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ORDER 959 dated 8 February to set the indexed face value of a luncheon voucher for the first half of 2011 (Official Gazette 111/2011)

For the first half of 2011, starting with the month of March, the face value of a luncheon voucher is **9 RON**.

ORDER 1080 dated 7 February to amend ANAF Presidential Order 1294/2007 regarding taxes, contributions and other amounts deemed fiscal liabilities which are deposited into a sole account by the taxpayer (Official Gazette 103/2011)

As per this Order, payment of fiscal liabilities representing taxes, contributions and other fiscal revenue including income tax withheld from employees working at secondary establishments is made by the taxpayer to the Treasury Office for the location of the taxpayer headquarters.

Fiscal liabilities representing income tax withheld from employees working at a secondary establishment registered as per law by an employer or an income payer which were not settled at the due date, the present Order having entered into force (9 February 2011), are to be paid to the Treasurer of the location of the taxpayer headquarters.

The Order also discloses an updated list of which fiscal liabilities are to be paid into the sole account of the State Budget and which are to be paid into the sole account of the Budget for social insurance and special funds.

ORDER 232 dated 1st February 2011 regarding transmission and receipt of data and/or documents regarding fiscal liabilities registered under scope of taxation as employer or payer of income assimilated to salary (Official Gazette 88/2011)

The Order approves the procedure for exchange of information between tax authorities with respect to fiscal liabilities of secondary establishments registered under the scope of taxation as employer or payer of income assimilated to salary.

ORDER 233 dated 1st February 2011 to approve model and content of forms set at Title III of Law 571/2003 – Fiscal Code (Official Gazette 101/2011)

The Order approves model, content and instructions to complete the following fiscal forms:

- form 200 – "Declaration of income obtained in Romania," code 14.13.01.13;
- form 201 - "Declaration of income obtained abroad," code 14.13.01.13/7;
- form 205 - "Annual informative return on income tax withheld on income from activities under withholding regime, by income beneficiary," code 14.13.01.13/l;
- form 206 - "Annual informative return on gains/losses upon disposal of securities other than shares and securities of closed companies," code 14.13.01.13/t.v.1;
- form 250 - "Annual tax resolution for income obtained in Romania by individuals," code 14.13.02.13/a;
- form 251 - "Annual tax resolution for income obtained abroad by individuals," code 14.13.02.13/5a.

Above mentioned forms are used to set annual tax pertaining to income obtained by individuals starting 1st January 2010.

Deadlines for submission are:

- 15 May for forms 200 and 201;
- 28 February or 30 June for form 205 depending of the category of income which is declared;
- 28 February for form 206.

Fiscal forms disclosing income tax withheld from employees working at a secondary establishment registered as per law as an employer or an income payer (form 205) are submitted by the taxpayer who set up these secondary establishments to the tax authority in charge of its administration.

On the basis of data contained in declaration of income as well as other available information, tax authorities issue an annual tax resolution regarding annual taxation of income by 15 September of the subsequent year.

ORDER 73 dated 27 January 2011 to amend ANAF Presidential Order 101/2008 to approve model and content of forms used to declare taxes and contributions under self assessment or withholding regime (Official Gazette 89/2011)

The Order abrogates form 102 "Social insurance and special funds liability return," code 14.13.01.40 which is no longer used after 1st January 2011.

The Order approves the new model of form 100 which is in use starting 2011. It includes a caption to declare tax on income of the micro enterprise. The caption regarding tax on salary income has been removed because income tax withheld from employees is declared on form 112.

Form 100 continues to be used to declared tax on income obtained from non resident individuals, contribution for non employment of disabled persons and other income for which social contributions are not due.

