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EMERGENCY ORDINANCE 200 dated 4 December 2008 to amend and complement Law 571/2003 – Fiscal Code (Official Gazette 815/2008)

VAT applicable to real estate transactions

A new VAT rate of 5% is introduced on 15 December 2008 on the sales of housing which meet the following conditions:

- Are deemed lodgings for elderly and retired persons, for children or for young disabled persons.
- Have a working surface of up to 120 sqm (where the area of the plot of land where housing is built does not exceed 250 sqm) and a value less than RON 380,000.
- The reduced rate can be applied a single time to a person or a couple meaning that a person or a family cannot benefit from the reduced 5% VAT rate if the 5% VAT rate applied to the purchase of former housing.
- Ownership transferred to the appropriate City Hall to be used as social dwellings.

The other provisions of the Ordinance enter in force on **1st January 2009**:

Research and Development activities

Upon determination of taxable profit, the following tax incentives for Research and Development (R&D) activities are granted:

- Additional deduction when computing taxable profit of 20% of eligible expenses afferent to R&D activities: the additional deduction is computed quarterly/annually. In case of a tax loss, it is carried forward.
- Application of accelerated depreciation method for devices and equipment allotted to R&D activities.

Interest income

Interest received by natural persons on deposit accounts or savings instruments is not subject to income tax.

Reinvested dividends

- Reinvested dividends starting in 2009 in the scope of maintaining or increasing the number of new job positions, where development of dividend-generating activity by Romanian legal entities is set as an object of activity when the entity is registered with the Trade Register, are exempted from payment of tax on dividends.
- The same applies to dividends reinvested in share capital of other Romanian legal entities.

EMERGENCY ORDINANCE 192 dated 25 November 2008 to approve tax incentives to enhance economic growth and employment (Official Gazette 815/2008)

This Ordinance amends and complements OG 92/2003 – Code of fiscal procedure by introducing tax incentives which enter in force on **1st January 2009** to stimulate economic growth and employment:

- Economic operators which settle their tax liabilities with at least 10 days before the due date will benefit from a reduction of 5% of their taxes due. This provision does not apply to taxes under the withholding tax regime nor to excise taxes. Further, it does not apply to unsettled taxes which were not rescheduled or to taxpayers which did not submit their tax returns by the due date. The reductions are computed monthly by decreasing the amount of tax paid before the due date and the income which results will be considered capital from owners. If during a tax inspection, additional taxes are due or differences in reductions disclosed, the taxpayer will have to pay them as well as the related penalties for late payment.
- Tax and contribution returns from self assessment or withholding can be adjusted by the due date for submission of annual financial statements for the reporting year or by 30 June of the subsequent year, for entities which are not required to submit annual financial statements.
- Income returns may be adjusted by the taxpayer through the date of communication of the taxpayer's decision regarding its annual tax situation issued for the reporting year.
- Annual corporate tax returns and annual informative returns may be adjusted by the taxpayer by 30 June of the year subsequent to the year returns were due except for the cases set per law.

The Ordinance also amends provisions regarding transfer of tax liabilities:

- ☑ Further to transfer of tax liabilities, the entity which assumes liabilities and all rights from the former holder, including any guarantees, the concluded transfer contract will represent an enforceable deed: a transfer of the liabilities and related enforcement will not be necessary.

Social issues

Employers which create new job positions and hire persons registered as unemployed for at least 3 months will benefit from the unemployment insurance budget in an amount equal to 8 times the amount of the *reference social indicator* at the date the person is hired (the indicator is presently set at RON 500, meaning that the amount granted would be RON 4,000). The employer will benefit from the incentive only if the labour contract lasts at least 3 years. In case of termination of contract for reasons pertaining to the employer, the incentive benefit received plus interest must be refunded.

The social security contribution ("CAS") in force for December 2008 will apply until publication of the 2009 Budget for State social insurance.

Starting 1st December 2009, the rates for social security contributions including both employer and employee contribution will be:

- ☑ For normal working conditions – 27.5% (currently 27.5%: 18% employer and 9.5% employee).
- ☑ For particular working conditions – 31% (currently 32.5%: 23% employer and 9.5% employee).
- ☑ For special working conditions – 37% (currently 37.5%: 28% employer and 9.5% employee).

Starting 1st January 2009, the value of one pension point earned is RON 763.7 (RON 697.5 RON for the period 1st October 2008 to 31 December 2008).

