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## **DECISION 77 dated 5 February 2014 to amend and complement Methodological norms for application of Law 571/2003 regarding the Fiscal Code, approved by Government Decision 44/2004 (Official Gazette 108/2014)**

The Decision amends and complements norms for application of the Fiscal Code. The changes came into force on 12 February 2014 (Official Gazette publication date), except certain provisions related to excise taxes, which will come into force starting 1 April 2014.

The main changes are briefly described below:

### **Corporate tax**

Expenses resulting from the difference between nominal value of assigned receivables and their cost are considered deductible expenses.

Documents required in order to benefit from the corporate tax exemption for dividends received by a Romanian legal entity from a foreign legal entity are mentioned in the Norms. The provisions are correlated with those recently introduced into the Fiscal Code regarding the reduction in minimum holding period from 2 years to 1 year for dividend income received from an entity resident in a Member State, as well as for dividends paid by a Romanian legal entity to another Romanian legal entity, so that these types of income are non-taxable when calculating corporate taxes.

Amendments to the Norms clarify the method to determine turnover used to calculate the amount of expenses related to sponsorship and/or patronage and private scholarships, which are deducted from the corporate tax due as fiscal credits.

Clarifications are made regarding certain aspects related to declaration and payment of:

- Corporate tax due by foreign legal entities for income obtained from immovable property located in Romania or from the sale of owned shares of a Romanian legal entity;
- Corporate tax due by taxpayers opting for a fiscal year different from the calendar year;
- Micro-enterprise income tax due by a taxpayer that ceases to exist.

### **Tax on micro-enterprises**

Provisions in the Norms are correlated with amendments recently made to the Fiscal Code regarding:

- Classification of Romanian legal entities obtaining income from consultancy and management as micro-enterprises. Only 20% of total income may be obtained from consultancy and management activities. Fulfillment of this condition for 2014 is checked based on income earned by taxpayers in 2013;
- Types of income included as micro-enterprises income subject to tax.

### **Tax on income obtained by non-residents**

The notion of "international transport" is clarified and includes both primary activities carried out by an international transport company and ancillary activities which cannot be considered independent.

Activities performed by an international transport entity only between locations on Romanian territory are not considered international transport activities.

Provisions in the Norms are correlated with those introduced in the Fiscal Code starting January 2014, where the minimum holding period for dividends paid by Romanian legal entities to legal entities residing in another EU Member State was shortened from 2 years to 1 year, in order to grant the tax exemption according to Directive 2011/96/EU on a common fiscal regime applying to parent-subsidiary entities.

### **Value added tax (VAT)**

VAT exemption for postal services is applied by public and private operators if conditions provided by specific legislation are met.

Provisions of Norms also mention that, in the event of contract dissolution, VAT collected for services rendered cannot be reversed.

The method for calculating the RON 2,250,000 eligibility turnover threshold for the optional VAT cash accounting scheme has been changed, the "exempt without deduction right" operations being included in this calculation. Taxable entities which, during the previous year, had turnover below the RON 2,250,000 threshold, but did not apply the VAT cash accounting scheme, cannot opt for application of the scheme if their records show that during the subsequent year, through submission date of the notification (i.e. the 25th of January), they surpassed the threshold for the current year.

Taxable entities which qualify for re-registration under the scope of VAT (for those that have an annulled VAT number) will receive an initial VAT number (prior to cancelation of the registration).

Taxable entities which are not established nor registered under the scope of VAT in Romania may request a VAT refund by the 30 September 2014 for invoices issued between 1 January 2009 and 31 December 2013, without the requirement to prove payment.

In the case in which tax inspectors consider the evidence provided by taxable entities as insufficient,

### **Contents:**

- Amendment of norms for application of the Fiscal Code
- Consumer price index for determining corporate tax prepayments in 2014
- Certification of tax returns
- Amendment of tax returns (form 100 and 120)
- New level of the NBR reference interest rate
- Update of minimum capitalization value of fixed assets for public institutions
- Norms for preparation and submission of financial statements for public institutions
- Update of lists of fiscal liabilities which are deposited into a sole account
- Ex-officio amendment of fiscal status ("vector fiscal") regarding VAT
- Taxation decision regarding advance payment of social health contributions for rental income
- Informative statements 392A, 392B and 393 for 2013
- Procedure for approbation of derogatory declaration regime
- Change of fiscal period in case of EU acquisition of goods
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then VAT adjustments may be imposed. However, according to the principle of proportionality, tax inspectors cannot ask taxable entities for more than is required to prove the destruction/loss/theft of goods, so that the task of the taxable entity will not be impossible or extremely difficult to fulfill. Certain clarifications are made regarding application of the reverse charge mechanism for supply of electricity, especially in the situation where the buyer fails to provide an affidavit within the legal framework to the tax authority/supplier.

