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## **EMERGENCY ORDINANCE 19 dated 23 April 2014 to amend and complement Law 571/2003 on the Fiscal Code (Official Gazette 308/2014)**

The Ordinance amends the Fiscal Code in the case of facilities granted for exemption of tax on reinvested profit, introducing art. 19<sup>4</sup> in the Fiscal Code.

According to newly introduced facilities, the profit invested in technological equipment – machines, tools and work installations (as provided in subgroup 2.1 of the Catalogue regarding the classification and normal useful life of fixed assets, used for the purpose of economic activity) – is exempted from tax.

Invested profit represents year-to-date profit before tax reported in the profit and loss account balance for the year when the technological equipment was put into service. The maximum tax exemption granted on profit related to investment activity is the profit tax due for the respective period.

In order to apply this facility for the period starting 1 July 2014 to 31 December 2014, profit before tax registered after 1 July 2014 applies and may be invested in the above-mentioned assets. Such assets must be produced and/or purchased, and put into service after 1 July 2014.

Taxpayers which have the obligation to pay profit tax on a quarterly basis must deduct cumulative year-to-date reinvested profit according to this facility, if any, from year-to-date profit before tax.

If taxpayers change their regime from microenterprise to profit tax, the facility should be applied to the year-to-date profit before tax invested in equipment put in service during the quarter when the taxpayer changed its tax regime.

The exemption is calculated quarterly or annually, depending on the case. The amount of profit for which the exemption from profit tax is applied, less the portion attributed to the legal reserve, should be distributed to other reserves at the end of the financial year, up to the amount of registered profit. The profit tax is not recalculated and the taxpayer does not distribute any reserve at year end in the case when a loss was incurred for the financial year.

For technological equipment produced and/or acquired during several consecutive years, the facility is granted for investments partially put in service during the respective year, on the basis of interim work reports. The provisions only apply to technological equipment considered new, according to norms of application.

Taxpayers which benefit from this type of exemption have the obligation to keep within their patrimony the respective technological equipment for at least half of the useful economic life, set according to applicable accounting rules, but for no more than 5 years. If this condition is not fulfilled, the tax on profit is re-calculated as if profit was not reinvested and additional fiscal liabilities are set according to the Fiscal Procedure Code, starting the date of application of the facility, according to law. In this case, the taxpayer has the obligation to submit an adjusted/amended tax return. The provisions are not applicable in the case of technological equipment that:

- a) is transferred upon re-organization operations, performed according to law;
- b) is disposed of through liquidation/bankruptcy procedure, according to law;
- c) is destroyed, lost or stolen – this must be properly proven or confirmed by the taxpayer. In the case of stolen technological equipment, the taxpayer must prove theft on the basis of documents issued by judicial authorities.

Taxpayers benefiting from tax exemption cannot opt to record accelerated depreciation for the respective technological equipment.

Taxpayers which opted for a different financial year than the calendar year apply these provisions for the modified financial year.

The reserve constituted according to these rules will be subject to taxation when it will be used in any form as well as in the case of re-organization operations, performed according to law, if the beneficiary entity does not assume responsibility for this reserve.

The facilities introduced by the ordinance apply to profit reinvested in technological equipment produced and/or purchased after 1 July 2014 and put in service before 31st of December 2016.

## **ORDER 491 dated 28 March 2014 to amend and complement the Procedure to process VAT refund application, approved by the Order of the Minister of Public Finance 263/2010 (Official Gazette 249/2014)**

The main provisions of this Order are presented below:

Only applications for VAT refund submitted within the legal timeframe are processed. Taxpayers which submit applications after the deadline for their submission will carry forward negative amounts (to be refunded) to the next financial period.

Applications for VAT refunds submitted for the same legal time period will be processed in chronological order of registration with the competent fiscal authority. Processing will take place within the legal

time frame as provided by art. 70 of the Fiscal Procedure Code, meaning within 45 days from registration date. In the cases when processing the application requires additional relevant information, the period to process the VAT refund application will be extended by the period between the request date and the date the required information is received.