The Ordinance also amends Law 95/2006 on health care reform. The application of health insurance contributions to pensions below the threshold for being subject to an income tax liability is postponed until 1st January 2010.

ORDER 1600 dated 27 November 2008 to amend and complement Procedures on the transfer of tax receivables administrated by ANAF, approved by Order of ANAF President 1173/2008 (Official Gazette 805/2008)

Among the amendments introduced by this Order, we mention:

- ☑ The transfer procedure for Tax receivables may be initiated by the tax authority in charge of administering the transferred receivable and *through seizure by a third party*.
- ☑ ANAF sets the nominal value of the receivable to be transferred.
- ☑ The incidental fiscal liabilities which are computed through the end of the month prior to the month fiscal certificate is issued are included in this value. Incidental expenses computed after this date remains due by the entity which owes the tax liability. In case the entity which transfers the liability is involved in an insolvency case, the exemption regime applicable to incidental expenses as set per article 122¹ of

OG 93/2003 applies.

- ☑ The timeframe for mandatory publication of the transfer is reduced from a minimum of 30 days to a minimum of 15 days prior to the date set for disclosure of offers. In addition, the announcement regarding the transfer no longer includes information related to the issue date of enforcement deeds disclosing detail information on principle tax liabilities and incidental expenses which are to be transferred.
- ☑ It is now possible for the participants in the attribution procedure for the transfer contract to propose instalment payments and to specify the number of payments.

This Order also applies to the procedures in progress at the date of its publication (i.e. 2nd December 2008).

ORDER 683 dated 28 November 2008 regarding collection of data on EU trade of goods in 2009 (Official Gazette 826/2008)

The INTRASTAT statistical statement is a mandatory return per law for goods exchange between Romania and other European Union member States. The flow of goods from other EU member States to Romania are called introductions and the flow of goods which leave Romania toward other EU member States are called expeditions.

It is mandatory for all economic operators which simultaneously meet all of the following conditions to provide statistic data:

- ☑ are registered in the scope of VAT (have a fiscal registration code).
- ☑ realize exchange of goods with other EU member States.
- ☑ the total value of the goods exchanged with other EU member States, for each flow, meaning introductions and expeditions exceed the INTRASTAT threshold set each year.

For 2009, the present INTRASTAT thresholds are unchanged:

- ☑ RON 900,000 for intra-community expeditions of goods.
- ☑ RON 300,000 for intra-community introductions of goods.

An economic operator which realized trade of goods within EU member States in 2008 with an annual value assessed for each flow greater than for the thresholds set for 2009 must submit INTRASTAT statistical statements starting January 2009.

ORDER 684 dated 28 November 2008 regarding Norms to file INTRASTAT statistical statements (Official Gazette 839/2008)

The National Institute for Statistics has drafted new Norms to file INTRASTAT statistical statements. This Order abrogates the provisions of Order 748/2007 on the Norms to fill in INTRASTAT statistical statement for 2008.

ORDER 3421 dated 20 November 2008 to amend OMFP 1850/2004 regarding financial and accounting registers and forms (Official Gazette 797/2008)

Amendments are introduced in drafting and using the "Minutes for provisory commissioning" form (code 14-2-5/a). Thus, the

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minutes for provisory commissioning is drafted for: equipment which requires assembly but no technical tests, items with a long manufacturing cycle exceeding one budgetary year realized through incremental steps as well as buildings and special construction which are not used in the technological process, being considered commissioned at the completion date of assembly or construction.

ORDER 3512 dated 27 November 2008 regarding accounting documents and registers (Official Gazette 870/2008)

This Order which abrogates the provisions of OMFP 1850/2004 enters in force as at 1st January 2009.