INFORMATION – Settlement of fiscal liabilities declared on form 112

As per a communiqué from ANAF, fiscal liabilities declared by the taxpayer on form 112 - "Return regarding social contributions, income tax and nominative list of insured persons" approved by Government Decision 1397/2010 are settled by 2 transfers to the Treasury as follows:

- a) By transfer into the sole account 20.47.01.01 "Revenues of the State Budget – amounts collected for the State Budget, under a distribution process" of income taxes set per Appendix 2 of Government Decision 1397/2010 under the following captions:
 - o 1 – Tax on salary income;
 - o 27 – Tax on pension income;
 - o 28 – Tax on authors' rights and related rights as defined in article 7 of the Fiscal Code;
 - o 29 – Tax on income derived from professional activities carried out on the basis of contracts/conventions concluded in accordance with the Civil Code.
- b) By transfer into the sole account 55.02 "Funds to the Budget of social insurance and special funds, under a distribution process " of the other fiscal liabilities representing social contributions set per Appendix 2 of Government Decision 1397/2010.

To check that form 112 which has been submitted has been duly validated by ANAF, go to:

<http://www.anaf.mfinante.gov.ro/StareD112/>

INFORMATION – Declaration of contribution for non employment of disabled persons

As per provisions of Law 448/2006 regarding protection and promotion of the rights disabled persons, republished (Official Gazette 1/2008), legal entities with at least 50 employees must employ disabled persons equal to at least 4% of their headcount. If this obligation is not met, a monthly contribution is due in amount of 50% of the minimum national monthly gross salary multiplied by the number of positions for which disabled persons are not employed with respect to the 4% headcount obligation.

This contribution is not included in form 112 - "Return regarding social contributions, income tax and nominative list of insured persons." Subsequently, the contribution for non employment of disabled persons continues to be declared on form 100 "State budget liability return."

We mention that this contribution is not part of the taxpayer "vector fiscal" (*status*) which means it is not declared on form 010. The taxpayer is or is not liable for it. That is, form 100 "State budget liability return" is only prepared in the months when the taxpayer is liable for this contribution, and the return is not prepared in months when the liability is 0 (zero).

We underline that Law 448/2006 sets in article 78 point 3 letter b) the possibility, on behalf of contribution for non employment of disabled persons to acquire goods or services from "protected units" licensed by the General Inspectorate for the protection of disabled persons within the Ministry of Labour, Family and Social Protection. Thus, on the basis of contracts concluded with such entities, it is possible to benefit from goods and services, where the value represents a reduction of the contribution which is due.

For more information regarding licensed protected units, consult http://www.anph.ro/lista_instituti.php?m=informatii&id_up. In case the taxpayer is liable for the contribution for non employment of disabled persons but uses these facilities to meet its obligation, the contribution net of reduction is declared on form 100 for the month.

DECISION 118 dated 16 February 2011 to approve accreditation conditions for offices for submission of "Return regarding social contributions, income tax and nominative list of insured persons" as well as responsibility with respect to administration of data contained in the forms (Official Gazette 123/2011)

INFORMATION – TRADE REGISTER – Alert to companies, as per article 237 of Law 31/1990 regarding commercial companies

It is recommended to check the following information published by the Trade Register:

- Duration and expiry date of the contract regarding the company registered headquarters;
- Duration of the Director's mandate;
- Duration of the "cenzor's mandate;
- Submission of annual financial statements.

Such information can be checked online at:

<http://semnal.onrc.ro/cgi-bin/semnal.cgi>

If the company is complying, it will not be disclosed on this list.

In case of expiry of mandate or contract period, an addendum to the Constitutive deed (further to a SGM resolution, an addendum to the rental contract at a cost or free of charge "*comodat*" for the registered headquarters, etc.) is to be drafted and submitted within 15 days to the Trade Register for registration of mentions (*amendments*). For late submission, the Trade Register can apply a fine starting RON 500.

Upon submission of form 150 to be able to submit online tax returns and especially form 112 - where online submission is mandatory starting 1st July 2011 - civil servants will check the legal status of the company on the Trade Register website and may reject the application for online submission if the company does not comply.

