

56 Boulevard Dacia,  
District 2, Bucharest  
Tel: +40 (0) 31-809 2739  
Fax: +40 (0) 31-805 7739  
Email: office@apex-team.ro

## Contents:

- Implementation Norms for the Fiscal Code
- Instalment payment of fiscal liabilities
- Revenue from unidentified source – methods to reconstitute taxable base
- Deductibility of interest
- Contributions which declaration and payment fall to the independent PFA
- March 2011 NBR interest rate
- Taxation of secondees' income from his/her very first day in Romania
- ITM will return labour books by 30 June 2011
- Report of sick leave
- Ecotax on shopping bags made from materials which cannot be regenerated
- Certification of annual profit tax return
- Check that returns submitted online have indeed been processed by tax authorities
- Easter celebration
- Finalising 2010 and archiving documents
- Valuation of monetary items in foreign currency as at 31 March 2011
- APRIL 2011 Agenda
- Key HR indicators

## **DECISION 150 dated 23 February 2011 to amend and complement Implementation Norms of Law 571/2003 – Fiscal Code approved by Government Decision 44/2004 and to amend and complement Government Decision 870/2009 to approve Implementation Norms of Government Emergency Ordinance regarding organisation and operation of gambling (Official Gazette 150/2011)**

The main amendments introduced by this Decision are presented hereafter.

### **Profit tax**

Clarification is made regarding conditions and modality of application of the exemption which is set under the treaties to avoid double taxation concluded between Romania and other States when a legal entity which is resident in Romania posts a profit derived from its permanent establishment located abroad:

- This profit will be exempt from profit tax in Romania only when the supporting document proving payment of the tax abroad is presented;
- Income and expenses registered by the intermediary of the permanent establishment represent non taxable income and disallowed expenses upon determination of taxable profit of the Romanian legal entity.

Norms disclose the mode of determination and of reporting profit tax pertaining to year 2010, in respect of these 2 tax periods: January – September 2010 and October – December 2010. These modalities have been presented in the January 2011 APEX Team newsletter.

Regarding the mode to determine the tax profit/loss for these 2 distinct tax periods, it is stipulated that the corresponding tax base pertaining to each tax period is used for the following items:

- expenses with limited deductibility
- VAT afferent to expenses which exceed the ceiling for "protocol"
- tax allowed provisions and impairments
- deduction limit for constitution of the legal reserve
- gearing ratio.

The rules for carrying over fiscal losses in accordance with the year/tax period to which the loss refers are set as follows:

- for carrying over tax losses posted in years prior to 2010, year 2010 is considered to represent a single fiscal year in respect of possibly carrying over tax losses for either 5 or 7 years;
- for carrying over tax posted in the period from 1<sup>st</sup> January to 30 September 2010, the period from 1<sup>st</sup> October to 31 December 2010 is considered the first year when fiscal losses are carried over for 7 consecutive years;
- tax loss posted in respect of the period from 1<sup>st</sup> October to 31 December 2010 is carried over the 7 consecutive years, but only 5 consecutive years if the loss is derived from a permanent establishment located abroad.

### **Tax on dividends**

Clarification is given regarding withheld and paid tax on dividends in respect of allocated dividends which were not disbursed before year end when the tax on dividend was actually declared and paid before 25 January of the subsequent year. If, as at the effective date of payment of dividends upon which tax on dividend was withheld and transferred to the State Budget, the Romanian legal entity which receives such has held at least a 10% interest in the other legal entity for over a period of 2 years as at the payment date, the Romanian legal entity which pays the dividend can apply for a refund of the tax on dividends in the conditions set according to the Code of Fiscal Procedure.

### **Tax on micro enterprise revenue**

Conditions for application of tax on micro enterprise revenue starting 1<sup>st</sup> January 2011 are summarized below.

The micro enterprise which starts during a quarter to carry out activities which do not qualify for the micro enterprise tax is liable for profit tax starting the same quarter.

To assess whether the activity criterion is met, analysis is performed for the taxpayer in the category which derives revenue from management and consultancy on the basis of contracts concluded and other documents which support the nature of revenue.

To assess whether the criterion of the amount of realized revenue is met, the amount of realized revenue during the previous year is determined in the same manner as the tax base (set at

article 1127 of the Fiscal Code) is determined for the current year but the exchange rate to calculate the equivalent in Euro is as of year end of the same financial year.

To assess whether the criterion of the number of employees is met, it is the number of employees under a labour contract which is considered, irrespective of whether they work full time or part time but are on monthly payroll and/or in the staff registry. An employee whose labour contract as per law is suspended is taken into account. For legal entities with a single employee who ceases to be employed during a month, the condition is considered met if another employee is hired during the subsequent month. It is stated that a newly set up legal entity which opted for the micro enterprise taxation regime and has not hired an employee for 60 days starting from its registration date is subject to profit tax starting the registration date with The Trade Register.

The legal entity where its temporary inactivity period ends during a fiscal year can opt for tax on micro enterprise revenue starting the next year after end of the temporary inactivity period if, as at 31 December of this year, conditions set by the Fiscal Code are met.

The taxpayer who obtained revenue over Euro 100,000 during the fiscal year must inform the tax authorities about the change of the applicable tax regime by submitting form 010 in respect of this modification ("*mentiuni*") as per the Code of Fiscal Procedure.

