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PRESS RELEASE – AMENDMENTS TO FISCAL CODE 2016

On the 27th of October, during the Government session, several amendments to the Fiscal Code which go into effect in 2016 were adopted. Even though a consensus was achieved on the form of the new Fiscal Code (after a long period of debate and political negotiation), the Government decided to change or implement several fiscal measures early.

As of the close of the present edition of APEX Team Newsletter (the end of October), none of the changes were published in the Official Gazette. Information on these amendments are presented below. A detailed presentation of the new regulations will be made in the next issue of APEX Team Newsletter and also throughout the training sessions organised by APEX Team in November.

The amendments brought to the Fiscal Code are:

- reduction of the tax on dividends is introduced one year in advance;
- VAT reduction for delivery of drinking and irrigation water;
- introduction of a differentiated tax system for micro-enterprises;

Starting in 2016, application of a 9% reduced VAT rate will be extended to delivery of drinking and irrigation water.

Reduction of taxation rate from 16% to 5% will be applied to dividends distributed to Romanian individuals or legal entities, as well as to dividends obtained in Romania by non-residents, and will come into force on the 1st of January 2016. The measure should prompt an increase in investments and favour development of holding companies, to stimulate support for keeping Romanian capital in the country and encourage the process of repatriation of Romanian capital simultaneously with an incentive to restructure companies in order to adapt them to requirements of economic and financial environments, at national and European level, which is continuously changing.

Another measure included in the Emergency Ordinance refers to taxation on micro-enterprises and aims at two aspects. The turnover threshold to qualify as a micro-enterprise is increased from EUR 65,000 to EUR 100,000. Also, a differentiated tax system is introduced, according to headcount – between 1% and 3%.

- 1% for 2 or more employees;
- 2% for 1 employee;
- 3% for no employees.

The normative act adopted by the Government also includes other provisions from which we mention the following:

- Extension of category of Romanian legal entities that do not owe corporate tax for income obtained and used according to legal provisions in the field of national education. According to this normative act, private schools will be part of this category;
- Exemption from health insurance contribution by individuals having health and maternity insurance on the territory of another state with which Romania applies a social security bilateral agreement which includes provisions on health and maternity insurance.
- Extension by one month (the 31st of March 2016) of deadline to submit the following documents:
 - o statement regarding buildings owned by individuals or legal entities having non-residential or mixed purpose;
 - o statement regarding the means of transportation removed from circulation;

- o justifications issued in 2015 on exemption or reduction of tax on building, land or means of transportation, in the case of entitled persons.
- ☑ Introduction of regulation according to which, when a means of transportation was registered during the year, the owner has the obligation to submit a statement to the local fiscal authority within 30 days from purchase date.

The Ordinance adopted by the Government also contains a series of provisions amending and complementing the new Fiscal Procedure Code. One amendment refers to designating ANAF as the competent authority to perform exchange of information with states with which Romania has concluded an agreement, a measure that is meant to contribute to combating tax evasion.

LAW 227 dated 8 September 2015 on the Fiscal Code (688/2015)

The previous issue of APEX Team Newsletter contained a brief presentation of the main changes brought by the new Fiscal Code applicable starting the 1st of January 2016. In this regard, we have presented the main amendments made to corporate tax, tax on dividends, micro-enterprises, tax on income obtained by non-residents and VAT. The remaining changes are presented below.

TAX ON INCOME

General Provisions

- ☑ A definition of liberal profession is introduced, and, for definition of independent activities, the provisions are similar to those recently introduced by Law 187/2015;
- ☑ Individuals fulfilling conditions of fiscal residency will be subject to Romanian income tax on worldwide income starting the first year of their residence in Romania;
- ☑ Stock option plans are extended to granting ownership shares for free, either in the form of employer's capital or that of its parent company or subsidiaries, but a minimum vesting period of 1 year is introduced;
- ☑ The following income sources were added to the category of non-taxable income:
 - o rewards granted according to law from public funds;
 - o income received for recycling waste.