VAT refund applications are settled according to the level of fiscal risk represented by each taxable entity, as follows:

- VAT refund applications with low fiscal risk: through the issuance of a Decision of VAT refund;
- VAT refund applications submitted by taxpayers other than large/medium taxpayers or exporters, with medium fiscal risk: documentary analysis;
- VAT refund applications with high fiscal risk: anticipated/advance fiscal inspection.

VAT refund applications will be settled during the period between the date of submission and the date of effective refund of the amounts approved for reimbursement.

Important! Application for VAT refunds submitted by taxable entities which do not have offenses registered on their fiscal record and do not have a high fiscal risk set by the fiscal authorities, through which the requested amount is less than RON 45,000, are classified as low fiscal risk and are settled through the issuance of a Decision of VAT refund within 5 days from submission date of the application.

For taxable entities presenting high fiscal risk, fiscal authorities will use a special database using information received from fiscal inspection authorities and authorities with fiscal administration attributions.

VAT refund applications submitted by taxable entities which have offenses registered on their fiscal record are considered to be of high fiscal risk. The applications are settled through fiscal inspection.

Applications for VAT refund considered of low fiscal risk, awaiting processing, but submitted by taxable entities registered in the special database, suffer an interruption of procedure. They will be re-classified as high fiscal risk and their VAT refund will be settled through anticipated fiscal inspection.

Taxable entities which, within six months, could have applied for a refund but did not on at least two occasions after their classification as high fiscal risk will be included in the risk analysis procedure – in order to be selected for a fiscal inspection.



**VAT refund up to  
RON 45,000 may be  
approved within  
5 days from  
application request**

#### **ORDER 550 dated 7 April 2014 to approve Decision of the Central Fiscal Commission 2/2014 (Official Gazette 264/2014)**

According to provisions of point 44.1 of **Methodological norms** given in order to apply art. 45 of the Fiscal Procedure Code, the fiscal authority cannot claim execution of an obligation required of a taxpayer by an administrative act if this act was not communicated to the taxpayer, according to law.

Therefore, taxpayers which are not subject to provisions of art. 82 para. (2) of the Fiscal Code, due to the fact that they were not bound to make prepayments during the previous year, have the obligation to make prepayments for the current year for amounts representing income tax or social contributions mentioned in the decision issued by ANAF on the date when the fiscal authority communicated the decision, even though the due dates would have already passed.

In the case in which the fiscal authority transmits the decision for prepayments to taxpayers after due dates provided by the Fiscal Code, then the taxpayers do not owe any additional fiscal liabilities for the period between the due date provided by the Fiscal Code and the transmission date of the decision.

#### **EMERGENCY ORDINANCE 14 dated 2 April 2014 to amend art. 176 of Law 571/2003 on the Fiscal Code (Official Gazette 241/2014)**

The Ordinance sets a differential level of excise taxes, established by a EUR 40/litre decrease in the standard level of the excise tax for diesel fuel, or EUR 47.34/ton, used to fuel engines for the following purposes:

- road transportation of goods for its own use or for others, with vehicles or ensembles of vehicles designated exclusively for road transportation of goods having a maximum authorized weight of 7.5 tons;
- passenger transportation, on a regular or occasional basis, excluding public local transportation of persons, with a vehicle classified in M2 or M3 categories, defined by Directive 2007/46/CE of the European Parliament and the Council dated 5 September 2007.

Reduction in excise tax level is accomplished by refunding amounts representing the difference between the standard level of excise tax and the differential level of excise tax to economic operators licensed within the European Union.

Conditions, procedure and refund dates will be set through a Government Decision.

Measures established according to these provisions are applicable for diesel fuel purchased after the Emergency Ordinance came into effect through 31 March 2019. Their application takes into account specific procedures for State aid.

#### **ORDER 530 dated 27 March 2014 to amend ANAF Presidential Order 52/2012 to approve template and content of certain forms provided by Title III of Law 571/2003 on the Fiscal Code (Official Gazette 247/2014)**

The Order amends form 221 - "Statement regarding agricultural income taxed on income quota", code 14.13.01.13/9 and instructions for filing.