Norms provide the following clarification regarding the tax period of the micro enterprise:

- In case the micro enterprise is set up during the fiscal year, the tax period starts from registration date with the Trade Register (if it must comply with this obligation), from registration date with Registry maintained by competent judicial authorities (if it must comply with this obligation) or at the date of signature/entry in force of the association contract in case the association does not establish a new legal entity.
- In case the micro enterprise is dissolved without being liquidated (demerger, merger), the taxation period ends upon registration date with the Trade Register, with the Registry maintained by competent judicial authorities of the newly set up entities (or the last newly up entity), at registration date of the last General Meeting which approved the operation or at a date agreed upon by the Parties or at the date set by law in cases other than those mentioned before.
- In case the micro enterprise is liquidated, the taxation period ends at the date of submission of financial statements with the Register where it was registered at set up.

For the micro enterprise which ceases to exist further to reorganisation or liquidation as per law and which, during its existence, has also been liable for profit tax, the taxation base does not include the following items which have been accumulated over the period when the enterprise was liable for profit tax: reserves created further to allocation of the net profit, less reserves representing exchange rate gains in respect of share capital in foreign currency or cash in foreign currency at bank as well as amounts representing reductions of profit tax further to profit reinvestment as per law. Conversely, the taxation base also includes reserves representing revaluation surplus of non current assets including land which were deducted upon determination of taxable profit and were not subject to taxation during the period the enterprise has been subject to profit tax.

#### **Tax on revenue obtained in Romania by non residents**

Additional information is provided to qualify income as a royalty:

- Amounts paid to access transmission capacity of a satellite, without effective transfer of the associated technology or transfer of ownership to the client are not considered royalties. Conversely, renting such equipment or transmission capacity for cables, energy, information, gas or crude

oil is deemed a royalty.

- Amounts paid for using telecommunication services supplied by a network operator located abroad on the basis of standard roaming agreements as well as amounts paid for the right of use radio bands are not considered royalties because no classified technology is used or transferred, nor is equipment effectively used.
- Amounts paid in respect of broadcasting films at a cinema or on TV represent royalties.

Any agreement convened by the Parties where the outcome is settlement of contractual obligations is deemed to be a payment of revenue.

Provisions of the Agreement concluded between the European Community and the Swiss Confederation to establish measures equivalent to those set by EU Directive 2003/48/CE of the Council dated 3 June 2003 to tax income from savings under the form of interest payments have become applicable in Romania starting the date Romania joined the EU.

It is stated that in the case when domestic legislation, EU legislation or treaties to avoid double taxation, different tax rates are set for the same income, the most favourable tax rate applies only if the income beneficiary proves its residence in a State with which Romania has concluded a treaty to avoid double taxation and, if applicable, the beneficiary meets EU legislation conditions.

#### **VAT**

##### **Missing items at a leasing company**

In case of termination of a financial lease contract regarding tangible movable items where it is set that the items are returned to the leasing company, items must be considered missing at expiry of the timeframe stipulated in the contract regarding restitution of items by the user but no later than 30 calendar days starting termination date of the contract. The taxation base for this "self supply" represents the amount in capital which remains to be charged. In case the leasing company later enters into possession of the item, it is entitled to cancel this "self supply" and to adjust the output VAT it initially declared.

##### **Place of taxation of services**

To grant access at cost to a cultural, artistic, sports, scientific, educational, entertainment or similar event represents a provision of services. As for auxiliary services, they only include services rendered to persons who are attending such an event, such as access to cloakroom or toilets but do not include intermediation services for ticket sales.

##### **Exchange rate**

In case events set at article 133 of the Fiscal Code regarding adjustment of the VAT base occur, in respect of operations in which the taxation base is determined in foreign currency, the exchange rate used for adjusting the taxation base is the same as that of the underlying operation. However, if the underlying operation cannot be identified, it is the exchange rate in force at the date of the adjusting event which is used.

##### **Capital assets**

Tangible assets with the nature of depreciable fixed assets which are the object of a lease contract are considered capital assets in the leasing company evidence if their minimum useful life is less than or equal to 5 years.

##### **Adjustment upon change to the special exemption regime for small enterprises**

In the case of an entity registered under the scope of VAT which applies for application of the exemption regime for small enterprises, this entity must adjust the following at the date it is removed from the list of persons subject to VAT:

- VAT pertaining to items in inventories and to unused services, at the date it falls under the exemption regime;

- ☑ VAT pertaining to tangible fixed assets, including in progress which it owns at the date it falls under the exemption regime, including capital assets for which adjustment period in respect of deduction has not expired;
- ☑ In case tangible fixed assets were purchased under a lease contract, if transfer of ownership occurs after removal of the user from the list of the entities registered under the scope of VAT, the entity must adjust, by the 25<sup>th</sup> of the month after transfer of ownership, the following:
  - a) deductible VAT pertaining to capital items, included VAT which was paid or due before the date of transfer of ownership;
  - b) deductible VAT pertaining to tangible fixed assets other than fixed assets considered capital items in respect of the net book value at the time of transfer of ownership.

#### **Mandatory new registration for entities whose registration was cancelled due to fiscal or temporary inactivity**

A taxable entity whose registration in the scope of VAT was cancelled due to its inclusion on the list of the taxpayers declared inactive or due to its temporary inactivity registered with the Trade Register as per law, must apply for registration in the scope of VAT with tax authorities when circumstances which lead to deregistration end, as follows:

- a) within 15 days starting date of publication of the Order which cancels fiscal inactivity. Registration in the scope of VAT is considered valid from reactivation date;
- b) within 10 days starting registration of the forms regarding resumption of activity with the Trade Register, accompanied by the certificate issued by the Trade Register proving registration of this change of status ("*mentiuni*"). Registration in the scope of VAT is considered valid starting the registration date of the "*mentiuni*" regarding resumption of activity with the Trade Register.

