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## **ORDER 1105 dated 29 March 2016 to amend ANAF Presidential Order 3769/2015 to declare supply/provision of services and acquisitions made within the national territory by taxpayers registered under scope of VAT and to approve template and content of informative declaration regarding domestic supply/provision of service and domestic acquisition made by taxpayers registered under scope of VAT (Official Gazette 242/2016)**

Several amendments are brought to Order 3769 which introduces a new template for form 394 that should have been applied starting the 1<sup>st</sup> of January 2016. Date of applicability for the new provisions and new template for form 394 is postponed to the 1<sup>st</sup> of July 2016 and will not be retroactively applied.

## **ORDER 450 dated 31 March 2016 to approve Procedure to adjust errors within annual financial statements and annual accounting reports submitted by economic operators and non-profit organizations (Official Gazette 274/2016)**

The Order approves Procedure to adjust errors within annual financial statements and annual accounting reports submitted by economic operators and non-profit organizations.

### **For whom does the Procedure apply?**

The Procedure applies when economic operators and non-profit organizations submit another set of annual financial statements or annual accounting reports for the same reporting period as the first submission to offices of the territorial units of the Ministry of Public Finance.

### **What errors may be adjusted?**

Submission of another set of annual financial statements/annual accounting reports for the same reporting period may only be performed to adjust errors determined by the erroneous filing of:

- a) Name of reporting entity;
- b) CAEN (NACE) activity (name of NACE class and/or NACE code);
- c) Ownership form;
- d) Headcount and/or other indicators reported on Informative Data form.

A new set of financial statements/reports to adjust accounting errors defined by applicable accounting regulations cannot be submitted.

Situations determined by the following types of errors are also subject to adjustment:

- a) electronic transmission of annual financial statements/annual accounting reports instead of inactivity statement, as well as electronic transmission of inactivity statement instead of annual financial statements/annual accounting reports;
- b) electronic transmission of annual financial statements/annual accounting reports using a reporting format available within the assistance programme, different from the format appropriate for the type of entity or failure to electronically transmit all documents provided by the law (Directors' Report, affidavit, statutory audit report, etc.).

Accounting errors are adjusted according to specific regulations provided by accounting legislation (point 55 of Order of the Minister of Public Finance 1969/2007 for non-profit organizations, point 134 of Order of the Minister of Public Finance 1286/2012 for companies applying IFRS, point 66 of Order of the Minister of Public Finance

1802/2014 for companies), without submitting another set of annual financial statements/annual accounting reports containing the adjustments.

### Procedure to adjust detected errors

In the case of adjusting certain errors, subsequent to submission of annual financial statements/annual accounting reports, economic operators or non-profit organisations may submit another set of annual financial statements/annual accounting reports and documents required by law including the adjusted information **only at register offices of the territorial units of the Ministry of Public Finance.**

Simultaneously, the Director should also submit an affidavit stating the fact that documents are re-transmitted as a result of adjustment of detected errors, as well as the fact that documents reflect reality of the reporting entity. This affidavit will be included on the .zip file attached to the .pdf form. A printed **original** of this affidavit is submitted to the register offices of the territorial units of the Ministry of Public Finance, with adjusted annual financial statements/accounting reports.

The deadline to submit annual financial statements/annual accounting reports comprised of adjusted information is the end of the financial year/the year following the one for which the errors were detected in annual financial statements/annual accounting reports.

### Inactivity statements

Provisions of this Order also apply in the case of subsequent submission of inactivity statements.

Taking into consideration the fact that, according to Accounting Law, inactivity statements are only submitted in the case where the entity has not carried out any activity from its creation, if the reporting entity submits such a statement, under conditions where, for the same entity, annual financial statements were submitted during previous years, the inactivity statement will be rejected and will generate an error message.

### Indicators published on MPF website

In the case of adjustment of errors, indicators published on the MPF website are based on information re-transmitted by economic operators. In these situations, the message, "published indicators are based on information re-transmitted on the ...," is mentioned on the MPF website.

### Application

Provisions of current Procedure is also applied in order to adjust errors provided by the Procedure and related to reports prepared for the financial year of 2014. Submission deadline for these reports was the 29<sup>th</sup> of April 2016.

Adjustment of detected errors by economic operators and non-profit organisations does not exonerate the respective entities from sanctions provided by the Accounting Law.

