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PRESS RELEASE

Following the economic recovery measures, the Romanian Government had decided the equalization of income tax to 16%, irrespectively of its source. Although Brokers' Association representatives have requested to the Ministry of Finance to keep the current system of taxation of capital market gains, the authorities had decided a 16% taxation with no exemptions.

In this context the President of Brokers' Association, Mr. Dan Paul, had agreed with the Ministry of Finance, Mr. Sebastian Vladescu, the following technical details:

- The financial investments companies and credit institutions shall not have the obligation to withhold and pay to the state budget the tax on capital gains obtained by their clients from the transfer of the securities traded on the capital market;
- The Tax will be paid quarterly, directly by the investors;
- The tax shall be calculated from the net gains, the losses being compensated with the gains obtained from securities trading;
- The losses reported by the taxpayers at the end of the year, to the Financial Administration Offices, the losses will be carried forward in the next five fiscal years.

Communication and Public Relations Department

Brokers' Association