In case the taxable entity concerned by such event does not apply for registration in the scope of VAT with tax authorities in the mentioned timeframe, tax authorities will register this entity *din officio*, with a registration date mentioned above.

#### **Issue of invoices by the purchaser in the name and on behalf of the supplier**

Until now, for a purchaser to be in position to issue an invoice in the name and on behalf of the supplier, the purchaser had to be established in the European Community and registered in the scope of VAT in Romania. This condition regarding registration is removed, which means that a purchaser, taxable entity established in the European Community, can issue an invoice in the name and on behalf of the supplier even if the latter is not registered in the scope of VAT in Romania. In case one of the Parties is registered in the scope of VAT in Romania, only this Party must inform the tax authorities.

#### **Special VAT return**

Clarification is given regarding submission of the special VAT return for acquisition of new means of transport and for acquisition of a means of transport other than new. In addition, the procedure for issuance of the certificate to register the means of transport is clarified.

#### **Self-invoicing for self supply/provision of services, for transfer assimilated to EU supply and acquisition as well as for advance payments**

A taxable entity which has issued an invoice to itself further to self supply/provision of services, to transfer assimilated to EU supply and acquisition as well as further to advance payments it made for which the obligation of self invoicing existed and who later assesses that inaccurate information is disclosed on the invoice can proceed to adjustments in accordance with general provisions regarding corrections set at article 159 of the Fiscal Code.

## **Mandatory social contributions**

### **Contribution payers**

The persons who contribute to the social insurance regimes are defined as the individuals who have their domicile or residence in Romania as well as foreigners and stateless persons who legally hold the right to stay and work in Romania.

In the category of non residents, persons obtaining salary income in Romania or income assimilated to a salary are also mentioned as persons who contribute to the social insurance regimes but only in the conditions when these obligations fall to them as per the European Regulations in the field of social security and of conventions regarding social security concluded by Romania. The non resident employers also fall in the category of the persons who contribute although it is not mentioned which modality is used to settle this obligation.

The Norms define entities assimilated to employers as entities which are not natural or legal persons but have the right to employ staff such as practice/professional offices and civil companies.

### **Social contribution base**

In the Norms, non refundable loans as well as waiving a liability that an employee had towards his/her employer represent benefits assimilated to salaries that are included in the both the employee's and employer's social contribution base.

Income derived from developing IT applications as well as income obtained by disabled persons who are both exempt from income is included in the social contribution base.

The Norms match legislation specific to each type of social contribution by stating to which contribution is subject to medical leave and health insurance allowances supported by the Budget of public social insurance, including work accident and occupational disease cases.

Point 30 of the Norms clarifies that the social contribution base for the employer is that which results after application of general exceptions (these general exceptions were previously presented in the Fiscal Code as applicable only upon determination of the insured person's contributions) and specific exceptions set in the Fiscal Code, thus unifying the contribution base for both the insured person and employer, for a majority of benefits of salary nature.

### **Ceiling to pension contribution in case of plurality of position**

In case an employee obtains income further to the conclusion of several labour contracts with the same employer, the income is accumulated and capped to determine the employee's contribution base for pension. Conversely, if the employee's income is derived from the conclusion of a labour contract with different employers, each employer will separately determine the ceiling applicable to his/her employee.

### **Income tax**

As per the Norms, the computation of the tax credit from abroad is made by the tax authorities in a distinct manner for each source of income and no longer by the taxpayer.

Tax credit from abroad is granted for each type of similar income in Romania in case of investment income, pensions, prizes and gambling, disposal of real estate property but also in case of salary income as per the Norms. The Norms state that, in case avoidance of double taxation means exemption, income is to be declared in Romania but will be tax exempted on the basis of supporting documentation proving tax payment in the other State.

In case of income derived from rights of intellectual property, monetary income as well as income, in RON equivalent, is included in gross income.

A ceiling of RON 150 set for gifts granted by the employer to **for each under age child** of employees for Easter, 1<sup>st</sup> June (*Children's Day*), Christmas and similar celebrations.

**LAW 37 dated 21 March 2011 to approve Government Emergency Ordinance 51/2010 to establish measures to reduce arrears in payment on a national scale as well as regarding other financial measures (Official Gazette 205/2011)**

The Law approves OUG 51/2010 to establish measures to reduce arrears in payment on a national scale as well as regarding other financial measures (Official Gazette 413/2010)

**EMERGENCY ORDINANCE 29 dated 20 March 2011 regarding ruling granting instalment payments (Official Gazette 200/2011)**

In respect of fiscal liabilities administrated by ANAF, tax authorities can grant, upon taxpayer request, facilities in the form of instalment payments for a period up to 5 years in the conditions of this Government Emergency Ordinance (OUG).

The OUG applies to taxpayers, individuals or legal entities, public or private, irrespective of their form of organisation. Payment by instalment is granted for all fiscal liabilities administrated by ANAF which are disclosed in the fiscal certificate if conditions set per the OUG are met.

Payment by instalment is not granted for:

- fiscal liabilities less than RON 500 for individuals and RON 1,500 RON for legal entities;
- fiscal liabilities which have been the object of an instalment agreement as per the present OUG which has lost its validity;
- fiscal liabilities administrated by ANAF with a due date after date of issue of the fiscal certificate;
- fiscal liabilities which, as at date of issue of the tax certificate, enter under the incidence of article 116 of the Code of Fiscal Procedure in the limit of the amount to reimburse/to refund/to pay by the State Budget;
- fiscal liabilities whose payment depends on granting or keeping a license or other similar administrative act, as per law;
- liabilities set by bodies other than ANAF and transmitted to ANAF for collection, as per law;
- fines of any type which represent resources to the State Budget.