Methodological norms for drafting and using supporting accounting documents are approved, among them we mention:

Supporting documents

- Supporting documents must include the following main features: document name, entity/name and surname and, if applicable, Registered address/domicile of the legal/natural person which drafts the document, document number and preparation date, Parties involved in performance of economic or financial operations (if relevant), and, when necessary, the underlying legal framework, data in quantity and in value regarding the operations performed; name and surname as well as signature of persons responsible for performance of operations, of persons in charge of internal control and of persons entitled to approve transactions, if applicable; other features aimed at fully reflecting the operations performed.
- In the header of any document issued by a commercial company the features set by legislation in force must also be disclosed, i.e. **legal form, tax register number and share capital**, if applicable.
- Supporting documents generated from purchase transactions/operations with natural persons, on the basis of purchase vouchers, may only be recorded in the books upon proof of entry of the related items into stock.
- In case the documents represent expenses related to provision of services rendered by natural persons who are liable for taxation based on standard income, the documents may only be recorded in the books if they are supported by a contract or civil agreement, and proof of payment is supported by a disposition of payment/collection.
- No erasure, changes and similar features are admitted for supporting documents or the books. It is also prohibited to leave space between operations or to have missing pages. Mistakes are correcting by drawing a line across incorrect wording or figure in such a way that it can be read and to write the correct wording or figure above. The correction is made on all the examples of the document and is confirmed by the signature of the person which drafted/corrected the supporting document with mention of the date the correction was made.
- In case supporting documents are processed by a third party (natural or legal person), it is necessary in the relations between the third party and the enterprise beneficiary that the following regulations be respected to enable the book entries to be performed in a satisfactory manner:
 - o supporting documents must be correctly drafted and in due time by the enterprise beneficiary, the latter being responsible for data disclosed in these documents;
 - o accounting documents prepared by the third parties which are based on supporting documents must be remitted to the enterprise beneficiary in the timeframe agreed by contract or civil agreement, the third party being responsible for correctly processing the data;
 - o in case the service provider for processing documents is not a natural or legal person which is licensed to organize

the activity of chartered accountants and licensed accountants as per OG 65/1994, the enterprise beneficiary must check accounting documents received from the third party; in other words, the enterprise beneficiary must make sure that the accounting documents include all supporting records remitted for processing as well as proper account usage and that amounts are accurately recorded.

- When supporting and accounting document preparation is subcontracted to a natural or legal person through a contract for the provision of services, internal norms regarding drafting and using related forms must be consequently adapted, and it is mandatory that the contract contains articles regarding drafting and using forms under these circumstances.

Internal system for numbering financial and accounting forms

An internal regime for allotting numbers to financial and accounting forms will be ensured:

- Persons responsible for organizing and maintaining book-keeping must designate by an internal written resolution one or several persons who will have among their attributions allocation and management of the related numbers.
- Each invoice form has a number or a series. The numbering scheme set by the enterprise must be sequential and take into account the form of organization, i.e. warehouses, secondary offices, branches, etc.
- Internal procedures must be established to set and/or allot numbers or series and will mention which numbers or series the financial year starts, for each financial year.

Accounting registers

In accordance with provisions of Accountancy Law 82/1991, republished, mandatory accounting registers are the Journal Register (code 14-1-1), the Inventory Register (code 14-1-2) and the General Ledger (code 14-1-3) :

Journal Register

It is a mandatory accounting document where all economic and financial operations are chronologically recorded. The same type of operations, performed in the same activity location (workshop, section, etc.), may be recorded in a centralized document, named an auxiliary journal, which represents the basis of records in the Journal Register. Enterprises which use auxiliary journals can record amounts centralized for each account which they derive from auxiliary journals in the Journal Register.

Printing the Journal Register is made upon request of control bodies or depending on own requirements.

Inventory Register

It is a mandatory accounting document where all the items of assets and liabilities are listed, grouped by nature, and resulting from an inventory conducted by the enterprise as per law.

The Inventory Register is maintained at start-up and during operations at least once a year, in case of mergers, de-mergers or termination of business and in other cases set by law.

General Ledger

It is a mandatory accounting document where all movements and closing balances of all assets and liabilities existing at a set date are systematically recorded on a monthly basis.

The General Ledger is at the basis for preparing the trial balance. The General Ledger may be replaced by the Account Ledger for sundry operations.

Printing the General Ledger is made upon request of control bodies or depending on own requirements.

The trial balance of "synthetic" accounts as well as the trial balance for analytical accounts is prepared at least annually when closing the financial year or when preparing the mid-year accounting report (30 June) and for other periods set by legal texts and as often as it is considered necessary.

The mandatory registers mentioned above are kept within the enterprise for 10 years, starting the closing date of the financial year for which they were maintained. In cases of loss, theft or destruction, they must be reconstituted within a maximum of 30 days from the event.

Natural persons which use IT must ensure the ability to print mandatory registers at any time during the 10 years of their conservation.