### Other aspects related to submission of annual financial statements and annual accounting reports

In case an entity submits annual financial statements/annual accounting reports/inactivity statements using the registration code of another entity, it is considered that the latter has accomplished its reporting obligations if it submits annual financial statements/annual accounting reports/inactivity statements within the deadline provided by Accounting Law. In this situation, the first entity will be alerted with a message regarding non-submission of required reports on or before the date due.

### LAW 66 dated 19 April 2016 to amend and complement Government Emergency Ordinance 111/2010 on parental leave and monthly compensation granted for raising children (Official Gazette 304/2016)

The Law brings important amendments to the system to grant monthly compensation for raising a child under 2 years of age, or under 3 years of age in the case of a child with disabilities. In our previous issue of the APEX Team Newsletter, we published some information regarding these amendments mentioned in the draft law. We return with a short analysis of these amendments as a result of publication of the law in final form.

The main change introduced by this law is the fact that the value of compensation granted to the parent taking parental leave is set at 85% of average net income obtained during the previous 12 months ending 2 years prior to child's birth, without higher limits.



**Errors in financial statements / annual reports may be corrected under the new enforced procedure**



Previously, compensation was limited to a maximum level of RON 1,200 for parents taking parental leave for a 2-year period, and RON 3,400 for those deciding to take parental leave of 1 year.

Income taken into consideration to determine basis of calculation is as follows:

- income obtained from salaries and similar to salary;
- income obtained from independent activities;
- income obtained from agricultural activities, forestry and breeding fish.

We mention that this income is subject to income tax, contributions to social and health insurance – pensions and, depending on the case, for other contributions according to law.

In the case of twins, triplets or other multiples, the level of compensation increases by 85% of minimum gross wage, for each child starting with the second child born.

Similar measures regarding an increase in value of compensation are defined in the case of those already on parental leave. In this regard income obtained prior to childbirth are taken into consideration to set current compensation. The person returning to work before finishing the period of 2 years of parental leave benefits from an insertion incentive.

If during parental leave another pregnancy intervenes, compensation of 85% of minimum gross wage for the next child born will be granted.

The period during which the parent benefits from compensation for raising a child is considered seniority at work and specialisation in order to grant rights related to pension and unemployment compensation.

New provisions are applied starting the 1<sup>st</sup> of July 2016. Implementation Norms should be published within 60 days from the date when the Law was published in the Official Gazette.

### **ORDER 1162 dated 7 April 2016 to approve Charter of rights and obligations of individuals under tax inspection (Official Gazette 292/2016)**

The Order approves Charter of rights and obligations of individuals under tax inspection.

### **ORDER 1155 dated 7 April 2016 to issue fiscal and procedural administrative acts through Massive Print Centre (Official Gazette 274/2016)**

The present Order sets the categories of fiscal and procedural administrative acts issued by central fiscal authorities and printed at the Massive Print Centre, valid without the signature of empowered persons from the central fiscal authority, according to law, and the stamp of the issuing authority, fulfilling the legal requirements that apply in the field.

### **ORDER 1164 dated 7 April 2016 to amend Procedure to publish lists of debtors registering outstanding fiscal liabilities, as well as the amount of these liabilities, approved by ANAF Presidential Order 558/2016 (Official Gazette 274/2016)**

Starting the 1<sup>st</sup> of January 2016, the new Fiscal Procedure Code obliges the fiscal authority to publish a list of debtors registering liabilities to the budget, the debtors being individuals or legal entities.

The change consists of the appearance of the list of debtors who are individuals, given the fact that the list of companies registering debts to the budget has already been published for several years.

The current Order increases the thresholds used to record a taxpayer registering debts to the budget on the list of debtors.

The new thresholds applied to companies and individuals are:

- a) 100,000 RON for large-size taxpayers;
- b) 50,000 RON for medium-size taxpayers;
- c) 10,000 RON for individuals carrying out independent activities or liberal professions, and for small-size taxpayers;
- d) 1,500 RON for individuals in other categories.




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### **Important changes in child-raising allowance**

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**New changes  
to the procedure  
for the provision  
of banking  
information  
to ANAF**

The Procedure to publish the list remains unchanged. By the 15<sup>th</sup> of the month following quarter close, the fiscal authority notifies the debtor regarding existence of the debt as well as notification of being recorded on the list of debtors.