REMINDER – Recovering amounts regarding medical leave and health insurance allowances from the Unique National Fund for social health insurance (FNUASS)

To recover amounts representing health insurance allowances paid by the employer to the employee on behalf of FNUASS, here is the procedure as per information received from the Health House:

- For closing balances as at 31 December 2010 which are not recovered**, the file to submit with the Health House in charge of the area where the employer has its headquarters must include:
 - o An application form in 2 originals;
 - o The "Fisa sintetica" (*position of the taxpayer in tax authority books*), obtained from tax authorities with respect to FNUASS contribution from 1st January 2006 to date;
 - o Copies of FNUASS returns submitted with Health House for the period for which application for refund is made;
 - o Signed and stamped copies of the medical certificates bearing the notation "Conforms to original."
- Starting the month of January 2011**, each month when amounts are to be recovered, a file must be prepared with the following documents and submitted to the Health House in charge of the area where the employer has its headquarters:
 - o An application form in 2 originals;
 - o Copy of form 112 - "Return regarding social contributions, income tax and nominative list of insured persons," submitted with tax authorities;

- o Medical certificates – the pink copy, signed and stamped by the employer in the upper left corner and determination of the allowance amount recorded as well as a centralized sheet disclosing the list of medical certificates thus transmitted .

The employer is no longer required to open an account with the Treasury or provide a fiscal certificate.

INFORMATION – How can an enterprise be in a position to apply for recovering amounts from FNUASS?

The allowances and enterprise pays to its employees on behalf of FNUASS are larger than its employer contribution at the rate of 0.85% for medical leave and health insurance allowances.

This payment on behalf of FNUASS is made when temporary work incapacity exceeds 5 calendar days or for maternity leave in all the cases.

Some background:

Leave for maternal risk is granted to a pregnant employee, to an employee who just gave birth, to an employee who breast-feeds her child although she resumed her professional activity. In case the employer for justified reasons cannot provide her with a position with no risk for her health or safety and/or an amendment to the business hours and/or cannot place her in another position, the employee can apply for a leave for maternal risk. The maximum length of this leave is 120 days and application can be made before maternity leave or after return from the mandatory after birth leave.

The employee receives a maternal risk allowance of 75% of her average income for the 6 months prior to this leave.

The employer retains the obligation to inform the Territorial Labour Inspectorate (ITM) that the female employee is pregnant within 10 days starting the date the employer is informed.

Maternity leave has a length of 126 days out of which 42 days after the child birth are mandatory.

The employee on maternity leave receives an allowance of 85% of her average income for the 6 months prior to this leave. During leave for maternal risk or maternity leave, the employee cannot be dismissed. Dismissal is also forbidden for 6 months after returning from leave for maternal risk (Article 21 point 2 of OUG 96/2003).

At termination of maternity leave, the father or the mother of the child can take **parental leave**. Parental leave can last until the child is 2 years old, or 3 years old if he/she is disabled.

The person whose child is born after 1st January 2011 and who takes this parental leave must exercise one of the following options:

- Leave to raise the child until he/she is 1 year old** as well as monthly compensation which is set at 75% of average net income obtained during the previous 12 months but no less than RON 600 and no more than RON 3,400. If this person obtains taxable income before the child is 1 year old, a monthly return to work bonus of RON 500 is granted for the period until the child is 2 years old. For the person who benefits from monthly compensation and applies for the return to work bonus, payment of monthly compensation is suspended.
- Leave to raise the child until he/she is 2 years old** as well as monthly compensation which is set at 75% of net pay obtained during the previous 12 months but no less than RON 600 and no more than RON 1,200. The person who exercises this option does not benefit from the return to work bonus mentioned above.

We mention that the person who resumes his/her activity after leave to raise the child until he/she is 1 year old (3 years old if disabled) **cannot be dismissed** (Article 25 point 3 of OUG 111/2010). This interdiction does not apply in case the leave to raise the child has been until he/she is 2 years old or for judicial reorganisation or bankruptcy of the employer (Article 25 point 4

of OUG 111/2010).

