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ORDER 1430 dated 3 February 2010 to amend Order 101/2008 of ANAF President to approve the model and content of forms used to declare taxes (Official Gazette 83/2010)

This Order amends form 100 "State consolidated budget liability return" (code 14.13.01.99/bs). Among amendments introduced by this Order, we mention:

- That row 1.1 regarding minimum tax was deleted.
- Regarding assessment of amount of quarterly profit tax instalment, the base for computation is in general the tax on profit declared in the annual profit tax return for the previous year. However, the following rules are set for the instalments to be paid by commercial companies in 2010:
 - o To determine the instalment amount, the amount of tax due for the previous year as recorded in expense account 691 "Tax on profit," will be taken in consideration, and, if necessary, the amount recorded in expense account 698 "Income tax and other taxes which do not fall into the previous captions" in case the taxpayer has become subject to tax on profit in 2009.
 - o For taxpayers subject to tax on micro enterprise income, to assess the instalment amount, tax on the micro enterprise income recorded in the expense account 698 "Income tax and other taxes which do not fall into the previous captions" will be taken in consideration
 - o Newly set up taxpayers must declare a profit tax instalment equal to the annual minimum tax adjusted to the respective taxation period on a quarterly basis.

ORDER 200 dated 9 February 2010 regarding the inflation rate to use to index quarterly profit tax instalments (Official Gazette 101/2010)

For fiscal year 2010, the inflation rate to use to index the quarterly profit tax instalments is **3.5%**.

DECISION 8 dated 17 February 2010 to approve the Norms regarding certification of annual tax returns of taxpayers, legal entities except for those for which audit is mandatory (Official Gazette 111/2010)

This Decision approves the Norms applicable to the performance of activities regarding certification of annual tax returns of taxpayers, **except for those for which audit is mandatory.**

Main provisions of the Norms

- Certification represents checking the correction and the reality of the information disclosed in the tax returns, in accordance with legal provisions, on the basis of documents and financial, accounting and fiscal information requested by the tax consultant and provided by the company, information which is reflected in the company books. Checking the correction and the reality of the information disclosed in the annual profit tax return is made by sampling and within the limits of a materiality level.
- Certifying the annual profit tax return does not imply offering solutions for tax optimisation.
- The professional relationship must be formalized in the form of a written contract concluded between the company and the tax consultant.
- The company prepares the annual profit tax return and is responsible for the preparation of the accounting documents, for the accuracy of the accounting records as well as maintenance and accuracy of the fiscal ledgers.

The company, through its representatives, must provide a declaration under own responsibility regarding the conformity of records and accounting policies with the Romanian accounting framework in force, i.e. OMFP 1752/2005 to approve accounting regulations in conformity with European Directives with its subsequent amendments and complements and OMFP 3055/2009 to approve accounting regulations in conformity with European Directives.

The model of declaration under own responsibility is provided in Appendix to the Norms.

The company will provide the tax consultant with the documents and information to be able to check the items disclosed in the annual profit tax return which is submitted for certification. Any information must be requested in writing by the tax consultant.

In case these documents are confidential, the tax consultant will sign a commitment to keep the information provided confidential.

In response to requests for more sessions of the seminar organized by APEX Team in December 2009, we invite you to participate in the "2010 VAT AND TAX NEWS" seminar

Changes in VAT legislation starting 1st January 2010

VAT changes and case studies

Other news regarding fiscal obligations

31 March – 1st April 2010

Location (in Bucharest) to be announced

Seminar trainer: **Delia Catarama** – Ph. D. Lecturer Academy of Economic Studies Bucharest, VAT specialist, general secretary IFA – Romanian Branch, member on commissions which implement European Directives

Cursus:

Wednesday, 31 March 2010:

1. Main concepts for the application of VAT
2. Tax news regarding VAT in 2010 :
 - Fixed establishment and established person
 - Location where service rendered
 - Person liable for output VAT
 - Fixed assets and adjustment

Thursday, 1st April 2010:

1. Changes in VAT legislation starting 1st January 2010
 - Registration for the scope of VAT Statements
2. News regarding General provisions
3. News regarding 2010 profit tax
4. News regarding 2010 income tax
5. Other fiscal information

The seminar will be held in the Romanian language.