**ORDER 256 dated 18 February 2014 on consumer price index used for updating advance payments for annual Corporate tax (Official Gazette 135/2014)**

For the 2014 fiscal year, the consumer price index for updating advance payments for annual corporate tax is 102.4% (104.3% in 2013). Note that this index is used by for-profit taxpayers which opted for the advance payment system of corporate tax. For the first three quarters of 2014, they must pay ¼ (one quarter) of the tax on final profit obtain during the previous year multiplied by the consumer price index.

**PRESS RELEASE of the Ministry of Finance regarding certification of annual statements of corporate tax**

The entire press release is reproduced below. The press release may also be accessed at <http://www.mfinante.ro/acasa.html?method=detalii&id=69535>.

As of 1 January 2014, following termination of the suspension imposed by Law no. 162/2012, provisions of para. (5), art. 83 of the Fiscal Procedure Code become applicable, and states that:

“(5) Annual tax returns of taxable entities will be certified by a fiscal consultant, according to law, except those for which an audit is mandatory.”

Regarding legal provisions mentioned above, we specify the following:

The Fiscal Procedure Code does not provide the possibility to reject the annual tax return in the situation in which the return was not certified by a fiscal consultant and, also, does not provide sanctions in the case of failure to fulfill this obligation.

Tax returns submitted by taxpayers, even un-certified, are recorded at the registry office of the fiscal authority, processed and used for fiscal purposes as provided by the law.

By virtue of its active role as provided by art. 7 para. (1) and (5) of the Fiscal Procedure Code, the competent fiscal authority may inform taxpayers regarding failure to fulfill the obligation to certify the annual tax return in order to correctly apply provisions of fiscal legislation.

We also mention that through a project of ordinance to amend and complement certain normative acts and other fiscal-budgetary measures, also published on the Ministry of Public Finance’s website, it was suggested, among others, to repeal provisions of art. 83 para. (5) of the Fiscal Procedure Code. Also, through this normative act project, the concept regarding certification of tax returns was changed; therefore this certification, including that of corrected tax returns, becomes optional.

**ORDER 123 dated 29 January 2014 to amend ANAF Presidential Order 1.950/2012 to approve template and content of forms used to declare taxes and contributions under self-assessment or withholding regime (Official Gazette 87/2014)**

The Order amends the following tax returns:

- Form 120 – “Annual excise tax return”, code 14.13.01.03
- Form 100 – “State budget liability return”, code 14.13.01.99/bs

The list of state budget liabilities is also amended.

The change regarding form 120, “Annual excise tax return”, consists of the introduction of product categories for which excise taxes are due starting 1 September 2013. These categories are as follows:

- Gold and/or platinum jewelry, code NC: 7113 19 00, except wedding rings;
- Natural fur garments, codes NC: 4303 10 10 and 4303 10 90;
- Yachts and other vessels, with or without motors, for leisure, codes NC: 8903 91, 8903 92 and 8903 99, except those used in professional sports;
- Cars and SUVs, including imported or purchased from EU, new or used, with engine capacity greater or equal to 3,000 cc, codes 8703 23, 8703 24 and 8703 33;
- Hunting rifles and guns for personal use, other than those for military or sports purposes, codes NC: 9302 00 00, 9303 00 00, 9304 00 00;
- Bullet cartridges and other types of ammunition, codes NC: 9306 21, 9306 29, 9306 30.

A new template for the “Annual excise tax return” is used starting with declaration of annual liabilities related to the 2013 fiscal year.

The change regarding form 100, “State budget liability return”, consists of introduction of the following liabilities:

- Tax on construction provided by art. 296<sup>33</sup> and 296<sup>36</sup> of the Fiscal Code;
- Authorization tax/license tax for gambling.

The liability regarding tax on income obtained from leasing agricultural land is removed from form 100. This liability must be declared on form 112.

