

NEWS AND VIEWS
The BRCC Newsletter

Issue 2, May 2009



AND THIS YEAR'S CHAMBER OF THE YEAR AWARD GOES TO.....ROMANIA!

What a super achievement! We are so very proud to have won this year's award. The prestigious Chamber of the Year Award granted by the Council of British Chambers of Commerce in Europe (COBCOE), of which we are members is an important event for all 32 British bilateral member Chambers of COBCOE and one that we all take very seriously, as it recognises the extraordinary cumulative work carried by British bilateral Chambers across Europe, and we are proud and active members of this family.



The announcement was made at the COBCOE annual conference Gala Dinner which took place at the Royal Automobile Club in London and was accepted by Brian Davies and Anne-Marie Martin on behalf of the members and staff team of the BRCC.

According to the 3 independent judges drawn from the inward business tourism agency for London, Visit London; UK Trade & Investment and private enterprise, the BRCC stood out from the other excellent candidates because it scored consistently high in all categories – Membership Development, Events, Sponsorship Achievement and Corporate Social Responsibility - and above all because of its specific focus on the organisation's development, ideas, plans and implementation, clearly defined organisational goals which have consistently involved its members. The Chamber's collaborative and inclusive approaches have been the key reasons for their success and this as you all know, is something we are very, very proud of. The truth is that without your consistent support we would not have been able to reach this very happy moment in the Chamber's history and for this we, the BRCC team are very grateful.

Thank you for joining us at our celebration in Bucharest at the end of April and we look forward to seeing some of you at our celebration event in London on 22nd June at the Reform Club.

SPECIAL FEATURES

BRCC TAKES POSITION ON RECENT CHANGES TO THE FISCAL CODE

In April, the government passed an Emergency Ordinance (GEO) making significant amendments to the Fiscal Code with the aim of protecting budget revenue during the downturn. The changes include the introduction of a minimum corporate tax based on turnover, starting from 2200 RON per year, regardless of whether a company is in profit or not. In addition, VAT is no longer deductible on the purchase of most new cars, and fuel is non-deductible for corporate tax purposes, even for business related trips.

The BRCC and its members were concerned about many of these changes, and sent a joint letter to the Finance Minister, Gheorghe Pogea along with AmCham and the Foreign Investors' Council (FIC). The three investors' associations first pointed out that the changes had been introduced quickly, by GEO, even though the Fiscal Code is supposed to be amended only by a Law, taking effect from 1 January of the year after it is passed. BRCC, AmCham and FIC members have expressed their understanding that the government is under pressure to protect revenue and to respect the requirements of the IMF agreement. However they have pointed out that such rapid changes, introduced without a full consultation process, could be counter-productive.

The joint letter drew attention to the danger that several provisions in the GEO may reduce revenue and impede recovery, which is the opposite of what the government aims to achieve. In particular, Small and Medium Enterprises (SME's) will be hard hit by the minimum tax. The BRCC and the other investors' groups argued that it would be much

better for the authorities to concentrate on combating fiscal avoidance and evasion, rather than introducing changes in a hurry which will hurt honest taxpayers and damage the business climate.

The joint letter to Minister Pogea also included a detailed technical commentary on the changes, prepared by tax specialists from KPMG – which is a founding member of the BRCC - and the other "Big 4" consultancy firms including PwC, E & Y and Deloitte, together with some other leading local consultants. The joint letter drew attention to several incompatibilities between the GEO and EU Directives as well as European Court of Justice (ECJ) case law.

In the opinion of the BRCC, the best strategy for the government to adopt would be simplicity. At present, tax compliance in Romania is quite difficult for many, because the system is complex and bureaucratic. If the government makes it easy to pay tax, then more people are likely to

Founder Members
Alexandrion Group
Alison Hayes
ArcelorMittal
BAE SYSTEMS
Delamode
Deloitte Romania
GlaxoSmithKline
KPMG Romania

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comply. For example, there is clearly a problem about assessing the benefits to employees from personal use of company cars. In the UK, every employee who obtains a company car pays tax on a fixed proportion of its value, which is the deemed benefit. This eliminates the need for complicated paperwork. It may not be a 100% accurate reflection of the proportion of work to personal use, but it is simple.

Simplicity in taxation helps economic growth, because taxpayers, whether individuals or businesses, spend less time on tax administration, and so have more time for commercially productive activities. A coordinated effort to simplify the tax system could bring great benefits to the economy and to the state budget too.

The action taken by the BRCC in participating in the preparation of a joint letter was done at very short notice. However, as BRCC members will know, we have had two members meetings at which we discussed members' proposals for improving the fiscal system. Such consultation meetings, and also working with the other Chambers on matters of common interest, is something that the BRCC not only believes in but attempts to put into practice

Of course there is always the potential criticism that the Government will not take any notice of our representations, or indeed of anyone else. However, we believe that it is always better to make the views of our members known to Government rather than say nothing.

Ray Breden, Director, BRCC (Tax Director, KPMG Romania)

CRISIS DISMISSALS: EMPLOYERS DO HAVE A CHOICE

By Zamfirescu Racoți Predoiu

The financial crisis is reshaping many businesses and has caused obvious issues in the private sector as to dismissal, redundancy, the rights of employees against insolvent companies and programs dealing with unemployment, employee rights and employer practices.