#### **DECISION 243 dated 2 April 2014 declaring the 2nd of May as holiday (Official Gazette 245/2014)**

The Decision declares the 2nd of May 2014 as a holiday for public service employees.

Public institutions shall operate normally on the date of 26 April 2014 or shall extend their work hours accordingly, by 31 May 2014, according to advance planning.

The provisions do not apply to work locations where operations cannot be interrupted due to the nature of the production process or specifics of the activity of magistrates and other categories of personnel at



courts of law involved in settlement trials with hearings on the 2 May 2014 as well as participants in these trials.

**ORDER 433 dated 20 March 2014 to complement Classification of positions in Romania – the level of occupation (six characters), approved by Order of the Minister of Labour, Family and Social Protection and Order of the President of the National Institute of Statistics 1832/856/2011 (Official Gazette 245/2014)**

**DECISION 1352 dated 23 December 2010 to approve the structure of Classification of positions in Romania – level base group, in accordance to International standard occupation classifications - ISCO 08 – republished (Official Gazette 300/2014)**

**ORDER 44 dated 18 March 2014 to approve Methodological norms to make notifications and decide authorization requests to perform financial transactions (Official Gazette 241/2014)**

The Order approves the Methodological norms to notify and authorize financial transactions related to Iran, as a result of the restrictions imposed by the European Union.

**LAW 21 dated 10 April 1996 on COMPETITION – Republished (Official Gazette 240/2014)**

**ORDER 544 dated 7 April 2014 to approve the Charter of rights and obligations of individuals under fiscal inspection (Official Gazette 270/2014)**

### INFORMATION – Procedure to register lease contracts

A lease represents a contract through which a party, named lessee, must assure to the other party, named lessor, the use of an item for a certain period, in exchange for a price called rent. The lease of immovable and movable property is called a rental (“inchiriere”), and the lease of agricultural land is called a (land) lease (“arendare”).

#### Registration of lease contracts by lessees, others than natural persons

##### Obligation

According to provisions of art. 1798 of Law 287/2009 on the Civil Code, lessees (natural persons or legal entities) may register lease contracts with competent fiscal authorities.

Leases are submitted to the competent fiscal authority where the lessee is registered as taxpayer.

##### Filing and submission

In order to register the lease contract, the lessee submits “Statement to register lease contracts”, having attached the original lease contract, and a copy.

The competent fiscal authority will certify agreement between the copy and original lease contract, returning the original to the lessee. In the case in which the lessee submits the statement by registered mail with confirmation of receipt, then the statement must be accompanied by a legalized/notarized copy of the lease contract.

The change in or cessation of the lease contract can be registered, by the lessee with the fiscal authority by submitting the statement with the appropriate box, “CHANGE” or “CEASE”, checked and having attached supporting documents.

The registration date of a lease contract or of a change/cessation is the date submitted to the registry of the fiscal authority or the post office date.

For lease contracts/modifications/cessations registered directly with the registry of the fiscal authority, proof of registration is represented by the registration number and date assigned by the fiscal authority written on a copy of the statement.

In the case of lease contracts/modifications/cessations sent by post, with confirmation of receipt, proof of registration is represented by a copy of the statement accompanied by the confirmation of receipt signed by the representative of the fiscal authority.

#### Registration of lease contracts by lessee – a natural person

##### Obligation

Natural persons who present the quality of lessee and obtain income through rental/lease of goods belonging to their personal patrimony or from leasing agricultural land have the obligation to register the contract according to art. 81 para (2) of the Fiscal Code.

The competent fiscal authority is the one where:

- the natural person has his or her residence, according to law, or where he/she actually lives (if this address is different from that of the residence) – in the case of resident natural persons;
- the taxable item is located – in the case of non-resident natural persons.

##### Filing and submission

Taxpayers obtaining income through rental/lease of goods belonging to their personal patrimony or from leasing agricultural land and opting to determine their net revenue on a real basis, submit the lease contract to the competent fiscal authority, both in original and copy, within 15 days of completion, having attached the “Statement of estimated revenue”, form 220.