Within 5 days from receipt of notification, the debtor has the possibility to pay the outstanding fiscal liability, to adjust or to agree with the record of the fiscal administration.

**ORDER 1110 dated 31 March 2016 to amend and complement ANAF Presidential Order 3622/2015 to approve template and content of certain forms used to administer tax on income and social contributions owed by individuals (Official Gazette 257/2016)**

The Order approves template and instructions to complete the following forms:

- form 256 – Ex-officio tax decision on income obtained by individuals, code 14.13.02.13/0 and Annex to Ex-officio tax decision on income obtained by individuals;
- form 257 – Decision to cancel ex-officio tax decision on income obtained by individuals, code 14.13.02.13/d.d.o.

The forms are used for ex-officio tax decisions performed by the competent central fiscal authority starting in 2016.

**ORDER 1106 dated 29 March 2016 to amend Procedure to provide information according to art. 61 of Law 207/2015 on the Fiscal Procedure Code, approved by ANAF Presidential Order 3770/2015 (Official Gazette 239/2016)**

The Order amends Procedure to provide information to ANAF, applicable to banks, starting the 1<sup>st</sup> of January 2016. We recall that banks are obliged to provide certain information to ANAF, such as:

- upon ANAF request, banks should communicate transactions or balances for accounts held by taxpayers subject to ANAF request;
- list of individuals or legal entities opening or closing accounts, as well as identification data of persons holding right of signature. The list is provided on a daily basis;
- list of persons renting safe deposit boxes.

Any individual or legal entity having the obligation to communicate information to National Office for Prevention and Control of Money Laundering will simultaneously transmit the same information in the same format to ANAF.

Deadlines for financial institutions to transmit information are the following:

- a) 5 business days for transactions or balances for accounts for a periods less than 3 years;
- b) 10 business days for transactions or balances for accounts for periods greater than 3 years.

If other information and documents regarding operations performed through accounts are requested, the maximum deadline is 25 days.

According to amendments introduced by the current Order, credit institutions will communicate, by the 30<sup>th</sup> of June 2016, the transactions or balances of accounts using the existing format on the date when the procedure came into force (January 2016). For data related to the period between 1<sup>st</sup> of January 2010 and 31<sup>st</sup> of December 2015, data is communicated in the format held by the banks. For the period 1<sup>st</sup> of January 2016 to 30<sup>th</sup> of June 2016, data will be made available in a simplified format offered by ANAF. Subsequent to the 1<sup>st</sup> of July 2016, the format will be more complex, according to procedures regulated by the present Order.

**ORDER 1154 dated 7 April 2016 to approve Procedure to reimburse amounts provided by art. 7, 9 and 12 of the Government Emergency Ordinance 9/2013 on environmental stamp for motor vehicles, as well as the amounts set by courts of justice through definitive decisions and to approve template and content of certain forms (Official Gazette 274/2016)**

**ORDER 1094 dated 28 March 2016 to approve standard form, Minutes on findings and sanctions against offenses, used by personnel with attributions related to tax inspections, empowered by ANAF (Official Gazette 239/2016)**



**ORDER 1194 dated 13 April 2016 to approve Technical Norms to use Export Control System (Official Gazette 309/2016)**

**ORDER 1195 dated 13 April 2016 to approve Technical Norms to use Import Control System (Official Gazette 306/2016)**

**ORDER 1196 dated 13 April 2016 to approve Technical Norms to use and complete a re-export notification (Official Gazette 306/2016)**

**ORDER 1193 dated 13 April 2016 to approve Technical Norms to apply transitory measures referring to requesting, issuing and monitoring the use of decisions on mandatory tariff information in Romania (Official Gazette 314/2016)**

**ORDER 1189 dated 13 April 2016 to approve Technical Norms on administration of tariff quotas in Romania (Official Gazette 312/2016)**

**ORDER 1190 dated 13 April 2016 to approve Technical Norms for subsequently verifying proof of origin and A.TR. Certificates (Official Gazette 312/2016)**

**ORDER 1191 dated 13 April 2016 to approve Technical Norms to authorize exporters in order to issue proof of preferential origin and A.TR. Certificates by using simplified procedure (Official Gazette 312/2016)**

**ORDER 1192 dated 13 April 2016 to approve Technical Norms on request, issuance and application of decisions regarding information on origin, which is mandatory in Romania (Official Gazette 312/2016)**

#### **INFORMATION – Procedure to register lease contracts**

Lease represents the contract through which a party, named lessee, must assure to the other party, named lessor, the use of a good for a certain period, in change of a price called rent. The lease of immovable and movable properties is called renting (“inchiriere”), and the lease of agricultural land is called farming (“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, the lessees (natural persons or legal entities) may register with the competent fiscal authorities the lease contracts they concluded.