The most common response by companies to an economic crisis is a reduction in workforce, but redundancies are often poorly conceived or badly managed. If an employer is forced to implement dismissals, it must consider all the relevant factors and comply with its legislative requirements in order to avoid repercussions.

The latest changes in the labour law field, addressing both employer and employees, aim at conveying legal measures to assure, on the one hand, a climate of social protection for those who have lost their jobs or are at risk of losing it, and on the other hand, to allow employers the alternative to efficiently reorganize their business. These legal measures refer to a 'downtime' period, which is a suspension of work caused either by the lack of organizational or technical means for its execution or by *force majeure* or other circumstances.

The Romanian Government has recently introduced specific provisions on social protection measures in order to protect the unemployed and to limit the dismissals. In this respect, the Romanian Government provided that (a) for the persons that presently benefit from unemployment protection, the unemployment allowance granting period, is prolonged by 3 months, up to 15 months; (b) that during the temporary interruption of the employer's activity, but not more than 3 months, the employer and the employees are exempted from the payment of the social security contributions owed both by the employers and by the employees benefiting from the allowance of minimum 75% of the basic salary for the occupied position; (c) the allowances the employees benefit from, of minimum 75% of the basic salary for the occupied position, paid from the salary fund, during the temporary interruption of the employer's activity are not to be included in the salary incomes and are tax-free, for a period of maximum 3 months as of 2009.

To put it simply, the last two decisions of the Romanian Government are meant to limit or, at least, to suspend the decision of the employers to dismiss part of the employees by eliminating the contributions payment obligation and the income tax related to the allowance of minimum 75% of the basic salary for the occupied position.

In other words, the new legal provisions are favourable to creating a buffer period between holding the employee capacity and losing such capacity, this being the half-way alternative for both socially protecting the employees and creating fiscal and commercial facilities for the employers.

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Sustaining Members		
Athénée Palace Hilton	Bulboaca & Asociatii SCA	BDR Associates
Crowne Plaza Hotel	Freshfields	Howard Johnson Hotel
JW Marriott Hotel	Point Max	Sanders Polyfilms Ltd
Stanleybet International		Zamfirescu Racoti Predoiu (ZRP)

MEMBER PROFILES

British Airways - continuing the tradition, committed to its guests



British Airways is keeping the promise made to its Romanian guests, offering them great value for reasonable prices, supplying wonderful memories as well as impressive services for both leisure and business passengers.

While several airlines have announced cost-cuttings, changing the menus and introducing different taxes, given the current financial situation, British Airways is, now more than ever, involved in offering its guests the best travelling experience, continuing its tradition. Practically, Romania is one of the few growing markets that British Airways wants to strengthen through further investments and improvements.

3rd daily flight – flying high with customers at heart

What better proof of this than BA's third daily flight, introduced on March 29th, which comes in the context of the reduced number of BA flights, at global level, together with the optimized schedule in order to better suit travellers; thus, if in 2008 the third flight departed from Bucharest at 15:15, in 2009 the flight departs at 17:05, offering its guests the possibility to plan a one-day trip. British Airways is currently operating three daily flights on the route Bucharest – London.



T5 – high-level performance and luxurious services

BA's one-year-old home – the T5 terminal from the Heathrow airport in London – is yet another proof of its goal to satisfy the guests' needs offering them a multi-functional airport. T5 includes over 100 of the best retail stores, boutiques and restaurants as well as luxurious spas and lounges. In one year of operations Terminal 5 has welcomed over 20 million customers and handled more than 154,000 flights. Over 84,000 passengers departing from Romania with the destination London have had the chance to live the T5 experience; another 80,000 passengers have left Terminal 5 with the destination Bucharest, in the period March 2008 – January 2009.

A recent survey conducted by BA on almost 3,000 customers showed that 85% of the T5's guests used the words calm, happy or impressed to describe their time in the terminal. British quality services have insured that 83% of BA's flights departed from T5 on time.

Personal space – 2:2 configuration

In its commitment towards its passengers, British Airways has changed its cabin configuration from 2:3 to 2:2 on all mainline Club Europe services, starting February 23rd 2009. The configuration offers costumers a guaranteed window or aisle seat, with the middle seat free, providing them with more privacy and enhancing their ability to work and rest onboard.

All in all, British Airways is reconfirming the long-term commitment made to its guests, offering them not only great fares but also extraordinary services and ensuring a great flight for guests who value the way they fly.

theBigGive helping your donations go further **Donate £50 in May - We get £100**

Hospices of Hope has been selected as a charity under The Big Give's 'matched funding' scheme. The idea is that for every donation made to Hospices of Hope through the website www.thebiggive.org.uk it will be matched 100%.

So if you donate £50... We will receive £100!!

Double your donation to Hospices of Hope when you donate through The Big Give in May. The Reed Foundation and a number of our patrons and trustees have joined together to create a £10,000 matched fund through The Big Give. However, we can only benefit from this funding if it is matched by donations from our supporters. All donations made through The Big Give in the month of May will be doubled, until the £10,000 has been donated. We need your help to unlock this vital funding!