The fiscal authority will certify agreement between the copy and original lease contract, and will return the original to the lessee. In the case in which the lessee submits the statement by registered mail with confirmation of receipt, then the statement must be accompanied by a legalized/notarized copy of the lease contract.

The registration date of the lease contract is the date of submission to the registry of the fiscal authority or the date processed by the post office.




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**Lease contracts  
should be  
registered with  
fiscal authorities**

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In the case of lease contracts registered directly with the registry of the fiscal authority, proof of registration is represented by a copy of the statement which will have the registration number and date assigned by the fiscal authority written on it.

In the case of lease contracts sent by post, with confirmation of receipt, proof of registration is represented by a copy of the statement accompanied by confirmation of receipt signed by the representative of the fiscal authority.

Important! For taxpayers which obtain revenue from the lease of agricultural land for which taxation is final, provisions regarding the registration of lease contracts by lessees, other than natural persons, apply.

#### Other specifications

The fiscal authority will organize record keeping for lease contracts in a Register of lease contracts, which will be digitalized. Registration in the Register of lease contracts will be made within maximum 5 days from submission date, at most.

Legal basis: ANAF Presidential Order 1985/2012 to approve registration Procedure for fiduciary contracts, registration Procedure for lease contracts, as well as to approve the template and content of certain forms, published in the Official Gazette 16/2013.

Source: DGFP Vâlcea



### INFORMATION – Registration Procedure for contracts concluded with non-resident natural persons and foreign legal entities

#### Obligation

Romanian legal entities, resident natural persons, as well as permanent establishments in Romania belonging to foreign legal entities must register with tax authorities contracts/documents concluded with foreign legal entities or non-resident natural persons who execute services in Romania, such as construction and assembly work, supervision activities, consultancy activities, technical assistance and any other services rendered in Romania which generate taxable income.

#### Registration

Registration of contracts/documents shall be made by submission of “Statement for registration of initial/additional (related) contracts/documents supporting the actual provisions of services in Romania concluded with foreign legal entities or non-resident natural persons” to tax authorities, code MFP 14.13.01.40/n. It is not necessary to include copies of contracts/documents that are declared in the statement.

This is a new procedural element considering the confidential information in such documents and commercial contracts.

The registration of contracts/documents justifying effective service provision within the Romanian territory shall be made by submission of “Statement for registration of initial/additional (related) contracts/documents supporting the actual provisions of services in Romania, concluded with foreign legal entities or non-resident natural persons” to the tax authorities, code MFP 14.13.01.40/n. There is no need to include copies of contracts/documents that are declared in the statement.

The statement will be submitted for each contract or document attesting to actual provisions of services performed in Romania, within 30 days of the contract conclusion date or from the issuance date of any documents provided for by law.

Changes to initially declared data are to be registered within 30 days from the occurrence date thereof, by submitting an adjusted statement.

Registration of the above-mentioned contracts/documents (without regard to their duration) is made with the territorial fiscal authorities where the Romanian legal entities, resident natural persons and permanent establishments in Romania (benefiting from the afore-mentioned activities) have their fiscal residence. According to law, Romanian legal entities which are large or medium taxable entities have the obligation to register contracts/documents with the competent fiscal authority in charge of their administration. In case a written contract is not concluded, then documents justifying the effective provision of service on Romania’s territory are registered: work reports, reception protocols, feasibility studies, market studies or any other corresponding documents.

Attention! Contracts/documents concluded between Romanian legal entities, resident natural persons, permanent establishments in Romania belonging to foreign legal entities and non-resident legal entities or natural persons for activities performed outside Romania’s territory do not require registration

#### Sanctions

Failing to fulfil the obligation of registering the contracts/documents justifying actual provision of service on the territory of Romania is sanctioned with a fine of between RON 500 and RON 1,000, for natural persons, and between RON 1,000 and RON 5,000 for legal entities, according to provisions of art. 219 para. (2) letter d) of the Fiscal Procedure Code.