REMINDER – Declaration upon hiring and issue of registration certificate (*residence permit*) for foreigners when obligation to register labour contracts with Territorial Labour Inspectorate (ITM) no longer exists.

The employer must declare employment the day before inception of work at the latest. As for foreigners (EU, EEA, Swiss or other country citizens), the employer is not obliged to introduce the future employee's Personal Numeric Code (CNP) when it declares employment online with the General Register of Employees (REVISAL). It is sufficient to complete the Register with data from the foreigner's identification document.

However, for the purpose of having his/her registration certificate (*residence permit*) to carry out a lucrative activity or for prolongation of his/her residence period in the perspective of an employed position, the foreigner must provide the Romanian Office for Immigration (ORI) the following documents, instead of registering labour contracts with the Labour Inspectorate (ITM) as required prior to 1st January 2011:

- labour contract concluded between the Parties (original and copy);
- "print screen" of REVISAL, under the caption where data regarding declaration of the labour contract is available, signed and stamped by the employer to confirm the veracity of the presented document.

INFORMATION – Per diem granted to employees on business travel abroad

LIMITATION TO PER DIEM AMOUNT

In 2010, a series of rights granted to the public sector were cut by 25%. This 25% reduction also applied to the rights set by Government Decision 518/1995 regarding salaries in foreign currency and other rights in foreign currency and in RON of persons sent on a permanent assignment abroad as well as to Romanian staff travelling abroad for temporary assignments. These reductions were enforced by Law 118 dated 30 June 2010 regarding necessary measures in order to re-establish budgetary equilibrium (Official Gazette 441/2010) and presented in APEX Team newsletter no. 7_2010.

Starting 1st January 2011, the above mentioned rights which had been reduced by 25% have been increased by 15% as per Law 285 dated 28 December 2010 regarding 2011 salary rights for personnel paid from public funds.

These variations have an impact upon the **amount of the per diem granted to employees on business travel abroad and we suggest that they be assessed.**

For example: the upper limit of per diem set for public institutions for Germany was 35 Euro per day, a private company being able to grant a daily allowance up to 2.5 times this upper limit, i.e. a per diem capped at 87.5 Euro per calendar day.

Starting 3 July 2010, the upper limit for the public sector being reduced by 25%, per diem became in our example 26.25 Euro per day and implicitly for the private sector 65.63 Euro per day (26.25 Euro x 2.5).

Starting 1st January 2011, the above mentioned ceiling increases by 15% and becomes therefore for the private sector 75.47 Euro in our example.

PER DIEM GRANTED OVER THE UPPER LIMIT INCLUDED IN EMPLOYEE'S CONTRIBUTION BASE

As per provisions of article 296¹⁵ letter g) of the Fiscal Code, "the amounts received by employees to cover their transport and accommodation expenses as well as the allowance received for a delegation and travel period in another location, in the country and abroad, for professional purposes, in the limit of 2.5 times the allowance granted to public institution employees" are not included in the base of mandatory social contributions.

Amounts over the set per diem cap is included in the employee's contribution base.

ORDER 159 dated 27 January 2011 to set the indexed monthly amount for nursery vouchers during the first half of 2011 (Official Gazette 88/2011)

For the first half of 2011, starting the month of February, the monthly amount granted as nursery vouchers is RON 370.

INSTRUCTION 5 dated 1st February 2011 regarding the reference interest rate of the National Bank of Romania (NBR) for the month of February 2011 (Official Gazette 84/2011)

For the month of February 2011, the NBR reference interest rate is 6.25% per annum.

