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ORDER 819 dated 19 March 2019 to approve Procedure to organise Register of entities/religious units for which fiscal deductions are granted, as well as template and content of certain forms (Official Gazette 223/2019)

The Order approves Procedure to organise Register of entities/religious units for which fiscal deductions are granted.

We recall that according to the Fiscal Code, through amendments brought by Law 30/2019, sponsorships made to certain NGOs or religious units by payers of either corporate tax or micro-enterprise income tax will be deducted from taxes due, within established limits, only if the beneficiaries are recorded in the Register of entities/religious units for which fiscal deductions are granted.

This rule applies starting the 1st of April 2019 and is also valid for individuals opting to redirect 3.5% of their income tax to NGOs or religious units.

The Register is organised by ANAF, is public and published on ANAF's website (www.anaf.ro).

Registration is upon the entity's request, if, by submission date, the following conditions are cumulatively met:

- a) carries out activity in the field for which it was set, based on a statement under own responsibility/affidavit;
- b) all declarative fiscal obligations according to law are met;
- c) have no outstanding fiscal liabilities to the consolidated general budget, past due by more than 90 days;
- d) has submitted annual financial statements, as provided by the law;
- e) has not been declared inactive, according to art. 92 of the Fiscal Procedure Code.

Registration is through submission of form 163, *Application to register/de-register into/from the Register of entities/religious units for which fiscal deductions are granted*. This form is completed and submitted electronically.

Along with the application, the entity/religious unit also submits fiscal attestation certificates released by local fiscal authorities where the taxpayer is registered.

The application is processed within 10 days of submission date.

EMERGENCY ORDINANCE 15 dated 12 March 2019 to prorogue certain deadlines (Official Gazette 204/2019)

This Ordinance addresses individuals obtaining extra-wage income for which submission of the Sole Tax Return is mandatory and for which payment of tax on income and/or social contributions is also mandatory.

The Ordinance extends the deadline for submission of the Sole Tax Return related to the 2018 financial year and the statement of 2019 estimated earnings to the 31st of July 2019. The previous submission date was the 31st of March 2019.

The deadline to pay tax on income and social insurance contributions owed by individuals has been extended as well, from the 15th of March 2019 to the 31st of July 2019.

Individuals obtaining income from salaries and, depending on the case, obtaining taxable income from pensions, have the right to redirect 2% or 3.5% of their income tax by submitting form 230. For taxes related to 2018, the submission date has been postponed to the 31st of July 2019.

Fiscal bonuses granted for early payment of 2018 taxes, according to previous legislation, will be reflected on the taxpayer's fiscal situation by the 16th of August 2019.



Fiscal facilities for preparation, organisation and overseeing the 2020 European Football Championship

ORDER 1754 dated 28 February 2019 on consumer price index used to determine amount of advance payment for deposit into annual corporate tax account (Official Gazette 211/2019)

The Order sets the consumer price index, used to update the value of advance payments deposited into the annual corporate tax account for 2019, at 102.8%.

EMERGENCY ORDINANCE 18 dated 19 March 2019 to amend and complement art. II of Law 145/2018 to approve Government Emergency Ordinance 18/2018 to approve certain fiscal and budget measures and to amend and complement certain normative acts (Official Gazette 222/2019)

The Ordinance introduces a series of fiscal facilities for preparation, organisation and overseeing the 2020 European Football Championship (*EC 2020*), such as:

- ☑ Non-resident entities organising EC 2020, including their non-resident branches, involved in preparation, organisation and holding the championship, are not taxpayers in the sense of corporate tax related to these activities and the conduct of these activities in Romania does not lead to the existence of a permanent establishment in Romania.
- ☑ Confirmation of non-resident subsidiaries/branches involved in the preparation, organisation and progress of the tournament is made by the non-resident organising entities.
- ☑ Income obtained from preparation, organisation and carrying out EC 2020 in Romania by organising non-resident entities, including their non-resident branches which were confirmed according to provisions described above, is non-taxable income in the sense of tax on income obtained in Romania by non-residents.
- ☑ Income obtained by legal entities, other than those mentioned above, involved in the preparation, organisation and conduct of EC 2020, is non-taxable income in the sense of corporate tax and are exempted from tax on income obtained in Romania by non-residents, depending on the case.
- ☑ Legal entities are confirmed as being related to preparation, organisation and progress of EC 2020 by organising non-resident entities.
- ☑ In the case of Romanian legal entities, revenue is non-taxable if they have the sole purpose of preparing, organising and conducting EC 2020. Revenue obtained from royalties and distribution of assets in case of liquidation is also non-taxable to these Romanian legal entities.
- ☑ Income obtained by non-resident individuals involved in preparation, organisation and carrying out EC 2020 is non-taxable income in the sense of tax on income and tax on income obtained in Romania by non-residents, depending on the case. Individuals are confirmed as being related to the preparation, organisation and proceedings of the championship by organising non-resident entities.