Conservation of documents

- The Order discloses the **list of financial and accounting documents** which may be kept for **5 years** starting the closing date of the financial year during which they were drafted, unless internal company requirements indicate they should be kept longer. Among the most important documents, we mention: Entry Note and minutes of differences (« NIR »), Consumption notes (« BC »), Instructions for delivery, Stock cards, Inventory Lists, Receipts, Disposition for payment/ collection forms for petty cash, Travelling docket (delegation), Bank statements, Journal of sundry operations (for "synthetic" accounts), Account ledger for sundry operations, Cumulative document;
- Payroll statements** are to be kept for **50 years**. **Supporting documents** and registers are to be kept for **10 years** starting the closing date of the financial year during which they were drafted, except as stated below;
- Invoices regarding capital assets, meaning real estate property which were taken into account in determining VAT deductions for taxable persons under a mixed regime and for the persons partially taxable in accordance with Fiscal Code provisions will be kept for the duration set in article 149 paragraph 6 of Law 571/2003 – Fiscal Code, with its further amendments and complements;
- Financial accounting documents which attest the provenance of items with a lifespan of over 10 years will usually be kept for a longer period, i.e. the useful life of the item.

ORDER 3505 dated 27 November 2008 to approve Resolution 1 of the Central fiscal committee (Official Gazette 812/2008)

Legal entities which initially opted to pay tax on micro enterprise revenue and which change their object of activity during the financial year for the purpose of performing activities in the field of gambling, sports betting and casinos are subject to corporate tax starting the quarter when they were licensed to perform activities in the gambling field by the licensing committee for gambling within the Ministry of Economy and Finance.

INSTRUCTION 41 dated 2 December 2008 regarding the reference interest rate of the National Bank of Romania (NBR) for the month of December 2008 (Official Gazette 818/2008)

For the month of December 2008, the NBR reference interest rate is 10.25 % per annum.

ORDER 12 dated 17 November 2008 to amend and complement BNR Order 13/2007 regarding stand-alone financial statements FINREP applicable to credit institutions (Official Gazette 811/2008)

ORDER 3471 dated 25 November 2008 to approve Methodological Norms for revaluation and depreciation of tangible fixed assets which are in the patrimony of public institutions (Official Gazette 835/2008)

EMERGENCY ORDINANCE 164 dated 19 November 2008 to amend and complement OUG 195/2005 regarding protection of the environment (Official Gazette 808/2008)

DECISION 1697 dated 19 December 2008 to approve the level of taxation on the means of transport as set in paragraphs (4) and (5) of article 263 of Law 571/2003 – Fiscal Code (Official Gazette 873/2008)

To calculate the tax due for 2009 based on the schedule introduced by this Decision for each heavy means of transport as set in article 263 paragraphs 4 and 5 of Law 571/2003, enterprises and road transport operators must declare under their own responsibility, by 31 March 2009, whether each vehicle has or will undertake at least one international road transport operation during the year.

EMERGENCY ORDINANCE 212 dated 4 December 2008 to amend and complement Law 146/1997 regarding judicial stamp taxes (Official Gazette 837/2008)

The court may grant some facilities for payment of the judicial tax by legal entities, as follows: reduction, instalments and postponement. The facilities may be granted in case the amount of the tax represents over 10% of the average net income for the previous 3 months of business or full payment of the tax is not possible due to the fact that the legal entity is under insolvency or its assets are not available.

Reduction of the stamp tax may be granted alone or at the same time as payment by instalment or postponement of payment.

The Ordinance also sets the possibility for legal entities or natural persons to benefit from a tax exemption or reduction if the Parties reach an agreement.

ORDER 3384 dated 17 November 2008 to approve the Refund procedures on capital gain taxes from the disposal of personal real estate property paid to the State Budget (Official Gazette 782/2008)

Further to cancellation of the disposal, procedures to refund capital gain tax due on disposal of real estate property which had been paid as per the Fiscal Code are approved. The procedure sets the institutions in charge, the necessary documentation, the time frame and the steps to obtain the refund. The refund is made upon taxpayer application filed with the tax authorities of his/her domicile or with the tax authorities in charge of non-residents, if applicable.

ORDER 21 dated 18 December 2008 to implement Norms to document unofficial accounts of accidents (Official Gazette 876/2008)

Starting 1st July 2009, it will be possible for drivers to draft an unofficial account of an accident.