Participation fees are amount to EUR 320 (VAT not included)

Price includes: Seminar price
Seminar materials
Coffee breaks
Lunch

A 5% discount will be granted for registration of at least 2 participants from the same company.

Registration deadline Monday, 22 March 2010

Registrations can be made by e-mail at: office@apex-team.ro

For any further information, please contact:

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Work procedures

- Tax treatment of the economic operations embodied in financial and accounting documents and disclosed in the annual profit tax return under certification is checked by sample.
 - The tax consultant must take the materiality level into consideration when the scope of the work is the certification of tax returns (the Norms provide clarification regarding determination of the materiality level).
 - While performing the assignment, the tax consultant assesses the level of materiality in a reasonable manner to be able to detect issues of significant amount.
 - Checking the annual profit tax return must at least focus on the items mentioned specifically in the content of title II "Tax on profit" of the Fiscal Code, such as: taxable income, non taxable income, items similar to income and to expenses, revaluations, non tax deductible expenses or expenses for which deduction is limited, gearing ratio, impairments, depreciation, engaged expenses/revenues, etc.
 - Certification of the annual profit tax return does not imply checking policies/documentation on transfer pricing, commercial policies and accounting policies observed by the company. Certification of the annual profit tax return for a certain period does not imply checking tax losses carried forward or other tax issues which come from previous periods and produce their effects in the period under certification.
 - The tax consultant which provides certification services of tax returns must document the work that is performed in a work file which will be kept at the tax consultant premises.
- This work file will be requested by the Body of Tax Consultants who will periodically perform quality control reviews.
- The outcome of the work performed in the scope of certification will be disclosed in a document named "certification note" which will be communicated to the company.
- The certification note issued by the tax consultant must include at least the following issues:**
- A short presentation of the company;
 - The materiality level;
 - Reference regarding the tax loss from the previous year(s) which is/are carried forward in the year for which certification of the annual profit tax return is made;
 - Items which were checked as per title II "Tax on profit" of the Fiscal Code;
 - Proposed adjustments to the initial annual profit tax return under certification, if any;
 - The tax consultant opinion upon the under certification.
- The certification note issued by the tax consultant will accompany the annual profit tax return. The certification note will state whether the **opinion is qualified or not**. The model of the certification note is presented in Appendix to the Norms.
- INFORMATION – DRAFT OF AMENDMENT TO THE CODE OF FISCAL PROCEDURE**
- Obligation of certification of the annual profit tax return (form 101) limited to large and medium size taxpayers.** To date, only taxpayers for which audit of the annual financial statements is mandatory are exempt from certification;

- However, large and middle size taxpayers would have to have also their application for VAT refunds and adjusted returns certified by a tax consultant;
- Breach of the above mentioned obligations would trigger a letter from ANAF but the lack of certification will not prevented the returns from being submitted and the applications processed.

2009 FINANCIAL STATEMENTS

Norms for preparation of financial statements as at 31.12.2009 have been published on the Ministry of Finance website.

The news is that the financial statements are not prepared in the application which has been used for the previous years but in the form of a pdf file where data are filled in, named "guidance".

The application posted presently on www.mfinante.ro applies to:

- Commercial companies which prepare their 2009 annual financial statements in accordance with OMFP 1752/2005 and submit these 2009 financial statements **only at the Trade Register**;
- Other legal entities which are not commercial companies and who prepare their 2009 annual financial statements in accordance OMFP 1752/2005 and **submit their 2009 financial statements at the local units of the Ministry of Public Finance**;
- Branches registered in Romania belonging to legal entities which have their registered headquarters abroad and which submit **their 2009 financial statements at the local units of the Ministry of Public Finance**.