The competent fiscal authority is the one 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 lease contract, both in original and copy.

Fiscal authority will certify the correspondence between the copy and the original of the 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 change and cease of the lease contract can be registered, by the lessee, to the fiscal authority by submitting the statement having the box “CHANGE” or “CEASE” checked and having attached supporting documents.

The date of registration of lease contract or of their change/cessation is the date of their submission to the registry of the fiscal authority or the date of the post.

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

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




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**New technical  
rules for import  
and export  
operations**

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

### Obligation

Natural persons who present the quality of lessee and obtain income through rental/leasing of goods belonging to their personal patrimony or from agricultural land leasing 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 her residence, according to law, or where she actually lives (if this address is different from the one of residence) – in the case of resident natural persons;
- the taxable good is located – in the case of non-resident natural persons.

### Filing and submission

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

The fiscal authority will certify the correspondence between the copy and the original of the 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 date of registration of the lease contract is the date of their submission to the registry of the fiscal authority or the date of the post.

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

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

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

### Other specifications

The fiscal authority will organize the recording of lease contracts in a Register of lease contracts, which will be digitalized. The registration in the Register of lease contracts will be made within maximum 5 days since the date of their submission.

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

## INFORMATION – Procedure of registration of 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 the tax authorities the contracts/documents concluded with foreign legal entities or non-resident natural persons who execute services in Romania, such as construction and assembly works, supervision activities, consultancy activities, technical assistance and any other services rendered in Romania, which generate taxable income.

### Registration

The 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 the tax authorities, code MFP 14.13.01.40/n. There is no necessary to include copies of contracts/documents that are declared in the statement.



**Attention to the requirement of registration of leases, by the individual lessor, to ANAF!**



This is a new element of procedure considering the confidential information laid-down in such documents and commercial contracts.

The registration of contracts/documents justifying the 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 necessary to include copies of contracts/documents that are declared in the statement.

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

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

The registration of the above-mentioned contracts/documents (without regard to their duration) is made to 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 being large or medium taxable entities have the obligation to register the contracts/documents to the competent fiscal authority in charge with their administration. In case a written contract is not concluded, then documents justifying the effective service provision 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 have to be register.

### Sanctions

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

Legal basis: ANAF Presidential Order 1400/2012 on the procedure of registration of 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.

## INFORMATION – Activities performed by day-labourers

### General concepts

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

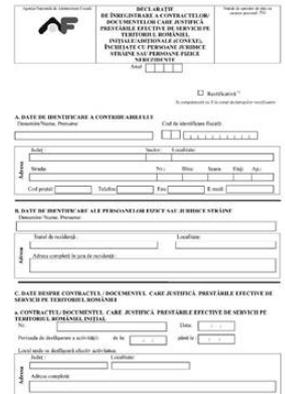
Un-qualified activities with an occasional nature can also be performed by citizens of third countries or by stateless persons who have their domicile or, if case, their residence in Romania, according to Romanian legislation.

Beneficiary can be a legal entity, an authorized self-employed persons, 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 works 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 day labourer only if the age is of at least 16 years old. There is an exception regarding the age. Minors with ages between 15 and 16 years old can perform this sort of activities only with the approval of their parents or legal representative. Mi-



The form is titled "DECLARAȚIE DE ÎNREGISTRARE A CONTRACTELOR ȘI DOCUMENTELOR CARE JUSTIFICĂ PRESTAREA ACTIVITĂȚII DE SERVICII ÎN TERITORIUL ROMÂNIEI ÎN CALITATEA BENEFICIARULUI DE CĂTRE ENTITĂȚI JURIDICE EXTERNE SAU PERSOANE FIZICE NE-REZIDENTE". It contains sections for: A. DATE DE ÎNREGISTRARE A CONTRACTELOR/DOCUMENTELOR (Contract Name, Date, Location, Start/End dates, Code, Title, Fax, Email); B. DATE DE ÎNREGISTRARE ALE PERSOANELOR BENEFICIARILOR (Name, Address, Location, Contact info); C. DATE DESPRE CONTRACTUL, DOCUMENTUL, CARE JUSTIFICĂ PRESTAREA ACTIVITĂȚII DE SERVICII ÎN TERITORIUL ROMÂNIEI (Contract/Document Name, Date, Location, Start/End dates, Code, Title, Contact info).