DECISION 1664 dated 10 December 2008 to index the monthly amount of minimum guaranteed income and allowance for the newborn babies, as set by Law 416/2001 regarding minimum guaranteed income (Official Gazette 847/2008)

Starting January 2009, the monthly amount of minimum guaranteed income is:

- RON 108 for a single person;
- RON 196 for a family with 2 members;
- RON 272 for a family with 3 members;
- RON 339 for a family with 4 members;
- RON 402 for a family with 5 members;
- And RON 27 for each person beyond 5 family members as per the conditions set in Law 416/2001, with its subsequent amendments and complements.

Starting January 2009, the allowance for a newborn baby is RON 230.

EMERGENCY ORDINANCE 218 dated 10 December 2008 to amend OUG 50/2008 to establish tax on pollution for vehicles (Official Gazette 836/2008)

Among the main amendments, we mention:

- The amount of the tax on pollution for vehicles is multiplied by 3 starting 15 December 2008 for some categories of vehicles.
- Some vehicles having pollution norm Euro 4 are tax exempt: tourism vehicles with cylinder capacity of less than 2000 cm³ as well as utility vehicles designed and built for goods transport weighing less than 3.5 tons. These provisions apply to vehicles registered for the first time in Romania or in other EU States between 15 December 2008 to 31 December 2009;
- The excess of taxes paid from 8 to 10 December 2008 when increased taxes were collected will be refunded (the Ordinance being published in the Official Gazette on 8 December 2008).

REMINDER - model and content of fiscal forms for 2008 salary income

Order 2293 dated 3 December 2007 (Official Gazette 866/2007) which is applicable for salary and assimilated income obtained after 1st January 2008 has amended form 210 "Fiscal form regarding tax on salary income" which must be remitted to employees and submitted by 28 February 2009 at the latest. Despite monthly nominative statements, continued use of Labour Books, fiscal forms - either Fiscal Form F1 for salaries obtained from the declared main occupation employer or Fiscal Form F2 for salaries other than from main occupation and revenue assimilated to salaries (compensation for censor, member of Board of Directors, etc.) - remain useful under the following circumstances:

- Annex to form 230 to the application, which is filed by natural persons who obtained salary income and assimilated income and thus request that up to 2% of their annual tax be transferred to support non-profit organisations;
- To justify the amount of tax withheld in Romania in the case of an employee sent on secondment by his/her Romanian employer for such a period he/she has become tax resident in that State and must prove the amount of tax that was withheld in Romania;
- To justify realized revenue in case of adjustment of income tax for persons which also received author's rights (form 200) or revenue from civil conventions, by 15 May 2009;
- To be presented upon application for a loan.**

REMINDER – "Ecotax" for the Environment Fund

Ordinance 25 dated 25 August 2008 amended OUG 196/2005 regarding the Environment Fund introducing on 1st January 2009, a new monthly tax ("ecotax") of RON 0.2 per unit will be paid by economic operators which introduce retail packaging bags in the market, made of substances which are not biodegradable. In order to inform the final consumer, the ecotax will be clearly mentioned on sale documents and its amount disclosed by the trader in a location where it can be seen. Breaching these regulations represents a contravention punishable by a fine of between RON 2,000 and 2,500.

REMINDER – VAT return frequency

The tax period for taxable persons registered in the scope of VAT differs depending of annual turnover:

- Monthly – in cases where the annual effective or reassessed turnover exceeds the threshold of Euro 100,000;
- Quarterly – in cases where annual effective or reassessed turnover does not exceed the threshold of Euro 100,000.

We mention that with respect to taxable persons which were set

up during the year, turnover taken into account to determine how often VAT returns should be prepared is the reassessed turnover which is obtained by extrapolation of turnover realized between set-up date and 31 December to a full year.

To compute the turnover in scope of determining the periodicity of VAT returns in 2009, the following must be taken into consideration:

- Only income obtained from taxable operations and/or exempt operations with deduction rights are considered;
- The RON equivalent of the Euro 100,000 threshold is determined using the National Bank of Romania RON/EURO exchange rate in force as at 31 December 2008.

The taxpayer required to prepare quarterly VAT returns must submit a statement disclosing turnover realized in 2008, or reassessed, if applicable, to the tax authority by 26 January 2009.

