PANORAMIC

INVESTMENT TREATY ARBITRATION

Romania



LEXOLOGY

Investment Treaty Arbitration

Contributing Editor

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Romania



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BACKGROUND

Foreign investment

What is the prevailing attitude towards foreign investment?

After the fall of the communist regime in 1989, Romania developed its policies to encourage foreign direct investment (FDI), to create and strengthen a viable market-oriented economy and to reduce the economic discrepancies between its regions. Romania worked towards creating an appropriate legal framework for the development of projects by foreign investors and adopting a national strategy in this field.

Its strategic position as a member of the European Union and its location close to the Commonwealth of Independent States, its rich natural resources (agricultural land, oil and gas, hydropower infrastructure) and its population (the sixth largest in the European Union) are some of the key elements that attract FDI.

Romania ended 2025 with an economic growth of about 0.7%. According to the Romanian National Institute of Statistics, the gross domestic product for 2025 was almost €422.51 billion. Fiscal and current account deficits are and will remain elevated. Poverty reduction is expected to slow down because of inflationary pressures, mainly from food and energy, especially since some of the government support measures have been discontinued.

According to data published by the National Institute of Statistics, the sectors that contributed most to economic growth in 2025 were construction and agriculture:

- agriculture: positive contribution of 0.2% (improvement from the previously estimated -0.2%);
- industry: neutral contribution (0%);
- construction: positive contribution of 0.5%;
- trade, transport, hotels and restaurants: negative contribution of -0.1% (adjusted from +0.3%); and
- public administration, education and health: neutral contribution (0%).

Although sometimes confronted with red tape and difficulties in communicating with the authorities, foreign investors consider Romania a reliable partner because of its improving business climate.

Once documentation is completed for the formation of a new company (name reservation, registration forms, by-laws, statements, etc), it takes an average of three days to complete its registration. Foreign investors benefit from a cost-competitive business environment, including:

- a flat corporate tax rate of 16%;
- tax exemption in the case of profits reinvested in some class of assets;
- a 21% value-added tax (VAT) standard rate;
- a reduced 11% VAT rate for specific products and services (namelyfoodstuffs, medicines, hotel accommodation, fertilisers, pesticides and other services in the agricultural sector); and

- a reduced rate of 11% that applies to various supplies of goods and services that are substantially linked to day-to-day social, educational and health needs.

Law stated - 31 August 2026

Foreign investment
What are the main sectors for foreign investment in the state?

According to the most recent data from the Romanian Central Bank currently available, at the end of 2024, the main sectors for FDI in Romania were:

- industry, mainly in manufacturing (37.1%);
- construction and real estate (17.3%);
- trade (17.2%); and
- financial services and insurance (13.2%).

Law stated - 31 August 2026

Foreign investment
Is there a net inflow or outflow of foreign direct investment?

In Romania, there is a net inflow of FDI with a positive trend.

According to official information provided by the Romanian Central Bank, net FDI inflows reached €861 million in 2024, a significant increase of approximately 2.3 times compared with the previous year.

Law stated - 31 August 2026

Investment agreement legislation
Describe domestic legislation governing investment agreements with the state or state-owned entities.

State legislation does not provide specific requirements – over the substance or the form – with respect to investment agreements concluded with the state or state-owned entities. Such agreements, whether concluded with national or foreign investors, must generally comply with domestic laws on the valid conclusion of contracts. The applicable provisions may vary depending on, for example, whether the state institutions are engaged in agreements as private law partners or make use of their public authority, as well as the applicable procedures and formalities for the selection of the contracting parties, such as public procurement agreements and public–private partnerships.

Law stated - 31 August 2026

INTERNATIONAL LEGAL OBLIGATIONS

Investment treaties

Identify and give brief details of the bilateral or multilateral investment treaties to which the state is a party, also indicating whether they are in force.