To donate to the fund, go to www.thebiggive.org.uk/matching/hoh

The Big Give was set up in 2007 to offer charities a platform to promote their charitable projects to major donors. In November 2008, The Big Give enabled online donations from £5 upwards, and in December, launched a £1m matched fund in association with the Reed Foundation, which was exhausted in just 45 minutes. The Big Give has facilitated £2,285,553 in online donations since November 2008.



BDR ASSOCIATES

Business Superbrands honoured the excellence in branding in Romania

30 elite companies with outstanding achievements in branding were celebrated at the 2008 Superbrands Gala, the business event of the year



The second edition of the Business Superbrands Programme in Romania ended with the launch of the second volume of the Business Superbrands book for this market. The Business Superbrands Gala, a ceremony dedicated to the acknowledgment of the outstanding performance in branding, took place on April 27, at JW Marriott Bucharest Grand Hotel. Top representatives of the business environment, of pre-eminent companies and organizations, members of the Business Superbrands Honorary Council, specialized press attended the event.

The event was officially opened by Cătălina Stan, Managing Director Superbrands Romania and President of the strategic communication agency BDR Associates, which is the partner chosen by Superbrands International for the implementation of the program in Romania. Honorary guests included Mrs Anne Marie Martin, CEO of the British Romanian Chamber of Commerce who also acted as the event's Master of Ceremony, Rhett Lego, Operational Manager for Europe of the Superbrands Organization, and respectively Anca Harasim, Executive Director of the American Commerce Chamber in Romania, who handed out the 2008 Business Superbrands trophies.

The companies honoured at the Business Superbrands Gala were: Germanos Telecom Romania, Ziarul Financiar, Arctic, Zentiva, Băneasa Shopping City, Sensiblu, BCR, Rompetrol, Braiconf, Raiffeisen Bank, BRD Groupe Societe Generale, Procter&Gamble Marketing Romania, British American Tobacco, Orange Romania, Business Magazine, Nielsen Company, Coca Cola HBC Romania, Napolact, DHL International România, Microsoft România, Domo, Medcover, Mediafax, ING Romania and JW Marriott Bucharest.

"In the context of a rough year for Romania, and under terms of deep economic difficulties, the outstanding performance of the companies which entered the Business Superbrands Program stands for the most tangible argument that, in such moments of economic deadlock, values are standing out in the end. All our respect for those who have chosen to consolidate their reputation in these difficult times and to make an excellent example to all of us", Cătălina Stan, CEO and President of BDR Associates, the strategic communication agency which manages the Superbrands Program in Romania, said.



The Business Superbrands Volume includes top brands from fields and industries emblematic for the Romanian market, as well as two sections in premiere for Romania. The first category, brands from neighbouring markets, with potential for further development of branding culture, is represented by 3 well established brands in the Republic of Moldova. The second premiere is the category Brands to Watch, which celebrates the remarkable start on the Romanian market of brands such as Radisson SAS and RBS.

The Business Superbrands 2008-2009 volume, distributed in 82 countries worldwide through the Superbrands offices network, represents an exceptional promotion instrument of the Romanian market's potential, as well as an image conveyor for Romania.

More information about the Business Superbrands program you may find on www.superbrandsromania.com



BULBOACĂ & ASOCIAȚII

BULBOACĂ & ASOCIAȚII MAKES NEW PROMOTIONS AND ADAPTS ITS STRATEGY TO THE CHANGES OF THE MARKET

Business Law Firm Bulboaca & Asociatii continues its range of promotions started in the first part of the year, appointing as of 1st of May 2009 the attorney-at-law Razvan Stoicescu, as Managing Associate, and the attorneys-at-law Costin Teodorovici and Ioana Radu as Senior Associates.

At this moment, the management team of the firm consists of six partners – Adrian-Catalin Bulboaca, Managing Partner, Corina Ionescu, Valentin Berea, Iulia Toth, Bogdan Bibicu and Cosmin Stavaru. They are part of a 23 attorneys' team.

“The accelerating development of the firm imposed naturally the adopting of a strategy which would be helpful for the 2009 challenges, an atypical year for the attorneys market. Among these there are promotions of new partners, the appointing of attorneys in managing positions, but also the departure of those colleagues who had a different perspective than the firm's in the above mentioned context. In establishing the new steps, we have considered the current background of the respective market as well as the clients' needs”, Adrian-Catalin Bulboaca, Managing Partner of the firm, stated.

Razvan Stoicescu, Managing Associate, 28 years old, is the managing attorney of the legal team which assisted the Romanian state in the Eurobonds emission in amount of 750 million Euro, transaction performed in 2008. He is specialized in Financing and Capital Markets, and is a member of the Bucharest Bar since 2004. Razvan previously held the position of Senior Associate; he joined Bulboaca & Asociatii at the same time with its incorporation. He speaks fluently English and French.

Costin Teodorovici, Senior Associate, 28 years old, is a member of the Bucharest Bar since 2005, was promoted from the position of Associate, being specialized in Financing and Capital Markets, he joined Bulboaca & Asociatii over a year ago. Costin advises from the legal point of view Bulboaca & Asociatii clients such as the investment bank Schroders Investment Management in consultancy given to Fondul Proprietatea for the selection of the administration fund of its assets. Costin speaks fluently English and French.

