

Bucharest, April 20  
PRESS RELEASE

## **The legislative bill to simplify taxation of individual investors on the capital market, backed up by Bucharest Stock Exchange, received the final approval in the Romanian Parliament**

The Chamber of Deputies, the decision-making forum, adopted today, April 20, the legislative proposal to simplify the taxation of investors in the capital market. Of the 264 deputies present, 213 voted in favor, other votes were: 46 abstention and 5 against. The bill provides for withholding tax on capital gains for individual investors to be retained at source, with two tax levels, i.e. 1% for holdings over one year and 3% for holdings of less than one year, while losses won't be compensated. The obligation to calculate, withhold at source, declare and pay the tax will fall on the intermediaries and fund managers. The law would enter into force on January 1, 2023, after being promulgated by the President of Romania and published in the Official Journal of Romania.

*'The capital market has made great progress in recent years, both in terms of getting closer to local entrepreneurs, and in terms of attractiveness for the population. We believe that the adoption of differentiated taxation of profits and the withholding of tax generated by capital gains will have a major impact on the development of the Romanian capital market. We are getting closer and closer to investors, and we encourage them to invest in local listed companies because this increases their financing capacity. We are happy with the support we receive from the Romanian State institutions in our efforts, our common goal being the development of the Romanian economy',* said Radu Hanga, Bucharest Stock Exchange President.

*'We welcome the decision of the Chamber of Deputies, which adopted today, six months after the legislative initiative was registered in the Parliament, the law that will make much easier for potential investors to access the capital market. Because this is our goal: to encourage the population to be more present in the capital market and, thus, to facilitate the access of Romanian companies to financing. Today's vote, as well as the whole process that this legislative initiative went through, is a confirmation of the usefulness and relevance of our approach for all market*



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*players. I thank all those who believed in the need for this legislative project, the initiators of the law and all the supporters’, said Adrian Tănase, Bucharest Stock Exchange CEO.*

The [legislative proposal](#) on amending and supplementing Law no. 227/2015 on the Fiscal Code, which includes simplifying the taxation of capital market investors, was registered in the Senate for debate on October 13, 2021. The initiators of the legislative project are PNL deputies Sebastian Burduja, Gabriela Horga, George Tuta and USR senator Claudiu Muresan, the project being supported by the Bucharest Stock Exchange, the Financial Supervisory Authority, the Association of the Fund Administrators in Romania, the Romanian Association of Banks and the Brokers Association.

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