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DECISION 500 regarding Staff Register - REVISAL (Official Gazette 372/2011)

All employers must maintain staff register using REVISAL and forward it online to the Labour Inspectorate (ITM). This obligation applies to diplomatic missions and consulates in Romania of other States as well as, if case, to cultural institutes and commercial and economic representatives in Romania of other States for local employees who are Romanian citizens or foreigners with permanent residence in Romania.

New items complement information included in REVISAL:

Item	Deadline for registration in REVISAL
Hiring any employee	At the latest, business day prior to inception of employee's activity
Secondment period and name of the employer where the employer is seconded	At the latest, business day prior to inception of secondment
Salary, incentives and amount	At the latest, business day prior to inception of employee's activity. For labour contracts already reported in REVISAL, this item must be filled in within 90 days starting 1st August 2011, date of entry in force of the present Decision
Period and reasons for suspension of the labour contract except when suspension is supported by medical certificates	At the latest, 20 business days starting suspension date
Termination of activity	As at termination date of the labour contract

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Preparation and submission is carried out by one or several persons **appointed by written decision of the employer**. The employer can **outsource tasks regarding maintenance of REVISAL and submission to ITM by concluding a contract for provision of services with a provider registered with ITM** which carry out these activities in the conditions of legislation in force. If so, the employer must inform ITM. As for the provider, it cannot subcontract these services. Outsourcing the maintenance of REVISAL and submission to ITM does not exonerate the employer from its obligations set by the present Government Decision. An Order to be issued by the Ministry of Labour, Family and Welfare will establish the procedure and documents to provide ITM with to obtain a password to access REVISAL.

Any **amendment** to items included in REVISAL must be updated in REVISAL **within 20 business days from the date of occurrence of the amendment**, except for cases where such an amendment is expressly stated by law. Any correction of an error which occurred upon REVISAL data entry is made when the employer becomes aware of it.

REVISAL is forwarded online to ITM by:

- On-line filing using the existing database in the Labour Inspection portal;
- Email under electronic signature;
- Submission at the ITM premises in electronic format together with an accompanying letter signed by the employer.

The employer must maintain an **employee file** which includes the following documents at a minimum: documents needed to hire, labour contract, addenda and other documents related to amendment, suspension and termination of labour contract, diploma/certificates of qualification as well as any document which proves that entries in REVISAL are legal and correct.

Upon written request of an employee or former employee, the employer must provide him/her with:

- Copies of existing documents in his/her employee file;
- Copies of REVISAL pages with inscriptions which refer to him/her and/or a document which certifies the activity he/she carries out or carried out, duration of activity, salary, seniority at work, in craft and in speciality, as they result from REVISAL and employee file **within 15 days from date of request**.

- ☑ If for objective reasons, **it is impossible for the employer to provide the above mentioned documents**, the employer or former employer can ask the territorial Labour Inspectorate to issue a certificate including the items embodied in REVISAL as they were input and forwarded by the employer. **ITM must provide this certificate within 15 days of the request date.**

Irregularities in maintaining and forwarding REVISAL represent contraventions which are punished as follows:

- ☑ For not having forwarded the register with captions of the labour contract by the last business day prior to inception of activity is punished with a fine of RON 10,000 for each person affected but total accumulated fine cannot exceed RON 50,000;
- ☑ For refusing to make available to ITM: the register in electronic format or employee file, for not having filled in the captions of the labour contract, or for not having forwarded the register in due time, fines are from RON 5,000 to RON 8,000;
- ☑ For a service provider to have subcontracted services regarding maintaining the register, for having maintained the register by persons other than those who were appointed, for having input inaccurate or incomplete data in the register, for having altered or deleted data from the register, for having unauthorized access to the register's IT application, fines are between RON 3,500 and RON 5,000;
- ☑ For breaching provisions and deadlines regarding information submitted to ITM in respect of service providers is punished with a fine from RON 2,000 to RON 5,000;
- ☑ Employer refusal to provide the employee with requested documents as well as not keeping the register in electronic format at the employer's registered headquarters or at the premises of the branch, agency, representative office or similar entity which are not legal entities but are entitled to maintain the register are punished with a fine from RON 300 to RON 1,000.