The Procedure to apply the above measures will be set within 15 days from the date when this Ordinance comes into force (meaning from the 21st of March 2019).

LAW 50 dated 15 March 2019 on 2019 State Budget (Official Gazette 209/2019)

LAW 47 dated 11 March 2019 on 2019 State Social Insurance Budget (Official Gazette 196/2019).

The Law approves the State Social Insurance Budget for 2019.

We mention that the average monthly gross wage for 2019 is RON 5,163 (RON 4,162 in 2018). The average monthly gross wage no longer has an impact on income taxes. Its level influences the death benefit received upon the demise of an insured person or pensioner, covered by the Budget of State Social Insurance at the level of one average monthly gross wage, meaning RON 5,163. A death benefit of RON 2,582 is granted if a family member of an insured person or pensioner dies.



ORDER 727 dated 13 March 2019 to amend Procedure to issue and communicate administrative and enforcement acts for debtors who register outstanding fiscal liabilities under a certain limit and to complement Procedure to set additional fiscal liabilities representing penalties for undeclared tax liabilities, approved by ANAF Presidential Order 3834/2015 (Official Gazette 220/2019)

The Order amends the **Procedure to issue and communicate administrative and enforcement acts for debtors who register outstanding fiscal liabilities under a certain limit**.

Outstanding fiscal receivables administered by the central fiscal authority responsible for administration of debtor's fiscal liabilities, fines of any kind, as well as other budgetary receivables recorded on executory titles/deeds, transmitted to the fiscal authority for recovery, still outstanding by the 31st of December of the year and which have a threshold that allows cancellation according to the Fiscal Procedure Code, shall be deducted from fiscal records within the first 7 days of the next year.

Subsequent to applying the above provisions, the following administrative and enforcement acts will be issued:

- a) decisions related to additional fiscal liabilities representing interest and late payment penalties;
- b) decisions related to additional fiscal liabilities representing penalties for undeclared tax liabilities;
- c) decisions to increase penalties for undeclared tax liabilities;
- d) decisions to decrease penalties for undeclared tax liabilities;
- e) formal notices
- f) executory titles/deeds;
- g) notifications for implementing garnishment of liquid assets;
- h) notifications for implementing garnishment of amounts owed to debtor by third parties;
- i) notifications of garnishment.

To deduct receivables from fiscal records, for the purpose of classification within the above-mentioned threshold, the total amount of fiscal liabilities, fines of any kind, as well as fiscal obligations recorded on executory titles/deeds, owed and unpaid by a debtor, shall be taken into consideration.

ORDER 509 dated 28 February 2019 to amend and complement Procedure to publish lists of debtors registering outstanding fiscal liabilities, as well as value of these liabilities, approved by ANAF Presidential Order 558/2016 (Official Gazette 171/2019)

The Order amends Procedure to publish lists of debtors registering outstanding fiscal liabilities.

GEO 25/2018, art. 162 of the Fiscal Procedure Code has been changed, meaning that the list of debtors who are individuals will no longer be published, the fiscal authorities only publishing the list of debtors which are legal entities.

The new Procedure refers to the method in which legal entities which are debtors to State Budget will be published, according to thresholds of outstanding obligations and taxpayer category.

Legal entities with outstanding fiscal obligations at the end of a quarter exceeding amounts listed below will be disclosed on lists according to this Order.

- RON 500,000 in the case of debtors which are large-size taxpayers;
- RON 250,000 in the case of debtors which are medium-size taxpayers;
- RON 100,000 in the case of other categories of legal entity debtor.

The Procedure to notify taxpayers registering outstanding obligations is maintained, to have them settled or to resolve any possible inconsistencies.

The taxpayer has 5 days from notification date to present any possible inconsistency to fiscal authorities, with the purpose of mutual agreement to the facts. If the taxpayer does not present its case to authorities, then it is presumed that the fiscal authority's records are correct.



Individuals can no longer be published in the list of debtors registering outstanding fiscal liabilities



Debtors do not have outstanding fiscal liabilities when the liabilities are less than or equal to: amounts to be refunded/reimbursed, amounts subject to a claim in the process of being settled, or certain liquid and chargeable amounts that the debtor will receive from contracting authorities.

The List of outstanding budget obligations will include fines which remain unpaid by their due date, irrespective of the type of violation the taxpayer is charged with.



ORDER 508 dated 28 February 2019 to amend Annex 1 of ANAF Presidential Order 3236/2018 to approve Procedure to register economic operators carrying out wholesale and retail trade in energy products – gasoline, diesel fuel, kerosene, liquified petroleum gas and biofuel, as well as to approve template and content of certain forms (Official Gazette 171/2019)

According to new amendments, economic operators wishing to perform wholesale trade in energy products (gasoline, diesel fuel, kerosene, liquified petroleum gas and biofuel) no longer have the obligation to have storage space.