Ioana Radu, Senior Associate, 27 years old, specialized in Disputes and Labor Law, is a member of the Bucharest Bar since 2005, has joined team Bulboaca & Asociatii in the last part of year 2007. Ioana advises from the legal point of view clients from Bulboaca & Asociatii portfolio of clients such as the press trust Ringier and the chocolate manufacturer Kraft. She speaks fluently English.

At the same time, Bogdan Bibicu, who currently holds the position of partner, is about to withdraw, Bulboaca & Asociatii in the near future, the effective date of his departure being still discussed.

“We wish to thank Bogdan for the two and a half years that he spent in our firm Bulboaca & Asociatii. The contribution that Bogdan brought to the establishment and development of the firm entitles us to wish him good luck and a professional course matching his expertise”, Adrian-Catalin Bulboaca added.

The law firm Bulboaca & Asociatii has promoted in the position of partner, starting with the 1st of January 2009, the attorneys Iulia Toth and Cosmin Stavaru. Also, Raluca Stavaru took over the position of Head of Business Services, title which entails the managing of the entire business service staff of 15 people.

Bulboaca & Asociatii was founded at the beginning of 2007 by Adrian-Catalin Bulboaca together with a team of six attorneys. The year 2008, the second year of activity of the firm brought to the portfolio of the law firm top new clients and transactions, which joined the existent ones. Among the most important activities of the law firm of last year there are:

- Representing the Romanian State in connection with the issuance of Eurobonds in amount of 750 million Euro
- Granting legal assistance to Schroders Investment Management Limited for establishing the strategy of Fondul Proprietatea S.A. for selecting the administration fund of its assets, estimated at 4 billion Euro
- Granting legal assistance to a developer of a wind project in its transaction with Verbund S.A.
- Granting legal assistance to Proton Technologies in selling a majority participation towards Vodafone România S.A.
- Granting legal assistance to the company OTP Ungaria in connection to the sale of insurance division to the French company Groupama, representing a transaction in amount of 897, 2 million dollars.

Bulboacă & Asociații is listed by the most prestigious European annuals of law firms among top players on the Romanian market of business law.

The 2008 editions as well as the 2009 ones of International Financial Law Review, Chambers & Partners Global, Chambers & Partners Europe or The Legal 500 include Bulboacă & Asociații between the most important law firms in Romania regarding the domains: Mergers and Acquisitions, Banking, Dispute, Project finance. Also, Bulboacă & Asociații attorneys are considered by the respective publications among the best practitioners in the analyzed domains.

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Athénée Palace Hilton
Bucharest
Travel should take you places™

BROAD-WAY TO ROBERTO'S

Make your way to **Roberto's Restaurant** on **Friday, May 29th**, to rediscover the **most beautiful BROAD-WAY** songs in its cosy and always welcoming atmosphere. Listen to your favourite songs like Beauty and the Beast, Maria, Tonight, Memories etc. Aria Band & Soloist Maria Jinga, mezzo - soprano at Bucharest National Opera, will be there to entertain you.

Price: **140 RON per person including an exquisite 3 course menu**. For reservations and further information, please call 021 303 3777.

All Night Mojito on La Strada Terrace at the Hilton
June and July

Every Friday, 8 pm onwards on La Strada Terrace, buy 1 Mojito, get 1 free..everything in groovy music mixed by the DJ!

Because it's June, it's Berries delight

From strawberries to black currants, from salads to the finest desserts, summer begins on La Strada with our Summer Berries Promotion!

Happy hour on La Strada

Half price for all cocktails from May to July, daily, 5pm- 7 pm

Brasserie - Lamb promotion

Try the mouth watering and surprising lamb dishes in the Brasserie available from June 1st - June 19th



INTERCONTINENTAL
BUCHAREST

THE NEW CORSO TERRACE: BUCHAREST'S COOLEST HOTSPOT!

The Corso Terrace is opening soon! Take your business downtown and treat yourself and your partners to a special mix of international and Romanian cuisine, buffet or à la carte, cool drinks and summer desserts. The spectacular view onto Bucharest's biggest boulevard is complimentary! Every Sunday, from 12:00 to 16:00 you can delight with a "Brunch on the boulevard" – Summer Edition. Book your seats on the terrace in advance!

Phone: +40 21 310 20 20



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EXCELLENCE CREATING VALUE

**LEGAL
 ADVISORY**

Nörr Stiefenhofer Lutz is synonymous with outstanding knowledge of the economic and legal situations in Central and Eastern Europe.

Our Bucharest office, founded 10 years ago, has become one of the leading integrated advisory firms in Romania, providing legal, tax and financial advisory services with over 50 employees.

Our office in Bucharest possesses the necessary expertise and know-how to meet the requirements of an emerging market. We are among the leaders on the Romanian market as one of the most popular addresses for international and local clients.

We combine local know-how with experience to provide efficient and tailor-made solutions. Our extensive experience with local structures and decision-making processes contributes to rapid and smooth implementation of your project.