ORDER 21 dated 19 January 2011 to approve Instructions for drafting Intrastat statistical statements (Official Gazette 83/2011)

The Order approves instructions for drafting INTRASTAT statements. Two types of statements are introduced, one standard and one extended, as follows:

Type of statement	Inflows (introductions)	Outflows (shipments)
No obligation to submit INTRASTAT statistical statement	Less than RON 300,000	Less than RON 900,000
Standard statement where all information is filled in excluding statistical value	From RON 300,000 to RON 10,000,000	From RON 900,000 to RON 20,000,000
Extended statement where all information is filled in including statistical value	Over RON 10,000,000	Over RON 20,000,000

ORDER 724 dated 4 February 2011 to approve forms mentioned in articles 118 and 120 of Law 571/2003 – Fiscal Code and to establish competence regarding their signature (Official Gazette 131/2011)

The Order approves the forms to implement provisions of article 118, "Corroborate provisions of the Fiscal Code and of conventions to avoid double taxation" as well as article 120 of the Fiscal Code, "Certificate to attest tax paid by the non resident." These forms are:

- Application for issue of tax residence certificate and template for residence certificate for Romanian legal entities, individuals residing in Romania, individuals residing in Romania who carry out an independent activity;
- Application for issue of a certificate to attest tax which has been paid in Romania by the foreign legal entity, the non resident individual and template of the certificate to attest tax paid in Romania;
- Application regarding issue of a certificate to attest the activity carried out in Romania by the permanent establishment of the foreign legal entity;
- Certificate to attest the activity carried out in Romania by the permanent establishment of the foreign legal entity;
- Statement to exempt from taxation in Romania the payment of interest and royalties made by a resident enterprise or by a permanent establishment located in Romania to an associated enterprise resident in another EU State or an EFTA State. This statement is also required for a permanent establishment located in another EU State or in an EFTA State;
- Statement to exempt from taxation in Romania the payment of dividends made by a Romanian legal entity or a legal entity with its headquarters in Romania set up as per European legislation, to a legal entity resident in another EU State or in an EFTA State or to a permanent establishment of an enterprise of an EU member State or of an EFTA State which is located in another EU State member or

EFTA State.

ORDER 120 dated 24 January 2011 to approve modalities of VAT payment for occasional supply of goods and/or provision of services as well to approve model and content of the forms, "Application for issue of a resolution regarding the modalities of VAT payment for occasional supply of goods and/or provision of services" and "Resolution regarding the modalities of VAT payment for occasional supply of goods and/or provision of services" (Official Gazette 74/2011)

The Order approves model, content and instructions to complete the following forms:

- "Application for issue of a resolution regarding the modalities of VAT payment for occasional supply of goods and/or provision of services;"
- "Resolution regarding the modalities of VAT payment for occasional supply of goods and/or provision of services."

In order to pay VAT, taxable persons not established in Romania and exempted as per law from the obligation to register under the scope of VAT in Romania will submit an "Application for issue of a resolution regarding the modalities of VAT payment for occasional supply of goods and/or provision of services."

The application is submitted by the taxable entity with the tax authorities in charge of the location where the taxable operation occurred or by Post by the last day of the month when occasional supply of goods and/or provision of services occurred.

The resolution regarding modalities of VAT payment for occasional supply of goods and/or provision of services is issued by tax authorities on the 10th of the subsequent month at the latest further to application submission. The resolution is recorded in a special register kept for taxable entities not established in Romania and exempted from the obligation to register under the scope of VAT when they carry out taxable operations in Romania for which they are liable for VAT.

The taxable entity not established in Romania and exempted from the obligation to register under the scope of VAT in Romania will settle the amount representing VAT upon occasional supply of goods and/or provision of services, as per regulations in force, in RON, in cash, by bank or post transfer by the 25th of the month subsequent to carrying out taxable operations, at the latest.

EMERGENCY ORDINANCE 6 dated 2 February 2011 to enhance set up and development of micro enterprise by young entrepreneurs (Official Gazette 103/2011)

The Ordinance establishes the "Programme to enhance set up and development of micro enterprises by young entrepreneurs" by the Agency for implementation of projects and programmes for Small and Medium Size Enterprises (A.I.P.P.I.M.M) within the Ministry of Economy, Commerce and Business environment.

