valuers who engage in misconduct? **Unknown**

Source: [http://nou.anevar.ro/](http://nou.anevar.ro/)
Brokers & Agents

Survey Questions

SQ 27 Are real estate brokers and agents licensed and/or certified by the government? **No – Weak, although the Association of Professional Real Estate Agents of Romania is active.**

Civil Society Resource: [www.apair.ro/](http://www.apair.ro/)

SQ 28 How effective are mechanisms in place to discipline brokers or agents who engage in misconduct? **Unknown**

Mortgage Professionals

Survey Questions

SQ 29 Are mortgage professionals licensed and/or certified by the government? **No – Weak**

SQ 30 How effective are mechanisms in place to discipline mortgage professionals who engage in misconduct? **Unknown**

6.3 Capital Markets

| Core Question: | Are capital markets well-regulated and diversified enough to provide financial resources to private-sector entrepreneurs and innovators? **No – Weak, despite a diversified securities listing, the situation on the international capital and financial markets has adversely affected the Romanian capital market, and liquidity remains low.** |

Capital Flows

6.3.1 What are the business impacts of rules on Foreign Direct Investment? **Very Strong – Rank 34TH out of 138, Score 5.1 out of 7; Trend ↑**

Security Exchanges

6.3.2 Is the regulation of securities exchanges transparent, effective and free of influence from government and industry? **No – Very Weak, Ranking 114TH out of 138; Score 3.5 out of 7; Trend ↓**


### Securitization

6.3.3 What is the depth of asset-backed securities, mortgage-backed securities, high-yield bonds and highly leveraged loans? **Weak – Ranking 33\textsuperscript{rd} out of 62**

https://www.export.gov/article?id=Romania-efficient-capital-markets

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<th><strong>Taxation</strong></th>
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<tr>
<td>FQ23 What is the level of taxation for small businesses? Are any of those taxes an excessive burden on small businesses? Are any tax discounts provided for small businesses?</td>
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<th><strong>Professional Services</strong></th>
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<td>FQ24 What is the experience of small businesses in dealing with professional property market service providers such as real estate agents, brokers and valuers?</td>
</tr>
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</table>