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**During the Ministry Council on 29 September 2010, the Government has adopted several important regulations which are not yet presented at press time. A summary of the information posted on the Government website is presented below:**

### **Amendments to the Fiscal Code and Code of Fiscal Procedure as at 1<sup>st</sup> October 2010**

- ☑ **Removal of the minimum tax starting 1<sup>st</sup> October 2010 and application of profit tax only.** The Ministry of Public Finance has mentioned that starting 1<sup>st</sup> January 2011, the minimum tax will be replaced by another type of one-time tax for enterprises in the business field where tax evasion is frequent. The decision to remove the minimum tax as well as measures which will be taken starting 1<sup>st</sup> January 2011 are on the agenda of discussions with the European Commission and the International Monetary Fund.
- ☑ Reduction in the interest rate applied to fiscal liabilities, from 0.05% per day to 0.04% per day, starting 1<sup>st</sup> October 2010.
- ☑ Regulation of netting by law, meaning settling reciprocal receivables/payables at the date both exist irrespective of whether or not the taxpayer is informed. ANAF will have to net off ex officio at the moment a taxpayer has an amount to collect from the State Budget and also liabilities towards the State Budget.
- ☑ Forced execution of collection will not be undertaken or will be suspended in case the taxpayer applies for refund or has a refund application in progress when the amount for which refund is applied for is equal to or larger than the fiscal liability for which forced execution was undertaken.
- ☑ Amendments to the thresholds for enterprises which invest and create job positions in Romania to qualify for public aid. The eligibility conditions in terms of investment amount and number of new job positions are reduced to enable Small and Medium size Enterprises to benefit from this assistance: the minimum investment amount becomes Euro 5 million and the number of job positions thus created is reduced from 100 to 50. In addition, 4 categories of eligible projects are set up:
  - Investments from Euro 5 to 10 million and at least 50 new job positions
  - Investments from Euro 10 to 20 million and at least 100 new job positions
  - Investments from Euro 20 to 30 million and at least 200 new job positions
  - Investments over 30 Euro million and at least 300 new job positions

### **Amendments introduced in legislation regarding commercial companies (Law 31/1990)**

Raising opposition to a merger or de-merger is not a valid reason to suspend a merger/de-merger. The pronounced decision with respect to opposition can only be subject to an appeal. The company which will merge or be divided must constitute proper guarantees for the creditors in such a manner that the creditors have their rights met or get a guarantee that they will in future collect their receivable from the new company. In case the debtor refuses to constitute guarantees, the judge will immediately and expressly declare that the creditor payable which had not yet fallen due has fallen due and will undertake the procedure for forced execution of collection.

These amendments are based on the concept that merger and de-merger can represent crucial reorganisation modalities which make commercial company operations more efficient, when at present procedures are long and cumbersome. The Government Ordinance to amend Law 31/1990 regarding commercial companies has used regulations from Belgium as a model.

### **EMERGENCY ORDINANCE 82 dated 8 September 2010 to amend article 7 paragraph 1 point 2 sub point 2.1 of Law 571/2003 - Fiscal Code and to amend article III of Government Emergency Ordinance 58/2010 to amend and complement Law 571/2003 – Fiscal Code and other financial and fiscal measures (Official Gazette 638/2010)**

The Ordinance brings clarification regarding social contributions for dependent activities and professional income. We mention below the main new provisions (clarifications) introduced by the Ordinance:

#### **Re-qualification of an independent activity as dependent activity**

- ☑ The criteria of "any other factor which reflects the dependent nature of the activity" is removed;
- ☑ Two conditions which must be met to re-qualify independent activity as dependent activity have been merged:

- o The fact that the use of income payer material endowments must be exclusive is added to the criterion of use by the income beneficiary of the income payer's material endowments. (As a result, if the income payer and the income beneficiary both contributes a part of the material endowments, the activity cannot be re-qualified);
- o A contribution of his/her own physical or intellectual work but not his/her own capital.

We mention below the criteria on which an independent activity can re-qualify as **dependent activity if only one of these four criteria is met:**

1. the income beneficiary is in a relationship of subordination to the entity which pays said income or to management bodies of the income payer. The beneficiary also respects working conditions imposed by the income payer, such as his/her duties and modalities to fulfil them, location where activity is carried out, business hours;
2. while carrying out activity, the income beneficiary exclusively uses the income payer's material endowments, meaning its premises with related equipment, its work or safety equipment, its work tools and other items of similar nature and he/she contributes his/her own physical or intellectual work but not his/her own capital;
3. the income payer supports, to achieve performance of the activity, business trip expenses of the income beneficiary, such as travel allowances in Romania and abroad as well as other expenses of a similar nature;
4. the income payer supports vacation or sick leave for the income beneficiary.

#### Social contributions pertaining to professional income

Article III of OUG 58/2010 is fully replaced and Appendix 2 of Government Decision 791/2010, where Implementation Norms of Article III were approved, is abrogated. The new provisions only refer to pension contributions (collected by the Social Insurance Fund - CAS) and unemployment contributions. No reference is made to health contributions (collected by the Health Insurance Fund - CASS) which means that regarding health contributions, provisions prevailing before the publication of article III of OUG 58/2010 remain in force.

For the purposes of the public pension regime and in the unemployment regime, professional income other than salary income is defined as income derived from intellectual property as well as income derived from a professional activity carried out on the basis of contracts/agreements concluded in accordance with the Civil Code. The individual contribution rate of 10.5% and individual contribution for unemployment of 0.5% is applied to such income.