For commercial companies as well as branches which have opted for a financial year different from the calendar year as per article 27 point 3 of Accountancy Law 82/1991, republished, guidance for the preparation of the annual financial statements will be provided later.

Non profit entities who fall under article 1 of Accountancy Law 82/1991, republished, prepare their 2009 annual financial statements in accordance with accounting regulations for non profit entities approved by OMFP 1969/2007 using the guidance provided by the Ministry of Finance for this purpose.

Credit institutions, non banking financial institutions, the Fund for the guarantee of deposits in the banking system, entities licensed, regulated and monitored by the National Securities Commission, insurance, insurance-reinsurance and re-insurance companies, insurance and insurance/re-insurance brokers and entities licensed, regulated and monitored by the Commission for monitoring the private pension regime prepare their financial statements as at 31 December 2009 in accordance with applicable accounting regulations as per article 4 point 3 Accountancy Law 82/1991, republished.

Annual financial statements (comprehensive or simplified)

Legal entities that, at year end, exceed 2 of the 3 size criteria set at article 3 point 1 of OMFP 1752/2005 to approve accounting regulations in conformity with European Directives, as follows:

- total assets: Euro 3,650,000
- net turnover: Euro 7,300,000
- average headcount: 50

prepare comprehensive annual financial statements which include:

- balance sheet (code 10)
- income statement (code 20)
- statement of changes in equity;
- cash flow statement;
- disclosure notes.

Enterprises which do not meet the above mentioned size criteria prepare simplified annual financial statements which include:

- short balance sheet (code 10);

- income statement (code 20);

- disclosure notes.

The Statement of changes in equity and Cash flow statements are optional.

The comprehensive or simplified annual financial statements will be accompanied by "Informative data" form (code 30) and the "Statement of fixed assets" form (code 40).

The disclosure notes set at Title 8 of Accounting regulations in conformity with EU IV Directive are not abbreviated: notes must at least disclose the information set in this title.

For the preparation of the 2009 annual financial statements, assessment of the size criteria is made at year-end on the basis of indicators derived from 2008 annual financial statements and from accountancy data and the trial balance at year-end 2009 using the exchange rate published by the National Bank of Romania at year-end.

Newly set up entities can prepare for their first financial year with either simplified or comprehensive annual financial statements. For their second financial year, indicators derived from first year annual statements will be considered as well as accountancy data and the trial balance as at the end of the current year, and annual financial statements will be prepared accordingly.

Commercial companies whose securities are traded on a regulated market as defined by the legislation in force regarding capital **prepare comprehensive annual financial statements** (with the 5 components) even if they do not exceed 2 of the 3 size criteria set by the Regulations.

The above provisions regarding the components of the annual financial statement also apply to branches registered in Romania which belong to legal entities which have their registered headquarters abroad. In the case of these sub units, for the purpose of the preparation of annual financial statements, the closing balance of account 481 "Liaison account between headquarters and sub units" and 482 "Transactions between sub units" is reclassified as per case to account 461 "Sundry debtors" in a distinct sub account or to account 462 "Sundry creditors" in a distinct sub account. At inception of the subsequent year, these book entries are reversed.

Signature

Annual financial statements are signed by persons who are entitled to do so, their full name being clearly disclosed.

Regarding the quality of the persons who prepare financial statements, they can be:

- Economic Director, chief accountant or any other person entitled to fulfil this position as per law. By any other person entitled to fulfil this position is meant any other employee as per law who meets the conditions set by Accountancy Law 82/1991 republished;
- Natural or legal entity, licensed, member of the Romanian Body of Authorised and Chartered Accountants (CECCAR), their registration number at the professional body being disclosed.

Submission

As per articles 29 and 30 of Accountancy Law 82/1991, republished, the annual financial statements are accompanied by the Director(s)' report, the audit report or report of the "cenzori" committee, if applicable, and the proposal for profit allocation.