Romania has entered 98 bilateral investment treaties (BITs) and, at the time of writing, 53 are in force. The European Union has also entered 89 investment treaties with investment provisions (not BITs) with other states or organisations, of which 66 treaties are in force. In June 2015, the European Union began infringement proceedings against five member states, including Romania, requesting them to terminate intra-EU BITs between them owing to the existence of provisions that were considered incompatible with EU laws. Therefore, according to the provisions of Law No. 18/2017, which entered into force on 24 March 2017, the Romanian state has undertaken the termination, either by mutual agreement or by unilateral termination, of 22 BITs with EU member states. After the Court of Justice of the European Union (CJEU) issued the ***Achmea*** decision in Case C-284/16 on 6 March 2018, the Declaration of the Member States on the legal consequences of the ***Achmea*** judgment and on the protection of investments was published on 15 January 2019, which stated that all member states must be committed to terminate all intra-EU BITs.

On 5 May 2020, Romania and 22 other EU member states signed the Agreement for the Termination of Bilateral Investment Treaties concluded between EU member states. Some of the adopted measures could be considered surprising – namely, the termination of sunset clauses – as this could be considered a change of perspective in terms of protecting foreign investments. The Agreement was published in the Official Journal of the European Union, series L 168/1 of 29 May 2020.

On the other hand, a foreseeable measure contained in the Agreement provides for the termination of the EU BITs (listed in Annex A). Article 4 of the Agreement confirms that member states do not have recourse to arbitration for intra-EU disputes, regardless of the arbitration rules governing arbitration. By contrast, the termination of the sunset clauses by the Agreement – both those in the BIT terminated by the Agreement and those in a series of BITs already terminated (listed in Annex B) – is a less predictable measure.

In the absence of any provision on the institutions competent to settle investment disputes after the entry into force of the Agreement, investors will have the option to refer to national courts to resolve such disputes.

All EU investors benefit from the same protection afforded by EU rules (eg, non-discrimination on the grounds of nationality).

By Law No. 2 of 4 January 2022 Romania ratified the Agreement between Member States of the European Union on the Termination of Bilateral Investment Treaties signed in Brussels on 5 May 2020.

Romania is also a signatory to the Energy Charter Treaty (ECT,) which aims to strengthen cooperation on energy issues by creating a unitary set of rules to be observed by the participating countries to enhance, among others, the management of the risks generated by energy-related investments. The ECT was ratified by Law No. 14/1997 of the Romanian Parliament and has been in force in Romania since 16 April 1998. In a decision of 2 September 2021, the Grand Chamber of the CJEU decided in the case known as ***Komstroy***,

case C-741/19, that the Investor-State Dispute Settlement mechanism provided for by the ECT is not applicable to intra-EU disputes.

Romania also became a member of the Multilateral Investment Guarantee Agency by signing the Convention Establishing the Multilateral Investment Guarantee Agency in Seoul on 11 October 1985, which is aimed at promoting and insuring foreign direct investment in developing countries to facilitate economic growth.

Law stated - 31 August 2026

Investment treaties

If applicable, indicate whether the bilateral or multilateral investment treaties to which the state is a party extend to overseas territories.

Romania has no overseas territories.

Law stated - 31 August 2026

Investment treaties

Has the state amended or entered into additional protocols affecting bilateral or multilateral investment treaties to which it is a party?

Romania is a signatory party to the Agreement for the Termination of Bilateral Investment Treaties between the Member States of the European Union from 5 May 2020. The President of Romania signed Decree No. 920 on 6 August 2021 and, in accordance with the Romanian Constitution, submitted the Agreement for Parliament's ratification. Law No. 2 of 4 January 2022 on the ratification of the Agreement for the Termination of Bilateral Investment Treaties between Member States of the European Union, signed in Brussels on 5 May 2020, was passed by the Parliament. According to the sole article of this law, the Agreement for the Termination of Bilateral Investment Treaties between Member States of the European Union, signed in Brussels on 5 May 2020, is ratified as of January 2022.

Law stated - 31 August 2026

Investment treaties

Has the state unilaterally terminated any bilateral or multilateral investment treaty to which it is a party?

Romania enacted Law No. 18/2017, whereby the termination either by mutual agreement or by unilateral termination of 22 BITs with EU member states was approved. Romania is also a signatory party to the Agreement for the Termination of Bilateral Investment Treaties concluded between EU member states. The Parliament ratified the Agreement in January 2022.

Law stated - 31 August 2026

Investment treaties

Has the state entered into multiple bilateral or multilateral investment treaties with overlapping membership?