Income obtained from independent activities

- ☑ Definition of independent activities also includes income obtained from production activities;
- ☑ A new definition is given to income obtained from liberal professions which represents income obtained from provision of services having a professional character, according to special normative acts regulating organization and performance of the respective profession;
- ☑ Contributions to voluntary pension funds and private health insurance paid by individuals obtaining income from independent activities (except for income from intellectual property rights) will become deductible up to EUR 400/year;
- ☑ Withholding of income tax and social contributions is eliminated for certain types of income from independent activities, except income from intellectual property rights;
- ☑ The notional deduction for income from intellectual property rights increases to 40% of gross income (previously 20% or 25%). Deduction of social security contributions will also be allowed if the taxpayer opts to withhold the final income tax of 16%. Previously, the 16% tax rate was applied to gross wages with no deduction;
- ☑ Threshold for social expenses increases from 2% to 5% based on annual value of expenses related to staff salaries;
- ☑ Contributions paid to professional associations will be deductible up to EUR 4,000/year (currently the limit is 2% of the tax base);
- ☑ The period for carrying forward tax losses from independent activities, and also for other types of income, is extended from 5 to 7 years;
- ☑ In the case of advance payments for income obtained from intellectual property rights, the tax that should be withheld is set by applying the 10% taxation rate to gross income. Previously the 10% tax rate was applied to gross income from which social contributions owed were deducted;
- ☑ Submission term for tax return on estimated revenue/income quota prepared by taxpayers obtaining income from independent activities and starting their activity during the financial year is 30 days from the beginning of the activity (previously 15 days);



Important changes in taxation of independent activities from 2016



- ☑ Operation, maintenance and repair expense related to vehicles used by independent taxpayers or an associated member are deductible within the limit of up to one vehicle per person;
- ☑ Deductible expenses will include salary and income similar to salaries as they are defined in the section on income from salaries and similar to salary;
- ☑ Premiums for insurance on goods used according to provisions of rent or lease contracts are also deductible;

Income obtained from dependent activities/Salary income

- ☑ The non-taxable limit for per diem allowances not only apply to employees, but also for directors and managers under mandate contracts;
- ☑ The exemption for gifts granted by employers (including gift vouchers), granted both to employees and to their children is extended, within limits established by the Fiscal Code;
- ☑ Expenses incurred by income payers for manager training are non-taxable;
- ☑ New categories of non-taxable salary income are introduced:
 - Contributions to voluntary pension funds paid by employers for their employees, up to EUR 400/year;
 - Private health insurance premiums paid by employers for their employees, up to EUR 400/year;
 - Benefits in kind represented by personal use of vehicles for which expenses are only 50% deductible for corporate tax purposes;
 - Food rights granted to employees, where specific legislation does not allow employees to bring their own food to the workplace.
- ☑ Personal deductions available for income of up to RON 3,000/month, derived by taxpayers who have several dependants will increase, their value ranging between RON 300 and RON 800, according to the number of dependants. Currently the deduction ranges between RON 250 and RON 650;
- ☑ The amount representing personal deduction for minor children under care is granted to each taxpayer taking care of them. Previously, the deduction was granted to one parent;
- ☑ Private health insurance premiums paid by employees are deducted from gross wages before calculation of income tax. The maximum annual deduction cannot exceed EUR 400. Previously these insurance premiums were taxable income to employees;
- ☑ In the case of non-resident individuals carrying out their activity in Romania and obtaining income as salary or similar to salary, the individuals, legal entities or any other entity where they perform their activity should provide to the competent fiscal authority information regarding the date when the activity started and ended. This should be communicated within 30 days from when the event occurred, except for the situation when the obligation to calculate, withhold and pay the tax is fulfilled for income obtained as salary. Previously, communication to the fiscal authority was made within 15 days from occurrence of the event.

Rental income, pensions, investments

- ☑ A 40% notional tax deduction will apply to income from rent and leasing (previously was 25%);
- ☑ The monthly non-taxable amount of pension income will increase from RON 1,000 to RON 1,050;
- ☑ Other taxable income will also include goods and/or services received by a participant in a legal entity, granted for personal purposes, as well as distribution of shares to a participant in a legal entity as a result of ownership of shares in that legal entity, other than distribution of new shares or an increase in the nominal value of existing shares, as a result of incorporation of reserves, retained earnings or share premiums into share capital by the relevant legal entity;
- ☑ Clear provisions are introduced on taxation of investment income (interest income, dividends, as well as earnings from trading securities, including derivatives).

Investments

- ☑ Tax rate applied to income obtained from dividends granted to individuals is reduced to 5% starting the 1st of January 2017. For 2016, the current 16% tax rate is



Benefits from personal use of vehicles for which expenses are only 50% deductible are non-taxable for employee



kept. However, the proposed changes under approval is to apply the 5% tax rate earlier, from 2016.

