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EMERGENCY ORDINANCE 19 dated 25 March 2021 on some fiscal measures, as well as on amending and supplementing some normative acts in the fiscal field (Official Gazette 315/2021)

The ordinance extends the application of various tax facilities.

ACTIVITY-SPECIFIC TAX

Taxpayers obliged to pay the specific tax on certain activities for 2021, do not owe specific tax for a period of 90 days calculated starting with 1 April 2021. We remind that the suspension of the specific tax has been in force for the first quarter of 2021. Taxpayers will recalculate the specific tax for 2021, by dividing the annual tax by 365 calendar days and multiplying the resulting value by the number of days related to the taxable period.

Example (provided that the specific tax becomes applicable from 1 July once again):

Specific tax payable = Specific tax / 365 * (365 - 90 - 90)

SUSPENSION OF FACILITIES FOR EARLY EDUCATION

The facilities introduced at the end of 2020 regarding the grant of a fiscal credit to employees for early education of children, within a monthly amount of 1,500 lei, are suspended, starting with 1 April 2021 and until 31 December 2021 inclusive.

The interest for this facility has been very high in the first months of 2021, but the facility could not be put into practice due to the lack of application rules. Everyone has been waiting for clarification and rules issued by the Ministry of Finance. In this regard, the suspension of this facility is an unpleasant surprise.

During the suspension period, expenses for the proper function of nurseries and kindergartens under administration of the taxpayers are considered expenses with limited deductibility of the nature of those provided in art. 25 para. (3) let. b) of the Fiscal Code and falls under the incidence of the limit of 5% applied to staff salary expense.

The suspension of non-taxation of the amounts granted for early education to employees is applied starting with income related to April 2021.

INCOME TAX

The annual tax due is established by the taxpayers on the sole tax return for income realized in the previous fiscal year, by applying the tax rate of 10% to net annual taxable income, from which the acquisition cost of fiscal electronic cash registers is deducted.

In case of associations without legal personality, in order to establish the annual tax due by each associate member, the acquisition cost of the electronic fiscal cash registers put into operation in that year is distributed proportionally to the percentage share corresponding to the contribution, according to the association contract.

VAT

Amounts representing the cumulative VAT liability with which the fiscal body registered on a creditor's list, according to provisions of Law no. 85/2014 on insolvency prevention and procedures, are no longer included in the VAT return.

As an exception to the general rule, the recapitulative statement (D390) no longer mentions intra-Community transactions carried out by Romanian taxable entities with taxable entities in the UK and Northern Ireland, except for intra-Community transactions involving the transport of goods into/from Northern Ireland.

Form D390 will also be drawn up in the event of changes in information provided for

the VAT registration code of taxable entities for whom the goods are dispatched or transported under the call-off stock arrangements.

EXTENSION OF FISCAL OBLIGATION RESTRUCTURING (GO 6/2019)

The debtor (legal entity) who wishes to restructure its budgetary obligations, has the obligation to:

- notify the competent fiscal body by 30 September 2021, under the sanction of forfeiture (previously, the deadline was 31 March 2021);
- submits the restructuring application by 31 January 2022, under the sanction of forfeiture (previously, the deadline was 30 June 2021).

Enforcement procedures start or continue, as the case may be, for debtors who have submitted the notification regarding its intention to restructure budgetary obligations by the date the ordinance enters into force (29 March 2021) and who do not submit the request for restructuring budgetary obligations by 30 June 2021. Submission of a new notification by 30 June 2021 or after the expiration of this term will no longer take effect. If the restructuring application is submitted after enforcement begins, it shall be suspended starting submission date of the restructuring application.

Enforcement procedures start or continue, as the case may be, for debtors who submit notification regarding the intention to restructure budgetary obligations after the date this ordinance enters into force (29 March 2021). Do not submit the request for restructuring of budgetary obligations within 6 months from the submission date of the notification. If the 6-month period expires after 31 January 2022, the restructuring application must be submitted by this date. Submitting a new notification within 6 months or after the expiration of this term will no longer take effect. If the restructuring application is submitted after the start of enforcement, it shall be suspended starting submission date of the restructuring application.