The instalment period is set by tax authorities depending on the amount of fiscal liabilities and the financial capacity of the taxpayer. Instalment period cannot be longer than the one applied for.

#### Conditions to be granted

To be granted instalment payments for fiscal liabilities, the taxpayer must meet all the following conditions:

- to have submitted all required tax returns as per its fiscal status ("*vector fiscal*"), a condition which must be met at the date the tax certificate is issued;
- facing concerns due to a temporary shortage of cash and to have the financial capability to honour the payment schedule during the instalment period. This position is assessed by tax authorities on the grounds of the restructuring or recovery programme and/or other information and/or relevant documents presented by the taxpayer or held by tax authorities;
- to have constituted the guarantees set per article 9 (see below);
- to not be under an insolvency or liquidation procedure;
- to not 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 provisions of articles 27 and 28 of the Code of Fiscal Procedure. By exception, if the acts by which liability was established are final in the administrative and judicial methods for prosecution but the amount for which liability was engaged has been settled, the condition is considered met.

#### Application

Application for granting payment by instalments is submitted to the applicable tax authority desk or sent by Post with confirmation of receipt. The application will be processed within 60 days from submission date.

#### Guarantees

At most, 30 days after communication date of the possible agreement, except for public institutions, the taxpayer must constitute guarantees. The guarantees may consist of:

- funds deposited in the name of the taxpayer at the Treasury and at the disposition of tax authorities;
- a letter of guarantee issued by a bank;
- the constitution of a conservator upon items owned by the taxpayer;
- the conclusion of a mortgage or a pledge upon assets free of liens belonging to a third person for the benefit of tax authorities for execution of the fiscal liabilities of the taxpayer to whom payment by instalments is granted.

The constituted guarantees must cover amounts for which payment by instalment is granted, interest due for the instalment period as well as an additional percentage of up to 40% of the amounts which payment are made by instalment depending on the duration of the instalment period, as follows:

- for an instalment period between 13 and 24 months, the percentage is 10%;
- for an instalment period between 25 and 36 months, the percentage is 20%;
- for an instalment period between 37 and 48 months, the percentage is 30%;
- for an instalment period between 49 and 60 months, the percentage is 40%.

The validity period of the letter of guarantee issued by a bank must be at least 3 months after the scheduled due date.

No guarantee is to be constituted for instalment payment if fiscal liabilities it refers to are less than RON 5,000 for individuals and RON 20,000 for legal entities.

**Conditions are also set for scheduled instalment payments remaining in force.**

#### Interest and penalties for late payment

For the period payment by instalment is granted, interest is due based on the amount of fiscal liabilities for which payment is made by instalment at the rate set at article 120 point (7) of the Code of Fiscal Procedure. By exception to the provisions of article 120 point (7), the interest rate is **0.03%** per day of delay in case the taxpayer fully constitutes the guarantee under the form of a letter of guarantee issued by a bank and/or deposits funds at the Treasury.

Interest is due and calculated for each instalment per the instalment schedule starting the date the decision to grant instalment payments is issued and until the last payment per the instalment schedule or until the instalment is paid.

#### Penalties

For any delay in payment of an instalment per the instalment schedule and until the last instalment of the instalment schedule, a 10% penalty is due of an amount representing the instalment paid late in respect of the principal balance of the fiscal liability and/or additional fiscal liabilities for which instalment payments are made as well as interest due for the instalment period, if applicable. The same 10% penalty applies to fiscal

liabilities which remained unsettled after processing the application of VAT refund which were taken into account when the instalment payment schedule was set.

**DECISION 248 dated 17 March 2011 to approve Implementation procedures of indirect methods to determine the adjusted taxation base (Official Gazette 191/2011)**

Inspection of the personal fiscal position of individuals in respect of their income tax, set at article 109<sup>1</sup> of the Code of Fiscal Procedure, represents all the activities carried out by tax authorities in the scope to examine all rights and obligations of patrimonial nature, cash flow and any other relevant item to establish the real fiscal position of the individual under inspection.

For the purposes mentioned above, tax authorities will broadly undertake the following:

- ☑ request in the conditions of the law information from authorities and public institutions;
- ☑ analyse all information, documents and other means of proof which regard the fiscal position of the individual under inspection;
- ☑ match information obtained by tax authorities as means of proof with information in tax returns submitted as per law by the individual under inspection or, as per case, by the payers of income or by third persons;
- ☑ request in the conditions of the law information, clarification, explanations, documents and other similar means of proof to the individual under inspection and/or to persons with whom he/she has had or has an economic or legal relationship;
- ☑ discussion of tax authorities findings with the individual under inspection and/or with the person the individual under inspection has empowered;
- ☑ determine, if such is the case, the difference in taxation base after adjustment by using indirect methods per the Code of Fiscal Procedure as well as the fiscal liabilities which result;
- ☑ take precautionary measures in the conditions of the law.

The period subject to inspection is the prescription period of the right of tax authorities to set fiscal obligations.

The indirect methods used to determine the adjusted taxation base are the following:

- a) method of funding source and disbursements of funds;
- b) cash flow method;
- c) estate method.