Romania is a party both to bilateral and multilateral investment treaties and, as such, overlapping membership may occur. For instance, Romania is a party to the ECT, to which member state parties are also parties to BITs. Romania is also a member of the Comprehensive Economic and Trade Agreement entered between the European Union and Canada. Where overlapping membership exists and the successive treaties do not relate to the same subject matter, those treaties shall continue to operate in parallel. Otherwise, when two successive treaties between two parties cover the same subject matter, this calls for an interpretation of the will of member states. Romania is not a party to the Vienna Convention on the Law of Treaties 1969, which deals with such a situation under article 30. Following the issuance of the ***Achmea*** decision, the compatibility of intra-EU BITs with EU law is likely to be disputed, both from a substantive and procedural law perspective. The European Commission has always adopted the position that following the accession to the European Union of the central and eastern European states, their BITs, which are now qualified as intra-EU BITs, have become obsolete as most of their regulatory content has been replaced by EU law. In fact, the Commission regarded them as an "anomaly within the EU internal market", which, because of their bilateral protection standards, leads to its fragmentation as well as to discrimination based on nationality, and thus to an infringement of article 18 of the Treaty on the Functioning of the European Union (TFEU). Also, arbitration clauses would interfere with the exclusive jurisdiction of the CJEU enshrined in articles 267 and 344 of the TFEU.

In addition, as per the judgment in the ***Komstroy case*** delivered by the Grand Chamber of CJEU, the settlement mechanism under ECT was deemed to be inapplicable in case of intra-EU disputes.

Law stated - 31 August 2026

ICSID Convention

Is the state party to the ICSID Convention?

Romania signed the International Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the ICSID Convention) 1965 on 6 September 1974 and deposited the instruments of ratification on 12 September 1975. On ratification, Romania made a declaration in relation to the provisions of article 70 of the ICSID Convention. The ICSID Convention entered into force with respect to Romania on 12 October 1975 and it has been invoked in several arbitral disputes.

Law stated - 31 August 2026

Mauritius Convention

Is the state a party to the UN Convention on Transparency in Treaty-based Investor-State Arbitration (Mauritius Convention)?

Romania is not a party to the Mauritius Convention.

Law stated - 31 August 2026

Investment treaty programme

Does the state have an investment treaty programme?

The first BIT signed by Romania was with the United Kingdom in 1976 (this treaty was replaced with a new BIT, signed by Romania and the United Kingdom in 1995). Before 1989, other BITs were signed by Romania, mostly with African or Asian countries, such as Sudan (1978), Cameroon (1980), Senegal (1980), Sri Lanka (1981) and Malaysia (1982). After the fall of the communist regime and the transition to the democratic system and market economy, the number of BITs signed by the Romanian government increased significantly. Among the first countries that signed BITs with Romania after 1989 were Italy (1990), Uruguay (1990) and Greece (1991).

Most BITs were signed in the 1990s, such as those signed with the United States (1992), China (1994) and India (1997), and illustrate the government's objective to enhance its investment policies. Romania also signed BITs after 2000, with notable examples being new investment treaties with Türkiye (2008), Canada (2009) and Kazakhstan (2010). The main objectives pursued through Romania's investment treaty programme refer to the promotion and protection of investments in view of stimulating the business initiative, by creating a core of rules applicable to the signatory parties of the BIT, such as:

- fair, equitable and non-discriminatory treatment of the investors;
- effective means of asserting claims and enforcing rights related to investments;
- transparency of the laws and regulations applicable to investments; and
- full repatriation of capital and profits.

In any case, outside these treaties, considering Romania's membership to the European Union, EU law provides for comprehensive protection of investors, namely through the prohibition of discrimination on grounds of nationality (article 18 of the TFEU), the freedom of establishment (article 49 of the TFEU) and the free movement of capital (article 63 of the TFEU). Also, the liability of member states for damages resulting from infringements of EU law has been established. EU internal market law is accompanied by human rights protection. Article 1.1 of the Protocol to the European Convention on Human Rights provides for compensation for expropriation, and the Charter of Fundamental Rights of the European Union provides for the right to property and to fair compensation in case of expropriation in the public interest (article 17), the right to good administration (article 41), and the right to effective remedies and a fair trial (article 47). At the same time, the European Union provides for a specific balance between the fundamental freedoms and investor protection on the one hand and other (codified and uncodified) public interests on the other, including a huge body of secondary law.