In case of payment within 48 hours, the fine is reduced by 50%.

The Government Decision enters in force 1st August 2011.

LAW 62 dated 10 May 2011 regarding social dialogue (Official Gazette 322/2011)

By amending the Labour Code and adopting the present Law, the Parliament has separated legal provisions regarding labour legislation for the individual from the collective legal framework. This Law regarding social dialogue combines provisions regarding collective labour contracts, collective negotiation, employers' organisations, trade unions and labour disputes.

The collective labour contract can be negotiated at the level of an enterprise, a group of enterprises or a branch of activities. The main object of activity which is registered with Trade Register in accordance with CAEN code represents the criterion for being part of a branch.

Collective negotiation is only mandatory at the level of an enterprise except when headcount is less than 21.

The initiative of negotiation belongs to the employer or employers' organisations.

The employer initiates negotiation at least 45 calendar days before expiry of the collective labour contract or the application period of provisions stipulated in the addenda to the collective labour contract. In case the employer does not initiate negotiation, it will begin, upon written request of the representative trade unions or employees' representatives, within 10 calendar days at most after communication of the request.

The length of the collective negotiation cannot exceed 60 calendar days unless the Parties agree. The date when the first negotiation meeting occurs is the date when negotiations are considered to have begun. Minutes disclosing negotiated issues are drafted after each negotiation meeting and are signed by representatives of the Parties.

The collective labour contract is concluded for a determined period which cannot be less than 12 months or greater than 24 months. The Parties may decide to extend the application period of the collective labour contract one time, for 12 months at most.

Provisions of the collective labour contract are applicable to all employees of the enterprise in case of a labour collective contract concluded within an enterprise, to all employees of the enterprises which belong to a group of enterprises which has concluded the collective labour contract, as well as to all employees of the enterprises in the branch of activity for which the collective labour contract was concluded who belong to the employers organisations which sign the collective labour contract.

The collective labour contract as well as its addenda is concluded in writing and registered with Territorial Labour Inspectorate.

An employer's refusal to start negotiating a collective labour contract represents an infringement of the law punished with a fine of between RON 5,000 and RON 10,000.

EUROPEAN COUNCIL REGULATION 282/2011 dated 15 March 2011 regarding application of measures taken for implementing Directive 2006/112/CE regarding common VAT regime (EU Official Gazette dated 23 March 2011)

This Regulation represents a reform of European Council Regulation 1777/2005 dated 17 October 2005 regarding measures to implement Directive 77/388/CEE regarding the common VAT regime, reform which was necessary in the context of the implementation of Directive 2006/112/CE.



**Collective negotiation
is mandatory within
the enterprise when
headcount is over 20**



The scope of European Regulation 282/2011 is to ensure a unitary application of the present VAT regime by establishing implementation measures for some provisions of Titles I-V and VII-XII of Directive 2006/112/CE, especially those regarding taxable entities, supply of goods, provision of services and the location of taxable operations.

Furthermore, the Regulation embodies modifications which result from adoption of European Council Directive 2008/8/CE dated 12 February 2008 to amend Directive 2006/112/CE regarding the location of provision of services and includes guidelines recently adopted by VAT committee within the European Council, thus giving them legal force.

Provisions of European Regulation 282/2011 enter in force **1st July 2011**, except for some provisions expressly stated in the regulation which will enter in force later **and directly apply to all member States**.

Provisions of the regulation are mandatory from a legal point of view only from the date they enter in force and do not affect legislation and interpretations previously adopted by member States.

The respective implementation provisions contain specific rules which address some concerns regarding implementation and are aimed at ensuring unitary treatment throughout the European Union for the specific cases in question. Subsequently, they cannot have precedence over other cases, and considering their wording, must be applied in a restrictive manner.