VAT REFUND WITH SUBSEQUENT CONTROL

The application of the VAT refund regime with subsequent control is extended from 31 March 2021 until 31 January 2022. Thus, by derogation from provisions of art. 169 of the Fiscal Procedure Code, VAT requested for reimbursement through returns with negative amounts of VAT with reimbursement option, submitted within the legal term of submission, is reimbursed by the central fiscal body with the subsequent fiscal inspection.

CANCELLATION OF ACCESSORY OBLIGATIONS (GEO 69/2020) - (FISCAL AMNESTY)

The terms of application of the facility for cancellation of ancillary obligations are extended from 31 March 2021 until **31 January 2022**.

Interest, penalties and all accessories related to the main budgetary obligations with maturities prior to **31 March 2020** inclusive and itemised in tax decisions issued as a result of a tax inspection or verification of a personal tax situation in progress on the date of entry into force of this ordinance (29 March 2021) or started after the date of entry into force of this ordinance, but not later than 31 January 2022, regardless of the time when the tax inspection is completed, shall be canceled if the following conditions are cumulatively met:

- all the differences of main budgetary obligations itemised in the taxation decision are settled by the payment term provided by the art. 156 para. (1) of the Fiscal Procedure Code;
- the request for cancellation of accessories is submitted, under the sanction of forfeiture, by 31 January 2022 inclusive, or within 90 days from communication of the taxation decision, if the term of 90 days is fulfilled after 31 January 2022 inclusive;

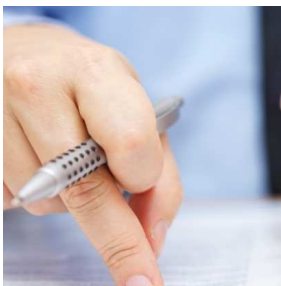
Interest, penalties and any accessories that may be canceled according to these regulations and which are settled after the date this ordinance enters into force shall be reimbursed according to the Fiscal Procedure Code.

EXTENSION OF SIMPLIFIED RESCHEDULING (GEO 181/2020)

The debtor will be able to submit the application for simplified rescheduling by 30 September 2021, under the sanction of forfeiture (previously, the deadline was 31 March 2021).



Various tax facilities have been extended



EMERGENCY ORDINANCE 13 dated 24 February 2021 for amending and supplementing Law no. 227/2015 on the Fiscal Code and Accounting Law no. 82/1991 (Official Gazette 197/2021)

The ordinance brings amendments to the Fiscal Code and Accounting Law. The most important of these were presented by us during the project stage, in the APEX Team Flash News at the beginning of February, as well as in the previous issue of the APEX Team Newsletter. The main aspects brought by this long-awaited ordinance are presented below.

1. FISCAL CODE

CORPORATE INCOME TAX

Non-deductible expenses

The ordinance removes the reference to Annex II from the text of the Fiscal Code which classifies these expenses as non-deductible. Thus, it is expressly provided that, for taxpayers paying profit tax, expenses incurred as a result of transactions with a person located in a State which, at the date the expenses are recorded, is included in Annex II of the EU List of non-cooperating jurisdictions for tax purposes are **deductible expenses** for determining the fiscal result **starting with the first quarter of 2021**. The same guidelines are in effect for determining the 2021 fiscal result in the case of taxpayers who apply the annual system of declaration and payment of profit tax.

Expenditure on transactions made with effect starting 1 January 2021 with a person located in a State which at the date of registration of expenditure is included in Annex I of the EU List of non-cooperating jurisdictions for tax purposes, published in the Official Journal of the European Union, remain non-deductible. This aligns the reference to Annex I with that of the DAC 6 Directive.

INCOME TAX AND SOCIAL CONTRIBUTIONS

Non-taxable income

The exemption of the value of tourist and/or treatment services from tax and social contributions, including transport, during the holiday, for the employees and their family members, granted by employers, is reformulated. Benefits may also be granted by employers in accordance with internal regulations.