The selection of indirect methods to adjust the taxation base falls with tax authorities and is made in accordance with findings, sources of information and identified written documents and obtained supporting documents.

Use of indirect methods can be single or combined depending on complexity, difficulty, sources of information and the period under inspection.

**Method of funding source and disbursement of funds**

- ☑ Consists of comparing expenses made by an individual with his/her declared income in the period under inspection. Any expense which exceeds the declared amount of income can represent non declared taxable income.
- ☑ In the determination of the adjusted taxation base, monetary flows are examined in order to reconstitute income obtained both from taxable and non taxable sources.
- ☑ For this purpose, the cash flow from expenses and income of the individual are matched, thus determining the entire resources used to make expenditures which will be compared to funds collected from any source.
- ☑ To determine the adjusted taxation base, a balance of income and expenditure made will be prepared, taking into account income, i.e. collected amounts, total expenditure,

non taxable income, net increase and decrease in assets during the period under inspection.

- ☑ The determination of income undeclared taxable income consists of comparing expenditures made and income declared during the period subject to inspection.

**Cash flow method**

- ☑ Consists of analysing inflows and outflows disclosed in bank statements as well as inflows and outflows in petty cash to determine movements of monetary cash available and in matching these movements with sources of income and their use.
- ☑ By use of the cash flow method, undeclared income will be identified from the analysis of the amounts and frequency of bank remittance and sources of these remittances.
- ☑ The determination of undeclared taxable income consists of comparing cash available at bank and supported by documents or used for payment in petty cash with all income from taxable source remitted to banks or used for payment of expenditure in cash within the period subject to inspection.

**Estate method**

- ☑ Permits determination of adjusted taxation base of an individual under inspection by analysing increase or decrease of his/her net estate.
- ☑ The estate method consists of determining the taxable income on the grounds of an increase in the net estate of the person over the duration of a taxation period, after adjustment for expenditures made and non taxable income. It is considered that in each taxation period, the individual's income is used for items of expenditure, to increase estate value or to reduce obligations included.
- ☑ Increase or decrease of the value of the net estate is determined by comparison of the value of the net estate at inception of the period and its value at end of the period. Effects on the estate produced by acquisition of assets, reduction of liabilities and expenditures made from sources of income which are not declared as being taxable will be taken into account.

The Decision presents the steps and the procedures to carry out the above indirect methods in detail.

A Charter of rights and obligations of individuals under fiscal inspection will be approved by a Ministry of Public Finance Order within 30 days starting the publication date of the present Procedures.

**REMINDER – Deductibility of interest**

- ☑ Upon determination of profit tax related to fiscal year 2010, the ceiling for deduction of interest on loans in foreign currency is **6%** per annum.
- ☑ Interest is a fully allowed expense when the gearing ratio is less than or equal to 3. The gearing ratio represents the ratio between capital borrowed during the tax year and own share capital. Average borrowed capital and own capital should be used for the calculation, based on amounts as at the beginning and end of the period for which corporate tax computations are made. Borrowed capital is the total loans and borrowing during a one year period as per contractual provisions.
- ☑ If the gearing ratio is over 3, interest expense as well as the net foreign exchange loss, is not tax deductible. They are carried forward to future periods until they are fully deducted.
- ☑ If foreign exchange losses of the taxpayer exceed foreign exchange gains, the net loss will be treated as interest, meaning its deductibility will have the same limits as interest. Exchange rate differences related to loans taken into consideration when computing the gearing ratio are also

subject to these limitations.

These deductibility limitations do not apply to loans granted by credit institutions.

**ORDER 1752 dated 23 February 2011 to complement the Methodology to allocate amounts paid by the taxpayer to the sole account and to balance fiscal liabilities recorded by the taxpayer, approved by ANAF Presidential Order 1314/2007 (Official Gazette 141/2011)**

The Order rules the modality of allocation of amounts paid by the taxpayer in respect of income tax withheld from employees working at registered headquarters and at secondary taxpayer establishments.

We remind that starting 2011, income tax withheld from employees working at secondary establishments is included in form 112 prepared for the headquarters and that payment of the combined headquarters/secondary establishment figure to the State Budget is made to the sole account.

**REMINDER – Contributions which PFAs must declare and pay**

Licensed individuals ("PFAs") do not enter under the incidence of provisions of OUG 82/2010. With regard to independent revenue obtained by PFAs, legal provisions prevailing before the publication of OUG 58/2010 remain applicable.

- Contribution to pension at a 31.3% (10.5% + 20.8%) rate is mandatory if the PFA is not insured in the public pension regime. The social insurance payment is made via a statement submitted with the Pension House. The PFA contribution base is discretionary but cannot be less than 35% of the average gross salary (i.e. RON 708) and capped at 5 average gross salaries (i.e. RON 10,110). Payment of the contribution is monthly;
- Contribution to health insurance at a 5.5% rate is mandatory and means the conclusion of an insurance contract with the County or Bucharest Health House, with OPSNAJ or with Transport Health House. The contribution base is the estimated annual income declared to the tax authorities (form 220), payment of the contribution is made quarterly on estimated annual income followed by an adjustment based on actual annual income reported (form 200);
- Contribution to unemployment insurance at a 1% (0.5% + 0.5%) rate is by option and presumes the conclusion of a contract with the County or Bucharest Employment Agency. The contribution base for the PFA cannot be less than the minimum monthly gross salary (RON 670) and is not capped. Payment of the contribution is monthly.

