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Contents:

- Pension contribution base: back to the status prevailing prior to 8 February 2008
- Fiscal procedure Code: no certification of annual tax returns if financial statements not audited
- Unemployment returns: base and contribution for the employee
- New positions introduced for COR
- European Health Insurance card
- Declaration of 2007 income sent and returned by mail – Guidance from tax authorities
- Updating CAEN Code free of charge
- Tax returns on-line for regional taxpayers
- Tax inspection and contractual discipline
- NBR Interest rate – March 2008
- 2007 inflation rate
- Annual financial statements for entities monitored by CNVM
- Protection equipment and EU Standards
- Labour protection – employer's duties
- Non-profit organisations – Deadline for submitting 2007 financial statements: 29 April
- Celebrating Easter
- Key HR figures
- APRIL 2008 Agenda

ORDER 128 dated 26 February 2008 to cancel Order 92/2008 of Labour, Family and Equal Opportunity Ministry to amend implementation Norms of provisions of Law 19/2000 regarding the public pension regime and other social insurance rights, with its further amendments and complements, approved by Order of Labour and Social Solidarity Minister 340/2001 (Official Gazette 162/2008)

This Order fully cancels Order 92 dated 8 February 2008 published in the Official Gazette 116/2008 which introduced in the base for the computation of pension contribution a large number of other items such as benefits in kind, compensation in case of collective dismissal, monetary gifts, subsidies and compensation.

EMERGENCY ORDINANCE 19 dated 27 February 2008 to amend and complement OG 92/2003 – Code of fiscal procedure (Official Gazette 163/2008)

Among the main changes, we mention:

- Until 1st January 2010, the obligation of legal entities to have their annual tax returns certified by a tax consultant is suspended, except for legal entities which are subject to a mandatory audit.
- The taxpayer, legal entity or any other not legal entity that does not fulfil its declarative obligations for 2 consecutive due dates and does not have an application regarding its fiscal obligations approved by the tax authorities is declared inactive.
- Associations formed by individuals which do not represent a legal entity as well as natural persons who are employers will pay – quarterly – fiscal liabilities related to payroll as well as income tax withheld on the 25th of the month following the quarter at the latest (these provisions will enter in force on 1st July 2008).
- Changes regarding the transmission of fiscal debts administrated by ANAF:
 - the debts can only be transferred further to a notification to the debtor and at a value at least equal to their nominal value (in case of plurality of offers, a tender will be organized);
 - ANAF guarantees the existence of the debt established by the fiscal certificate until the date of signature of the Contract for transfer (in case the debt is challenged, ANAF has no obligation to guarantee);
 - the person who takes over the debt has all the rights of the entity which transferred it, except the rights conferred by the quality of public debt holder;
 - if the tax authority holds more than 50% of debts due by the debtor, it can appoint an administrator/liquidator and can monitor its activity.
- Challenging acts of tax inspection are examined by the General Inspectorate of ANAF in charge of challenges, including challenges registered until the present Ordinance enters into force which have not been examined yet.

ORDER 106 dated 15 February 2008 to amend and modify Procedures regarding the monthly statement listing insured persons and liabilities towards the budget of unemployment insurance by the employer, approved by Order of Labour, Social Solidarity and Family Minister 405/2004 (Official Gazette 166/2008)

This Order is subsequent to Decision 149 dated 13 February 2008 which amended the monthly base for computing the employee's contribution withheld and paid to the unemployment insurance budget.

Thus, the caption "Employee's contribution base" must now disclose the amount which represents the base upon which the employer must withhold and pay employees' unemployment contributions. This base represents the monthly gross salary realized by persons insured by law as per provisions of article 19 of Law 76/2002, with its further amendments and complements and established in conformity with article 14 of Implementation Norms of Law 76/2002.

The caption "Employee's contribution due" must disclose the amount resulting from the application of the employee's contribution rate upon the contribution base determined in accordance with point 9 of Law 76/2002.

ORDER 179 dated 13 March 2008 to complement the Classification of Positions in Romania (Official Gazette 219/2008)

This Order introduces new positions to complement the Classification of Positions in Romania ("COR").