The wording replaced the phrase "holiday leave" with "leave" and the grant of benefits may also be done on the basis of an internal regulation (ROI). Previously the exemption was only possible on the basis of provisions of the employment contract.

Benefits received from third parties

In case of cash and/or in-kind benefits received from third parties as a result of the individual employment contract, employment relationship, secondment or contractual relationship between the parties, the obligation to calculate, withhold and pay compulsory social security contributions depends on:

- ☑ **the employer - Romanian fiscal resident**, when the advantages in cash and/or in kind are granted by entities other than the employer and payment is made through the employer;
- ☑ **the Romanian tax-resident income payers**, when advantages in cash and/or in kind are granted and paid directly to the natural person by entities other than the employer, except for the situation of natural persons who realize income in Romania from salaries and assimilated to salaries as a result of contracts concluded with employers who are not Romanian tax residents and who owe the obligatory social contributions for their employees, according to provisions of the applicable European legislation in the field of social security, as well as agreements regarding social security systems to which Romania is a party;
- ☑ **the natural persons**, when the advantages in cash and/or in kind are granted and paid directly to the natural person by income payers who are not Romanian tax residents, other than the employer.

Annual income statement

In 2021, the deadline for submitting the annual income tax return for associations without legal personality and entities subject to the tax transparency regime is 15 April 2021 inclusive. Within this term, the appointed associate has the obligation to transmit information regarding taxable income/net income/loss to each associate member, based on



Expenses related to transactions with Turkey, Morocco, Jordan and Australia have been removed from the list of non-deductible expenses



the taxable income distribution quota calculated at the association level or corresponding to participation quota, according to the association contract.

VAT

Ceiling for application of VAT Cash Accounting Scheme

Law 296/2020 intended to increase the ceiling for application of the VAT Cash Accounting Scheme from 2,250,000 lei to 4,500,000 lei, starting with 1 January 2021. Unfortunately, the amendments introduced in the Fiscal Code by Law 296/2020 were incomplete and caused confusion regarding the VAT Cash Accounting Scheme's ceiling in effect starting with 2021. Thus, the ordinance updates the VAT Cash Accounting Scheme's ceiling to 4,500,000 lei in all provisions of the Fiscal Code which still refer to the prior ceiling.

The ordinance specifies that taxable entities who exceeded the ceiling of 2,250,000 lei during January 2021, but did not exceed the ceiling of 4,500,000 lei, will not be removed from the Register of taxable entities applying the VAT Cash Accounting Scheme.

At the same time, the possibility to opt for application of VAT Cash Accounting Scheme at any time during the year, if the conditions are met, is introduced. This was not possible before, the option to enter into the system could only be adopted at the beginning of the year.

Reduced VAT rate for home delivery

The ordinance clarifies the fact that the reduced VAT rate of 5% is applied for the delivery of homes whose value does not exceed the amount of 450,000 lei, excluding VAT.

The clarification was necessary in the context in which by Law 248/2020 the ceiling for application of the VAT rate of 5% was increased to 140,000 euros. The article was subsequently amended by Law 296/2020 and delayed by Ordinance 226/2020 until 1 January 2022. Considering that the application of the entire article from Fiscal Code was delayed without specifying continuation of the application of the old provisions, it could be interpreted that in 2021 the VAT rate of 5% can no longer be applied for the delivery of housing, regardless of the ceiling. The newly introduced provisions of the Ordinance have the role of correcting this aspect.

2. ACCOUNTING LAW

The ordinance extends the scope of law, meaning legal persons who have the obligation to organize and manage their own accounts, adding the following categories:

- foreign legal entities having permanent establishments in Romania;
- foreign legal entities having a location from which effective management is carried out in Romania.

These entities also have the obligation to carry out an inventory of the assets and liabilities according to the law.

Provisions regarding entities for which the National Bank of Romania (NBR) issues accounting norms and regulations are clarified.