Through this programme, facilities are granted to newly set up micro enterprises, managed by young entrepreneurs who carry out economic activity for the first time, in the form of a limited company.

Enrolment in this programme is made online on www.aippimm.ro or directly at:

<http://programenationale2011.aippimm.ro/>

The objective of this programme is to enhance set up of new micro enterprises, to increase potential access to financing sources and to develop entrepreneurial aptitude of young people in the scope of involving them in private economic structures.

Programme financing is made from funds of the State Budget by granting non-refundable financial aid to at least 1,100 micro enterprises.

Programme beneficiaries are young adults who start in business, less than 35 years old, who have never been a shareholder in any company and who have a sound business plan which permits them to obtain the larger number of points upon registration online.

The micro enterprise belonging to the new entrepreneur benefits from the following facilities:

- Grant by A.I.P.P.I.M.M. of non-refundable financial aid representing at a most 50%, but no more than Euro 10,000 or equivalent in RON, of the amount of the project regarding the business plan for which proof of co-financing is made. Non-refundable financial aid is granted in the limit of the amounts approved for this purpose in the Budget of the Ministry of Economy, Commerce and Business environment;
- Guarantees granted by the National Fund for Guarantee of Loans for Small and Medium Size Enterprises S.A. – I.F.N. (F.N.G.C.I.M.M.) for loans contracted by beneficiaries under the scope of carrying out the business plan accepted by A.I.P.P.I.M.M. with respect to conditions set in internal norms and procedures of credit institutions and F.N.G.C.I.M.M. up to 80% of the loan applied for in the limit of Euro 80,000 or equivalent in RON;
- Exemption of payment of employer social insurance contributions (*pension*) due as per law on income regarding the time worked by 4 employees at a most who are hired for an undetermined period. This period represents a contribution period in the public pension regime, but for the determination and computation of rights set by Law 263/2010 regarding the unitary public pension regime with its further amendments and complements, the average gross month salary upon which the employee pays his/her individual contribution to social insurance (*pension*) is used. For each employee, exemption is not granted for the portion of the monthly salary income which exceeds the average national salary income of the previous year;
- Exemption of payment of the fee for registration with Trade Register when the micro enterprise is set up;
- Advice, training and assistance from the territorial unit of A.I.P.P.I.M.M. in charge where the registered headquarters of the micro enterprise is located.

Eligibility conditions refer to the micro enterprise which can be set up by a new entrepreneur as a sole shareholder or by at a most 5 eligible shareholders. The micro enterprise must have at a most 5 CAEN activity codes. The following activities do not qualify for this program: financial intermediaries and insurance, real property transactions, gambling and betting, production or merchandising weapons, ammunition, explosives, tobacco, alcohol, plants and substances under national control as well as activities which are excluded by European norms regarding State aid.

Furthermore, the new entrepreneur must hire at least 2 employees when he/she is granted the financing facilities and reinvest at least 50% of the profit posted during the previous year.

Additional information can be obtained from the Agency for implementation of projects and programmes for Small and Medium Size Enterprises (email: agentia.imm@aippimm.ro, www.aippimm.ro, Tel: 021.335.26.20).

DECISION 96 dated 2 February 2011 to approve Implementation norms of OUG 6/2011 to enhance set up and development of micro enterprises by young entrepreneurs (Official Gazette 108/2011)

ORDER 90 dated 26 January 2011 to approve Instructions for access by economic operators to EMCS-RO STOCURI application to submit online returns regarding the state of acquisitions and deliveries of excisable products (Official Gazette 77/2011)

ORDER 95 dated 31 January 2011 to approve Implementation Norms for drafting notifications and for processing application for approval to carry out some financial transactions (Official Gazette 87/2011)

Implementation norms rule the modality to apply the restrictions regarding transfer of funds and financial services to and from Iran established by the provisions of EU Regulation 961/2010 issued by the Council on 25 October 2010 regarding restrictive measures against Iran.