At present, Romania's efforts are directed towards the continuous development of a business-friendly environment, reflected in the national legislation and by the continuous improvement of its judiciary or other alternative dispute proceedings.

Law stated - 31 August 2026

REGULATION OF INBOUND FOREIGN INVESTMENT

Government investment promotion programmes
Does the state have a foreign investment promotion programme?

The Romanian Agency for Investment and Foreign Trade operates the InvestRomania website, a one-stop shop for foreign investors, assisting and advising international companies for project implementation in the country. It is divided into 12 sections, as follows:

- About the institution;
- Public interest;
- Transparency;
- Mediate;
- Department of Foreign Trade;
- Export Promotion Directorate;
- Strategy Department;
- Francophonie Economic Mission in Bucharest;
- Investment opportunities outside Romania;
- Contact;
- Invest Romania; and
- Events.

Law stated - 31 August 2026

Applicable domestic laws
Identify the domestic laws that apply to foreign investors and foreign investment, including any requirements of admission or registration of investments.

As a member of the EU, Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 on establishing a framework for the screening of foreign direct investments into the European Union is applicable. This regulation was implemented in Romania by the Government Emergency Ordinance No. 46/2022, establishing the Commission for the Examination of the Foreign Direct Investment (CEFDI), a collegial body under the authority of the Romanian government.

In 2023, the Romanian government decided to widen the screening procedure provided by the above Regulation for foreign direct investments and to make it applicable also to EU investments. The legal instrument is the Government Emergency Ordinance No. 108/2023 on the amendments to Competition Law No. 21/1996 and other statutes. It is debatable whether this Romanian policy is compatible with the free movement of capital and freedom of establishment as these are tenets of the EU law.

At present, there is a standstill obligation for investors regarding putting into effect the investment until authorisation from CEFDI is obtained.

Apart from the above screening procedure, foreign investment in Romania is generally treated similarly to any type of national investment. Foreign investors can make investments in any domain and under any legal form provided by the law and they benefit from equal treatment as local investors, irrespective of whether they are a resident or a non-resident in Romania.

The state's concern to protect and promote foreign direct investment is reflected in national laws that provide for a general framework regarding guarantees and facilities applicable to foreign investors. In this respect, the Government Emergency Ordinance No. 92/1997 (which is still in force, except for the provisions relating to fiscal and customs facilities, which fall under EU competency) sets forth foreign investors' main rights, which include the following:

- the possibility to freely manage the company with full ownership rights;
- full repatriation of capital and profits;
- full protection against expropriation and nationalisation;
- access to state aid and EU funds; and
- the possibility of employing foreign citizens.

The Government Emergency Ordinance No. 92/1997 provides that a company, a resident or non-resident legal entity can acquire any rights regarding real estate, to the extent necessary for the development of its activity, with the observance of the laws in this field. Law No. 312/2005, which entered into force on 1 January 2007, partially put aside the previous interdictions related to real estate ownership by foreign nationals and set forth that EU citizens and legal entities can acquire ownership rights over real estate under the same conditions as nationals.

Prior to 2007, before Romania's accession to the European Union, foreign citizens and legal entities based in an EU member state or elsewhere were not entitled to own any real estate in Romania. This restriction continues to apply to other countries that are not EU or EEA members. In such cases, owning real estate in Romania is difficult, given that the law demands a specific international treaty and condition of reciprocity.

Further, from 1 January 2012, citizens not residing in Romania and non-resident legal entities belonging to an EU or EEA member state can acquire ownership rights over real estate serving as a secondary residence and secondary company headquarters. In addition, from 1 January 2014, citizens and legal entities belonging to an EU or EEA member state can acquire ownership rights over agricultural lands and forests. The sale and purchase of agricultural land are subject to certain restrictions, such as observing the rights of first refusal and the other procedural steps laid down in Law No. 17/2014 on certain measures for the acquisition of agricultural lands.