Income tax for non-residents was also detailed on income categories and is no longer cumulatively reported on form 112.

The revised form 100 applies to tax declarations due starting 1 January 2014.

**INSTRUCTION 7 dated 4 February 2014 on the reference interest rate of the National Bank of Romania (Official Gazette 90/2014)**

Starting 5 February 2014, the reference interest rate announced by the National Bank of Romania is 3.50% per year.



**Certification of annual statements of corporate tax remains a controversial issue**

### **DECISION 72 dated 5 February 2014 on setting the minimum capitalization value of a fixed asset for public institutions (Official Gazette 108/2014)**

The Decision sets the threshold for recognition of capital assets for public institutions at RON 2,500. The net book value of fixed assets having an entry value of between RON 1,800 and RON 2,500, which exist in the public institutions' patrimony, should be recovered over the remaining useful life of the assets.

### **ORDER 116 dated 30 January 2014 to approve methodological Norms for preparation and submission of financial statements by public institutions as at 31 of December 2013 (Official Gazette 88/2014)**

### **ORDER 223 dated 10 February 2014 to amend ANAF Presidential Order 1.294/2004 on taxes, contributions and other amounts deemed fiscal liabilities which are deposited into a sole account by the taxpayer (Official Gazette 114/2014)**

The liability regarding tax on income from agricultural income is no longer included on the "list of State budget liabilities, payable into the sole account". Also, liabilities regarding income tax for non-residents are split according to the income category for which the tax is due.

The "Individual contribution to health insurance, due by persons obtaining income from agricultural activity under the withholding regime" provided by art. 71 letter d) of the Fiscal Code has been removed from the "List of fiscal liabilities due to the budget of social insurance and special funds, payable into the sole account". The "Individual contribution for health insurance due by persons obtaining income from rental of agricultural goods under the withholding tax regime" has been added to the above-mentioned list.

The aforementioned provision applies to taxes, contributions and other amounts due to State budget, social insurance budget and special funds starting with liabilities related to the month of January 2014.

### **ORDER 235 dated 13 February 2014 to amend ANAF Presidential Order 3331/2013 to approve Procedure for ex-officio amendment of fiscal status ("vector fiscal") regarding VAT as well as template and content of certain forms (Official Gazette 133/2014)**

The Order amends the procedure for ex-officio amendment of fiscal status regarding VAT, and approves the form, "Decision regarding ex-officio registration under the scope of VAT according to art. 153 para. (8) and para. (9<sup>1</sup>) letter a), art. 153<sup>1</sup> para. (4) of Law 571/2003 regarding the Fiscal Code, with subsequent amendments and complements".

### **ORDER 117 dated 28 January 2014 to approve the form, "Taxation decision regarding advance payment of social health contributions for rental income" (Official Gazette 103/2014)**

The Order approves the template and content of the form, "Taxation decision regarding advance payment of social health contributions for rental income" (650), code 14.13.02.15/cfb, and the annex, "Situation regarding setting the monthly contribution for social health insurance".

The form is used to establish advance payments for social health contributions due by individuals who obtain rental income, starting with the 2014 fiscal year.

By exception, the form provided by ANAF Order 52/2012 is used to establish advance payments for social health contributions due by individuals who derive income from more than 5 rental contracts through the end of the fiscal year, as well as by individuals who obtain income from renting rooms located on their personal property, for tourism.

### **ORDER 200 dated 5 February 2014 to amend annex of ANAF Presidential Order 2.211/2013 to approve territorial administration competence (Official Gazette 102/2014)**

### **ORDER 94 dated 21 January 2014 to amend annex of ANAF Vice-President Order 9.710/2006 to enable certain customs offices to perform customs formalities with strategic products (Official Gazette 101/2014)**

### **ORDER 127 dated 29 January 2014 to approve Instructions regarding application of procedure to establish joint liability regulated by provisions of Art. 27 and Art. 28 of Government Decision 92/2003 regarding Fiscal Procedure Code (Official Gazette 85/2014)**

The Order approves Instructions regarding application of the procedure to establish joint liability, regulated by provisions of art. 27-28 of the Fiscal Procedure Code, as well as the template, distribution procedure, use and preservation of forms:

- Decision to establish joint liability in the situation of establishing the joint liability provided by art. 27 para. (1), letter a), para. (2) and (3) of Government Ordinance 92/2003 regarding the Fiscal Procedure Code;
- Decision to establish joint liability in the situation of establishing the joint liability provided by art. 27 para. (1), letter b) and c) of Government Ordinance 92/2003 regarding the Fiscal Procedure Code.