Provisions are introduced regarding the transformation of legal entities, in the sense that they will have the obligation to record accounting transactions on the basis of appropriate documents, general inventory of assets, liabilities and equity held at the beginning of the period, preparation of financial statements and their submission to territorial units of the Ministry of Finance. Financial statements prepared for the purpose of carrying out transformation operations are subject to a statutory audit, if the legal entities concerned have the obligation to have its annual financial statements audited.

Annual financial statements and accounting statements, consolidated annual financial statements, as well as interim financial statements, are retained for 10 years.

Annual financial statements will also be accompanied by the audit report or report of internal audit/censors, the report on payments to governments, if applicable, and the proposal to distribute profit or cover the accounting loss.

Consolidated annual financial statements shall be accompanied by the consolidated report of the directors, audit report and consolidated report of payments to governments, if any.

The scope of legal entities of public interest is extended as follows:

- companies whose securities are admitted for trading on a regulated market;
- payment institutions and electronic money issuing institutions, defined according to the law;
- bank deposit guarantee fund;



The application of the increased VAT Cash Accounting Scheme's ceiling has been clarified



- ☑ deposit guarantee schemes supervised by the NBR;
- ☑ privately managed pension funds, voluntary pension funds and their administrators.

The contraventions are completed with:

- ☑ non-compliance with obligations related to interim financial statements;
- ☑ non-compliance with obligations regarding preparation and submission within the legal term of all components of individual financial statements or consolidated financial statements to the territorial units of the Ministry of Finance.

Thus, failure to comply with legal provisions on drafting, signing and on-time submission of interim financial statements to the territorial units of the Ministry of Finance, is sanctioned as follows:

- ☑ those related to drafting and signing, with a fine from 2,000 to 3,000 lei;
- ☑ regarding the submission within the legal term:
 - with a fine from 300 to 1,000 lei, if the delay period is between 1 and 15 working days,
 - with a fine from 1,000 to 3,000 lei, if the delay period is between 16 and 30 working days,
 - with a fine from 1,500 to 4,500 lei, if the delay period exceeds 30 working days.

Failure to comply with legal provisions regarding preparation, signing and on-time submission of reports that must accompany financial statements (report of administrators, audit report or report of the audit committee, as appropriate, profit distribution proposal or to cover the accounting loss, if any) to the territorial units of the Ministry of Finance shall be sanctioned with fines:

- ☑ from 300 to 1,000 lei, if the delay period is between 1 and 15 working days,
- ☑ from 1,000 to 3,000 lei, if the delay period is between 16 and 30 working days,
- ☑ from 1,500 to 4,500 lei, if the delay period exceeds 30 working days.

Failure to comply with the obligation to audit interim financial statements, according to the law, is sanctioned with a fine from 30,000 to 40,000 lei. The fine for non-submission of interim financial statements is between 2,000 and 5,000 lei.

ORDER 410 dated 17 March 2021 for the regulation of some accounting aspects (Official Gazette 285/2021)

The order complements the accounting regulations approved by OMFP 1802/2014, which are summarised below.

Benefits granted to employees in the form of capital instruments

The accounting treatment applicable to benefits granted by the entity to its employees, in the form of own shares or other equity instruments, will also apply when those benefits are received by employees directly from the parent company of the reporting entity or from another group company.

Treatment of the adjustment of participations held in other entities

If the company in which ownership participations is held reduces its share capital to cover the carried forward accounting loss or other losses related to equity, the reduction of the number of shares held or their nominal value, as the case may be, should be recorded in financial expense accounts in accounting records of the entity holding the participation (account 668, "Other financial expenses"), in asset accounts corresponding to the nature of the participation held.

Appropriately, in the opposite situation to an increase in participation, shares received by the entity as a result of the incorporation of reserves or capital premiums in the share capital of the company in which ownership participation is held, are recorded in assets accounts, specifically reserves (account 106, "Reserves"). When the respective shares are sold, the value of the corresponding reserves is transferred to financial income (accounting item 106, "Reserves" = 768 "Other financial income").