Legal basis: ANAF Presidential Order 1400/2012 on registration procedure for contracts/documents concluded between Romanian legal entities, resident natural persons as well as permanent establishments in Romania belonging to foreign legal entities and non-resident legal entities and natural persons, published in Official Gazette 695/2012.

Source: DGFP Valcea

### INFORMATION – Activities performed by day labourers

As mentioned in last month’s APEX Team Newsletter, the main rules applicable to day labourers and introduced by Law 18/2014 are presented below:

The changes come into force starting the 17 June 2014.

**Service contracts concluded with non residents that are performed in Romania should be registered with fiscal authorities within 30 days**



## General concepts

According to legal rules already in force, a day labourer can be a natural person, Romanian or foreign citizen, who has the capacity to work and perform un-qualified activities which have an occasional nature. The activities are performed for a beneficiary which pays remuneration in return for work performed.

Un-qualified activities with an occasional nature can also be performed by citizens of third countries or by stateless persons who have their domicile or, if applicable, their residence in Romania, according to Romanian legislation.

The beneficiary can be a legal entity, an authorized self-employed person, a family or an individual enterprise.

Public institutions cannot be beneficiaries as provided by the law, except for communal management handled directly by local councils. Communal management includes work in greenhouses/hothouses, green spaces and zoos.

## Obligations

The employment relation between the day labourer and the beneficiary is set by mutual agreement, without concluding a written individual work contract. A person can perform activities as a day labourer only if they are at least 16 years of age. There is an exception regarding age. Minors aged between 15 and 16 years old can perform this sort of activities only with the approval of their parents or legal representative. Minor day labourers, meaning day labourers with ages between 15 and 18 years old, can only perform activities corresponding to their physical development and aptitudes. It is forbidden to violate their right to physical, mental, spiritual, moral and social evolution, their right to education and it is essential not to endanger their health.

A day labourer must not work more than 12 hours/day.

A minor day labourer must not work more than 6 hours/day and no more than 30 hours/week.

A minor day labourer must not work during night time.

Even though the parties agree to a reduced number of activity hours, the day labourer will be paid for at least 8 hours of work.

The beneficiary cannot employ day labourers to perform activities in the interest/for the benefit of a third party.

The beneficiary has the obligation to update the Register of day labourers on a daily basis. This register must be kept at the beneficiary's headquarters and/or secondary office, if any.

The beneficiary has the obligation to pay remuneration by any means of payment provided by law, at the end of each working day. Remuneration can be paid at the end of the week or at the end of the activity period (at the latest) only if there is a written agreement between the day labourer and the beneficiary. Electronic payment and other aspects regarding payment are set by methodological norms of application of the law.

The amount of hourly gross wage set by both parties cannot be less than the value of a work hour for the minimum gross wage in Romania. The amount is paid at the end of each work day or week, before the Register is signed by both day labourer and beneficiary. Proof of payment is represented by the day labourer's signature in the Register.

If, following an unforeseen event, the day labourer is injured or loses his life, the beneficiary has the obligation to assure all expenses required for medical care/funeral expenses, in the case in which the beneficiary was at fault.

## Activities

Un-qualified work with occasional character can be provided for the fields mentioned in the Classification of national economy activities. The Classification was updated as follows:

- agriculture, hunting and connected services, except breeders using partially free, traditional and herding systems – division 01;
- forestry, except forest exploitation – division 02;
- fishing and aquaculture – division 03;
- collection, treatment and elimination of non-hazardous waste – class 3821 and 3811;
- materials recovery – group 383;
- wholesale trade of raw agricultural materials and live animals – group 462;
- organization activities for exhibitions, fairs and congresses – group 823;
- advertising – group 731;
- artistic interpretation activities – performances – 9001, artistic interpretation supporting activities – performances – class 9002 and performance hall management activities – class 9004;
- research and development activities in the field of social and human sciences – class 7220 (archaeological excavations);
- activities performed in greenhouses/hothouses, green spaces, parks and zoos – code 0141.