Foreign investors have no special restrictions when setting up a new business in Romania. The procedure of creating a new company requires the fulfilment of some legal formalities, such as (without limitation):

- choosing the company's object of activity and its legal form (eg, a joint-stock company, a limited liability company or a company limited by shares;

- submitting evidence regarding the verification of the company's name availability and reservation of the selected name (online procedure);
- establishing the headquarters (compulsory supporting legal documents);
- preparing the company's by-laws and statutes;
- submitting evidence regarding the required bank deposit (social capital);
- registration of the company with the Romanian Trade Registry;
- registration for value-added tax purposes;
- establishing the signature specimen;
- registration of the employment contracts with the Territorial Labour Inspectorate; and
- obtaining relevant authorisation for operational purposes, depending on the type of activity.

In addition, for most of the activities, additional authorisation is needed for any investor, including foreign ones (eg,for running registered and secondary businesses, for employment protection or for environmental legal obligations).

For some activities, which usually relate to highly regulated markets, specific authorisations, formalities and conditions are required (eg, banking, telecommunications, supply of water, energy or gas-related services, gambling, insurance, or customs-related services).

When conducting their business, all investors, including foreign ones, must comply with national and EU norms that regulate competition issues, such as anticompetitive practices, economic concentrations and unfair competition.

The Romanian Competition Council monitors the observance of the competition rules and conducts numerous investigations to identify and sanction the breach of these rules.

Law stated - 31 August 2026

Relevant regulatory agency

Identify the state agency that regulates and promotes inbound foreign investment.

Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 established a framework for the screening of foreign direct investments into the Union, which was afterwards implemented in Romania by the Government Emergency Ordinance No. 46/2022 establishing the Commission for the Examination of the Foreign Direct Investment (CEFDI) a collegial body under the authority of the Romanian government. CEFDI is also the authority with the powers granted under the Government Emergency Ordinance No. 108/2023.

Also, since February 2023, The Romanian Agency for Investment and Foreign Trade operated as an agency under the authority of the Romanian government, being coordinated by the Romanian Prime Minister. The Agency aims to implement the government's policy for attracting foreign direct and portfolio investments in Romania; promoting foreign trade, including Romanian services, exclusively in the field of tourism; and monitoring Romanian investments abroad. The Agency is based in Bucharest. From the same date, the

Agency replaced the former Ministry of Entrepreneurship and Tourism, whose duties and responsibilities were fully transferred to the Agency.

Law stated - 31 August 2026

Relevant dispute agency

Identify the state agency that must be served with process in a dispute with a foreign investor.

In the case of disputes before a regular jurisdiction (the state courts), the state is represented by the Ministry of Public Finance, which must be served with process, except for specific situations when the law grants to another authority the power of representation on behalf of the state.

However, regarding foreign investments, the law provides that the state or its public institutions are represented before the International Centre for Settlement of Investment Disputes (ICSID) tribunals by the institution or the public authority that managed the issues in the dispute regarding the mutual protection of the investments. Where those issues were managed by more institutions or public authorities, the competence of representation before an ICSID tribunal is established by the government.

To ensure the representation of Romania before an ICSID tribunal, the competent public institution or authority selects lawyers specialised in international disputes, either from Romania or abroad, with the observance of the public procurement legislation.

In other arbitrations that are not based on bilateral investment treaties but on privatisation agreements of state-owned companies, the institution usually served with the process is the Authority for the Administration of State Assets (AAAS). The AAAS exercises all rights and obligations deriving from the state's capacity as a shareholder in relation to the management, restructuring, privatisation or liquidation of state-owned companies.

Law stated - 31 August 2026

INVESTMENT TREATY PRACTICE

Model BIT

Does the state have a model BIT?

Romania does not have a model BIT. Nonetheless, analysis of the BITs signed by Romania after 1990 illustrates that many of the clauses inserted therein are like most BITs, reflecting the country's interest in ensuring uniform protection of foreign investors in Romania, as well as offering comparable business conditions for national investors in foreign countries.

Law stated - 31 August 2026

Preparatory materials

Does the state have a central repository of treaty preparatory materials? Are such materials publicly available?