Treatment of operations regarding connection to utility networks

Treatment valid until 31 December 2020

In case of connection of users to utility networks (electricity, water, gas or other utilities), the equivalent value of expenses incurred by the users with the connection represents intangible assets of the nature of usage rights and they are booked in the account 205, "Concessions, patents, licenses, trademarks, rights and similar assets."



Fines for non-compliance with the obligations regarding the interim financial statements



Depreciation of intangible assets set out above is recorded for the period for which the entity has the usage right over those networks, if this duration is specified in the concluded contracts or, if no such duration is established, over the expected useful life of the facilities.

Treatment valid starting 1 January 2021

Installations for connection to utility networks, starting with 1 January 2021, are recognized from an accounting point of view as tangible assets by the entity that owns them, i.e. by the network operator or its user.

The right to use the installations financed by the users and operated by network operators is registered by the network operators in off-balance sheet accounts (account 8039, "Other off-balance sheet values.")

For investments made by the network operator in installations financed by users and borne by the network operator, the treatment applicable to subsequent expenses incurred in connection with a tangible asset shall apply.

Other provisions

The Order also concerns the accounting regulations compliant with IFRS, approved by the Order of the Minister of Public Finance no. 2844/2016. Thus, the normative act clarifies provisions applicable to the audit report in case the parent company presents, for approval, annual financial statements together with consolidated annual financial statements.

ORDER 267 dated 2 March 2021 on the consumer price index used to update payments of annual income tax on account (Official Gazette 258/2021)

The consumer price index used to update prepayments of the 2021 profit tax on account (prepayments) is 102.4%. (in 2020, the index was 103.1%.)

ORDER 409 dated 18 March 2021 for modification and completion of some provisions regarding application of the VAT Cash Accounting Scheme (Official Gazette 278/2021)

The order updates registration and deregistration procedures in the Register of taxable entities applying the VAT Cash Accounting Scheme. The update was necessary as a result of the latest changes to the VAT Cash Accounting Scheme:

- increase the ceiling up to which this system may be applied, from 2,250,000 lei to 4,500,000 lei, with effect starting 1 January 2021;
- the possibility to apply the system at any time during the year, provided that turnover in the previous and current calendar year has not exceeded the ceiling of 4,500,000 lei.

Note that turnover in the context of VAT means the sum of deliveries/services reported on VAT returns (less the exempted operations without right of deduction).

The entry or exit from the VAT Cash Accounting Scheme is made on the basis of form 097, which is updated by this order.

Deadlines for submitting the form, "Notification regarding the application/termination of application of the VAT Cash Accounting Scheme (097)":

- for entry in the system, by option, until the 20th of the month prior to the beginning of the fiscal period from which the VAT Cash Accounting Scheme will be applied;
- for entry in the system, by option, by taxable entities who register for VAT purposes during the year, either starting with the date of registration for VAT purposes, or later during the year of registration for VAT purposes;
- for leaving the system, by exceeding the ceiling provided in art. 282 of the Fiscal Code, until the 20th of the month following the fiscal period in which the taxable entity exceeded the ceiling;
- for leaving the system, by option, between the 1st and the 20th of any month.

Taxable entities may not cancel the application of the VAT Cash Accounting Scheme in the first year in which they opted for application of the system, according to art. 282 para. (5) of the Fiscal Code, unless the ceiling is exceeded.

The order also publishes a new D700 form which has the role of updating the fiscal vector by electronic means. The new D700 form also includes the possibility of exercising the option to apply/terminate application of the VAT Cash Accounting Scheme. (until this change, the option was exercised only through form 097, which was submitted to ANAF



New changes in accounting regulations

in paper format). The new D700 form entered into force on 30 March 2021.