REMINDER – Revaluation of land and construction

The accounting law does not oblige enterprises to revalue land and construction every 3 years. From an accounting point of view, the IAS16 rules apply and there is no provision regarding the frequency of revaluation except for indications of changes in the fair value.

Revaluation every 3 years is based on the following:

The resources of the local communities are the employee income tax which is withheld by the employer and transferred to the local budget, the tax on land (computed as an amount per sqm per type of land) and the tax on construction. This latter tax is a percentage of gross value (and not on the net value) set by local authorities. This percentage is increased if the gross value has remained unchanged for 3 years; in other words, has not been re-valued, leading to this concept that a revaluation is to be performed every 3 years. The revaluation must to be performed by an appraiser who is a member of ANEVAR (Romanian association of valuers) and must be recorded in the books as at 31 December before the preparation of annual financial statements.

Revaluation is recorded according to one of the following 2 methods:

- Gross method (for increases in value: Debit "Construction" account and Credit account 105 "Revaluation difference" for the revaluation of the gross value, and simultaneously Debit account 105 "Revaluation difference" and Credit "Accumulated depreciation") for the revaluation of depreciation.
- Net method (for increases in value: write off accumulated depreciation first and then Debit "Construction" account and Credit account 105 "Revaluation difference" for the amount of the change in net value).

At the time of the second revaluation, if a loss in value is found, account 105 is reduced first and, if the reduction of the fair value is such that the account 105 is balanced, the additional loss is recognised in the income statement.

At the time of the third revaluation, if the fair value has increased, the loss recognised in the income statement at the time of the second revaluation must first be cancelled and the surplus recorded in account 105.

It is emphasized that account 105 cannot be used for increasing the value of share capital.

Under these circumstances, local tax authorities should be contacted to find out the increased tax rates in force, by location. Tax rates and the increased tax rates for construction are established at the discretion of each community. A community with a large number of enterprises and considered prosperous should not have a very aggressive policy regarding the level of local taxes, as it collects income tax for all employees who work in the area. A cost-benefit analysis should be performed and appraisal fees also be taken into account.

H.R. KEY FIGURES

2009 Contribution	Employer (%)	Employee (%)
Social security contribution (*)	18% for normal working conditions (*) 23% for particular working conditions (*) 28% for special working conditions (*) * New rates apply starting 1 st December 2008	9.5%
Medical leave contribution and health insurance allowance	0.85%	
Work accident and occupational disease fund	0.4% - 2% depending on CAEN code for main activity	
Unemployment fund	0.5% (*) * The new rate applies starting 1 st December 2008	0.5%
Contribution to fund to guarantee payment of salary liabilities	0.25%	
Health insurance fund	5.2% (*) * The new rate applies starting 1 st December 2008	5.5%
Labour office commission	0.25% or 0.75%	
Salary tax		16%
Contributions for non employment of disabled persons (for employers with more than 50 employees)	4 x 50% minimum gross salary (RON 600) for every 100 employees	
Luncheon ticket	8,31 RON	
Minimum monthly gross salary	Starting 1 st January 2009 RON 600 for unqualified positions RON 720 for positions requiring High School RON 1,200 for positions requiring a University degree	
Average monthly gross salary (INSSE October 2008)	1,795 RON	
Per diem (in Romania)		
Employees in the public sector	13.00 RON	
Employees in the private sector (*2.5)	32.50 RON	

REMINDER – Invoicing and attributing numbers to accounting documents

Do not disregard provisions from Order 2226/2006 (Official Gazette 1056/ 2006):

- An internal procedure for tracking invoice numbers must be established;
- Persons responsible for organizing and maintaining book-keeping must designate by a written internal resolution one or several persons who will have among their attributions allocation and management of invoice numbers issued by the enterprise;
- The invoice has a number in one or several series. The numbering scheme set by the enterprise must be sequential and measured in order to cover the volume of invoices to be issued by the enterprise;
- Every year, the number of the first invoice of the year will be established.

It is no longer mandatory to sign and stamp invoices, but such procedures contribute to internal control and represent a means to fight fraud.

Main EXCHANGE RATES FOR FOREIGN CURRENCY at the close of the 2008 financial year

1 EURO = 3.9852 RON; 1 USD = 2.8342 RON,
1 GBP = 4.1169 RON, 1 CHF = 2.6717 RON.

JANUARY 2009 – AGENDA

DO NOT FORGET at the very beginning of 2009 to establish the numbers which will be used during this financial year for invoices, petty cash receipts and delivery notes by an internal resolution.