### **ORDER 93 dated 21 January 2014 to approve template and content of certain forms used as informative statements**

The Order approves the template and content of forms:

- 392A – "Informative statement regarding delivery of goods and provision of services realized in the year of ...", code 14.13.01.02/ia;
- 392B – "Informative statement regarding delivery of goods, provision of services and acquisitions"




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**Withholding tax  
is now reported  
separately on each  
type of income in  
the form 100**

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realized in the year of ...”, code 14.13.01.02/ib;

- 393 – “Informative statement regarding income obtained from the sale of tickets for international road transport of persons with Romania as point of departure in the year of ...”, code 14.13.01.02/v.

### Obligation to submit informative statements

#### Form 392A

This statement is filed by taxable entities which, as at 31 December of the reference year (the end of the year for which the statement is submitted) were registered under the scope of VAT as per art. 153 of the Fiscal Code where actual realized turnover at the end of the calendar year does not exceed RON 220,000 and includes the following information:

- Total value of delivery of goods and provision of services to persons registered under the scope of VAT as well as the related tax;
- Total value of delivery of goods and provision of services to persons not registered under the scope of VAT as well as the related tax.

The statement should not be submitted if the taxable entities performed neither delivery of goods nor provision of services within the Romanian territory during the reference year.

#### Form 392B

This statement is filed by taxable entities which, as at 31 December of the reference year (the end of the year for which the statement is submitted), were not registered under the scope of VAT as per art. 153 of the Fiscal Code where actual realized turnover (excluding income obtained from the sale of tickets for international road transport) at the end of the calendar year does not exceed RON 220,000 and includes the following information:

- Total amount of delivery of goods and provision of services to persons registered under the scope of VAT;
- Total amount of delivery of goods and provision of services to persons not registered under the scope of VAT;
- Total amount and related tax for acquisitions made from persons registered under the scope of VAT;
- Total amount and related tax for acquisitions made from persons not registered under the scope of VAT.

This statement should not be submitted if taxable entities performed no delivery of goods or provision of services within the Romanian territory and/or acquisitions made from Romania during the reference year.

#### Form 393

This statement is filed by entities registered under the scope of VAT, according to art. 153 of the Fiscal Code, entities which, during the previous year, provided services of international passenger transport and includes the total amount of income obtained from the sale of tickets for international road transport of persons with Romania as point of departure.

#### Submission of statements

Statements are submitted to the competent fiscal authority, on or before 25 February of the year subsequent to the year for which the statement is made. Forms 392A or 392B and form 393 may be submitted to the registry office of the competent fiscal authority or by post, as a registered letter.

### REMINDER – The procedure for approbation of derogatory declaration regime

The procedure is regulated by Order 1221 dated 12 June 2009 (OG 415/2009).

Taxpayers for whom the derogation regime was approved are not included in the list of taxpayers declared as inactive.

We review main aspects of the derogatory declaration regime below:

- In case of temporary inactivity, tax authorities may approve, upon taxpayer request, other deadlines or conditions for submission of declaration of taxes and contributions administered by ANAF;
- Submission of tax returns as per a derogatory declaration regime may be approved for a period of over 12 months but for no more than 3 consecutive years;
- To qualify for the derogatory declaration regime, the taxpayer must comply with all cumulative conditions for the duration of this regime:
  - o to carry out no type of activity
  - o to obtain no type of operating income, financial income, extraordinary income and/or any other element similar to income
  - o to have no employee and not pay any income subject to income tax withholding
  - o be regarded by tax authorities as having all of its reporting and payment obligations met
  - o to have no request for refund of VAT in progress or any other request for restitution of tax or contribution
  - o not be the subject of a tax inspection in progress
  - o not be registered on the list of taxpayers declared inactive
  - o for legal taxable entities, established under the Law 31/1990 on commercial companies, republished, temporary inactivity must be registered with the Trade Register according to provisions of article 237 of this Act
- The derogatory regime of declarations is requested by the taxpayer by filing an application with tax authorities where the taxpayer is registered as subject to payment of taxes and contributions;
- In the case of commercial companies, concurrent with applying for a declaration derogatory regime, evidence of registration of temporary inactivity with the Trade Register must be filed in the form of an extract copy from the register issued by the Trade Register on the status of the commercial company mentioning suspension of activity;
- Requests are processed by tax authorities within 30 days of the application date by the service re-



**Failure to submit  
the forms  
392 or 393 may be  
penalised by fines  
up to RON 14,000**



responsible for managing tax declarations.