We focus mainly on the areas of corporate law, M&A, joint ventures, privatisations, real estate and construction law,

greenfield investments, banking and finance law, labour law, dispute and litigation, competition and antitrust law, intellectual property law, leasing and insurance law, media, pharmaceutical law, energy law, IT and telecommunication law and environmental law.

Prof. Dr. Jörg K. Menzer is available to you as contact partner in Bucharest:

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NÖRR STIEFENHOFER LUTZ

BERLIN BRATISLAVA BUCHAREST BUDAPEST DRESDEN DÜSSELDORF
 FRANKFURT/M. KIEV MOSCOW MUNICH NEW YORK PRAGUE WARSAW

MARCH LAUNCH OF THE FASHION BRUNCH BY NOVOTEL CONCEPT



Fashion Brunch

by NOVOTEL

24th of May 2009

fashion show starts at 14:00

170 RON/pers
 (all taxes included)

From 12:00 till 16:00 buffet with fresh lobsters,
 Tiger prawns, foie gras and other delicacies.



Book your table at:
 021 308 85 30 or H5558-FB@accor.com

Calea Victoriei 37B
 Access to underground parking from Matei Milo street

A marvellous event of elegant runway shows that take place along with a delicious buffet of fresh lobsters, tiger prawns, foie gras and other delicacies. A creative showcase of outfits from young designers who want to make a name for themselves in the industry. Novotel brings the Fashion Brunch once per month.

Don't miss the next 2 exciting Fashion Brunches on the **24th of May** and the **14th of June**. Please book a table in advance at 0040.21.308.85.30 . The underground parking is available".

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Prospectiuni SA is a publicly traded company, quoted on the NASDAQ.

Prospectiuni is a major provider of geological and geophysical expertise, with over 55 years of experience in the Romanian Oil and Gas industry. We now operate internationally and under the new leadership of CEO, Mr. Gehrig Schultz, have major plans for further expansion in to the worldwide market.

From our head office and support facilities in Bucharest, Prospectiuni offer a wide range of geophysical services, including 2D, 3D & 4D onshore seismic survey planning and acquisition, seismic data processing, data storage, geological and geochemical analyses, magnetic telluric surveys and gravity surveys. We have extensive operations in Romania, Bulgaria and Iran.

Onshore Seismic surveys are our largest operations and are usually carried out on behalf of oil companies who are seeking to pinpoint oil and gas reserves within subterranean rock strata. Our seismic crews are operated by a team of up

to 500 staff – a core of highly qualified technicians and a skilled and semi skilled labour force.

Prospectiuni operates to the highest international standards of Health, Safety, Environment & Quality (HSE&Q), using an extensive range of 'state of the art' equipment operated by a world class team of professionals.

Seismic data is then processed in Prospectiuni's processing centre in Bucharest by highly experienced geophysicists using Promax software and special programs from our technology partners.

Prospectiuni also operates a large data storage facility which is used to archive our clients' data as well as the being the Romanian National Seismic Data Repository for the National Agency for Mineral Resources.

Prospectiuni provides a range of other services from our headquarters' in Bucharest:

- Geological surveys, often in areas where there is a risk of landslip. Our geological department works in conjunction with building contractors who specialise in working to stabilise, unstable slopes.
- Geochemical analyses: A large range of geochemical services.
- Gravity and magnetic telluric surveys: Used to locate oil and mineral reserves.



State of the Art Prospectiuni Central Recording truck goes anywhere, in any weather to collect data where our clients may find oil and gas



Experience and passion to unravel the earth's mysteries guide one of Prospectiuni's geochemical engineers in analyzing samples in our specialized geological laboratories



SEISMIC SURVEY: Two of Prospectiuni's specialised, vibrator trucks: These move slowly across the land, creating seismic waves which travel underground and reflect off the many subterranean rock layers. The waves bounce back to the surface and are recorded by thousands of sensitive 'geophones', which are pre-planted in the soil over large areas. Geophones are similar to microphones and are designed to detect vibration. The geophones then transmit the vibration through many kilometres of cable to a central recording truck, where our technical staff operates computers with software designed to correlate all the incoming information.



PRICEWATERHOUSECOOPERS

INTERNATIONAL TRANSFER PRICING 2009

As governments throughout the world implement stringent transfer pricing regulations, it is vital for every company to have a coherent transfer pricing policy which is responsive to the rapidly changing markets in which they operate. Today a properly coordinated defence strategy is a basic necessity rather than an expensive luxury.

Over the past 12 months, several new countries have implemented either formal or informal transfer pricing documentation requirements. A growing problem facing multinational enterprises is the issue of preparing documentation to demonstrate compliance with transfer pricing rules across multiple jurisdictions. More and more tax authorities have established documentation rules that require companies to state clearly and with supporting evidence why their transfer pricing policies comply with the arm's length standard. Many jurisdictions have also implemented strict penalty regimes to encourage taxpayers' compliance with these new procedures. These conflicting pressures need to be reviewed and managed, both to meet the burden of compliance and to avoid costly penalties, notes PwC.

Now in its eleventh edition, PricewaterhouseCoopers' **International transfer pricing 2009** explores not only why sound transfer pricing policies must be developed within reasonable timescales but also why such policies need

to be re-evaluated regularly to allow for changes in the business.