INFORMATION – Certification of annual profit tax return by tax consultant

As per provisions of article 83 paragraph (5) of OG 92/2003 – Code of fiscal procedure, annual tax returns of a taxpayer which is a legal entity are certified by a tax consultant in the conditions of law, except for entities where an audit is mandatory.

Exception to the rule does not apply to taxpayers which opted to be audited even though an audit was not mandatory.

In its quality as member of the Chamber of Tax Consultants, APEX Team offers certification services for return(s) regarding 2010 profit tax (form 101).

REMINDER – Do not forget to request tax residence certificates issued in 2011 from your foreign business partners

The tax residence certificates issued in 2010 are valid for the first 60 days of 2011.

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, receivables, payables) denominated in foreign currency are valued at the NBR exchange rate in force on the last banking day of the month.

It 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 2011:

1 Euro = 4.2150 RON;	1 USD = 3.0489 RON;
1 CHF = 3.2862 RON;	1 GBP = 4.9440 RON.

MARCH 2011 – 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 or termination, if any

At month end - do not forget

- To complete the journal ledger
- To complete the Fiscal evidence Register if closing year 2010 is finalised
- To register contracts concluded during the month for services rendered by non-residents, with tax authorities as per article 8 point 7¹ 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 month of March 2011

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
- Medical leave contribution and health insurance allowance
- Unemployment contribution
- Contribution to fund to guarantee payment of salary liabilities
- Contribution to work accident and occupational disease fund
- Contribution for non employment of disabled persons for employers with headcount over 50
- Contribution to Environment Fund (not "ecotax")
- Annual tax for gambling license for the upcoming quarter.

During the month - do not forget

That Tuesday 1st March is last day

- of validity of 2010 tax residence certificate based on which payments can be made to non-residents in 2011 as per provisions of the Treaty to avoid double taxation signed between Romanian and the respective State.

That Monday 7 March last day to submit

- Form 092 (*amendments*) to change VAT return periods from Quarterly to Monthly in case an EU acquisition of goods occurred in February 2011. Starting February 2011, VAT returns will be submitted monthly.

That Thursday 10 March is the last day to submit

- Return on collection of hotel tax

That Thursday 10 March is the last day to pay

- Hotel tax
- Advertising service tax

That Tuesday 15 March is the last day to submit

- INTRASTAT statement for February 2011 (standard or extended submitted on-line)
- Recapitulative statement of EU Supplies/acquisitions/ services (form 390)* for February 2011;**
- Annual income return for 2010 for associations which are not legal entities (form 204);
- Return regarding the state of acquisitions and deliveries of excisable products for the month of February 2011.

That Tuesday 15 March is last day to pay advance payments regarding income tax for Quarter I 2011 as per article 71 of the Fiscal Code for taxpayers who carry out an independent activity, have rental income except from renting agricultural land or have agricultural income.

That Friday 25 March is the last day to submit

- State budget liability return (form 100)*
- Return regarding social contributions, income tax and nominative list of insured persons (form 112) *
- VAT return (form 300)*
- Special VAT return for VAT non payers (form 301)*
- 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)
- Environment Fund Statement (except "ecotax").

That Friday 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
- Income tax on salary
- 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

That Thursday 23 March is last day to pay

- Local taxes for land, buildings and means of transport (1st instalment). The 2nd and last instalment is to be paid 30 September 2011.

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.

Tax returns noted with an asterisk (*) can be submitted by remote means of electronic transmission by large and medium size taxpayers as well as by taxpayers which have opted to file their returns on-line and which hold a digital certificate.