Pensions

- ☑ Monthly non-taxable amount is RON 1,050 (previously RON 1,000) and is increased by RON 50 each financial year, starting with the rights related to January until when the non-taxable income threshold reaches RON 1,200;

SOCIAL CONTRIBUTIONS

- ☑ No social security contribution (CAS) is owed for income defined as non-taxable (e.g. vouchers and gifts within the limits provided as tax on income, expenses incurred for training managers, private health insurance premiums within the thresholds, etc.);
- ☑ Social security contribution for individuals deriving income from independent activities will be the individual contribution (with the possibility to opt for a full contribution), but the taxable base is extended as follows:
 - The requirement to pay social security contributions is extended to all individuals (except for retired persons) who derive income from independent activities, including intellectual property income, whether or not they also derive salary income or income from intellectual property rights;
 - Social security contributions will be paid on global annual income, taking into consideration the relevant minimum and maximum thresholds for the taxable base.
- ☑ Starting the 1st of January 2017, the taxable base for health insurance contributions (CASS) is extended to all income earned by individuals. The taxable base for annual health insurance contributions will be up to 5 times the average monthly gross wage, multiplied by 12;
- ☑ Individuals who have no income or whose income is lower than the national minimum gross wage should pay health insurance contributions, calculated based on the value of the minimum gross wage. They have the obligation to register with the competent fiscal authority within 15 days from the date they start to be part of this category;
- ☑ Starting the 1st of January 2016, the monthly base for health insurance contributions applied to persons obtaining pension income is only represented by that part of income which exceeds the value of one pension point set for the respective financial year. Starting the 1st of January 2017 the base will be limited up to 5 times average monthly gross wage.

TAX ON CONSTRUCTION

- ☑ The tax will be eliminated starting the 1st of January 2017.
- ☑ For 2016, the tax will not be payable on agricultural constructions

EXCISE TAXES

- ☑ The elimination of the super-excise for gasoline and diesel has been postponed to 2017;
- ☑ Excise duties on alcohol, beer and sparkling wines, sparkling fermented beverages and intermediate products are reduced;
- ☑ Excise duties on beverages with active fermentation underway as well as cigarettes are increased;
- ☑ Non-harmonized excise duties on coffee, gold and/or platinum jewellery, natural fur garments, yachts and other leisure boats and engines for them, vehicles with an engine capacity of 3000 cm³ or more, weapons and ammunition as well as the tax on crude oil from domestic production are eliminated;
- ☑ New non-harmonized excise duties are introduced starting the 1st of January 2016 for liquids containing nicotine for inhalation by means of an electronic device known as electronic cigarettes and for heated tobacco products which, when warmed, release an aerosol that can be inhaled, without being blended with tobacco;
- ☑ Excise duties paid for excisable goods which have been released for consumption and subsequently reintroduced into a fiscal warehouse will be reimbursed starting the 1st of January 2016. The deadline to apply for reimbursement is the limitation period provided by the Fiscal Procedure Code, meaning 5 years starting the 1st of January of the year following the year when the right to refund occurred;



Social security contribution for independent activities is extended



- ☑ Obligation to colour and mark the diesel fuel that is used for purposes exempted from excise duties in order to better track its end use and to fight tax evasion is introduced.

LOCAL TAXES

Tax on buildings

- ☑ The principle based on which taxation on buildings is assessed has been changed. Buildings will be taxed by not only taking into consideration the owner's statute (individual or legal entity), but also their purpose. Therefore, the tax on buildings will be different for individuals according to the building's purpose: residential, non-residential or mixed-purpose;
- ☑ In this regard, taxpayers have the obligation to submit a statement on the purpose of the buildings owned, by the 29th of February 2016 to the local fiscal authority;
- ☑ Tax rate for **residential buildings** will range between 0.08% and 0.2%, as compared to the current rate of 0.1%. Taxable values on buildings held by individuals will increase by 7%-30%, depending on the building type and utilities available;
- ☑ Tax rate for **non-residential buildings** (including buildings owned by individuals), will range between 0.2% and 1.3%. Currently, the tax rate is between 0.25% and 1.5%. The taxable value of buildings will be set based on a valuation report (different from the value recorded in accounting records) that should be updated every three years: if not revalued in this time frame, a 5% tax rate will be imposed;
- ☑ For non-residential buildings owned by individuals, the taxable value will also be established based on a valuation report; otherwise, a 2% tax rate will be imposed, as if the building had a residential purpose;
- ☑ The progressive increase in tax on buildings for multiple properties owned by an individual is eliminated.

Tax on land

- ☑ Exemption from tax on land is eliminated for land covered by buildings.