## Fiscal liabilities

Income obtained by day labourers from each beneficiary as daily remuneration is income treated as salary; therefore, a 16% income tax must be paid. There are no mandatory social contributions to be paid by the day labourer or by the beneficiary. The calculation and withholding of the income tax is made by the beneficiary at the payment date.

Source: DGPF Valcea

## REMINDER – Adjustment to taxable profit regarding closed fiscal years to correct accounting errors

We remind that in accordance with provisions of the Fiscal Code (article 19) and Norms for application of the Fiscal Code, revenue and expenses which were inaccurately recorded or omitted are corrected by adjusting taxable profit for the tax period they refer to.



**Day labourers  
a solution for  
occasional  
activities**



When improper recording or omission of revenue or expense is discovered after submission of the annual profit tax return, the taxpayer must submit an adjusted profit tax return (form 101) for the year it refers to. In case this adjustment triggers an additional tax to be paid, the taxpayer is also subject to interest and penalties for late payment of this additional tax in accordance with the law.

**REMINDER – Employer duties regarding labour protection and health in the workplace**

Among its duties, the employer must take the necessary steps to:

- Ensure safety and protect employee health by performing a mandatory medical examination by a physician specialised in labour medicine upon hire and also with a mandatory annual medical check-up;
- Prevent occupational risks by informing and training employees through assessment of specific risks for each work position in terms of health and safety in the workplace and through mandatory training in accordance with norms set by Law 319/2006 regarding health and safety in the workplace. In addition, the employer must maintain individual docket on work protection and individual training dockets regarding emergencies. Instruction and maintenance of individual dockets may only be made by legal entities or natural persons licensed to carry out their activity in the domain of health and safety in the workplace;
- Provide an organisational framework and resources necessary for workplace safety and health.
- Measures regarding safety, health and hygiene in the workplace cannot be undertaken at the employee's expense.



**INFO – Complete and submit form 201, "Statement of income obtained abroad"**

Form 201 is completed and submitted by resident Romanian individuals having their domicile in Romania and by persons who meet for the year being declared the condition set at article 40 point (2) of Law 571/2003 – Fiscal Code, correlated with provisions of article 7 point 23 and who obtained income abroad, taxable in Romania, further to performance of activities abroad such as income from professions, income from commercial activities, income derived from intellectual property, rental income, agricultural income, dividends, interest, prize and gambling income, gains on disposal of personal real estate, gains on disposal of securities, gains on forward foreign currency contracts and similar operations, other investment income, pensions as well as other taxable income as per Title III of the Fiscal Code.

The statement is also submitted by resident Romanian individuals having their domicile in Romania and by individuals who met for the year being declared the condition set at article 40 point (2) of Law 571/2003 – Fiscal Code, correlated with provisions of article 7 point 23 and who carry out an employee activity abroad and who are paid for the employee activity performed abroad by or on behalf of an employer which is resident in Romania or by a permanent establishment in Romania (employee income represents a tax-allowed expense of the permanent establishment in Romania) in the case where this same employee income was taxable both in Romania and abroad.

We bring attention to conditions of residence defined by article 7 point 23 of the Fiscal Code.

A resident individual is a person who meets at least 1 of the following conditions:

- a) has his/her domicile in Romania;
- b) the centre of his/her vital interests is located in Romania;
- c) is present in Romania for one or several periods which exceed a total of 183 days for any period of 12 consecutive months ending in the calendar year concerned;
- d) is a Romanian citizen who works abroad as public servant or employee of Romania in a foreign State.

By exception to provisions of letters a) - d), the following individuals and their family members are not resident individuals: a foreign citizen with the status of diplomat or consul in Romania, a foreign citizen who is a civil servant or employee of an international or intergovernmental organisation registered in Romania, a foreign citizen who is a civil servant or employed by a foreign State in Romania.

Income obtained abroad by individuals during the declaration year as well as related tax paid abroad, denominated in the currency of each State, will be translated into RON at the annual exchange rate communicated by the National Bank of Romania for the year when income is obtained.