Reporting obligations relating to activities prior to the effective date of the derogatory declaration regime remain the same.

The approved derogatory declaration regime ceases to apply:

- Starting the date approved for its cessation;
- Starting the month during which one of the conditions is no longer satisfied.

In case of cessation of the derogatory declaration regime, the taxpayer will return to the normal declaration regime, ex officio.

An extension of the period covered by a derogatory declaration regime is possible only after approval of a new request to benefit from this scheme with respect to procedures and conditions.

The following tax returns are referenced in the derogatory declaration regime:

- form 100, "State consolidated budget liability return";
- form 101, "Corporate tax return";
- form 102, "Social insurance and special funds liability return";
- form 103, "Excise tax return";
- form 104, "Statement for allocation of revenue and expenses between associates";
- form 120, "Statement of excise duty";
- form 130, "Tax return on crude oil from domestic production";
- form 300, "VAT return".

For the fraction of fiscal year outside the period of application of the derogatory declaration regime, the taxpayer is required to submit forms 101, 120 and 130 by the deadlines set by law.

For other tax statements with informative declarations other than those mentioned above, deadlines for submission and applicable administration procedures are those provided by tax legislation in force. We recall that commercial companies under the derogatory declaration regime must, however, submit an Accounting Report as at 30 June and annual financial statements.

Pay attention to the fact that, according to provisions of art. 153, para. 9, letter b) of the Fiscal Code, fiscal authorities cancel the VAT registration of a taxpayer that enter into temporary inactivity, starting the date of inactivity registered with the Trade Registry.

## INFORMATION – Change of fiscal period in case of EU acquisition of goods

### General regulations regarding fiscal period

The fiscal period with respect to VAT is ruled by article 1561 of Law 571/2003 – Fiscal Code and by point 80 of Implementation Norms of the Fiscal Code approved by Government Decision 44/2004 with further amendments and complements.

The fiscal period is the calendar month. By exception to this provision, the fiscal period is the calendar quarter for the taxable entity which, during the previous calendar year, posted turnover from taxable operations and/or exempted operations with right of deduction operations and/or non-taxable operations in Romania which exceed the threshold of Euro 10,000 where the RON equivalent is calculated using the National Bank of Romania exchange rate in force as at 31 December of the previous year, unless the taxable entity has made one or several EU acquisitions of goods during this previous year.

### Exceptions regarding fiscal period

If a taxable entity having the quarter as fiscal period **makes an EU acquisition of goods which is taxable in Romania**, the fiscal period becomes the calendar month starting the:

- first month of the calendar quarter if chargeability of VAT pertaining to the EU acquisition of goods occurs during the first month of the respective quarter;
- third month of the calendar quarter if chargeability of VAT pertaining to the EU acquisition of goods occurs during the second month of the respective quarter;

**Attention! The first 2 months of the respective quarter will represent a distinct fiscal period for which the taxable entity must submit a VAT return.**

- first month of the subsequent calendar quarter if chargeability of VAT pertaining to the EU acquisition of goods occurs during the last month of the respective calendar quarter.

The taxable entity which must change its fiscal period in accordance with the above-mentioned provisions is required to submit a "Statement of mentions (changes) regarding change of fiscal period for taxable entities registered under the scope of VAT which use the calendar quarter as fiscal period and which make an EU acquisition of goods taxable in Romania (form 092)" to tax authorities within 5 business days starting the end of the month when VAT chargeability of the EU acquisition which triggers the obligation occurs, and will use as its fiscal period the calendar year for the current and subsequent year.

**Reminder! If during the subsequent year, no EU acquisition of goods is made, the respective taxable entity will return to a quarterly fiscal period. For this purpose, form 010 or 070 must be submitted, as the case may be.**

Legal grounds: article 1561 of the Fiscal Code, ANAF Presidential Order 1165/2009 to approve update procedures for fiscal "vector" (status) where taxable entities registered under the scope of VAT use the calendar quarter as its fiscal period and make an EU acquisition of goods taxable in Romania as well model and content of forms.