Romania has a central repository of treaty preparatory materials, as well as treaties and agreements to which the country is a signatory party, at the Diplomatic Archives in Bucharest. One of its sections – the Fund of the Historic Archives – also holds records of documents related to the state's foreign policy, some of which date back to the beginning of the 19th century.

The documents, which consist of preparatory files, correspondence between governments and diplomatic reports, can be consulted on-site upon request. Some of the documents are available in electronic form, although most can only be accessed in physical form.

However, some of the available data is classified and, pursuant to Law No. 16/1996 on the National Archives, can only be consulted by the public upon the expiry of a certain deadline (usually, a 50-year term).

Interested people can obtain copies of non-classified documents, free of charge, after prior approval of the archives of the Ministry of Foreign Affairs. Personnel can help in searching and identifying relevant documents.

In addition, some materials concerning the state's foreign relations with other countries – including documents dating back to the 17th century – are available for on-site consultation at the National Library of Romania.

The BITs applicable to Romania are available on the United Nations Conference on Trade and Development website. Moreover, the bilateral and multilateral treaties to which Romania is a party, which apply to many domains, are available on the Ministry of Foreign Affairs website.

Law stated - 31 August 2026

Scope and coverage

What is the typical scope of coverage of investment treaties?

Investments falling under the scope of the BITs concluded by Romania cover a wide range of assets, including movable and immovable property and other property rights such as mortgages, shares, bonds and other kinds of legal interests in companies, intellectual property rights, receivables, business concessions conferred by law or under contract, claims to any activity having an economic value. The protection is offered to any foreign investor, which is understood, as a rule, as any citizen of a contracting party or as any legal entity incorporated under the laws of the state where its headquarters are located.

From a general perspective, the main scope of the BITs concluded by Romania with other states is to promote and protect the investments and to offer sufficient guarantees to investors for a safe business climate in the contracting parties' jurisdictions.

Law stated - 31 August 2026

Protections

What substantive protections are typically available?

BITs concluded by Romania offer a bundle of protections to foreign investors, such as:

- protection against expropriation or equivalent measures;
- the right to fair and equitable treatment;
- the right to repatriate incomes and other funds;
- a full protection clause; and
- guaranteed treatment in line with that granted by the host state to its most favoured nation or its own nationals.

Law stated - 31 August 2026

Investor obligations and state rights

What obligations, if any, do investors have under existing BITs, and what is the impact of such obligations on investor protections?

According to the traditional doctrine of international law, only states and not individuals can be subject to the obligations under international law. Obligations of the investors can be found in another source of law, like the domestic law of the host state or in the underlying contract of the investment where specific obligations can be agreed upon (eg, a privatisation contract or a concession contract). Even if the investors are not subject to obligations under international law, they are under the general substantive obligations derived from other sources of law, such as:

- the obligation to comply with the domestic legal framework at the time of investment and thereafter; and
- the obligation to act in good faith and not to engage in corruption.

The failure to observe the substantive obligations might have consequences on the admissibility or merits of claims against the host state.

Law stated - 31 August 2026

Investor obligations and state rights

What rights, if any, does the state have to bring counterclaims under existing BITs?

First, under article 41 of the International Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the ICSID Convention), the principle of competence is enshrined, meaning that the Arbitral Tribunal has the power to rule on its own competence. This power covers not only the claims submitted by the claimant but also the dispute initiated by the respondent via a counterclaim.

Second, the wording of the BIT at stake is crucial for determining whether the host state is or not entitled to submit counterclaims. In ***Spyridon Roussalis v Romania,*** ICSID case No. ARB/06/1, the majority of the Arbitral Tribunal held that it has no jurisdiction to hear

the counterclaim submitted by Romania as the Greece-Romania BIT, as interpreted by the Arbitral Tribunal, covers only the disputes submitted by the investor, not by the state.

Third, where the BIT supports the conclusion that the host state can submit a counterclaim, the dispute initiated by the state must be an investment one and not a general dispute under the domestic law of the host state.

Law stated - 31 August 2026

Dispute resolution

What are the most commonly used dispute resolution options for investment disputes between foreign investors and your state?