The financial statements are also accompanied as per article 10 point 1 by a written representation by the legal representative stating he/she is responsible for the annual financial statements and confirming that:

- Accounting policies used for the preparation of the annual financial statements are in conformity to the applicable accounting regulations;
- Annual financial statements give a fair view of the financial position, financial results and other information regarding the activity carried out;
- There is no going concern issue.

Legal entities aimed at article 1 of Accountancy Law 82/1991, republished, except for commercial companies, can submit their annual financial statements by filing them directly at the local offices of the Ministry of Finance or by post by registered mail.

Legal entities which, from set up date to 31.12.2009, have not carried out any activity do not prepare annual financial statements, but submit a statement under own responsibility regarding no business activity with the local offices of the Ministry of Finance and at the Trade Register. The statement will include full identification of the entity, as follows:

- Full name (as per registration certificate);
- Address and phone number;
- Registration number at the Trade Register;
- Fiscal Code / sole registration code;
- Share Capital.

Deadlines for preparation and submission of annual financial statements are:

- 150 days after year-end for commercial companies, national companies, "regii autonome," national institutes for research and development;
- 120 days after year-end for the other entities aimed at article 1 of Accountancy Law 82/1991;
- 150 days after year-end for the sub units registered in Romania which belong to legal entities which have their registered headquarters abroad and which submit their 2009 financial statements to the local offices of the Ministry of Finance.

Important! As per provisions of article 24, point 3 letter d of Law 26/1990 regarding the Trade Register, **sub units registered in Romania which belong to a legal entity which has its registered headquarters abroad must submit the financial position of the foreign company approved, checked and published in accordance with the legislation of the country where this company has its registered headquarters to the Trade Register where the Branch is registered on an annual basis.** This financial position report will be submitted to the same formalities of publication rather than the those applicable to the financial statements of Romanian commercial companies.

Legal entities, with the exception of commercial companies which, from set up date to 31.12.2009, have not carried out any activity as well as those under a liquidation procedure, as per law, will submit a statement under own responsibility regarding this position within to the local offices of the Ministry of Finance 60 days of year-end.

As per articles 185 and 201 of Law 31/1990 regarding commercial companies, republished, with its further amendments and complements, starting the financial year of 2009, **commercial companies only submit their annual financial statements to the Trade Register.** Point 4 of article 185 sets that **data included in the annual financial statements will be communicated in electronic format from the Trade Register to the Ministry of Finance,** in conditions established for this purpose.

REMINDER – Audit

Annual financial statements prepared by a commercial company which is listed on a regulated market are to be audited. This also applies to entities qualified as being of public interest. Joint Stock Companies opting for the dualist Executive Board system (under the control of a Supervisory Board) are subject to a financial audit.

Irrespective of the legal status (S.A. or S.R.L), the financial statements prepared by legal entities exceeding criteria set by point 3 paragraph 1 of Accounting Regulations in conformity with CEE IV Directive are to be audited. Thus, the financial statements must be audited when 2 of 3 limits mentioned below have been exceeded for 2 consecutive financial years:

- total Assets Euro 3,650,000;
- net turnover Euro 7,300,000;
- average headcount 50.

ORDER 99 dated 22 January 2010 to amend and complement Implementation norms of procedure to grant deferral of payment of fiscal liabilities administrated by ANAF and not paid at due date, approved by OMFP 2321/2009 (Official Gazette 64/2010)

According to these amendments, to qualify for deferral of fiscal liabilities not settled at due date, the taxpayer must meet all the following conditions at the date of deferral:

- To have submitted all the tax returns, as per law;
- To have a clean fiscal file;
- Not to have been considered liable as per provisions of Law 85/2006 regarding the insolvency procedure with its subsequent amendments and complements and/or jointly responsible as per the provisions of articles 27 and 28 of the Code of fiscal procedure.