Thus, the new Order re-introduces wholesale trade of energy products without storage.

INFO – Valuation of monetary items in foreign currency

The March closing NBR exchange rates to use for valuation of monetary items (cash on hand, receivables, payables) denominated in foreign currency, as well as receivables and payables denominated in RON but pegged to a foreign currency for collection/disbursement are:

1 EUR = 4.7628 RON; 1 CHF = 4.2614 RON; 1 GBP = 5.5401 RON; 1 USD = 4.2434 RON.

MONTHLY AGENDA

EVERY DAY - DO NOT FORGET

- To complete the petty cash register (or print electronic version)
- To complete the purchase ledger and sales ledger
- To update electronic employee registers with information regarding labour contract inception/amendment or termination, if any

AT MONTH END - DO NOT FORGET

- To complete the journal ledger
- To register contracts concluded during the month for services rendered by non-residents with tax authorities as per article 8 point 8 of the Fiscal Code
- To revalue monetary assets and liabilities in foreign currency (cash on hand, assets, liabilities) at the NBR exchange rate in force on the last banking day of the month
- To organise a stock count of inventories if the enterprise does not use a perpetual inventory system
- To issue final invoices for the current month.

TO COMPLY WITH REQUIREMENTS REGARDING VAT

- Mention the registration code under the scope of VAT on documents for EU business partners
- Check validity of registration code under the scope of VAT mentioned on invoices received
- Check amount of VAT disclosed on invoices received
- Check references related to VAT (e.g.: “reverse charge,” “operation not subject to VAT,” etc...)
- On invoices, write VAT amount received in case of reverse charge
- Maintain ledger of goods received
- Maintain ledger of non-transfer of goods
- Maintain non-current assets ledger
- Mention which exchange rate will prevail (NBR, commercial bank or Central European Bank) in contracts with foreign partners

TO CONSULT THE CALENDAR OF TAX LIABILITIES, VISIT THE FOLLOWING LINK ON ANAF WEBPAGE (IN ROMANIAN):

https://static.anaf.ro/static/10/Anaf/AsistentaContribuabili_r/Calendar/Calendar_obligatii_fiscale_2019.htm

April 25 - deadline for payment of profit tax for the 1st quarter of 2019



KEY HR FIGURES

| 2019 Contributions for dependent activities | Employer and beneficiary (for activities considered dependent) (% share) | Employee and dependent worker (% share) |
|--|---|---|
| Social security contribution (pension) | <ul style="list-style-type: none"> • It is not due to normal working conditions • 4% for special work conditions • 8% for special work conditions | 25% (**) |
| Contribution to health insurance fund (calculated on gross income) | It's not due | 10% (***) |
| Work insurance contribution | 2.25% (*) | |
| Income tax | | 10% (****) |
| Disability Fund (for employers with more than 50 employees) | 4 x minimum wage for every 100 employees | |
| The amount of a taxable meal tax in the sense of income tax | max 15,18 lei | |
| Minimum wage (gross) from 1 January 2019 | <ul style="list-style-type: none"> • 2,080 lei • 2,350 lei (for more than 1 year and functions requiring higher education) • 3,000 lei for employees on construction field | |
| Diurnal (in the country) For employees of public institutions For private sector employees (* 2.5) | <ul style="list-style-type: none"> • 20 lei • 50 lei | |
| <p>The below tax facilities are available for employers on the field of construction, when minimum 80% of turnover is from construction activities defined by law:</p> <p>(*) not due by employer</p> <p>(**) the social security owed by the employee is decreased to 21,25%</p> <p>(***) health insurance is not due by the employee</p> <p>(****) tax on income is not due for gross salaries between 3.000 lei and 30.000 lei.</p> | | |

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Our Mission:
Adding Value to Client's Business

APEX Team includes qualified professionals able to provide a full range of accounting and payroll services. Our consultants are ready to share their knowledge and experience gained whilst working in Romania as consultants for one of the Big 4 international companies, having many international companies acting in a wide range of industries as clients.

The team includes chartered accountants (Romanian Chartered Accountants Body and also ACCA) specialised in accounting for business entities, as well as a group specialised in payroll administration on behalf of the client.

APEX Team provides a full range of accounting services, payroll services, local tax compliance and tax advice, as well as services tailored to your company needs:

- Bookkeeping*
- Recurring accounting assistance*
- Payroll computation and additional HR services*
- Accounting and tax advice « on line »*
- Consulting and assistance in drafting transfer price files*
- Start up services*
- Organization of the accounting function*
- Assistance in implementation of ERP*
- Training*