

THE CONTRIBUTION IN KIND THROUGH ORDINARY SHARES TO THE CAPITAL OF A JOINT STOCK COMPANIES. ADVANTAGES AND DANGERS

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Abstract

In accordance with Law no. 31 of 16.11.1990 on commercial companies, a joint stock company may be established "with full and simultaneous underwriting of the capital by the signatories of the articles of incorporation or by public subscription". If the stockholders wish to subscribe with a contribution in kind, this contribution must be evaluated economically, being effected by transfer of the appropriate duties and by actually handing the contribution over to the company. The contribution of a significant number of stocks coming from a foreign company is used by author for exemplification.. The Romanian stockholder advantage is huge. But so is also the danger, unnoticed by any Romanian law, of participation of such Romanian joint stock companies in the commercial act of auction of some valuable assets, auction at which a Romanian joint stock company guarantees with a capital consisting of a document, which - according to law - can be bought back after a number of years, only to disappear later on.

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