Tax on means of transportation

- ☑ Electric vehicles or second-hand vehicles recorded as inventory and not used by the economic operator owning them are exempted from tax;
- ☑ For hybrid means of transportation, the tax is reduced by a minimum of 50%, as decided by the local council.

Other local tax provisions

- ☑ Local authorities may decide on an increase in local tax rates by a maximum of 50% as compared to those set out in the new Fiscal Code. Currently the increase is made within a 20% rate limit;
- ☑ Local councils may increase tax on buildings and tax on land by up to 500% for abandoned buildings and land or for those not properly maintained, when they are located in towns;
- ☑ For agricultural land which has not been cultivated for 2 consecutive years, the city council may increase the tax on land by up to 500% starting the third year, under conditions set by the local council;
- ☑ Local taxes are owed for the entire financial year by the taxpayer which owns the property being taxed as at the 31st of December of the previous financial year, regardless of changes in ownership during the year. Implicitly, no fractional calculation or settlements will be made with the new/previous owner;
- ☑ Hotel tax is eliminated starting the 1st of January 2016;
- ☑ Starting 2017, local taxes set as fixed RON amounts or calculated on the basis of these fixed amounts, will be indexed to inflation. Currently, the indexing is carried out every 3 years by Government Decision.

EMERGENCY ORDINANCE 44 dated 14 October 2015 to grant certain fiscal facilities (Official Gazette 785/2015)

The Ordinance sets a new scheme to cancel delayed payment penalties and to reduce interest in order to stimulate payment of the underlying (main) debts. This modality to encourage payment of outstanding debts worked successfully several years ago. A brief presentation of fiscal facilities set by the Ordinance is made below:



Important changes in the tax on buildings for individuals



1. Unsettled liabilities as at 30 September 2015

Cancellation of delayed payment penalties, as well as the **54.2% rate for interest**, related to **main liabilities** owed to the General Consolidated State Budget and **unpaid by the 30th of September 2015** and managed by ANAF, is only applied if the following conditions are cumulatively fulfilled:

- all main liabilities unpaid by the 30th of September 2015 and managed by the central fiscal authority, are settled by any method provided by the law **by the 31st of March 2016**;
- a 45.8% rate in interest related to liabilities according to letter a), set through **decisions, communicated prior to the date when the main liabilities are settled**, is also settled by any means provided by the law by the **30th of June 2016**;
- it is settled by any means provided by the law a 45.8% rate for interest owed as at settle date for the main liabilities provided per letter a) and set through **decisions communicated subsequent to this date** but prior to the payment term provided by the Fiscal Procedure Code;
- all main liabilities managed by the central fiscal authority having a due date during the period between the 1st of October 2015 and the 31st of March 2016 are settled by any means provided by the law before the submission date of the application to cancel delayed payment penalties, and the 54.2% interest rate, named hereafter application to cancel additional liabilities;
- the taxpayer should have all tax returns submitted, according to its fiscal status (vector fiscal) on or before the submission date on the application to cancel additional liabilities. This condition is also considered to be fulfilled in the case when the liabilities were set through decisions of the central fiscal authority for the periods when no tax return was submitted;
- the taxpayer submits the application to cancel additional liabilities by the **30th of June 2016**, under penalty of preclusion

Outstanding fiscal liabilities as at the 30th of September 2015 are defined in the Ordinance and exclude liabilities which on this date benefit from a deferral period or which have their execution suspended. The exception is only applied in the case where these types of situations cease to exist by the 31st of March 2016.

2. Liabilities resulting from adjustments of declared amounts having a due date prior to the 30th of September 2015

Cancellation of delayed payment penalties, as well as the **54.2% interest rate**, related to **differences between liabilities declared by taxpayers in addition and through an adjusted tax return** which corrects the main liabilities having a due date prior to the 30th of September 2015, which are managed by the central fiscal authority, is applied only if the following conditions are cumulatively fulfilled:

- the adjusted tax return is submitted by the 31st of March 2016**;
- all main liabilities which are itemized on the adjusted tax return are settled by any means provided by law by the **31st of March 2016**;
- all conditions mentioned-(letters b) to f) above) are fulfilled.

These provisions also apply to adjustment of errors on VAT returns.