ORDER 162 dated 25 February 2008 to amend the Order 559/2006 of the President of The National House for Health Insurance approving technical features and procedures to issue and to use the European Health Insurance card and to approve the template for the provisory certificate to replace the European Health Insurance card as well as instructions for its issue and use (Official Gazette 163/2008)

ORDER 588 dated 27 February 2008 to set fiscal obligation categories for which tax authorities transmit income declaration forms to taxpayers by mail (Official Gazette 189/2008)

Regarding the obligation to declare income obtained in 2007, transmission of the following to natural taxpaying persons from tax authorities by mail is approved:

- 2 copies of form 200 "Declaration of realized income", code 14.13.01.13;
- guidance on filing and submitting the Declaration of income obtained in 2007;
- letter signed by the ANAF President sent to the taxpayer;
- a postage paid envelope to send the declaration of income from the taxpayer to the tax authorities.

ORDER 514 dated 22 February 2008 to extend the practice of submitting tax returns by electronic means of remote transmission (Official Gazette 172/2008)

The payers of taxes and contributions located in Alba, Botosani, Buzau, Covasna, Giurgiu, Maramures, Satu Mare, Salaj, Suceava, and Tulcea, with the exception of large taxpayers under the administration of the General Inspectorate for administration of large taxpayers as well as their secondary establishments, may submit their tax returns by electronic means of remote transmission in accordance with the provisions of OMFP 210/2006 regarding submission of tax returns by electronic means of remote transmission, with its further amendments and complements.

ORDER 527 dated 22 February 2008 appointing the persons who qualify to identify infringements and to apply sanctions for breaching provisions regarding measures to enhance contractual discipline (Official Gazette 154/2008)

Finding infringements to article 10 of Law 460/2002 regarding measures to enhance contractual discipline with its subsequent amendments and complements and sanctioning them are under the duties of persons nominated among the ANAF tax inspection body.

Article 10 states that the following represent infringements which can be punished by fines from RON 10,000 to RON 30,000:

- not paying liabilities by the due date, in bad faith as defined by law, except for liabilities regulated by special provisions;
- not tracking liabilities by due date;
- breaching the provisions of article 5 which states:
 - O Legal entities which are Parties to a contract and which, in bad faith as defined by law, do not fulfil their contractual obligations will cease any payment of: incentives, except for seniority at work, compensation and incentives to members of the Board of Directors, General Managers, Deputy General Managers, Managers, Deputy Managers as well as for any purchase of movable or immovable items.
 - O Natural persons who are traders and who, in bad faith as defined by law, do not fulfil their contractual obligations will cease any purchase of movable or immovable items on the date the Law enters into force.

INSTRUCTION 6 of the National Bank of Romania (NBR) issued on 3 March 2008 regarding reference interest rate for March 2008 (Official Gazette 180/2008)

For March 2008, the NBR set the reference interest rate at 9% per annum.

INFLATION RATE 2007 (source: www.insse.ro)

The National Institute for Statistics has published the inflation rate for 2007. The evolution of the inflation rate over the last 7 years is as follows:

Year	2000	2001	2002	2003
Inflation rate	45,7 %	34,5 %	22,5%	15,3%
	2004	2005	2006	2007
	11,9%	9%	6,56%	4,84%

INSTRUCTION 1 dated 18 March 2008 to amend and complement Instruction 2/2007 regarding preparation and submission of annual financial statements by authorized entities, regulated and supervised by the National Securities Commission (Official Gazette 230/2008)

ORDER 94 dated 8 February to approve the List of Romanian standards which adopt harmonized European standards regarding individual protection equipment (Official Gazette 153/2008)

This Order approves the List of Romanian standards which adopt harmonized European standards regarding individual protection equipment published in the EU Official Gazette series C 281/01 dated 23 November 2007.

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H.R. KEY FIGURES

2008 Contribution	Employer (%)	Employee (%)
Social security contribution (*)	19.50% for normal working conditions (**) 24.50% for particular working conditions (**) 29.50% for special working conditions (**)	9.5%
<p>* NOTE: The basis for the employer and employee contribution to social insurance is no longer subject to a ceiling. ** NOTE: Starting 1st December 2008, employer contributions to social insurance decrease to: 18% for normal working conditions 23% for particular working conditions 28% for special working conditions</p>		
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	1%	0.5% (**)
** NOTE: Employee unemployment contributions are calculated by applying 0.5% to total gross income		
Contribution to fund to guarantee payment of salary liabilities	0.25%	
Health insurance fund	5.5% (*)	6.5% (**)
<p>* NOTE: Starting 1st December 2008, employer contributions to health insurance will be 5.2%. ** NOTE: Starting 1st July 2008, employee contributions to health insurance will be 5.5%.</p>		
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 500) for every 100 employees	
Luncheon ticket	7.88 RON	
Minimum monthly gross salary	RON 500 RON 1,000 for positions requiring a University degree	
Average monthly gross salary (INSSE January 2008)	1,637 RON	
Per diem (in Romania)		
Employees in the public sector	13.00 RON	
Employees in the private sector (*2.5)	32.50 RON	