## REMINDER – Do not forget to request tax residence certificates issued in 2014 from your foreign business partners

The tax residence certificates issued in 2013 are valid for the first 60 days of 2014, i.e. until 1 March 2014.



**Derogatory  
declaration regime  
is a solution for  
companies with  
no activity**



## REMINDER – Which exchange rate to use



Scope	Exchange rate
Ceiling for intra-community acquisitions of Euro 10,000, applicable during a calendar year	3.3817 RON/Euro (in force the date Romania joined the E.U.)
Taxable entity established in Romania which realizes turnover exceeding the ceiling of Euro 65,000 during 2014 must register under the scope of VAT 10 days after the end of the month when the ceiling was reached/exceeded	3.3817 RON/Euro (in force the date Romania joined the E.U.). The ceiling has been rounded to RON 220,000.
Ceiling of Euro 100,000 to set the fiscal period regarding VAT	4.4847 RON/Euro (in force as at 31 December of the previous year)
Ceiling of Euro 35,000 regarding distance sales	3.3817 RON/Euro (in force the date Romania joined the E.U.)
Non-profit organizations, trade unions and employer organizations are also exempted from corporate tax for revenue derived from economic activities obtained during a fiscal year up to the equivalent in RON of Euro 15,000, but no more than 10% of total income exempt from corporate tax	4.4190 RON/Euro (average exchange rate in 2013)
<b>To determine the limit of deductibility for the following expenses:</b> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> employer contributions to optional pension funds has a limit of Euro 400 per annum per employee</li> <li><input checked="" type="checkbox"/> voluntary health insurance premiums up to a limit of Euro 250 per annum per person</li> <li><input checked="" type="checkbox"/> fees and contributions to non-governmental or professional associations (up to Euro 4,000 per annum)</li> </ul>	NBR exchange rate for date expense was recorded NBR exchange rate for date expense was recorded NBR exchange rate at end of business day prior to payment date
<b>Income tax</b> Translation of employee contributions withheld in RON into Euro for optional pension funds to check compliance with the annual ceiling of Euro 400	NBR exchange rate for last day of the month for which payroll is computed.
<b>Revenue derived from independent activities</b> Taxpayers whose net income is determined on the basis of income quota where posted gross annual income greater than the RON equivalent of Euro 100,000 during the previous fiscal year must determine, starting with the subsequent fiscal year, net annual income on a real basis. To determine the limits of deductibility for contributions to optional pension funds topped at Euro 400 per annum per person as well as voluntary health insurance premiums up to a limit of Euro 250 per annum per person	4.4190 RON/Euro (average exchange rate in 2013)
Excise taxes, special tax on automobiles, tax on crude oil from domestic production	4.7380 RON/Euro valid for 2014

Various thresholds set by law in euro are converted in Romanian lei at different exchange rates

## REMINDER – Valuation of monetary items in foreign currency

The February closing NBR exchange rates to use for valuation of monetary items (cash on hand, receivables, payables) denominated in foreign currency, as well as receivables and payables denominated in RON but pegged to a foreign currency for collection/disbursement are:  
 1 EUR = 4.4995 RON; 1 CHF = 3.6989 RON; 1 GBP = 5.4563 RON; 1 USD = 3.2618 RON.

## MARCH 2014 – AGENDA

### Every day - do not forget

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

### At month end - do not forget

- To complete the journal ledger
- To register contracts concluded during the month for services rendered by non residents, with tax authorities as per article 8 point 71 of the Fiscal Code
- To revalue monetary assets and liabilities in foreign currency (cash on hand, assets, liabilities) at the NBR exchange rate in force on the last banking day of the month
- To organize a stock count of inventories if the enterprise does not use a perpetual inventory system
- To issue final invoices for the month of February 2014

### 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 Saturday 1 March is last day**

- of validity of 2013 tax residence certificate based on which payments can be made to non-residents in 2014 as per provisions of the Treaty to avoid double taxation signed between Romania and the respective State.

**That Friday 7 March is the last day to submit**

- Form 092 (amendments) to change VAT return periods from Quarterly to Monthly in case an EU acquisition of goods occurred in February 2014. Starting March 2014, VAT returns shall be submitted monthly.