3. Liabilities settled by the 30th of September, but with unsettled penalties/ interest

Cancellation of delayed payment penalties, as well as the **54.2% interest rate**, related to **main liabilities which have their due date of the 30th of September 2015 and settled by this date**, managed by the central fiscal authority, is applied only if the following conditions are cumulatively fulfilled:

- delayed payment penalties and interest that may be subject to cancellation are **owed and unsettled by the 30th of September 2015**;
- a 45.8% interest rate related to main liabilities having their due date prior to the 30th of September 2015 and settled by this date, is settled by any means provided by law by the 31st of March 2016;
- the taxpayer submits application to cancel additional liabilities **by the 30th of June 2016**, under penalty of preclusion.



New scheme for cancellation of penalties and reduction in interest on late payments



4. Liabilities resulted from fiscal inspections

Cancellation of delayed payment penalties, as well as a 54.2% interest rate, related to main liabilities managed by the central fiscal authority, **having a due date prior to the 30th of September 2015** and which are itemized in tax decisions issued following fiscal inspections which were still being performed on the 21st of October (date the present Ordinance came into force), is applied if the following conditions are cumulatively fulfilled:

- all differences resulting from main liabilities which are itemized on the tax decision are settled by any means provided by law prior to payment due date provided by art. 111 para. (2) of the Fiscal Procedure Code;
- a 45.8% interest rate related to liabilities provided at letter a) is settled by any means provided by law before the payment due date provided by art. 111 para. (2) of the Fiscal Procedure Code;
- the application to cancel additional liabilities is submitted within 90 days from communication of the tax decision, under penalty of preclusion.

In the case of fiscal inspections that will take place subsequent to the 21st of October 2015, in order to grant cancellation of penalties/54.2% interest rate, fiscal authorities will take into consideration any adjusted tax returns submitted by the taxpayers no later than 10 days after the 21st of October 2015.

Other provisions

The application to cancel additional liabilities is solved by fiscal authorities by issuing a decision to cancel the additional liabilities or a decision to reject the application.

The Ordinance also introduces the possibility for taxpayers to submit to the competent fiscal authority a **notification of intention** to benefit from cancellation of additional liabilities prior to submitting the actual application. The notification has the effect of postponing payment of penalties and interest (54.2% rate) that may be subject to cancellation, as well as suspension of enforcement procedure for these liabilities until the date when the authorities issue a settlement decision for the application or by the 30th of June 2016, in the case where the taxpayer does not submit an application to cancel additional liabilities.

The facilities do not apply to liabilities resulting from **legal contractual relations** and are not taken into consideration when granting the cancellation of additional liabilities, except mining royalties, oil royalties and royalties resulting from concession contracts, from leasing agricultural land and other contracts for efficient development of agricultural land, concluded by the State Domains Agency.

Taxpayers having set **precautionary or executory garnishments** have the possibility to perform payments from the amounts that are basically unavailable due to garnishment. The measure is temporarily apply by the 30th of June 2016.

In the case of liabilities owed to local budgets, the facility is granted if the local authority issues a decision in this regard. In this case, the facility refers to cancellation of up to 73.3% of delayed payment penalties.

Taxpayers which, on the 30th of September 2015, benefit from payment rescheduling may also benefit from cancellation of a 54.2% rate for interest rescheduled for payment and unsettled by the 30th of September 2015, if the rescheduling ends by the 31st of March 2016. In this case, the 54.2% rate for interest paid simultaneously with the rescheduled instalment is refunded according to the Fiscal Procedure Code.

Liabilities itemized in enforcement titles issued according to law and transmitted to fiscal execution authorities for collection (excluding any type of fines) are not taken into consideration when deciding to grant cancellation of additional liabilities by the central fiscal authority.

Taxpayers which on the 31st of March 2016 had reimbursement applications under settlement and for which, subsequent to this date, the fiscal authority entirely or partially rejects the reimbursement may benefit from cancellation of additional liabilities, if they pay the liabilities on which the cancellation depends and which are not settled through compensation with amounts itemized in the reimbursement application, within 30 days of the decision to reject the reimbursement.



Unsettled fiscal liabilities as at 30 September 2015 are subject for cancellation of penalties and reduction of delayed interest



The Application Procedure is approved within 30 days from the date this Ordinance comes into force.

ORDER 1198 dated 30 September 2015 to amend and complement certain accounting regulations (Official Gazette 759/2015)

The Order amends accounting provisions regulated by OMFP 1802/2014, "Reporting payments performed to governments" section, which will take effect starting the financial year 2016.



