

56 Boulevard Dacia,
District 2, Bucharest
Tel: +40 (0) 31-809 2739
Fax: +40 (0) 31-805 7739
Email: office@apex-team.ro

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DECISION 1051 dated 10 September 2008 to establish the national minimum gross base salary per month (Official Gazette 649/2008)

The main provisions of this Decision are:

- The guaranteed minimum gross salary is RON 540 per month for the period 1st October to 31 December 2008 for a full time schedule of 170 hours per month on average, i.e. RON 3.176 RON per hour.
- Starting 1st January 2009, the guaranteed minimum gross salary is RON 600 per month for a full time position with 170 hours per month on average, i.e. RON 3.529 RON per hour.
- In June 2009, the Government together with social partners will analyse the effective average gross employee income for the first 4 months of 2009. In case the outcome is a deviation from the planned domestic average gross employee by more than 5%, the Government will amend through a Decision the domestic guaranteed minimum gross salary starting 1st July 2009 so that it represents 33% of the actual average gross employee income.
- Concluding a labour contract with a base salary lower than the above mentioned amounts represents a contravention punished with a fine of between RON 1,000 and RON 2,000.

The minimum monthly gross salary for positions requiring a University degree is double, i.e. RON 1,080 as at 1st October 2008.

ORDINANCE 25 dated 27 August 2008 to amend and complement GEO 196/2005 regarding the Environment Fund (Official Gazette 628/2008)

Among the main amendments, we mention:

- A 3% tax is established on income derived from disposal of items under the scope of dismantlement;
- The tax contribution for discarded packaging has increased from RON 1 per kg to RON 2 per kg;
- Starting 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.

REGULATION 11 dated 19 August 2008 to amend and complement National Bank of Romania Regulation 3/2007 on risk limitation regarding risks related to loans granted to natural persons (Official Gazette 617/2008)

INSTRUCTION 27 dated 1st September 2008 regarding the reference interest rate of the National Bank of Romania (NBR) for the month of September 2008 (Official Gazette 589/2008)

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

ORDER 6521 dated 14 August 2008 to amend technical implementation Norms on the representation right set by Council Regulation (CEE) 2913/1992 regarding the establishment of the EU Customs Code, approved by Order of ANAF Vice President 4999/2007 (Official Gazette 613/2008)

Persons established in an EU third State can file written statements in their own name, by direct or indirect representation regarding:

- Transit or temporary admittance customs regime;
- Putting in free circulation, bonded warehousing, active processing, processing under customs monitoring, passive processing, export and re-export, occasional and under the condition that customs authorities consider it justified.

ORDER 6577 dated 26 August 2008 approving Norms to approve authorization to amend the customs value (Official Gazette 635/2008)

Adjustments to customs values regard:

- Items which can be added up to the customs value as they could not be assessed at the time of the import (for instance: royalties, license rights);
- Items which can be deducted from the customs value (for instance: interest, assembling cost) but were not disclosed separately in the price of the goods.

The authorization to amend customs values is granted by the National Customs Authority upon application filed by the concerned economic operators. Authorization is granted only when certain conditions are met. One condition, for example, is that the economic operator does have any Customs duty liabilities.

The authorization is valid for the duration requested by the economic operator but not more than 3 years.

ORDER 5 dated 5 August 2008 to amend and modify NBR Order 6/2007 regarding consolidated financial statements in accordance with IFRS requested by the credit institutions (Official Gazette 602/2008)

The provisions of this Order apply to the consolidated financial statements as at 30 June 2008.

ORDER 4 dated 31 July 2008 to approve Implementing Norms regarding the template for periodic reports applicable to credit institutions in the scope of financial stability (Official Gazette 611/2008)

The first periodic report will include data on assets and liabilities which exist at the balance sheet for the period ended 30 June 2008.

Reporting is semi-annually (twice a year) and the reports must be submitted at the National Bank of Romania 30 days after the end of the 6 month period they refer to, at the latest. As for the report for the first 6 months of 2008, it is due for end October 2008 at the latest.

REMINDER – Prevention and fight against money laundering

As per article 14 of Law 656/2002 to prevent and punish money laundering, legal persons must appoint one or several persons who are in charge of the application of the dispositions of the law whose names have to be communicated to the National Office for prevention and fight against money laundering (ONPCSB) as well as the nature and the limitation of their liabilities. The appointed persons are liable for the fulfilment of the duties set for implementing the law.

The persons concerned by Law 656/2002 or the persons appointed by them must report any petty cash transaction equal to or above **Euro 15,000** or equivalent to the Office within 10 working days at the latest. This report is prepared in the format set by the Office which can be downloaded from the website of the Office (<http://www.onpcsb.ro/html/software.html>) and is denominated Report on petty cash – « RTN ». The reports on petty cash transactions DO NOT REFER to suspect transactions but represent a modality to monitor petty cash; in other words, money which circulates outside the banking system.

The second type of report – « RTS » refers to **suspect transactions**. This report is regulated by articles 3 (1) and 15 of Law 656/2002 and is prepared **immediately** when suspicions exist upon the completion of a transaction which is going to be carried out and which could have the purpose of money laundering or financing acts of terrorism, irrespective of the transaction amount.