European Regulations may be consulted on the Ministry of Finance website www.mfinante.ro in the section, InfoTVA/ Legislatie/Acte normative comunitare or using the EUR-Lex portal <http://eur-lex.europa.eu>

ORDER 2017 dated 20 May 2011 to amend and complement appendix to Ministry of Finance Order 263/2010 to approve Procedures for processing VAT refund applications (Official Gazette 362/2011)

The main modifications introduced by this Order are the following:

- The taxpayer can request netting the VAT refund for its approved amount with certain types of fiscal liabilities.
- Application for a VAT refund of up to RON 10,000 is processed within 5 days starting submission date of the VAT return and the outcome is issuance of a refund decision.
- If the application for refund is for an amount up to the "individual standard refund," it is deemed to represent a low fiscal risk and the application will automatically generate a draft of the refund decision which will be issued within 5 days at most starting the submission date of the application for refund embodied in the VAT return. We mention that the "individual standard refund" represents the largest amount of VAT which can be refunded without documentary examination or prior tax inspection, the implied risk being considered acceptable by tax authorities.
- Subsequent tax inspection is made within 4 years at most starting approval date of the refund (vs. 2 years previously)
- One of the criteria to qualify for the special exporters' regime with respect to VAT refunds has been amended. Thus, one of the conditions is that previous year export activities, in own name, in commission and/or VAT exempted EU supply of goods amounts to at least 60% (vs. 75% previously) of accounts receivable as reflected account 4111 of accounting records, but at minimum the RON equivalent of Euro 500,000 (vs. Euro 1,000,000 previously) calculated at the NBR exchange rate in force as at 31 December of the year prior to the year the special regime applies.

Other conditions exporters must meet remain unchanged:

- o all tax returns for the previous 12 months have been submitted as well as "Recapitulative statements of EU supply/acquisitions/services" (statement 390 –VIES) and "Informative statements of domestic supply/provision of services and acquisitions" (form 394);
- o exports were not made in the following fields:
 - "Retail trade in cereal, seed, fodder and raw tobacco," code 4621;
 - "Retail trade in fruit and vegetables," code 4631;
 - "Retail trade in solid, liquid and gas combustibles and derivate products," code 4671;
 - "Retail trade in wood and building materials and sanitary equipment," code 4673;
 - "Retail trade in waste and remains," code 4677;
- o the taxpayer has a clean fiscal record;
- o no insolvency procedure was introduced against the taxpayer and no voluntary liquidation procedure undertaken.

Modifications apply starting application for refund disclosed in April VAT returns.

ORDER 1984 dated 11 May 2011 to set criteria for conditional registration under the scope of VAT (Official Gazette 361/2011)

The Order sets criteria for registration under the scope of VAT for commercial companies set up in accordance with Law 31/1990 regarding commercial companies for which registration with Trade Register is mandatory and which apply for registration under the scope of VAT as per article 153 point (1) letters a) and c) of the Fiscal Code.



**Faster VAT refund
without prior tax
inspection**





Registration under the scope of VAT implies an on the spot investigation by the Financial Guard to physically verify the existence of premises

Thus, the taxable entity which applies for registration under the scope of VAT must submit an appendix to the application form ("*declarația de mențiuni*" - form 010) as per the template provided in the Order with tax authorities. This appendix is aimed to assess the intentions and the capacity of the taxable person to carry out economic activities which involve taxable operations and/or VAT exempted operations with right for deduction as well as operations for which the place of supply/provision is considered to be abroad, in case VAT would have been deductible if such operations would have taken place in Romania.

Appendix no. 1 can be downloaded from

http://static.anaf.ro/static/10/Anaf/Aplicatii/11/Anexa_010/Anexa1_010_30mai2011.pdf and is completed using guidance made available by ANAF.

Criteria for registration as under the scope of VAT for taxable entities are the following:

- a) the taxable entity is not in the position of not carrying out its economic activities at its registered headquarters or secondary establishments. To prove that the taxable entity is not in such a position, the appendix to the application form must be accompanied by a "certificat constatator" issued by the Trade Register. As a result, either the taxable entity meets the operating conditions set by specific legislation for the activities disclosed in the standard legal entity set-up form in the sanitary, veterinary, environment and labour protection field or it does not/will not carry out the declared activities at the registered headquarters or secondary establishments for a period of 3 years at most;
- b) none of the Directors and/or shareholders of the taxable entity who applies for registration under the scope of VAT or the taxable entity itself holds a fiscal record which discloses infringement and/or acts set at article 2 point (2) of Government Ordinance 75/2001 regarding organisation and operation of fiscal records.