ORDER 239 dated 25 September 2015 to approve template of monthly tax return, as a standard form, for income obtained by those organising and carrying out gambling activities according to art. 10 para (1) of OUG 77/2009 on organization and exploitation of gambling activities (Official Gazette 766/2015)

The Order approves template for monthly tax return for income obtained by those organising and carrying out gambling activities. The monthly tax return is submitted in hard copy or electronically, with digital signature, by the 10th of the month for the prior month.

EMERGENCY ORDINANCE 42 dated 7 October 2015 to amend and complement certain normative acts in the area of gambling activities (Official Gazette 767/2015)

ORDER 2252 dated 31 August 2015 to approve technical Norms on granting statute of authorized economic operator (Official Gazette 758bis/2015)

The Order approves new technical Norms on granting statute of authorized economic operator and repeals previous regulations (ANAF Order 9647/2007).

News in gambling activities

ORDER 2594 dated 5 October 2015 to set competent fiscal authorities to organize and manage the fiscal record, the procedure to register, delete and rectify information in/from the fiscal record, to request and issue the fiscal record certificate, the template and content of necessary forms, as well as the proper level of access to information registered on the fiscal record (Official Gazette 759/2015)

INFO - Valuation of monetary items in foreign currency

The October 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 = 4.4322 RON; 1 CHF = 4.0778 RON; 1 GBP = 6.1812 RON; 1 USD = 4.0252 RON

NOVEMBER 2015 - 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



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

Friday 6 November is the last day to submit

- Form 092 (amendments) to change VAT return periods from Quarterly to Monthly for EU acquisitions of goods in October 2015. Starting October, the VAT return will be submitted monthly.

Tuesday 10 November 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 the previous year, do not exceed the exemption threshold set at article 152 of the Fiscal Code (form 096).

Tuesday 10 November is the last day to pay

- Hotel tax
- Advertising service tax

Monday 16 November is the last day to submit

- INTRASTAT statement for October 2015 (standard or extended submitted on-line)
- Statements of acquisitions and supplies in the field of energy in October 2015.

Wednesday 25 November 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 regarding amounts deriving from VAT adjustments (form 307)
- VAT return regarding VAT due by taxable entities which registration code under the scope of VAT was cancelled as per article 153 point (9) letters a)-e) of the Fiscal Code (form 311)
- Recapitulative statement of EU Supply/acquisitions/services (form 390)* for November 2015
- Informative Statement on domestic supply/services rendered and acquisitions regarding November 2015 (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")

Wednesday 25 November is the last day to pay

- Excise taxes
- VAT
- Liabilities to the sole bank 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 (separate bank transfer for headquarters and each secondary establishment)
 - o Tax on income from independent activities, withheld at source

**Do not forget the
deadlines to
submit tax returns
and to pay taxes**





- Tax on dividends paid in October 2015
- 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 head-count 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
- ☑ Quarterly contribution for medicine for Quarter III 2015
- ☑ 50% of the tax upon rental of rooms to tourists made by owners of rooms located in their private lodgings with an accommodation capacity of between 1 and 5 rooms (first instalment)
- ☑ Health insurance contribution related to 2nd semester by the individuals obtaining revenues from agricultural activities
- ☑ Contribution to Environment Fund ("ecotax" excluded)

Monday 30 November is a legal holiday, being St. Andrew day

Tuesday 1 December is a legal holiday, being Romania's National Day!

**1 December
is Romania's
National Day!**

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

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

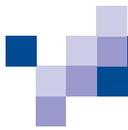
| 2015 Contributions | Employer and Beneficiary of activities considered dependent activities (% rate) | Employee and provider of dependent activities (% rate) |
|--|---|--|
| Social security contribution (<i>pension</i>) | 15.8% for normal working conditions 20.8% for particular working conditions 25.8% 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 2,415 =RON 12,075) 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) ³ | 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 1050) for every 100 employees | |
| Minimum monthly gross salary as per Government Decision 1091/2014 | RON 1050 (starting 1 July 2015) | |
| Luncheon voucher - employee subject to salary starting May 2015 | RON 9.41 | |
| Per diem (in Romania) Employees in the public sector Employees in the private sector (x 2.5) | RON 17.00 RON 42.50 | |

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 to work supported by the employer as well as for allowances for temporary incapacity to 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*

summarizing
transactions
information
relevant
income
equity
loss
structured
classifying
revenues
decisions
recording
financial
auditing
transactions
reliable
accountancy
receivables
posting
account
register
bookkeeping

reporting
business
management
control
statements
debit
liabilities
summarizing
balance
statements
income
collecting
debit
reporting
structured
equity
expenses
assets

years
of professionalism
and client dedication