It is set that, within 15 days starting the communication date of the decision granting deferral to the taxpayer, the taxpayer must constitute guarantees under the form of a letter of guarantee issued by a bank and/or propose assets free of liens which can be used as security for an amount which represents:

- 20% of fiscal liabilities where settlement is postponed as well as penalties for late payment for the deferral period, if it lasts up to 3 months included;
- 40% of fiscal liabilities whose settlement is postponed as well as penalties for late payment for the deferral duration, if it exceeds 3 months.

Regarding the payment deferral in progress as at 27 November 2009 when Law 363/2009 to approve OUG 92/2009 to postpone payment of fiscal liabilities not settled at due date due to the economic and financial crisis entered in force, the amount of the guarantees is adjusted as follows:

- in case of bank letter of guarantee, the taxpayer can reduce the guarantee to the level set by law;
- in case of items proposed for sequester, custodial provisions are upon application of the taxpayer at the level set by law.

For the length of the payment deferral period, the taxpayer must settle the fiscal liabilities as per law with a due date after the date of the decision granting payment deferral. Payment deferral remains valid if the fiscal liabilities are settled in no more than 30 days after legal due date. However, if 30 days means after 20 December, it is on 20 December that the fiscal liabilities must have been settled. In case the fiscal liabilities are paid at most 30 days after due date, penalties for late payment are due as per provisions of the Code of fiscal procedure.

In case the taxpayer has submitted an application for VAT refund and/or an application for restitution to the tax authorities, settlement of the obligation is considered to have been met if:

- the amount of fiscal liabilities is less than or equal to the amount to refund/reimburse;
- the application for VAT refund and/or the restitution application has been submitted before the due date for settling the liabilities.

Differences which result from processing application for VAT refund and/or application for restitution are considered fiscal liabilities starting the communication date of the outcome of the processing procedure as per provisions of the Code of fiscal procedure.

For the length of the payment deferral period which has been granted, interest at a rate of 0.05% per day are due for each day of the deferral period starting issue date of the decision and until:

- date the granted deferral period ends;

- or, if applicable, until the date fiscal liabilities are paid if they are paid before the expiry of deferral period.

In case the taxpayer does not settle these debts at expiration of the deferral period, penalties for late payment are due for the entire deferral period as per provisions of the Code of fiscal procedure and not at the 0.05% daily interest mentioned above. Penalties for late payment are also due if the deferred payment period ceases to be valid, starting on the date the deferred payment period terminates.

For the length of the payment deferral period, interest is not due on the amounts which represent any type of fine, secondary fiscal debts determined as per law, foreclosure expenses, legal expenses, confiscated amounts as well as amounts representing the RON equivalent of confiscated items and amounts which were not found on location.

This Order also approves the model of the following documents:

- Decision to grant deferred payment;
- Decision to communicate that the deferred payment convention ceases to be valid;
- Memo regarding proposal for approval/refusal of the application for payment deferral;
- Decision to refuse application for payment deferral.

INSTRUCTION 4 dated 1st February regarding the reference interest rate of the National Bank of Romania (NBR) for the month of February 2010 (Official Gazette 73/2010)

For the month of February 2010, the NBR reference interest rate is 7.50% per annum.

EMERGENCY ORDINANCE 4 dated 5 February 2010 to establish social protection measures for 2010 (Official Gazette 93/2010)

The main regulations are as follows:

- Starting February 2010, but no more later than 31 December 2010, for the period of suspension of the labour contract at the employer initiative in case of temporary interruption of activity as per article 52 paragraph 1 letter d of the Labour Code, the employees whose labour contracts are thus suspended and who benefit from compensation at least of 75% of their base salary as well as the employer with respect to these employees are exempted from payment of the contribution to social insurance due as per law, but no more than for 90 days.
- By contribution to social insurance is meant contribution to public pension regime, to unemployment insurance, to work accident and occupational disease fund, to fund to guarantee payment of salary liabilities, to health insurance including medical leave and compensation from health insurance which are due as per law by the employee who benefits from the compensation and his/her employer.
- Compensation received by employees in amount of at minimum 75% of base salary during the length of the temporary interruption of the employer activity represent payroll expenses but are not taxable income for a duration of 90 days at the most starting February 2010 but prior to 31 December 2010.
- The above mentioned exemption period represents a valid period for pension rights even if exempted from contribution.