In addition to submitting a dispute to the ICSID, several BITs concluded by Romania provide for other options, such as referring the dispute to the domestic courts of the contracting party's state on whose territory the investment was made or to an ad hoc arbitral tribunal established under United Nations Commission on International Trade Law rules of arbitration, as in the case of:

- the Treaty between the United States of America and the Government of Romania concerning the Reciprocal Encouragement and Protection of Investment, of 28 May 1992;
- the Agreement between the Government of Romania and the Government of the Republic of Peru for the Promotion and Safeguarding of Investments, signed in Lima on 16 May 1994; or
- the Agreement between the Government of Romania and the Government of the Republic of Kazakhstan on the Promotion and the Safeguarding of Investments, of 2 March 2010.

However, no information is available regarding the use of these dispute resolution options in the case of litigation arising from BITs signed by Romania.

As far as the settlement of disputes by the ICSID is concerned, Romania has been involved in several disputes settled under the ICSID Convention. The ICSID is therefore the most commonly used dispute resolution option for investment disputes.

However, following ***the Achmea*** ruling, submitting an intra-EU BIT-based case to an investment court of arbitration might entail certain legal risks because arbitral tribunals could simply decline jurisdiction for future proceedings brought under intra-EU BITs. On the other hand, if an arbitral tribunal decides not to decline its jurisdiction and it renders an arbitral award, the further enforcement of the award in the EU could be deprived of legal effects. For instance, from the perspective of EU member states, EU law would have primacy over any conflicting international obligations of the member states.

Law stated - 31 August 2026

Confidentiality

Does the state have an established practice of requiring confidentiality in investment arbitration?

No information is available regarding confidentiality in investment arbitration. Despite this, the awards concerning Romania are generally publicly available, whereas other documents (such as expert opinions, memorials and hearings transcripts) are not subject to disclosure.

Law stated - 31 August 2026

Insurance

Does the state have an investment insurance agency or programme?

At present, there is no specific investment insurance programme for foreign investments; therefore, there is no special insurance for investors. Nevertheless, the investor may conclude private insurance in connection with their investments.

For deploying certain activities, Romanian law may impose mandatory insurance coverage. For example, the providers of healthcare services, medicine or medical devices, when concluding contracts with the public health authority, are obliged to hold insurance policies against malpractice.

Law stated - 31 August 2026

INVESTMENT ARBITRATION HISTORY

Number of arbitrations

How many known investment treaty arbitrations has the state been involved in?

To date, Romania has been involved in 25 investment treaty arbitrations under the International Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the ICSID Convention), of which 16 treaties are concluded and nine are still pending. No information is publicly available regarding investment treaty arbitrations arranged outside the ICSID Convention.

Notable cases involving Romania were disputes initiated by a major private oil company, a company operating commercial venues in airports and individual investors owning a group of companies in a disfavoured region or the disputes initiated by a Canadian company for the process of obtaining a mining licence. In this latter case, the amount in dispute exceeded US$6 billion.

Law stated - 31 August 2026

Industries and sectors

Do the investment arbitrations involving the state usually concern specific industries or investment sectors?

Investment arbitration involving Romania has concerned various specific industries, such as duty-free shops, newspaper distribution, mining and the oil sector. Numerous disputes were initiated following investments made during the privatisation period after 1990.

Law stated - 31 August 2026

Selecting arbitrator

Does the state have a history of using default mechanisms for appointment of arbitral tribunals or does the state have a history of appointing specific arbitrators?

In cases involving Romania, in practice, the arbitral tribunals were composed of three arbitrators, one appointed by each party and the chairman appointed by both parties and, failing that, using the default mechanism under the ICSID Convention. The selection of arbitrators is based on the general principles of such selection, which primarily concern independence and impartiality, good knowledge of mechanisms and legislative provisions, as well as experience gained in similar international disputes. Both Romanian and foreign professionals have been selected and appointed in this capacity.

Law stated - 31 August 2026

Defence

Does the state typically defend itself against investment claims? Give details of the state's internal counsel for investment disputes.

Broadly speaking, the defence against investment claims is administered by means of cooperation between the in-house lawyers of the Romanian government or government department and the specialised law firms, either domestic or foreign, whose services are contracted to serve this purpose.