The body of control of ONPCSB has begun to verify how commercial companies and non-profit organizations have fulfilled their obligations in this respect.

REMINDER – Employee personal file

The employer must maintain a personal file for each of its employees and present it upon request to Labour Inspectors.

The employee personal file includes at a minimum: employment documents (copies of the identity card, birth certificate, diploma of studies, marriage certificate if applicable), labour contract registered with the Labour Inspectorate (ITM), addenda and other documents regarding amendments, suspensions and, upon termination, the labour contract termination registered with ITM, documents supporting reductions to taxable employee income, job description signed by both the employer and the employee, medical examination certificate issued by a physician specialised in labour medicine, labour book in cases when the employer was allowed by ITM to maintain and keep employee labour books at the enterprise's premises.

Upon employee written application, the employer must deliver copies certified that they conform to the original by the legal representative of the employee or by a duly appointed person which exist in the personal file, of the page(s) of personal electronic registers disclosing captions regarding the person and/or a document which certifies the activity the employee carries out, their seniority at work, in the craft and in his/her speciality as they result from the electronic register and the employee file.

The electronic register and the employee personal file must be kept in conditions which ensure data safety as well as adequate conservation.

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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% (*)
<p>* NOTE: Employee unemployment contributions are calculated by applying 0.5% to total gross income ** NOTE: Starting 1st December 2008, employer contributions to unemployment will be 0.5%</p>		
Contribution to fund to guarantee payment of salary liabilities	0.25%	
Health insurance fund	5.5% (*)	5.5% (**)
<p>* NOTE: Starting 1st December 2008, employer contributions to health insurance will be 5.2%. ** NOTE : Effective 1st July 2008, employee contributions were reduced from 6.5 % to 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 540) for every 100 employees	
Luncheon ticket	8.31 RON starting 1 st September 2008	
Minimum monthly gross salary	RON 540 starting 1st October 2008 (RON 600 starting 1 st January 2009) RON 1,080 starting 1st October 2008 for positions requiring a University degree	
Average monthly gross salary (INSSE July 2008)	1,769 RON	
Per diem (in Romania) Employees in the public sector Employees in the private sector (*2.5)	13.00 RON 32.50 RON	

INFO – On-line payment of fiscal liabilities by individuals

As per provisions of Order 718 dated 25 April 2008, ANAF must implement, by 1st October 2008, the system which enables the individuals to pay taxes, contributions and other liabilities to the State Budget on-line, using bank cards, .

According to recent information, this implementation is being postponed as the bid process with banking institutions involved is not yet finalized.

In 2009, ANAF intends to implement electronic means of payment by the legal entities, initially by taxpayers which submit their tax returns on-line.

REMINDER – Secondary Establishments – “work points”

Secondary establishments, or “work points,” are registered with the Trade Register.

Regarding payroll, the taxpayer which sets up a secondary establishment must register it with the relevant territorial tax authority within 30 days in its quality as an employer liable for the payment of income tax regarding its employees' income. Registration is made by submitting form 060 “Declaration of tax registration/declaration of mentions (changes) for secondary establishments” accompanied by a copy of the rental contract

for the premises, the contract for their free use (« comodat ») or the ownership title, if applicable.

A secondary establishment in the sense of social legislation is a place where the enterprise carries out its activity with a **minimum of 5 employees** with undetermined labour contract periods, be it an office, a plant, a workshop, a quarry or something similar.

Labour contracts for employees whose place of work as disclosed in the labour contract is the “work point” are to continue to be registered with the Labour Inspectorate where the registered headquarters of the employer are.

Starting the 1st of the month subsequent to “work point” registration, the employer must **submit a separate declaration** for the income that was withheld from the salaries of “work point” employees and **transfer their income tax to the local Tax Authority**. All other payroll tax and contributions are declared and paid to the authorities the headquarters are subordinated to.

OCTOBER 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 III 2008
- 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 October 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 Friday 10 October is the last day to submit:**

- Return on collection of hotel tax

That Friday 10 October is the last day to pay:

- Hotel tax
- Advertising services tax

That Wednesday 15 October is the last day to submit:

- INTRASTAT statement for September 2008 (submit on-line)

That Monday 27 October 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 for Quarter III 2008 for EU deliveries and acquisitions (form 390)*
- 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

That Monday 27 October is the last day to pay:

- Excise taxes
- Tax on crude oil and natural gas from domestic production
- Withholding tax on non-resident income
- Corporate tax
- Tax on the revenues of micro enterprises
- 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.

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 (*) above can be submitted by remote electronic means of transmission by taxpayers who opt for filing their returns on-line and who hold a digital certificate issued by ANAF prior to 1st May 2008 or, afterwards, by an accredited certificate supplier.



56 Boulevard Dacia,
District 2, Bucharest

Tel: +40 (0) 31-809 2739

Tel: +40 (0) 74-520 2739

Fax: +40 (0) 31-805 7739

E-mail: office@apex-team.ro

Site: www.apex-team.ro

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