The measures apply in case the labour contract is suspended due to temporary interruption, totally or partially, including temporary reduction of activity of the employer for economic, technical, structural or similar reasons.

For computing compensation for unemployment or for health social insurance, minimum gross salary in force in the respective period is to be used.

The employer must submit a statement under own responsibility

to the local Labour Inspectorate (ITM) to stating that one of the circumstances set per article 52 paragraph 1 letter d of Law 53/2003, with its further amendments and complements is met at the time it occurs.

REMINDER – Reduction of employer unemployment contributions for employers who hire unemployed persons for at least 6 months

As per article 93 of Law 76/2002 on the unemployment regime, employers which hire persons who were unemployed and maintained the labour relationship for a period of at least 6 months from hire date, benefit of a reduction of 0.5% of contributions they owe to the unemployment insurance Budget. The incentive is granted starting the next fiscal year for a period of 6 months and consists of a reduction of 0.5% of monthly contributions due for each percentage of the ratio between the number of newly hired employees and the average headcount in the respective year. The employer will submit an application (the model was published in the Implementation Norms of the Law) to the Bucharest or local Employment Agency accompanied by the following documents:

- Nominative list of persons hired who were unemployed and registered as such with the Bucharest or local Employment Agency and who have been employed for a period of at least 6 months;
- Photocopies of the labour contracts for persons disclosed on the above mentioned list.

The application with accompanying documents is submitted at expiry of the 6 month period during which the persons who were unemployed at hire date and registered at the Employment Agency have been employed, but no later than 30 June of the fiscal year which follows the year the 6 months period ends.

ORDER 135 dated 10 February 2010 to set the indexed nominal value of a luncheon ticket for the first half of 2010 (Official Gazette 104/2010)

For the first half of 2010, starting March, the nominal value of a luncheon voucher remains 8.72 RON.

ORDER 1 dated 3 February 2010 to approved Norms for closing financial year 2009 for the companies in the insurance field (Official Gazette 89/2010)

ORDINANCE 8 dated 29 January 2010 to amend and complement OG 15/2002 regarding the application of a fare for using the Romanian national road network (Official Gazette 70/2010)

Starting 1st August 2010, tax discs will no longer be issued, the use fare being paid through SIEGMCR (IT system for issue, administration, monitoring and control of the RO-tax disc-"rovinieta").

The fare for the use of the Romanian national road network depends on the duration of use: 0 day, 7 days, 30 days, 90 days and 12 months. The length of use includes the time of circulation as well as parking time. New prices for the "rovinieta" have been set. For breach of payment of the "rovinieta," a fine is applicable as well as an amount for compensation depending on the type of the vehicle which were operated without a valid "rovinieta."

The new provisions enter in force on 1st March 2010 except for "90 day" fares which will enter in force on 1st August 2010.

ORDER 1451 dated 8 February 2010 to approve model and content of form 105 "Statement of taxes on gambling organisation and operations," code 14.13.03.14/j (MO 98/2010)