Law stated - 31 August 2026

ENFORCEMENT OF AWARDS AGAINST THE STATE

Enforcement agreements

Is the state party to any international agreements regarding enforcement, such as the 1958 UN Convention on the Recognition and Enforcement of Foreign Arbitral Awards?

Romania adheres to the UN Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the New York Convention) by Decree No. 181/1961 of the State Council published in Official Gazette No. 19 of 1961. Romania has made declarations and reserves under article I(3) of the Convention.

Law stated - 31 August 2026

Award compliance

Does the state usually comply voluntarily with investment treaty awards rendered against it?

Until now, Romania has received two unfavourable awards. One is currently under appeal under the International Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the ICSID Convention), and in the other case, the Romanian government has decided to comply with the award.

Law stated - 31 August 2026

Unfavourable awards

If not, does the state appeal to its domestic courts or the courts where the arbitration was seated against unfavourable awards?

The Romanian state generally uses all international and domestic appeals against an unfavourable award.

Law stated - 31 August 2026

Provisions hindering enforcement

Give details of any domestic legal provisions that may hinder the enforcement of awards against the state within its territory.

First, foreign awards should be divided between awards rendered and those not rendered under the ICSID Convention. For the first category, the provisions of the ICSID Convention dealing with the enforcement of awards are incidental while, for the latter, their enforcement is governed by the New York Convention or the Romanian Civil Procedure Code.

Second, to have the awards enforced, leave by the court must be granted based on an application by the concerned party, pursuant to article 1126 of the Romanian Civil Procedure Code.

Third, the principle enshrined in article 1125 of the Civil Procedure Code is that any foreign arbitral award may be recognised and enforced in Romania insofar as the dispute may be subject to arbitration in Romania and if the award has no provision inconsistent with Romanian public policy. Failure to comply with the two requirements implies a refusal to enforce the award.

Last, as far as other impediments to enforcement are concerned, the Civil Procedure Code of Romania provides under article 1129 the following cases when enforcement of a foreign arbitral award may be hindered:

- the parties were under an incapacity to conclude the arbitration agreement, according to their own law, established pursuant to the law of the state where the award was rendered;
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the arbitration agreement was void pursuant to the law elected by the parties or, failing such election, pursuant to the law of the state where the award was rendered;

- the party against which the award is enforced was not duly informed on the appointment of the arbitrators or on the arbitration proceedings or it was unable to defend in arbitral dispute;
- the appointment of the arbitral tribunal or the arbitration proceedings violated the convention of the parties or, failing such convention, the law of the place of arbitration;
- the award deals with a dispute not provided by the arbitration convention or outside the limit set out by such convention or comprises provisions exceeding the terms of the arbitral convention. However, if the provisions from the award dealing with the aspects subject to arbitration may be separated from those regarding aspects not subject to arbitration, the former are to be recognised and enforced; and
- the award is not yet binding on the parties, or it was set aside or stayed by a competent authority from the state where or pursuant to which it was rendered.

Law stated - 31 August 2026

UPDATE AND TRENDS

Key developments of the past year
Are there any emerging trends or hot topics in your jurisdiction?

A Netherlands-based property developer has brought a €262 million International Centre for Settlement of Investment Disputes (ICSID) claim against Romania over a project to develop a commercial and residential area in Bucharest, known as the Casa Radio and Dambovita center projects (ICSID Case No. ARB/22/15). The legal basis for the action brought by the claimant was the Netherlands-Romania BIT (1994).

On 10 April 2026, the Tribunal rendered its award. The ruling, adopted by a majority vote, dismissed the claimant's claims on grounds of lack of jurisdiction (a tribunal majority declined jurisdiction over an intra-EU ICSID claim against Romania). The decision was based on findings relating to the company's conduct and certain historical agreements referred to in the company's public disclosures from 2016 to 2020.

However, the dispute between Plaza Centers and the Romanian state is not yet over. In parallel with the ICSID arbitration, the Ministry of Finance of Romania has initiated proceedings at the London Court of International Arbitration, in which Romania is seeking the termination of the public–private partnership for the Casa Radio project and the payment of compensation.

Law stated - 31 August 2026