**INSTRUCTION 9 dated 1<sup>st</sup> March 2011 regarding the reference interest rate of the National Bank of Romania (NBR) for the month of March 2011 (Official Gazette 149/2011)**

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

**INFORMATION – Taxation of income obtained in Romania by non residents**

As per provisions of the Fiscal Code and its Implementation Norms, in the case of an individual who carries out his/her activity in Romania for a period less than 183 days, during any period of 12 consecutive months which ends at the end of the calendar year in question and who has been paid from abroad, extends his/her stay in Romania for more than 183 days, **tax on income from salary regarding the activity carried out in Romania is due starting the first day of arrival in Romania.**

Under these circumstances, the taxpayer submits a monthly tax return (form 224) to tax authorities, which will include the monthly income obtained in the period prior to the prolongation of his/her stay in Romania within 15 days starting on the 183<sup>rd</sup> day.

In case the income beneficiary obtains his/her salary in the form of a lump sum for a time period, the amounts mentioned in the form will be determined using an monthly average, or the entire amount of declared salary divided by the number of months within this time period.

**ORDER 1083 dated 7 March 2011 to approve Procedures to remit employee labour books to employers which were in the possession of Territorial Labour Inspectorates for the purpose of maintaining and certifying compliance of entries to the labour books (Official Gazette 171/2011)**

The labour books will be remitted by the Territorial Labour Inspectorate (ITM) by 30 June 2011 at the latest.

**REMINDER – Obligation to report sick leave to Health Houses**

Order 430 dated 11 May 2010 to amend and complement Implementation Norms of provisions of Government Emergency Ordinance 158/2005 regarding sick leave and social health insurance allowances (Official Gazette 312/2010) **which remains in force**, stipulates that:

- the insured person has the obligation, **within 24 hours** from the date a sick leave certificate is issued, to inform the entity which pays him/her social health insurance allowances for temporary work incapacity and to disclose identification data of the physician and establishment where sick leave was prescribed. If temporary work incapacity occurs during declared non business days, the insured person must inform the entity which pays him/her social health insurance allowances on the first business day;
- the employer has the obligation to transmit the list of employees on sick leave as well as the name of the prescribing physician and the establishment where he/she practices to the Health House within 6 days starting the day the employer was informed of the occurrence of temporary work incapacity.

For enterprises located in Bucharest reporting sick leave was made online through 1<sup>st</sup> January 2011. Since this date, this facility is suspended and the list of sick leave certificates must be prepared, printed, signed and stamped in 2 originals. One original must be submitted at the Health House where the employer headquarters is located or sent by Post with confirmation of receipt. For Bucharest, the Health House address is: Bucaresti, Sector 2, Str. Gheorghe Titeica nr. 142, Cod Postal 020304.

ONLY certificates for sick leave which attest the entry into TEMPORARY WORK INCAPACITY and have the following compensation codes are reported:

01 - Usual disease	06 - Medical and surgery emergency
07 - Quarantine	12 - Tuberculosis
13 - Heart disease	14 - Cancer, AIDS

In addition, starting 1<sup>st</sup> January 2011, the pink copies of the medical certificates signed and stamped by the employer in the upper left corner ("visa of the payer of allowances") must be submitted monthly with the Health House where employer registered headquarters are located on or before the 25<sup>th</sup> of the subsequent, **but only if amounts are to be recovered from the Unique National Fund for social health insurance (FNUASS).** A centralized sheet disclosing the list of medical certificates which are attached is part of the documents in the file needed to recover amounts from FNUASS.

**ORDER 1032 dated 10 March 2011 to amend Ministry of Environment and Water Administration Order 578/2006 to approve the mode of determination of contributions and taxes dues to the Environment Fund (Official Gazette 196/2011)**

The Order introduces complements and amendments to the mode of determination of contributions and taxes due to the

Environment Fund.

The mode of determination is described for each contribution taken individually.

We mention below additional clarification regarding the "ecotax."

The obligation to calculate and pay the ecotax in the amount of RON 0.10 per piece falls with the economic operators which introduce into the domestic shopping bags with an integrated or applied handle, manufactured from materials which cannot be regenerated, as follows:

- economic operators which produce packaging for merchandising, in respect of bags manufactured in Romania;
- economic operators which introduce into the domestic market packaging for merchandising, in respect of bags purchased outside Romania.

Shopping bags with an integrated or applied handle, manufactured from materials obtained from resources which cannot be regenerated, meaning fossil minerals and combustibles are subject to taxation.

As background information, a list of materials obtained from resources which cannot be regenerated is presented below:

- low density polyethylene (LDPE);
- high density polyethylene (HDPE);
- medium density polyethylene (MDPE);
- linear polyethylene (LLDPE);
- polystyrene (PS);
- PVC;
- polypropylene (PP);
- composite materials manufactured from paper and polyethylene and/or polypropylene;
- composite materials manufactured from paper with aluminium.

It is expressly stated that the substances/additives used for inscription of identification and informative data as per law as well as substances used for customizing/colouring are not included in the process to determine the types of resources from materials from which shopping bags are manufactured if their proportion does not exceed in cumulative figures for each substance/additive 1% of the weight of the bag as final product, and in total 5% of the weight of the bag as final product.

Economic operations introducing shopping bags with an integrated or applied handle into the domestic market that are not subject to the ecotax must, for each batch:

- a) hold analysis documents, research reports, certificates or other documents which prove the composition of raw materials/materials from which bags were manufactured, in original or copy;
- b) hold monthly statements, by type of material, of quantities and number of shopping bags with an integrated or applied handle introduced into the domestic market;
- c) during tax inspections, provide the proof of the type/composition of material used for manufacturing bags introduced into the domestic market.