H.R. KEY FIGURES

2010 Contribution	Employer (%)	Employee (%)
Social security contribution	20.8% for normal working conditions 25.8% for particular working conditions 30.8% for special working conditions	10.5%
Medical leave contribution and health insurance allowance	0.85%	
Work accident and occupational disease fund	0.15% - 0.85% depending on CAEN code for main activity	
Unemployment fund	0.5%	0.5%
Contribution to fund to guarantee payment of salary liabilities	0.25%	
Health insurance fund	5.2%	5.5%
Labour office commission	0.25% or 0.75%	
Salary tax		16%
Contributions for non employment of disabled persons (for employers with more than 50 employees)	4 x 50% minimum gross salary (RON 600) for every 100 employees	
Minimum monthly gross salary	RON 600 for unqualified positions RON 720 for positions requiring High School RON 1,200 for positions requiring a University degree	
Luncheon voucher	RON 8.72	
Average monthly gross salary (INSSE December 2009)	2,023 RON	
Per diem (in Romania)		
Employees in the public sector	13.00 RON	
Employees in the private sector (x 2.5)	32.50 RON	

INFORMATION – Profit tax exemption for reinvested profit

This incentive regarding reinvested profit is applicable since 1st October 2009 by an amendment to the Fiscal Code.

Exemption is granted upon purchase or production of technical equipment classified in the sub group 2.1 of the catalogue for the classification and normal useful life of the fixed assets, approved by Government Decision 2139/2004, with its further amendments and complements.

Beyond purchase or production, obligation is made to keep the technical equipment for a duration equal at least to half of the useful life set in the above mentioned Decision.

Important: Assets which qualify for investments must be new. In case the investments are in progress for several consecutive years, exemption is granted on the basis of work in progress reports from which it results that a part of the investments will be commissioned in the respective year.

In case of breach of these conditions, tax is recalculated on the amount for which exemption was initially granted and penalties for late payment are applied starting the date when the tax ought to have been paid in the absence of the incentive through payment.

The period for which this exemption is granted is from 1st October 2009 until 31 December 2010. Profit taken in account for the calculation is the accounting profit accumulated from the start of the year as it appears in the income statement. For 2009, the profit of the period from 1st October 2009 to 31 December 2009 and the investments made in this period is taken into consideration.

Exemption is computed quarterly or annually depending on the period set for the calculation of the tax on profit. The amount of profit for which the profit tax exemption was granted will be allocated in priority to reserves up the amount of accounting profit accumulated at the end of the year.

The minimum amount of tax which remains due is at the level of minimum tax. If upon application of these incentives, the computed tax is below the level of the minimum tax, the obligation to pay the lump sum minimum tax remains.

The maximum amount for which exemption is granted represents the amount of profit tax due for the respective period.

INFORMATION – Draft of amendment of procedures regarding VAT refund

As per statements of ANAF representatives, entities which apply for a refund of VAT between RON 5,000 and RON 10,000 could be automatically refunded without prior tax inspection. The tax inspection would subsequently take place within 2 years.

ANAF also states that a special refund procedure would be implemented for exporters with a turnover over Euro1 million out of which 75% represent exports and EU supply of goods and services. To qualify for this anticipated VAT refund, the exporter must not have been classified in the category of high fiscal risk taxpayers by the tax authorities.

REMINDER – Valuation of monetary items in foreign currency

Do not forget that starting 2010, at the end of each month, monetary items (cash on hand, receivable, payable) denominated in foreign currency are valued at the NBR exchange rate in force on the last banking day of the month.

This procedure also applies to receivables and payables denominated in RON but pegged to a foreign currency for collection/disbursement.

Exchange rates to use for valuation at the end of February 2010:

1 Euro = 4.1073 RON; 1 USD = 3.0151 RON;
1 CHF = 2.8069 RON; 1 GBP = 4.5987 RON

MARCH 2010 – 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 the employee electronic registers with information regarding labour contract 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

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 complete the fiscal evidence register in case the annual profit tax return (form 101) has been submitted by 25.02.2010;
- To organise a stock count of inventories if the enterprise does not use a perpetual inventory system
- To issue final invoices for the month of March 2010

To comply with requirements regarding VAT

- Mention the registration code under the scope of VAT on documents for EU business partners
- Check the validity of the registration code under the scope of VAT mentioned on invoices received
- Check the 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 the ledger of goods received
- Maintain the ledger of non-transfer of goods
- Mention which exchange rate will prevail (NBR or commercial bank) in contracts with foreign partners

During the month - do not forget

That Monday 1st March is last day

- of validity of 2009 tax residence certificate based on which payments can be made to non-residents in 2010 as per provisions of the Treaty to avoid double taxation signed between Romanian and the respective State.