This unique annual review provides general guidance on a range of transfer pricing issues in over 60 countries and practical advice on a subject where the right amount of effort can produce huge dividends in the form of a low and stable tax charge, coupled with the ability to defend a company against a transfer pricing investigation by the tax authorities.

With the ever-increasing scrutiny of transfer pricing activity by tax authorities worldwide, PricewaterhouseCoopers strives to assist its clients in the development of tax-efficient structures that help them increase compliance with legal requirements, prepare for rapid audit response, resolve transfer pricing disputes and increase transfer pricing exposure in future periods.

To receive a copy of **International transfer pricing 2009**, please speak to your usual PricewaterhouseCoopers transfer pricing contact or visit our dedicated website www.pwc.com/internationaltp



OUTSTANDING DOUBLE ACHIEVEMENT FOR RADISSON SAS HOTEL, BUCHAREST

Only a few months after the grand opening, Radisson SAS Hotel, Bucharest can boast two outstanding achievements: it was awarded the 'Hotel Project of the Year 2008' in South-eastern Europe at the SEE Real Estate Awards Gala Dinner and it was included in the category 'Brands to Watch' within the prestigious program Business Superbrands Romania.

Radisson SAS Hotel, Bucharest was designated the winning project in the category "Hotel Project of the Year" at the South-eastern European Real Estate Awards Gala Dinner, organized by Europa Property, a leading CEE commercial real estate markets information provider. The decision of the jury consisting of 27 experts in the real estate field was made on the basis of quality of design, quality of construction materials, the construction process in relation to costs, environmental concerns, accessibility and location, with special consideration for the commercial success and durability of the project. By being awarded the 'Hotel Project of the Year 2008', Radisson SAS Hotel, Bucharest joined other



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successful companies and outstanding projects in the real estate field in South-eastern Europe, which were celebrated at the SEE Real Estate Awards Gala Dinner.

Radisson SAS Hotel, Bucharest makes the difference not only as an exceptional real estate project, but also as a major growing brand on the Romanian market. As a confirmation of this status, Radisson SAS Hotel was included in the Program Business Superbrands Romania, within the category 'Brands to Watch'. This category celebrates the brands which had a remarkable debut on the market, their further evolution being closely watched by the Business Superbrands Program. The 'Brands to Watch' trophy award was handed over to the Radisson SAS Hotel General Manager Yilmaz Yildirimlar during the Tribute Event. This Gala Dinner marked the conclusion of the second edition of the Business Superbrands Romania and the official launch of the second volume of the Business Superbrands Romania book, which features top brands in areas and industries representative for the Romanian market, among which Radisson SAS Hotel, Bucharest.



„Despite the fact that we have recently entered the market, less than one year ago, we boast to be now one of the leaders of the hospitality industry in the region. This position is being also confirmed by the two prestigious awards which honour us and further motivates us to keep up the excellence standards with regards to both the real estate project and the prestigious hospitality brand that define our hotel”, the General Manager of Radisson SAS Hotel, Bucharest said.

Hmmm ... Black Sea

..or crystal clear water?

Shine yourself in the most fashionable summer location in Bucharest!

Summer Package

1 night 152 Euro
2 nights 232 Euro

The Package includes:
-Accommodation in Standard Double Room
-Super Breakfast Buffet and Sunday Brunch
-Free access to World Class Health Academy together with free use of outdoor pool facilities

Other benefits:
-50% discount on the parking space.
-Kids up to 6 years old are free of charge.

Valid for Friday, Saturday and Sunday.
1 night, Saturday to Sunday
2 nights, Friday to Sunday
All Taxes are included.
Valid upon hotel room and rate availability.

Calea Victoriei 63-81
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+40 21 601 3500



BRCC members will receive “free upgrade to business class”



Corporate RealTime Cost optimization for office space rental prices

The most frequently used word during this period is the word crisis. Financial, economic, real estate and psychological crisis. Any company, irrespective of the activity sector or dimension suffers from its negative effects.

The development management promoted one year ago transforms in **cost optimization management** or, even worse, **in loss reduction management**.

The measures to be taken are not predictions or business innovations. There are simple and obvious measures, dictated by the cash-flow report:

- staff dismissals
- salary negotiations
- cost reduction with vehicles
- suppliers contracts renegotiation
- cost reduction or elimination with optional services
- overhead value renegotiation and assets maintenance

Irrespective of adopted solutions, there is increasing pressure on the contribution with the rent to the total cost of a company.

It is for sure now, and nobody denies it, that a real estate and psychological crisis really exists. The effect is the decrease of reference values for a rentable square meter

and the increase of the degree of vacant spaces on the office buildings market.

The tenant is pressured by the cash-flow and, possibly, by the space remained unused as a result of staff dismissals.

The owner faces the problem of repositioning in report to the market and avoiding the apparition of "vacant spaces", fact that will lead to the incomes reduction.

On short and average term, the relation tenant-owner becomes very sensitive.

Services offered:

We try to meet the needs of the tenants of office spaces as well as the ones of the office buildings and parks developers, trying to find customized solutions, adding value for both involved parties.