**INFO – 1<sup>st</sup> May, legal holiday**

As per the Labour Code, the 1st of May is a legal holiday. Employees who work on 1 May can recover hours worked with the same number of time off within the next 30 days. If for justifiable reasons, free time cannot be granted, the employee will receive double pay for work performed on 1 May, considering the base salary for work performed during standard business hours.

We remind that starting 1 May 2011, when the amended Labour Code entered into force, overtime is compensated by an equal amount of free time within the subsequent 60 days. If such compensation is not possible, the employee benefits from additional pay for overtime which is set in the collective labour contract or, if applicable, in the individual labour contract which cannot be less than 75% of base salary for standard hours.

**REMINDER – Valuation of monetary items in foreign currency**

The March 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 = 4.4503 RON; 1 CHF = 3.6488 RON; 1 GBP = 5.4130 RON; 1 USD = 3.2194 RON.

**Do not forget to submit the form 201 by 26 May if you obtained revenues from abroad in 2013**



## MAY 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 April 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

#### Thursday 1 May is a legal holiday (Labour Day)

#### Thursday 8 May 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 April 2014. Starting May 2014, VAT returns shall be submitted monthly.

#### Monday 12 May 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).

#### Monday 12 May is the last day to pay

- Hotel tax
- Advertising service tax

#### Thursday 15 May is the last day to submit

- INTRASTAT statement for April 2014 (standard or extended, submitted on-line)
- Statement of acquisitions and supplies in the field of energy in April 2014.

#### Monday 26 May 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)\*
- Recapitulative statement of EU Supply/acquisition/services (form 390)\* for April 2014
- Informative Statement on domestic supply/services rendered and acquisitions regarding April 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 ("ecotax" excluded)
- Return regarding income obtained in 2013 by individuals per category and source of income (form 200 and 201)
  - o Form 200\*, "Statement of income obtained in Romania," is submitted by individuals who derive income from independent activities, rental income (except rental of agricultural land), gains on disposal of securities, and gains on forward contracts of foreign currencies.
  - o Form 201, "Statement of income obtained abroad," is submitted by taxpayers who obtained abroad income from professions, commercial activities, rental income, dividends, interest, prize and gambling income as well as other income obtained abroad.
- Return regarding estimated income/income quota for the current year (form 220)
- Return regarding income from agricultural activities taxed on income quota (form 221) for the current year
- Application regarding destination of amount representing 2% of the annual income tax. Form 230 is to be filed by individuals who obtained salary income in 2013 and wish to sponsor legal non-profit



**1 May  
day off**





**30 May  
deadline for  
submission of 2013  
financial  
statements**

entities in the amount of up to 2% of annual tax. Form 230 is also used to apply for deduction of expenses for the purpose of realising collective savings in the rental field.

- Statement of estimated income for associations which are not legal entities and for entities subject to the regime of fiscal transparency (form 223)
- Return regarding 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)
- Return regarding the tax on constructions

**Monday 26 May is the last day to pay**

- Excise taxes
- VAT
- Liabilities to the sole account – State Budget
- Tax on crude oil and natural gas from domestic production
- Withholding tax on non-resident income
- Income tax on salary (separate bank transfer for headquarters and each secondary establishment)
- Tax on income from independent activities, withheld at source
- Tax on dividends paid in April 2014
- 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
- Contribution for non-employment of disabled persons for employers with headcount over 50
- Liabilities to the sole account – Public Insurance Budget and special funds
- Social security contribution (pension)
- 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 to Environment Fund ("ecotax" included)
- Quarterly contribution for medicine for Quarter I 2014
- Tax on buildings – first instalment

**Friday 30 May is the last day to submit to ANAF the annual accounting report\* for entities which have opted for a financial year different from calendar year as per article 27 (3) of Accountancy Law 82/1991 republished and for sub units opened in Romania by resident companies in EEA States**

**Friday 30 May is the last day to submit Annual Financial Statements\* as at 31 December 2013**

- for commercial companies, national companies, "regii autonome," national institutes for research and development;
- for sub units in Romania which belong to legal entities with headquarters abroad, except for sub units opened in Romania by resident companies in EEA States.

**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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***Our Mission:  
Adding Value to Client's Business***

*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