In case of commercial companies ruled by Law 31/1990, the condition refers to:

- o directors in case of public companies or partnerships limited by shares set as per Law 31/1990;
- o shareholders who hold at least 15% of the share capital of commercial companies and directors of commercial companies set as per Law 31/1990 other than the legal entity categories mentioned above;
- c) the criterion which is the object of an effective spot control refers to the existence of premises declared to represent registered headquarters/fiscal domicile and secondary establishments, if any, in relation to the object of activity that the taxable entity intends to carry out or carries out;
- d) in case of shareholders/directors who have occupied the same positions in liquidated, insolvent or inactive companies, the assessment criteria described in appendix no. 2 to the Order triggering the attribution of points for the different criteria include the type of headquarters and the form of holding (ownership, financial leasing, rental at cost or free of charge - "*comodat*," etc.),

Assessment of the criteria set at point a) and point b) is made by examination of the documents.

If the outcome of the assessment is a refusal to register the taxable entity under the scope of VAT, the decision and reasons are communicated to the applicant.

If, further to assessment of criteria set at point a) and point b), the application is not rejected, tax authorities - within 24 hours after completion of the desk study - will require the Financial Guard to physically verify the existence of premises declared as registered headquarters and secondary establishments, if any, in respect of the object of activity that the taxable entity intends to carry out or carries out.

For this purpose, the Financial Guard performs an on the spot investigation in the conditions of article 57 of the Code of Fiscal Procedure within 4 business days starting receipt of request.

If it is assessed that the taxable entity meets the criteria set at points a) to c), tax authorities check the assessment criteria set at appendix 2 to the Order (as per point d) above) within 15 business days starting submission date of the application form. Further to the criteria assessment, tax authorities will draft a report in which the number of points granted to the applicant is determined. If the applicant has obtained less than 45 points, the taxable entity is not registered under the scope of VAT.

The decision to approve or reject registration under the scope of VAT must be issued within 15 business days starting submission of application form (010) and is communicated to the applicant as per article 44 of the Code of Fiscal Procedure.

ORDER 1930 dated 28 April 2011 to approve Implementation Norms of Law 52/2011 regarding carrying out temporary activities by day labourers (Official Gazette 300/2011)

The main provisions of the Implementation Norms are presented below.

DAY LABOURERS REGISTRY

- It is an official document under a special regime for keeping evidence of day labourer activity;
- It represents a source of data to elaborate a national plan of policies in the field of employment and fight against clandestine work and in the fiscal field;
- It represents an administrative source of data for statistics: current statistics, monitoring indicators regarding rate of occupation and labour market, monitoring work without a legal form especially in certain domains of activity, organisation of pilot surveys.

The Day Labourers Registry is printed by the National Printing House and is pre-numbered. Its sale is made at cost by Labour Inspection via Labour Inspectorate (ITM). Registry pages are numbered, bound and initialled.



Identification data of the beneficiary of day labourer services are completed on the first page of the registry. The beneficiary name is written in printed characters with no abbreviation.

Beneficiaries which have set up branches, agencies, representative offices or other entities which are not legal entities to whom capacity to conclude legal relationship with day labourers was granted can also be empowered to maintain, prepare and forward a copy of the registry to ITM.

The registry is kept at the registered headquarters of the beneficiary and/or at the premises of the branch, agency, representative office, secondary establishment or other entities which are not legal entities, if applicable.

Entry of data is made chronologically as day labourers provide services. The registry is maintained daily except for periods when day labourers do not provide services.

No blank page or caption is left in the registry.

Upon entry of any day labourer, his/her name and surname are written in printed characters as well as the first initial of the day labourer's father.