ORDER 393 dated 15 March 2021 for approval of Procedure regarding fiscal risk assessment for taxable entities requesting registration for VAT purposes according to art. 316 para. (12) let. e) of Law no. 227/2015 on the Fiscal Code, for the approval of the Registration Procedure, upon request, for VAT purposes according to art. 316 para. (12) let. e) of Law no. 227/2015 on the Fiscal Code, as well as for approval of Procedure for cancellation, ex officio, of registration for VAT purposes of taxable entities who present a high fiscal risk according to art. 316 para. (11) let. h) of Law no. 227/2015 on the Fiscal Code (Official Gazette 286/2021)

The Order approves the Procedure regarding fiscal risk assessments for taxable entities requesting registration for VAT purposes according to art. 316 para. (12) let. e) of the Fiscal Code, i.e. for entities whose registration has been canceled for VAT purposes as a result of the high fiscal risk and who may request re-registration if the situation that led to the cancellation ceases. Also, the Order approves the Procedure for cancellation, ex officio, of registration for VAT purposes of taxable entities who present a high fiscal risk according to art. 316 para. (11) let. h) of the Fiscal Code.

The new order replaces Order 2856/2017, which previously regulated these procedures. Determination of the level of fiscal risk, meaning scores attributed to the risk criteria, as well as the method to calculate fiscal risk is established at the level of ANAF and is approved by its president. Upon receipt of the application for registration for VAT purposes, ANAF verifies whether the associates/administrators of the taxable entity requesting registration for VAT purposes according to art. 316 para. (12) let. e) of the Fiscal Code, fiscally registered in Romania, or the taxable entity itself did not register, in the fiscal record, offenses and/or facts provided in art. 4 para. (4) let. a) of Government Ordinance 39/2015 regarding the fiscal record. The above situation refers to:

- a) directors, in the case of joint stock companies or limited partnerships established under the Companies Law no. 31/1990;
- b) majority shareholders or, as the case may be, the sole shareholder and/or administrators, in the case of companies other than those mentioned in let. a), established on the basis of the Companies Law 31/1990. The majority shareholder means the natural or legal person who holds shares in a percentage of at least 50% of the company's share capital.

If administrators/associates of the taxable entity, defined above, are not fiscally registered in Romania, they must present a declaration on their own responsibility showing that they have not committed/have committed crimes and/or deeds of the nature provided the art. 4 para. (4) let. a) of Government Ordinance 39/2015.

The application for registration for VAT purposes is rejected if there are facts recorded in the tax record (or declared) on the associates/administrators of the taxable entity or even of the taxable entity itself, or the taxable entity finds itself in another situation leading to cancellation of registration for VAT purposes among those provided in art. 316 para. (11) let. a), c) -e) of the Fiscal Code.

LAW 16 dated 8 March 2021 of the State Social Insurance Budget for the year 2021 (Official Gazette 238/2021)

The average gross salary used to substantiate the State Social Insurance Budget for 2021 decreases to 5,380 lei, compared to 5,429 lei in 2020.

ORDER 435 dated 25 March 2021 regarding approval of Procedure for connecting fiscal electronic cash registers, defined in art. 3 para. (2) of GEO 28/1999 on the obligation of economic operators to use fiscal electronic cash registers, with the national computer system for surveillance and monitoring of fiscal data of ANAF (Official Gazette 319/2021)

The order extends the terms of connection of fiscal electronic cash registers (AMEF) to the ANAF computer system, depending on the taxpayer category, as follows:

- until 30 June 2021 - large taxpayers (previously, the deadline was 30 September 2020, but mutually extended by suspending the fines until 31 March 2021);



The procedure for assessing the fiscal risk when re-registering for VAT purposes has been published





- ☑ until 30 November 2021 - medium and small taxpayers (previous deadline was 1 February 2021).

Economic operators that purchase AMEF after 1 December 2021 must connect the AMEF on the date of installation.

As an exception, economic operators using AMEF installed in areas not served by electronic communications networks have the obligation to complete and submit the declaration provided in Annex no. 2 to this order in by the following deadlines:

- ☑ until 30 June 2021 - large taxpayers;
- ☑ until 30 November 2021 - small and medium taxpayers;
- ☑ within 2 working days from the date of installation of AMEF - economic operators that purchase AMEF after 1 December 2021.