Every day - do not forget:

- To complete the petty cash register (or print electronic version)
- To complete the purchase ledger and sales ledger

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

- To organise a stock count of inventories if the enterprise does not use a perpetual inventory system
- To issue final invoices for the month of January 2009 (but be aware that the deadline of the 15th of the following month applies).

To comply with new 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 Monday 12 January is the last day to submit:**

- Return on collection of hotel tax

That Monday 12 January is the last day to pay:

- Hotel tax
- Advertising services tax

That Thursday 15 January is the last day to submit:

- INTRASTAT Statement for December 2008 (submit online)
- To submit "Statement of estimated revenue" form 220 related to:
 - o Revenue from independent activities: commercial activities, independent professions carried out individually or under a form of association;
 - o Rental revenue;
 - o Agricultural revenue for which the net revenue is determined on a real basis obtained from single entry book-keeping data;
 - o Qualified rental revenue from independent activities (over 5 rental contracts).

- To submit a statement of production capacity by beer producers with licensed fiscal warehouse under own responsibility

That Monday 26 January is the last day to submit:

- State consolidated budget liability return (form 100)*
- Social insurance and special funds liability return (form 102)*
- Excise tax return (form 103)*
- VAT return (form 300)*
- Recapitulative Statement of EU supplies/acquisitions regarding Quarter IV 2008 (form 390)*
- Informative Statement on domestic supplies/services rendered and acquisitions regarding second half of 2008 (form 394)*
- Social security statement with list of insured persons
- Social security statement regarding liabilities to the National Fund for health insurance, medical leave and compensation from health insurance
- List of insured employees and health contribution to social health insurance fund
- Unemployment fund statement with list of insured persons
- Tax return for commission due by employers to the Labour Inspectorate (ITM)
- Statement of 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)
- Special VAT return for VAT non payers (form 301)*
- Environment Fund Statement
- VAT draft Pro rata for the 2009 fiscal year and computation method
- Information related to turnover realized in 2008 or, if required, recomputed by VAT payers which must submit quarterly VAT returns**

That Monday 26 January is the last day to pay:

- Excise taxes
- Tax on crude oil and natural gas from domestic production
- Withholding tax on non-resident income
- VAT
- Corporate tax due for Quarter IV 2008 (amount equal to Quarter III 2008 for taxpayers which have not closed the 2008 fiscal year for tax purposes by 15 February 2009)**
- Tax on the micro enterprise income
- Salary tax
- Tax on income from independent activities, withheld at source
- 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
- Social security contribution
- Health insurance contribution
- Medical leave contribution and health insurance allowance
- Unemployment contribution
- Contribution to fund to guarantee payment of salary liabilities
- Commission to ITM for holding and updating Labour books
- Contribution to work accident and occupational disease fund
- Contribution for non employment of disabled persons

- Social and tax contributions on second half 2008 salaries for associations, foundations and other non-profit organisations** which make such payments twice a year as per Government Ordinance 47 dated 28 August 2007 (except for ITM commission)

- Contribution to the Environment Fund

- Gambling tax.

That Monday 2 February is the last day to submit:

- The option to become a corporate taxpayer for the micro enterprise which wishes to renounce the micro enterprise tax regime
- "The application to opt for the determination of net income under the real regime" (*effective amounts*) accompanied by the "self-assessment of income derived from independent activities" or the self-assessment of rental income for taxpayers which wish to opt for the determination of their revenue based on effective amounts
- The declarations to local public authority which used for the computation of tax on land, tax on buildings and tax on means of transport. **The obligation to declare vehicles or buildings held under a financial lease contracts falls with the user.**

That Monday 2 February is the last day for:

- Full payment of vehicle tax by user, foreign natural person or legal entity, which applies for temporary registration in Romania for means of transport in case registration is made for a period which lasts beyond 31 December of the fiscal year when the application is requested, as follows:
- Annual tax if the registration regards the fiscal year;
- The tax afferent to the period from 1st January and the first of the month following the month when the registration expires in case the registration expires before 1st January of the same year.

IMPORTANT

All forms mentioned above as well as guidance on their preparation may be downloaded from the Ministry of Economy and Finance website: www.mfinante.ro

The tax returns noted with an asterisk (*) can be submitted by remote means of electronic transmission by taxpayers which have opted to file their returns on-line and which hold a digital certificate issued by ANAF prior to 1st May 2008, or by an accredited supplier of certificates after 1st May 2008.