Entries of data in the registry are only made with blue ink or pencil.

Any amendment to previous entries is made by striking out previous information with a horizontal line in red ink or pencil and by writing correct entries in red ink or pencil so as to see the former entries. Amendments are signed and stamped by the beneficiary.

The beneficiary forwards a copy of the registry to ITM, disclosing entries of the previous month and the copy is certified "conforms to the original."

Income obtained by the day labourer from the beneficiary in the form of daily pay represents income assimilated to a salary for which the provisions of Chapter III "Salary income" of Title III "Income tax" of the Fiscal Code apply.

The day labourer must pay income tax on income obtained in the form of daily gross pay. The beneficiary calculates taxes by applying the rate of 16% to the gross daily pay.

Calculation and tax withholding are made by the beneficiary at the date of each disbursement of daily gross pay. Transfer of the calculated and withheld tax by the beneficiary to the State Budget is due by the 25th of the subsequent month.

We remind that Law 52 dated 15 April 2011 has established the legal framework where a person can carry out activities with an occasional feature as a day labourer for the benefit of a beneficiary in the following domains, without having concluded a labour contract:

- a) agriculture;
- b) hunting and fishing;
- c) forestry, excluding timber activities;
- d) fish farming and aquaculture;
- e) tree and vineyard cultivation;
- f) bee keeping;
- g) breeding stocks;
- h) performing arts, cinematographic and audiovisual productions, advertising, cultural activities;
- i) handling goods;
- j) maintenance and cleaning activities.

The day labourer cannot carry out activities for the same beneficiary for more than 90 cumulative days within a calendar year.

Beneficiary obligations regarding the day labourer regime are:

- a) To set up a registry which is an official document under special regime for keeping evidence of day labourer activity and to maintain it in accordance with provisions of law and to forward a copy to ITM monthly;
- b) To agree gross pay with the day labourer which cannot be less than RON 2 per hour or more than RON 10 per hour;
- c) To pay the day labourer at the end of each day of work;
- d) Withhold income at a rate of 16% of gross income paid to the labourer and to transfer it to the State Budget by the latest 25 of the subsequent month. This tax is assimilated to tax on salary income. This income is not subject to social contributions.

For more information regarding Law 52/2011, please refer to APEX Team newsletter no. 4_2011.

EMERGENCY ORDINANCE 46 dated 11 May 2011 to amend and complement OUG 44/2008 regarding carrying out economic activities by licensed individuals, individual enterprises and family enterprises (Official Gazette 350/2011)

The Ordinance enables a licensed individual (PFA) to conclude labour contracts as per law.

INSTRUCTION 15 dated 2 May 2011 regarding the reference interest rate of the National Bank of Romania (NBR) for the month of May 2011 (Official Gazette 300/2011)

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



Day labourers carry out activities with an occasional feature and only 16% income tax is withheld from their daily pay.



INFORMATION – Trade Register – Company features, as per article 237 of Law 31/1990

Regarding information published by the Trade Register, checking the following company features is recommended:

- period the title for the registered address is valid;
- duration of the mandate of the Director;
- duration of the mandate of the "cenzor(s)";
- annual financial statements filed.

The above mentioned information can be checked online <http://semnal.onrc.ro/cgi-bin/semnal.cgi>

If the company is in compliance, it does not appear on the list.

We emphasize that such concerns disclosed by the Trade Register can lead to rejection of the taxpayer application to register for submitting online tax returns because a public servant with the tax authorities checks taxpayer status by entering into this website address.

INFORMATION – Online submission of tax returns and control of their processing without having to present a digital certificate

In May 2011, ANAF has made verification of the processing of tax returns which had been submitted online easier. For this purpose, a "Visualisation of the status of returns" caption has been set up on the "Online returns" section within the ANAF portal.

By accessing this caption, it is possible to verify returns which were submitted by a taxpayer. The procedure consists of introducing the taxpayer's sole tax registration code and the registration code generating by the application upon transmission of the return. Once both codes are introduced, the application issues a list of the status of all returns submitted by the taxpayer (100, 101, 103, 120, 300, 301, 390, and 710). In case the holder of the digital certificate is empowered to represent several taxpayers, this control procedure is made taxpayer by taxpayer.