On a monthly basis, ANAF sends messages about possible malfunctions regarding files sent from AMEF to the computer system, to economic operators/users of AMEF through the "Virtual Private Space" service.

ORDER 398 dated 16 March 2021 for the approval of model, content and management of form, "Accommodation capacity sheet" (Official Gazette 270/2021)

The order approves the model, content and instructions for completing the "Accommodation capacity form." The form is used by individuals for income earned since 2021. The form is prepared by individuals who realize, during a fiscal year, income taxed on the basis of income quotas from the rental, for tourist purposes, of a number of rooms located in personal property, between one and 5 rooms inclusive, regardless of dwellings in which they are located. The form is also completed in case of exceeding the number of 5 rooms for rent during the same fiscal year.

Rentals for tourist purposes by the owners of rooms located in personal property dwellings, other than those that constitute tourist reception structures, according to the specific legislation, represent the offer of the possibility to stay for a minimum period of 24 hours and maximum 30 days in a calendar year for any person traveling for tourism purposes outside his or her normal living environment. Taxpayers have the obligation, for each fiscal year, to complete and keep the accommodation capacity sheet.

An annex is prepared for each room rented for tourist purposes.

ORDER 85 dated 11 March 2021 on approval of Procedure for cancellation of ancillary payment obligations in accordance with provisions of chap. II - Cancellation of some accessory obligations from GEO 69/2020 for the amendment and completion of Law no. 227/2015 on the Fiscal Code, as well as for the establishment of fiscal measures (Official Gazette 266/2021)

The Procedure for canceling ancillary payment obligations applied by county employment agencies, as well as by the Bucharest municipality and the regional adult vocational training centres subordinated to the National Agency for Employment, is approved, according to chap. II - Cancellation of some accessory obligations of GEO 69/2020.

ORDER 420 dated 18 March 2021 on amendment of OMFP 2062/2018 for approval of Procedure regarding the activity of monitoring and control of compliance by the authority provided in art. 359 para. (1) of Law no. 227/2015 on the Fiscal Code of legal conditions regarding the authorization of lawful warehousekeepers, registered consignees, registered shippers and authorized importers (Official Gazette 285/2021)

INFO – 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 = 4.9251 RON; 1 CHF = 4.4513 RON; 1 GBP = 5.7864 RON; 1 USD = 4.1969 RON.



New deadlines for connection of cash registers to ANAF systems

MONTHLY 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
- 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, visit the following link from ANAF (in Romanian):

https://static.anaf.ro/static/10/Anaf/AsistentaContribuabili_r/Calendar/Calendar_obligatii_fiscale_2021.htm

KEY HR FIGURES

2021 Contributions for dependent activities	Employer and beneficiary (for activities considered dependent) (% share)	Employee and dependent worker (% share)
Social security contribution (pension)	Nothing due for normal working conditions 4% for special work conditions 8% for special work conditions	25% (**)
Contribution to health insurance fund (calculated on gross income)	Not due	10% (***)
Work insurance contribution	2.25% (*)	
Income tax		10% (****)
Disability Fund (for employers with more than 50 employees)	4 x minimum wage for every 100 employees	
The amount of a taxable meal tax in the sense of income tax	maximum 20.01 lei	
Minimum wage (gross) from 1 January 2021	2,300 lei 2,350 lei (for more than 1 year and functions requiring higher education) 3,000 lei for employees in the construction field	
Diurnal (in the country) For employees of public institutions For private sector employees (* 2.5)	20 lei 50 lei	

The below tax facilities are available for employers on the field of construction, when minimum 80% of turnover if from construction activities defined by law:

(*) not due by employer

(**) the social security owed by the employee is decreased to 21,25%

(***) health insurance is not due by the employee

(****) tax on income is not due for monthly realised gross salaries up to 30.000 lei.

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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
- Audit