EMPLOYER'S DUTIES REGARDING LABOUR PROTECTION AND HEALTH IN THE WORK PLACE

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

- Ensure safety and protect employee health by performing a mandatory medical examination by a physician specialised in labour medicine upon hire and also from the mandatory annual medical check-up;
- Prevent occupational risks by informing and training employees through assessment of the specific risks for each work position in terms of health and safety in the work place and through mandatory training in accordance with the norms set by Law 319/2006 regarding health and safety in the work place. In addition, the employer must maintain individual docket on work protection and individual training docket regarding emergencies. Instruction and maintenance of individual docket can only be made by legal or natural persons licensed to carry out their activity in the domain of safety and health in the work place;
- Provide an organisational framework and resources necessary for work place safety and health.

Measures regarding safety, health and hygiene in the work place cannot be undertaken at the employee's expense.

INFORMATION regarding closing 2007 financial year for non-profit organisations – published on the Ministry of Finance website

Annual financial statements as at 31 December 2007 are submitted to territorial units of the Ministry of Finance in electronic format (floppy) accompanied by the forms printed by use of the software at the taxpayer's disposal, signed and stamped as per law together with the following:

- Copy of fiscal code;
- Director's report;
- Copy of the synthetic trial balance;
- Short « censor » or audit report, as the case may be;
- Minutes of the general Meeting held for approbation of the annual financial statements.

Deadline for submission of 2007 annual financial statements for non-profit associations/foundations is 120 days after year end.

EASTER CELEBRATION

Gratuities can take several forms:

- Bonuses in addition to April gross salaries are subject to withholding of employee contributions and income tax. For the employer, bonuses and related employer contributions are tax allowed expenses;
- Allowances of RON 150 for each under age child of employees. This allowance may also be given as a "Gift Voucher" and represents an expense that can be included in welfare expenses which are tax deductible up to 2.5% of annual payroll together with other categories of welfare expenses under the Fiscal Code;
- "Easter presents," other than those mentioned previously are considered benefits in kind and taxable to the employee. For the employer, these expenses are tax allowed as long as they are taxable to the employee.

APRIL 2008 - AGENDA**Everyday - do not forget:**

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

At month end - do not forget:

- to complete the journal ledger
- To maintain the Tax evidence register (to disclose reconciliation of accounting profit to taxable profit) for Quarter IV 2007
- To register contracts concluded during the month for the services rendered by non-residents, with tax authorities
- To organize a stock count of inventories if the enterprise does not use a perpetual inventory system
- To issue final invoices for the month of April 2008 (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 Thursday 10 April is the last day to submit:**

- Return on collection of hotel tax

That Thursday 10 April is the last day to pay:

- Hotel tax
- Advertising services tax

That Tuesday 15 April is the last day to submit:

- Annual corporate tax return (form 101) for the year 2007
- INTRASTAT statement for March 2008 (submit on-line).

That Tuesday 15 April is the last day to pay:

- Corporate tax –final payment for 2007

That Friday 25 April 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)
- Social security statement with list of insured persons
- Social security statement regarding liabilities to the National Fund for health insurance and for 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)
- Special VAT return for VAT non payers (form 301)

- 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)
- Environment Fund Statement
- Recapitulative statement for Quarter I 2008 for EU deliveries and acquisitions (form 390)

That Friday 25 April 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
- 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
- Contributions for non employment of disabled persons
- Contributions to the Environment Fund
- Gambling tax.

That Monday 28 April is a legal holiday (Monday after Orthodox Easter)**That Tuesday 29 April is the last day to submit:**

- Financial Statements as at 31.12.2007 for non-profit organisations

That Wednesday 30 April is the last day to submit:

- Annual excise tax return (form 120)
- Annual return regarding tax on crude oil from domestic production (form 130).

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



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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:

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- 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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