

banking & finance - legal changes published in October 2018

The Regulation for amending and supplementing the Regulation of the National Bank of Romania no. 17/2012 on certain credit conditions, as subsequently amended and supplemented, was passed by the Board of Directors of the National Bank of Romania on 17 October 2018.

The Regulation provides the maximum level of indebtedness which will be 40% of the net income on loans in lei and 20% for the foreign currency loans. The total indebtedness is determined as the ratio of the total monthly payment obligations relative to the monthly net income.

Also, the maximum borrowing rate is increased by 5 percent for loans for the purchase of the first dwelling to be occupied by the borrower.

The amendments provided for by the Regulation will apply to both banking institutions and NFIs, to be published in the Official Gazette and will enter into force on January 1, 2019.

Regulation no. 5/2018 amending and supplementing the Regulation of the National Bank of Romania no. 5/2013 on prudential requirements for credit institutions was published in the Official Gazette of Romania, Part I, no. 881 of October 18, 2018.

The regulation introduces the notion of a banking agent and requires credit institutions to draw up and submit a list of bank agents to the National Bank of Romania - the Supervision Department within 30 days of the entry into force of the Regulation. On the basis of the list, the banking agents are registered in a registry kept by the National Bank of Romania, which will be continuously updated.