Economic operations introducing shopping bags with an integrated or applied handle into the domestic market which are subject to the ecotax must:

- a) determine monthly, by type of material, the quantity and number of shopping bags with an integrated or applied handle introduced into the domestic market;
- b) declare and pay quarterly on or before the 25<sup>th</sup> of the month which follows the quarter when such activity has been carried out, **the tax on quantities and the number of shopping bags** with an integrated or applied handle.

Economic operations to introduce shopping bags with an integrated or applied handle into the domestic market which are subject to the ecotax must disclose by inscription identification and feature elements as per OG 21/1992 regarding consumer

protection, republished with its further amendments and complements and to separately disclose the ecotax in sales documents.

**ORDER 12 dated 3 February 2011 to approve Regulation 3/2011 regarding Accounting Regulations in conformity with CEE Directive VII applicable to entities licensed, regulated and monitored by the National Securities Commission (CNVM) (Official Gazette 156/2011)**

The Order enters in force starting financial statements pertaining to financial year 2011.

**ORDER 13 dated 3 February 2011 to approve Regulation 3/2011 regarding Accounting Regulations in conformity with CEE Directive IV applicable to entities licensed, regulated and monitored by the CNVM (Official Gazette 185/2011)**

The Order enters in force starting financial statements pertaining to financial year 2011.

**ORDER 1 dated 10 February 2011 to approve Implementation Norms for the preparation of consolidated financial statements in conformity with IFRS, requested by credit institutions in the scope of monitoring and prudence (Official Gazette 153/2011)**

The Order enters in force starting consolidated financial statements pertaining to the financial year 2011.

**REMINDER – Book entries upon closing a bank deposit in foreign currency**

As per article 169 point 3 of Accounting Regulations in conformity with CEE Directive IV (Order 3055/2009 – Official Gazette 766/2009), starting 2010, closing a bank deposit constituted in foreign currency is recorded at the exchange rate of the National Bank of Romania (BNR) on the date of the closing operation. Exchange rate gains or losses between the exchange rate prevailing at the constitution date or the exchange rate at which the deposit is presented in the books and the BNR exchange rate at the date the bank deposit is closed are recorded.

**DECISION 4 dated 4 February 2011 to approve certification Norms of annual tax returns for taxpayers which are legal entities for which audit is not mandatory (Official Gazette 155/2011)**

**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 – Online submission of returns and control of processing made by tax authorities and controlled access to fiscal file by taxpayer**

As mentioned in previous APEX Team newsletters, starting with October 2010 tax returns, large and medium size taxpayers must submit their tax returns by remote means of electronic transmission, on-line at [www.e-guvernare.ro](http://www.e-guvernare.ro), using a digital certificate issued by one of the licensed authentication providers (CertSIGN, DigiSIGN, Trans Sped...).

Tax returns submitted by remote means of electronic transmission by taxpayers can be checked on the ANAF website in the section entitled "Visualisation of the status of submission of returns." The procedure consists of logging onto the ANAF web-

site and presenting the digital certificate supplied by the licensed provider to check the historical status of tax returns submitted on-line from the very first on-line submission until the effective processing of the last tax return submitted on-line. This control is made by selection of the taxpayer registration code from a defined list. In case the holder of the digital certificate represents the interests of several entities, the list will include all tax registration codes registered on the ANAF portal for the holder.

It is very important to periodically perform this control because, although on-line submission triggers a confirmation receipt upon submission, tax authorities subsequently deliver different messages regarding the different types of errors which appear after processing tax returns which had been submitted on-line. Under these circumstances, the taxpayer can then take corrective measures.

The entire procedure can be found on [www.anaf.ro](http://www.anaf.ro) under the caption, "Legal entities – Information regarding submission of returns."

"Controlled access by taxpayer to its file" is accessible to the taxpayer which holds a digital certificate to submit on-line tax returns registered with ANAF. On-line access is made after authentication on the ANAF website, then by accessing the "Private space" caption and the "Fiscal file" option.

Information provided is as follows:

- taxpayer identification data;
- data regarding the taxpayer fiscal status ("*vector fiscal*") (fiscal obligations for which the taxpayer is registered and frequency of declaration);
- summary of fiscal position;
- sub-caption for each tax return, with the ability to visualise the status of submitted tax returns, amounts remaining unsettled and payments made. We mention that the system allows generation of copies of any tax return, the copy being an electronic version from the ANAF database.

Starting January 2011, among the returns which can be submitted form 112, "return regarding social contributions, income tax and nominative list of insured persons," has been introduced. The procedure for online submission is made by accessing [www.e-guvernare.ro](http://www.e-guvernare.ro) and presenting the digital certificate.

The status of the submission of form 112 can be checked on the ANAF portal at <http://www.anaf.ro/StareD112> where both the taxpayer registration code and the identification code given at the time of submission of the return online must be introduced.

At the above mentioned address, both processing of form 112 submitted online and submitted at the tax authority office can be checked because there is a distinct caption for the latter.

Be aware! It is very important to perform this control monthly in the days immediately after submission of form 112, even if, at the time of submission online, a valid confirmation is received. This message does not represent confirmation that the document is recorded. Confirmation of filing the return will be posted in the receipt.