**The service contracts with non-residents, which takes place on Romanian territory, must be registered to ANAF!**



nor day labourers, meaning day labourers with ages between 15 and 18 years old, can perform only the activities corresponding to their physical development and their 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 for 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 introduce the Register of day labourers. This register must be kept at the beneficiary's headquarters and/or secondary office, if case.

The beneficiary has the obligation to pay the remuneration by any means of payment provided by the law, at the end of each working day. The remuneration can be pay 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 the payment are set by the 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. The proof of payment is represented by signature of the day labourer's 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 the expenses required for medical care/funeral, in the case in which the event resulted due to the beneficiary's 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 transhumance 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 congress – 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

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



## The day laborers - a simplified form of labor use



## 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 docket regarding emergencies. Instruction and maintenance of individual docket may only be made by legal 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 59 point (2) of Fiscal Code, correlated with provisions of article 7 point 28 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 to declare the condition set at article 59 point (2) of Fiscal Code, correlated with provisions of article 7 point 28 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 remind the conditions of residence defined by article 7 point 28 of the Fiscal Code.

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

- ☑ has his/her domicile in Romania;
- ☑ the centre of his/her vital interests is located in Romania;
- ☑ 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;
- ☑ 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.

**Do you know how to fill-in the annual statement on income earned abroad?**

## 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 = 4.4774 RON; 1 CHF = 4.0843 RON; 1 GBP = 5.7369 RON; 1 USD = 3.9348 RON

## INFO – Submission of 2015 financial statements/ accounting report to ANAF

**Monday 30 May is the last day to submit Annual Financial Statements\* as at 31 December 2015**

- 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.

**Monday 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**

Once the 2015 financial statements are submitted, the very last operations to complete accounting and fiscal evidence of the year are:

- Complete the Register of fiscal evidence;
- Maintain the Inventory Register;
- Check that the minutes of the inventory committee and decisions for writing off assets are signed;
- Archive the primary accounting documents (which usually ought to be kept for 10 years except for the list of the exceptions to be kept 5 years). Retention period for financial statements has been reduced to 10 years per Law 259 (Official Gazette 506/2007). Mandatory accounting registers, i.e. the Journal Register, Inventory Register and General Ledger are kept within the enterprise for 10 years. Payroll statements are to be kept for 50 years.

## MAY 2016 – 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 8 of the Fiscal Code
- To revalue monetary assets and liabilities in foreign currency (cash on hand, assets, liabilities) at the NBR exchange rate in force on the last banking day of the month
- To organise a stock count of inventories if the enterprise does not use a perpetual inventory system
- To issue final invoices for the current month.

### To comply with requirements regarding VAT

- Mention the registration code under the scope of VAT on documents for EU business partners
- Check validity of registration code under the scope of VAT mentioned on invoices received
- Check 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 ledger of goods received
- Maintain ledger of non-transfer of goods



**30 May  
deadline for  
submission of  
2015 financial  
statements and  
accounting reports**



- ☑ Maintain non-current assets ledger
- ☑ Mention which exchange rate will prevail (NBR, commercial bank or Central European Bank) in contracts with foreign partners

**To consult the calendar of tax liabilities for May 2016, visit the following link on ANAF webpage (in Romanian):**

[https://static.anaf.ro/static/10/Anaf/AsistentaContribuabili\\_r/Calendar/Calendar\\_obligatii\\_fiscale\\_2016.htm#mai](https://static.anaf.ro/static/10/Anaf/AsistentaContribuabili_r/Calendar/Calendar_obligatii_fiscale_2016.htm#mai)

### KEY HR FIGURES

2016 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) <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 2,681 = RON 13,405) <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 1050) for every 100 employees	
Minimum monthly gross salary	RON 1050 (RON 1250 starting 1 May 2016)	
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 guarantee 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 is disclosed on a separate "Payment statement" and is included on form 112.**

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*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.*

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- 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*