That Monday 1st March is the last day to submit:

- Annual return on income tax withheld on income from independent activities
- Annual return for taxation of Representative Offices
- Fiscal forms (Form 210) afferent to 2009**
- Informative statement of savings income obtained in Romania by individuals resident in the other EU member States, third countries and dependant or associated territories (OMEF 564/2007) – form 400.

That Friday 5 March is last day to submit

- Form 092 (amendments) to change VAT return periods from Quarterly to Monthly in case an EU acquisition occurred in February 2010. Starting March 2010, VAT returns will be submitted monthly.

That Wednesday 10 March is the last day to submit

- Return for collection of hotel tax

That Wednesday 10 March is the last day to pay

- Hotel tax
- Advertising service tax

That Monday 15 March is the last day to submit

- INTRASTAT statement for February 2010 (submitted online)
- Recapitulative statement of EU Supplies/acquisitions/services (form 390)* for February 2010.**
- Annual income return for associations formed between natural persons which do not represent legal entities (form 204);

That Monday 15 March is the last day to pay

- Tax on independent activities (1st instalment)
- Tax on rental revenues (1st instalment)
- Tax on billboards (1st instalment)

That Thursday 25 March is the last day to submit

- State consolidated budget liability return (form 100)*
- Social insurance and special funds liability return (form 102)*
- Excise tax return (form 103)*
- VAT return (form 300)*
- Social security statement with list of insured persons
- Social security statement regarding liabilities to the National Fund for health insurance, medical leave and compensation from health insurance
- List of insured employees and health contribution to social health insurance fund
- Unemployment fund statement with list of insured persons
- Tax return for commission due by employers to the Labour Inspectorate (ITM)
- Statement of income obtained from abroad by individuals who carry out activity in Romania and by Romanian citizens who are employees of diplomatic missions and consular posts accredited in Romania (form 224)
- Special VAT return for VAT non payers (form 301)*
- Environment Fund Statement

That Thursday 25 March is the last day to pay

- Excise taxes
- Tax on crude oil and natural gas from domestic production
- Withholding tax on non-resident income
- VAT
- Salary tax
- Tax on income from independent activities, withheld at source
- Tax on interest income
- Tax on investment income
- Tax on pension income
- Tax on income from prizes and gambling
- Tax on income from other sources
- Social security contribution
- Health insurance contribution
- Medical leave contribution and health insurance allowance
- Unemployment contribution
- Contribution to fund to guarantee payment of salary liabilities
- Commission to ITM for holding and updating Labour books
- Contribution to work accident and occupational disease fund
- Contribution for non employment of disabled persons for employers with headcount over 50
- Contribution to the Environment Fund
- Gambling tax.

That Wednesday 31 March is the last day to

- Be registered in the initial national data base and be granted a unique EORI code valid in the relations with all EU customs authorities (cf. Order 691– Official Gazette 106/2009)

That Wednesday 31 March is the last day to pay

- Local tax on land, buildings and means of transport (1st instalment). The second and final instalment will be due on 30 September 2010.

IMPORTANT

All forms mentioned above as well as guidance on their preparation may be downloaded from the Ministry of Economy and Finance website: www.mfinante.ro or from website ANAF: www.anaf.ro The tax returns noted with an asterisk (*) can be submitted by remote means of electronic transmission by taxpayers which have opted to file their returns on-line and which hold a digital certificate.



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ACCOUNTING AND PAYROLL
EXPERT TEAM

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 »**
- Start up services**
- Organization of the accounting function**
- Assistance in implementation of ERP**
- Training**



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