RealTime proposes to its customers interested to rent an office space, a **comparative study** on cost optimization with office spaces rental prices reported to the reality of the real estate market.

www.realtime.ro



SALANS

Challenges in the current economic context: Mass dismissal

In the context of the current economic downturn, the contraction of businesses imposes quick restructuring measures, including downsize of the work force that became redundant by way of collective dismissal.

- ❖ According to the Romanian Labour Code, **dismissals are deemed collective** if performed within a 30-calendar day timeframe, for reasons unrelated to the employee, which affect:
 - ❖ **at least 10 employees** for a company with more than 20 employees and less than 100 employees;
 - ❖ **at least 10% of the employees** for a company with at least 100 employees, but less than 300 employees;
 - ❖ **at least 30 employees** for a company with at least 300 employees.
- ❖ The **collective dismissal procedure** is provided mainly by the Romanian Labour Code and the National Collective Bargaining Agreement for 2007-2010, and on a case by case basis, by the applicable collective labour agreements concluded at industry/company level that
 - may be more favourable to the employees in terms of prior notice, severance payments, etc.
- ❖ The collective dismissal consist in **elimination of job positions**, which must cumulatively met the following conditions:
 - ❖ **be effective;** and
 - ❖ **have a real and serious cause.**
- ❖ Closure of a working unit, a production line or closure of the company followed by its voluntary dissolution and liquidation, could be deemed to meet the conditions for elimination of redundant job positions and triggering of the collective dismissal.
- ❖ While in case of individual dismissals, the **procedure** is rather simple and less time consuming, the **collective dismissal procedure** is more complex and time consuming, involving preparation of a substantial

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number of documents (e.g. justification for elimination of job positions, collective dismissal decision, notifications to labour authorities), as well as the employer's obligation to follow certain mandatory steps (e.g. consultations with union/employees' representatives, notifications to relevant labour authorities, etc.) before issuance of prior termination notices (Rom. "Preaviz") and individual termination decisions for each affected employee.

- ❖ Redundant employees are entitled to:
 - ❖ **prior notice** of at least 20 business days (applicable collective agreements at industry / company level may provide for a longer period); and
 - ❖ **severance payments** in the amount set forth at the national level or negotiated at industry / company level.

The minimum severance amount provided by the Collective Bargaining Agreement at National Level for 2007-2010, is of one monthly base salary.

- ❖ The **individual termination decision** must include, under the sanction of nullity, at least the following items:

- ❖ legal and factual grounds for dismissal;
- ❖ duration of the prior termination notice;
- ❖ timeframe to challenge the decision; and
- ❖ competent court for challenging the decision.

(Source – Romanian Labour Code, National Collective Bargaining Agreement for 2007-2010)

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TUCA ZBARCEA
ASOCIAȚII

Attorneys at law

Tuca Zbârcea & Asociații Boosts Banking and Finance Practice with Top Lawyer Recruitment

As of 1st of May 2009, Mihai Dudoiu (33 years old) is Managing Associate with Tuca Zbârcea & Asociații and Co-ordinator of the firm's Banking & Finance practice group.

Before joining Tuca Zbârcea & Asociații, Mihai Dudoiu was Senior Associate and Co-coordinator of the Banking and International Finance Department of CMS Cameron McKenna for 3 years.

The appointment will see Mihai Dudoiu take on strategic responsibility for further strengthening the firm's Banking and Finance practice group.

„The move will add a lot more strength to what we obviously think is a good Banking and Finance team. The role of Managing Associate sits very well with Mihai's extensive banking expertise”, said Ștefan Damian, Deputy Managing Partner with Tuca Zbârcea & Asociații.

Mihai Dudoiu has worked for 10 years as a corporate and international finance lawyer in Bucharest, having co-ordinated an important number of project finance transactions. He acted for foreign and domestic credit institutions, investment companies, funds and non-banking financial institutions, among which: Banca Românească, a member of National Bank of Greece Group, Unicredit, Erste Bank / Banca Comercială Română (BCR), BRD Groupe Société Générale, Eurohypo, Piraeus Bank, Bank of Cyprus etc. He has acted on various complex, high-profile mandates, including on numerous secured financing syndicated transactions with an aggregate value in excess of €1 billion, as well as real estate finance (shopping malls, office, residential and commercial development and hotels), acquisition finance and “green-field” investments in the energy sector.

„The appointment of Mihai Dudoiu as a Managing Associate is part of the strategy we have unveiled ever since the beginning of the financial and economic turmoil. We aim at strengthening key-areas of the firm's practices and will continue to recruit senior professionals especially in insolvency, litigation and arbitration, energy, infrastructure/public acquisition, labour law” added Ștefan Damian, Deputy Managing Partner with Tuca Zbârcea & Asociații.

Tuca Zbârcea & Asociații now boasts more than 80 lawyers, including 16 partners. In 2007, the firm opened a regional office in Cluj-Napoca, in association with Nistorescu, Șomlea & Asociații.

www.tuca.ro



Feet for F.R.O.D.O - 2009

**Hit the Ground Running, Cycling, Swimming ...
and help a Romanian child walk**

F.R.O.D.O. – Foundation for the Relief of Disabled Orphans is looking for people who care, to join our ‘Feet for F.R.O.D.O.’ sports team. You can take part in our specially organised events or sign up for any event that involves your feet and raise funds for F.R.O.D.O.