**Starting 1<sup>st</sup> July 2011, online submission of form 112 will be mandatory for all categories of taxpayers. We suggest acquisition of a digital certificate and to opt for online submission (form 150).**

#### EASTER CELEBRATION

Gratuities can take several forms:

- Allowances of RON 150 for each under age child of employees. This allowance may also be given as a "Gift Voucher" and represents an expense that can be included in welfare expenses which are tax deductible up to 2% of annual payroll together with other categories of welfare expenses under the Fiscal Code. For the employee, income tax is withheld and represents 16% of the value of

the gift.

- Bonuses in addition to April gross salaries are subject to withholding of employee contributions and income tax. For the employer, bonuses and related employer contributions are tax allowed expenses;
- "Easter presents," other than those mentioned in the first paragraph are considered benefits in kind, the employee being subject to all individual contributions as well as income tax. For the employer, these presents are subject to employer contributions but are tax allowed expenses.

#### IMPORTANT

Once annual financial statements for 2010 are prepared, all supporting accounting and fiscal documentation regarding 2010 is to be finalized:

- the Tax Evidence Register (to disclose computation of the tax profit/loss from accounting profit/loss) has been completed;
- check that the minutes of the Inventory Committee are duly signed as well as resolutions for writing off and discarding assets, as the case may be;
- archiving supporting documents.

#### Conservation of documents and accounting registers

- Order 3512 dated 27 November 2008 regarding accounting documents and registers (Official Gazette 870/2008) discloses the **list of financial and accounting documents** which may be **kept for 5 years** starting the closing date of the financial year during which they were drafted, unless internal company requirements indicate they should be kept longer. Among the most important documents, we mention: Entry Note and minutes of differences ("NIR"), Consumption notes ("BC"), Instructions for delivery, Stock cards, Inventory Lists, Receipts, Disposition for payment/collection forms for petty cash, Travelling docket (delegation), Bank statements, Journal of sundry operations (for "synthetic" accounts), Account ledger for sundry operations, Cumulative document;
- Payroll statements** are to be kept for **50 years**. **Supporting documents** and registers are to be kept for **10 years** starting the closing date of the financial year during which they were drafted, except as stated below;
- Invoices regarding capital assets, meaning real estate property which were taken into account in determining VAT deductions for taxable persons under a mixed regime and for the persons partially taxable in accordance with Fiscal Code provisions will be kept for the duration set in article 149 paragraph 6 of Law 571/2003 – Fiscal Code, with its further amendments and complements;
- Financial accounting documents which attest the provenance of items with a lifespan of over 10 years will usually be kept for a longer period, i.e. the useful life of the item.
- Mandatory accounting registers**, i.e. the Journal Register (code 14-1-1), Inventory Register (code 14-1-2) and General Ledger (code 14-1-3) **are kept within the enterprise for 10 years**, starting the closing date of the financial year for which they were maintained.

#### 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 March 2011:

1 Euro = 4.1141 RON; 1 USD = 2.8931 RON;  
1 CHF = 3.1597 RON; 1 GBP = 4.6653 RON.

## APRIL 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
- To register contracts concluded during the month for services rendered by non-residents, with tax authorities as per article 8 point 7<sup>1</sup> 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 April 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

### During the month - do not forget

#### That Thursday 7 April 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 March 2011. Starting April 2011, VAT returns will be submitted monthly.

#### That Monday 11 April is the last day to submit

- Return on collection of hotel tax

#### That Monday 11 April is the last day to pay

- Hotel tax
- Advertising service tax

#### That Friday 15 April is the last day to submit

- INTRASTAT statement for March 2011 (standard or extended submitted on-line)
- Recapitulative statement of EU Supplies/acquisitions/services (form 390)\* for March 2011;
- Return regarding the state of acquisitions and deliveries of excisable products for the month of March 2011.

#### That Wednesday 20 April is the last day to submit

- Special VAT return (form 301)\* for Quarter 1 2011 for taxable persons who are not established and who render electronic services to non taxable persons.

#### That Monday 25 April is a day off (Easter Monday)

#### That Tuesday 26 April is the last day to submit

- Profit tax return (form 101)\* regarding Quarter IV 2010 or

regarding the whole year 2010 for taxpayers who, as at 25 February 2011, had not finalized tax computation

- 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 (including "ecotax");
- Statement to determine the tax representing a quarterly advance payment on tax on net annual taxable gains on gains realized during the previous quarter upon disposal of securities other than shares and securities of closed companies (form 225).

#### That Tuesday 26 April is the last day to pay

- Profit tax – last payment regarding 2010
- Profit tax due for Quarter I 2011
- Tax on the micro enterprise revenue due for Quarter I 2011
- 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
- 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 (including "ecotax").

#### That Monday 2 May is the last day to submit

- Annual financial statements for non profit organisations**
- Annual tax return regarding excises (form120)\*;
- Annual return regarding tax on crude oil from domestic production (form 130)\*.

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](http://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) <sup>1</sup>	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) <sup>1</sup> (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) <sup>2</sup>	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% <sup>1</sup>
Contribution to health insurance	0%	0% <sup>2</sup>
Contribution to unemployment insurance ( <i>if applicable</i> )	0%	0.5% <sup>3</sup>
Income tax		16% <sup>4</sup>

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.**



56 Boulevard Dacia,  
District 2, Bucharest

Tel: +40 (0) 31-809 2739

Tel: +40 (0) 74-520 2739

Fax: +40 (0) 31-805 7739

E-mail: [office@apex-team.ro](mailto:office@apex-team.ro)

Site: [www.apex-team.ro](http://www.apex-team.ro)

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



The above information is a short summary of recently published information and is not intended to be advice on any particular matter. APEX Team International disclaims liability to any person in respect of anything done in reliance of the contents of these publications.