**That Monday 10 March is the last day to submit**

- Return on collection of hotel tax
- Return for mentions (amendments) or deregistration under the scope of VAT in case of entities registered under the scope of VAT as per article 153 of the Fiscal Code which, during a calendar year, do not exceed the exemption threshold set at article 152 of the Fiscal Code (form 096).

**That Monday 10 March is the last day to pay**

- Hotel tax
- Advertising service tax

**That Monday 17 March is the last day to submit**

- INTRASTAT statement for February 2014 (standard or extended, submitted on-line)
- Annual income return for 2013 for associations which are not legal entities (form 204)
- Statement of acquisitions and supplies in the field of energy for February 2014.

**That Tuesday 25 March is the last day to submit**

- State budget liability return (form 100)\*
- Return regarding social contributions, income tax and nominative list of insured persons (form 112)\*
- VAT return (form 300)\*
- Special VAT return for VAT non payers (form 301)\*
- Tax on profit return (form 101)\* for 2013
- Recapitulative statement of EU Supply/acquisition/services (form 390)\* for February 2014
- Informative Statement on domestic supply/services rendered and acquisitions regarding February 2014 (form 394)\*
- Statement of salary 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 (excluding "ecotax")
- Return regarding the amounts resulting from VAT adjustment (form 307)
- VAT return for taxable entities whose registration code under the scope of VAT is cancelled as per article 153 point (9) letter a) - e) of the Fiscal Code (form 311).

**That Tuesday 25 March 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 **Tax on profit pertaining to Quarter IV 2013 for taxpayers who must submit annual profit tax return (form 101) on or before 25 March 2014**
  - o Income tax on salary (separate bank transfer for headquarters and each secondary establishment)
  - o Tax on income from independent activities, withheld at source
  - o Tax on dividends paid in February 2014
  - o Tax on interest income
  - o Tax on investment income
  - o Tax on pension income
  - o Tax on income from prizes and gambling
  - 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)
- Annual license fee for gambling operators pertaining to Quarter II 2014
- Income tax (advance payment) for Quarter I 2014 for taxpayers who obtain income from independ-



**1 March  
is the last validity  
date of residency  
certificates issued  
in 2013**

NR.	DENUMIRE INDICATOR	VALORI
1	Impozit de succes	1
2	Impozit de divident	2
3	Impozit pe veniturul din activitate	3
4	Impozit pe veniturul din activitate	4
5	Impozit pe veniturul din activitate	5
6	Impozit pe veniturul din activitate	6
7	Impozit pe veniturul din activitate	7
8	Impozit pe veniturul din activitate	8
9	Impozit pe veniturul din activitate	9
10	Impozit pe veniturul din activitate	10
11	Impozit pe veniturul din activitate	11
12	Impozit pe veniturul din activitate	12
13	Impozit pe veniturul din activitate	13
14	Impozit pe veniturul din activitate	14
15	Impozit pe veniturul din activitate	15
16	Impozit pe veniturul din activitate	16
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ent activities, rental revenue, agricultural revenue (taxed on actual basis), forestry and fishery

- ☑ Health insurance contribution for Quarter I 2014 due by taxable entities referred to in Fiscal Code article 29621, para. (1), let. a) - e), h) and i): individual entrepreneurs, members of a family enterprise, licensed individuals (PFA), freelancers, individuals obtaining income from intellectual property rights, on which income tax is calculated on the basis of the information from single entry bookkeeping, individuals deriving income from rental activities, persons deriving income from forestry, fishery and those deriving income from agricultural activities (for which no income quota was set and income is taxed on actual basis).

### IMPORTANT

All forms mentioned above as well as guidance on their preparation may be downloaded from the Ministry of Public Finance website: [www.mfinante.ro](http://www.mfinante.ro).

Tax returns noted with an asterisk (\*) may 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

2014 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 2,298 = RON 11,490) <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) <sup>3</sup>	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 850) for every 100 employees	
Minimum monthly gross salary as per Government Decision 871/2013	RON 850	
Luncheon voucher - employee subject to salary starting May 2013	RON 9.35	
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 allowances. 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 allowances. 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: The contribution to fund to guaranteed payment of salary liabilities is also to be calculated for health insurance allowances but only in respect of the first 5 days of temporary incapacity of work supported by the employer as well as for allowances for temporary incapacity of work further to a work accident or occupational disease but only in respect of the first 3 days of temporary incapacity of work supported by the employer.

Be Aware! 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.

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

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

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

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