- **Warren is running the City to Surf, August, Australia**
- **Vanessa is taking part in the London Duathlon Richmond Park, September, looking for team mates..**
- **Celia is running her first 5k ever in F.R.O.D.O.’s West Ham 10k on 27th June**

**Come and join the ‘Feet for F.R.O.D.O.’ team
and take up the 2009 challenge to raise
£25,000 to help disabled orphans in Romania**

We can do it!

To enter yourself or a team email celia@frodokids.org or call 02076027946
For more information please visit our website

www.frodokids.org

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NEWS FROM HABITAT FOR HUMANITY ROMÂNIA

10 years ago, a few orphans from Bihor County, in the community of Beius, learned the trade of construction (concrete work as well as roofing, dry-walling, stucco and painting work) together with volunteers from Romania and 14 other countries. They were much loved, encouraged and they flourished in this skill. Among the 385 volunteers spending 2 weeks in Beius were 17 dedicated Northern-Irish folks, young and old, who continued their support to these disadvantaged kids for years. The event of 1999 –*the Eclipse Build*– transformed for ever the lives of 10 needy families, 11 orphans and the whole community. 10 homes were built for the needy then in 9 working days with our non-profit ministry of Habitat for Humanity!

October 5th through 10th, 2009, is bringing Northern Ireland volunteers back! They celebrate with Habitat for Humanity Northern Ireland 10 years of sending aid and volunteers overseas in a meaningful way. They chose not to party, not to fancy with high-end events but get their sleeves up and help the poor of Romania. In recognition of the original

celebration and of the great need, HE Ambassador Barnett will join them and hammer nails on the site!

But the October 2009 event, named “Big Build”, needs more support: cash donations, in-kind gifts and volunteers! In 5 working days, 10 homes will be blitz-built, hopefully with membership of the BRCC joining! We need you badly...just think of this story: an orphan, Gyongyi, one of the girls that learned surprisingly a construction skill in 1999 on our site now qualifies for a home of her own. She slept on the streets of Beius in the ‘90’s and strives to be able to call one of the October houses “my home”. Consider, please, joining. National media will be here. Incredible team building for your company employees will occur. And above all, the satisfaction you have done amazing life long transformation. With your own hands, putting a roof above the poor. At the Big Build in October but also on any other 15 sites of Habitat for Humanity across the country.

www.habitat.ro



at a glance.....

- Support**
- Events**
- Access, Contact and Representation**
- Networking**
- Promotion**
- Information Exchange**
- Collaboration**
- COBCOE AND CFCC Network**
- Market Services**
- Member Services**
- Business Services**

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E-mail: info@brconline.eu

www.brconline.eu



EVENTS UPCOMING QUARTER

June	
1-30	<p>British Days in Romania Photographic competition exhibition Foyer Novotel Hotel Bucharest Full information from astefan@brcconline.eu</p>
11	<p>BRCC EU Funding Opportunities Workshop (KPMG Romania conference room) (09:00 – 11:30) Presentations of EU funding opportunities available in 2009 and beyond and a practical guide for accessing those funds. The event will be run by Mrs. Cristine Barbu, Manager, Advisory services, KPMG and Mrs. Irina Stanciu, Managing Partner, Byron Associates and moderated by Raymond Breden, Member of the Board of Directors of the BRCC Full information from irafiroiu@brcconline.eu</p>
22	<p>BRCC Networking Drinks Reception in celebration of Chamber of the Year Award, Reform Club, London SW1 (18:30-20:30), hosted by The Rt. Hon Lord Lamont of Lerwick and Brian Davies with guest of honour, HE Dr Ion Jinga, Romanian Ambassador to the Court of St. James Full information from ceo@brcconline.eu</p>
30	<p>British Days in Romania 2009, Bucharest Business Dinner & Photo Exhibition Awards Ceremony (19:00-22:30 – JW Marriott Hotel, Bucharest) The “British Days” events introduced in 2008 to mark the BRCC’s 10th anniversary celebrations have established a precedent for an annual project and the 2009 edition will take place in Bucharest on 30th June 2009. To mark this 2nd edition of British Days in Romania, the BRCC have launched their annual art competition “Romania’s Hidden Treasures”, a photographic account showcasing British-Romanian talent, exhibited in Bucharest and London during 2009 and the winner of which will be announced and awarded at a charity fundraising Business Dinner on the evening of 30th June 2009. We are delighted to advise that we have invited HE Prime Minister Emil Boc, HE Minister of Economy, Adrian Videanu and to be the guests of honour at this event and our key business speaker will be Shah Rouf, Chief Executive of Aviva Romania We will again be raising much needed funds for a nominated BRCC Associated member charity with the support of many of our member hotels and airlines This year’s nominated charity is Acorns Foundation with specific project of the Baby Acorns facility - the first insitution in Romania which offers services of care and education to children aged 1-3, in a structured way – celebrates 3 successful years since opening in its own building. Full information from irafiroiu@brcconline.eu</p>
SUMMER BREAK – JULY – AUGUST	

BRCC - FOCUSED ON MEMBERS' NEEDS

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