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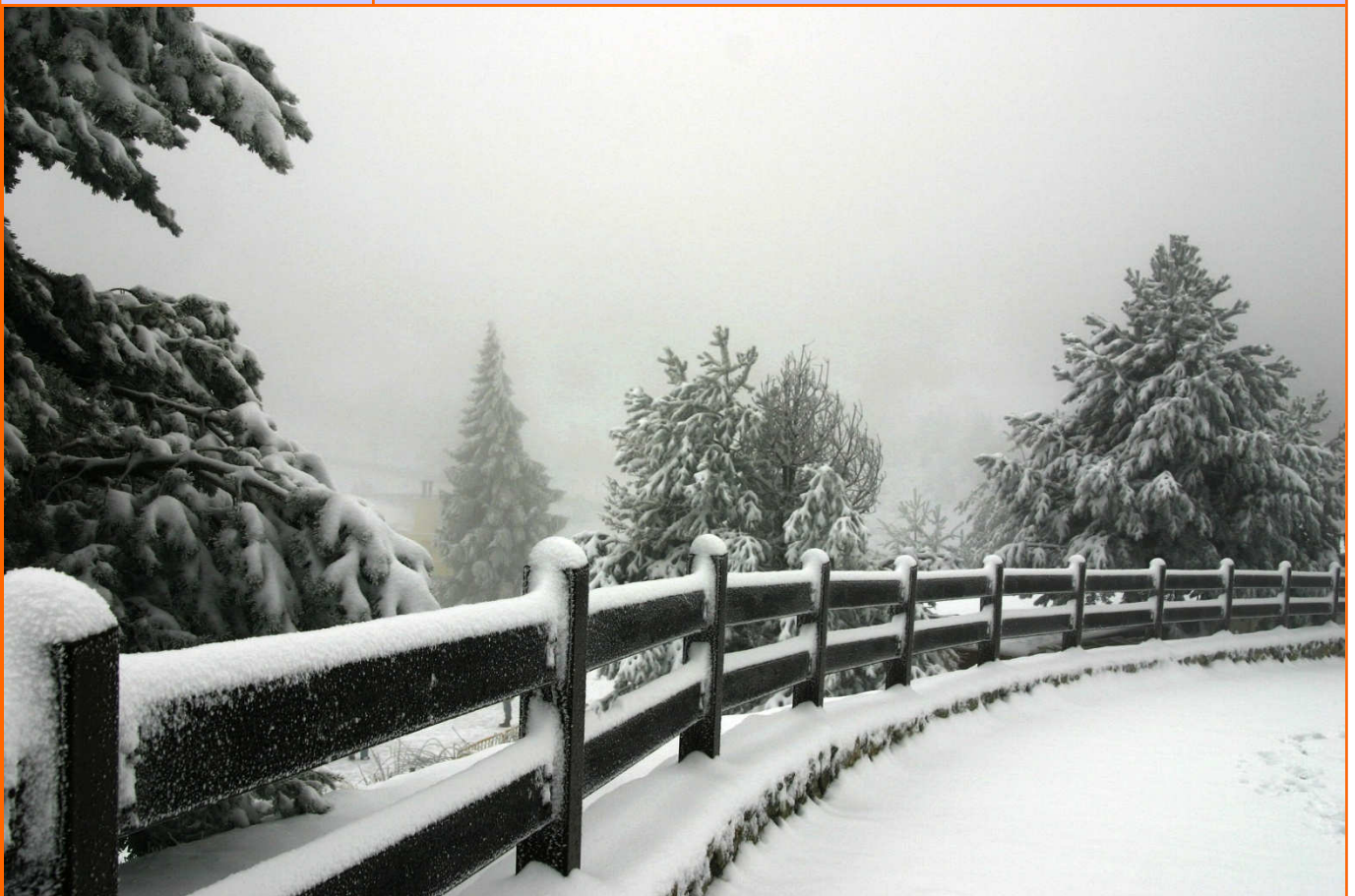
ACCOUNTING AND PAYROLL
EXPERT TEAM

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 team specialised in payroll administration on behalf of the client.

We provide a full range of accounting services, payroll services, local tax compliance and tax advice, as well as services tailored to your company needs:

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



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