KEY HR FIGURES

2011 Contributions	Employer and Beneficiary of activities considered dependent activities (% rate)	Employee and provider of dependent activities (% rate)
Social security contribution (<i>pension</i>)	20.8% for normal working conditions 25.8% for particular working conditions 30.8% for special working conditions (contribution base capped at an amount representing the average amount of insured persons during the month for which the contribution is determined as 5 times the average monthly gross salary)¹	10.5% (contribution base per employee capped at 5 average monthly gross salaries according to Budget for public social insurance, i.e. 5 x 2,022 = RON10,110) ¹ (contribution base for a person under civil contract: gross income)
Health insurance fund (based on gross salary)	5.2%	5.5%
Medical leave contribution and health insurance allowance (based on gross salary)	0.85%	
Unemployment fund (based on gross salary)	0.5%	0.5%
Work accident and occupational disease fund (based on gross salary) ²	0.15% - 0.85% depending on CAEN code for main activity	
Contribution to fund to guarantee payment of salary liabilities (based on gross salary)	0.25% (only for employees under labour contract included for retired persons)	
Salary tax		16%
Contribution for non employment of disabled persons (for employers with more than 50 employees)	4 x 50% minimum gross salary (RON 670) for every 100 employees	
Minimum monthly gross salary as per Government Decision 1193/2010	RON 670	
Luncheon voucher starting from March 2011 subject to income	RON 9	
Per diem (in Romania) Employees in the public sector Employees in the private sector (x 2.5)	RON 13.00 RON 32.50	

Note 1: Contribution to pension is also due during periods when the insured person benefits from medical leave and health insurance allowance. For these periods, the contribution base is 35% of the average monthly gross salary corresponding to the number of business days of medical leave.

Note 2: **Contribution for work accident and occupational disease is also due during periods when the insured person benefits from medical leave and health insurance allowance. For these periods, the contribution base is the minimum gross salary where payment is guaranteed on a national basis corresponding to the number of business days of medical leave.**

Note 3 : Income paid to a person who carried out an activity considered dependent activity (example: in-house "captive" PFA or who meets at least 1 out of the 4 re-qualification criteria mentioned in OUG 82/2010) is disclosed on a separate "Payment statement" and is included on form 112.

Contributions	Income payer / Beneficiary of professional activities (of author or person under civil contract) (% rate)	Provider of professional activities (author or person under civil contract) (% rate)
Contribution to social insurance (<i>if applicable</i>) (based on gross income reduced by the standard deduction as deemed expenses for intellectual property rights and based on gross income for persons under civil contract and in both cases capped at 5 average monthly gross salaries, i.e. 5 X 2,022 RON)	0%	10.5% ¹
Contribution to health insurance	0%	0% ²
Contribution to unemployment insurance (<i>if applicable</i>)	0%	0.5% ³
Income tax		16% ⁴

¹ The income payer calculates, withholds, pays and declares the individual contribution for pension (CAS) if the author or person under civil contract does not prove he/she is retired or insured in another pension regime within Pillar 1.

² The author or the person under civil contract remains responsible for submitting his/her return for health insurance as well as for payment of the health contribution as per Law 95/2006.

³ The income payer withholds, pays and declares the individual contribution for unemployment if the author or the person under civil contract does not prove he/she is insured by option with the unemployment insurance regime.

⁴ Regarding income tax, it remains possible for the author to have 10% of his/her income tax withheld when author's rights are paid, and to annually declare author's rights income obtained to tax authorities and to adjust the 10% income tax rate to 16%, paying the balance due.

Regarding a Director appointed in the Constitutive Deed (and not through an administration or management contract) and to whom a General Shareholder meeting resolution grants remuneration, he/she must insure himself/herself in the public pension regime via an insurance declaration unless he/she is not already an insured person. The base for his/her contribution is at his/her decision but cannot be less than 35% of average monthly gross salary as per Budget for public social insurance (i.e. RON 2,022 x 35%) but no more than 5 average monthly gross salaries. The rate of contribution is 31.3%. The insured person can be a Romanian citizen, a citizen of another State or stateless for the period he/she has, as per law, his/her domicile or residence in Romania.

As for the legal entity which grants such remuneration, it must make a contribution to health insurance at a tax rate of 5.2% and also for medical leave allowances of 0.85%. The legal entity will also declare and pay the health contribution (5.5%) and income tax which it will have to withhold from the Director's remuneration.



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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.

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