This procedure only applies to returns which were submitted online.

It is therefore easier to check processing of the submitted returns than the other procedure which still exists, where checking the ANAF website could only be made by the digital certificate holder.

It is very important to periodically perform this control due to the fact that despite receipt of a confirmation message at the time of submission, upon later processing, various messages may appear regarding the different types of errors which were then detected and subsequently, the taxpayer can take immediately action to solve the concern.

BE AWARE! Starting 1st July 2011, it will be mandatory for all categories of taxpayers to submit form 112 online. It is recommended to perform the steps to acquire a digital certificate now and to submit form 150 to be in a position to file form 112 as well as other tax returns online.

INFORMATION – Fines for no submission or late submission of annual financial statements

As per provisions of OUG 37/2011 to amend and complement Accountancy Law 82/1991 and other related texts, fines for late submission of annual financial statements to tax authorities are as follows:

- from RON 300 to RON 1,000 if the delay is from 1 to 5 business days;
- from RON 1,000 to RON 3,000 if the delay is from 16 to 30 business days;
- from RON 1,500 to RON 4,500 if the delay in submitting annual financial statements exceeds 30 business days.

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.

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

Exchange rates to use for valuation at the end of May 2011:

1 Euro = 4.1208 RON; 1 USD = 2.8571 RON; 1 CHF = 3.3580 RON; 1 GBP = 4.7127 RON.

JUNE 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 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



Starting 1st July 2011, it will be mandatory for all categories of taxpayers to submit form 112 online.



- 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 June 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 Tuesday 7 June 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 May 2011. Starting June 2011, VAT returns will be submitted monthly.

That Friday 10 June is the last day to submit

- Return on collection of hotel tax

That Friday 10 June is the last day to pay

- Hotel tax
- Advertising service tax

That Monday 13 June is a legal holiday, Pentecost Monday

That Wednesday 15 June is the last day to submit

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

That Wednesday 15 June is the last day to pay

- Tax on bill board advertising (2nd instalment);
- Income tax (advance payment) regarding Quarter II 2011 for taxpayers who obtain income from independent activities, rental revenue and agricultural revenue (as per article 71 of the Fiscal Code).

That Monday 27 June 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");
- Return regarding income obtained for the current year from agricultural activities which are taxed as per income tax quota (form 221).

That Monday 27 June is the last day to pay

- Excise taxes
- VAT
- Liabilities to the sole account – **State Budget**
 - o Tax on crude oil and natural gas from domestic production
 - o Withholding tax on non-resident income
 - o Income tax on salary
 - o Tax on income from independent activities, withheld at source
 - o Tax on interest income
 - o Tax on investment income
 - o Tax on pension income
 - o Tax on income from prizes and gambling



**Monday 13 June,
Pentecost Monday is a
day off**



- o Tax on income from other sources
- o Contribution for non employment of disabled persons for employers with headcount over 50
- Liabilities to the sole account – **Public Insurance Budget and special funds**
 - o Social security contribution (*pension*)
 - o Health insurance contribution
 - o Medical leave contribution and health insurance allowance
 - o Unemployment contribution
 - o Contribution to fund to guarantee payment of salary liabilities
 - o Contribution to work accident and occupational disease fund
- Contribution to Environment Fund ("ecotax" excluded) ;
- Tax on Representative Office (1st instalment – 50% of the lump sum tax of Euro 4,000)
- Annual license tax for gambling, with respect to Quarter II 2011.

That Thursday 30 June is the last day to submit

- Informative 2010 statement of income on the amount of tax withheld and paid on income subject to withholding tax and exempted income, by non-resident beneficiary;
- Informative 2010 annual statement of income on the amount of tax withheld on income subject to withholding tax (form 205), by beneficiary: dividends, interest, income from prizes and gambling, retirement pay, income from liquidation/dissolution and other income.

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.



**Be aware of
deadlines!!**



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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