These individual contributions are not due if:

- the person who obtains such income is insured within other pension regimes which are not integrated with the public regime (but part of Pillar 1) OR he/she is retired;
- the author occasionally receives author's rights income and he/she also has salary income. *Nota Bene: "Income obtained occasionally means income obtained from carrying out sporadic activity without a regular feature."*

The person who receives author's rights or is acting under a civil contract and is insured within the unemployment insurance regime has the obligation to prove his/her quality of insured person to the income's payer.

#### Base of contributions

- For income derived from intellectual property rights:

1. Obtained with a regular feature  
The monthly base upon which the individual contribution for pension as well as individual contribution for unemployment is capped per calendar month at 5 times the gross average salary used for preparation of the Budget of Public Social Insurance (BASS).

For 2010, the monthly base is the minimum of RON 9,180 and gross income obtained from which the set deduction for expenses is deducted (at the rate of 20% in general and 25% for creators of monumental works of art).

2. Obtained occasionally  
If obtained occasionally and if the beneficiary of income derived from intellectual property is not an employee as well, the base for contribution is annual and represents the gross income after application of the set deduction without exceeding 5 times the gross average salary used for the preparation of BASS, i.e. RON 9,180.

- For income derived from carrying out activity under contracts/agreements concluded in accordance with the Civil Code, the base for contribution is monthly and capped at 5 times the gross average salary used for the preparation of BASS.

The monthly base in 2010 is the minimum between RON 9,180 and the gross income obtained (without any deduction).

#### Payment of contributions

Contributions are withheld by the income payer which pays and declare the expenditure by the 25th of the next month after the month the income was paid to his/her beneficiary.

#### Contribution period

Paid contributions are taken into account to determine contribution period for pension rights and unemployment compensation by application of a percentage calculated as the ratio between the paid individual contribution (example: 10.5% for pension) and the full rate contribution (in our example: 31.3% for pension, i.e. 20.8%+10.5%).

The new provisions entered in force 10 September 2010 and apply to income paid after this date.

**ORDER 1294 dated 10 September 2010 of the Ministry of Labour, Family and Social Welfare to amend and complement Implementation Norms of Law 19/2000 regarding the public pension regime and social insurance rights with its further amendments and complements, approved by Order of the Ministry of Labour and Social Welfare 340/2001 and the Procedures for monthly declaration by employers of the list of insured persons and of liabilities towards the unemployment insurance Budget, approved by Order of the Ministry of Labour, of Social Welfare and Family 405/2004 (Official Gazette 639/2010)**

Through this Order, modalities to declare contributions due upon income derived from intellectual property and income obtained further to civil contracts are set.

Computation, payment and declaration of the pension contribution and of the unemployment contribution of persons who receive author's rights or act under civil contracts **lay with the income payer.**

Regarding declarations to the Social Insurance Fund (CAS; pension), CAS has posted new declaration form (version 10.03) on its Internet site <http://www.cnpas.org> and guidance to complete it. A list of IBAN codes into which bank transfers must be made to pay pension and unemployment contributions for income derived from intellectual property and income obtained further to civil contracts is also provided.

Regarding the unemployment insurance declaration, the Employment Agency has posted a new declaration form on its Internet site [www.anofm.ro](http://www.anofm.ro) which is to be used to declare unemployment contributions regarding both employees and persons who must be declared to the unemployment regime by the income's payer as per OUG 82/2010.

**Licensed individuals ("PFA")** do not fall under the provisions of OUG 82/2010 and, for income PFAs obtain from acting independently, the legal provisions which were applicable prior to

the publication of OUG 58/2010 still apply.

**PFA are liable to the following contributions for which declaration and payment lay with them:**

- ☑ Pension contribution at the rate of 31.3% (10.5% + 20.8%) is mandatory unless the PFA is insured in the public pension regime. Insurance is made via the statement submitted to the Pension Fund (CAS). The base for contribution for the PFA is his/her decision but it cannot be 25% lower than the monthly minimum gross salary (i.e. RON 459) and there is no upper limit. Payment of the contribution is monthly;
- ☑ Contribution to the health insurance at the rate of 5.5% is mandatory and implies the conclusion of an insurance contract with the Bucharest Health House, county (*Judet*) Health House, OPSNAJ or Transport Health House. The base for contribution is the estimated annual income as declared to tax authorities (form 220), payment of the contribution being made quarterly on this base followed by an adjustment as per the annual income return (form 200);
- ☑ Contribution to unemployment insurance at the rate of 1% (0.5% + 0.5%) is optional and implies conclusion of a contract with Bucharest Employment Agency or of a county (*Judet*) Employment Agency. The base for contribution for the PFA cannot be lower than the monthly minimum gross salary and is not capped. Payment of the contribution is monthly.

**INSTRUCTION 30 dated 1<sup>st</sup> September 2010 regarding the reference interest rate of the National Bank of Romania (NBR) for the month of September 2010 (Official Gazette 618/2010)**

For the month of September 2010, the NBR reference interest rate is 6.25% per annum.

**ERRATUM – Consequences of failure to register with EU Operators' Registry ("ROI")**

In last month's APEX Team newsletter, consequences of failure to register with EU Operators' Registry (ROI) were mentioned. Additional information lead us to revise information which was initially presented.

**Fine**

As per article 219<sup>2</sup> of the Code of Fiscal Procedure, carrying out EU transactions by persons who ought to be registered with ROI and are not represents a contravention which is punished with a fine of between RON 1,000 and RON 5,000.

**EU Acquisitions with an invalid VAT code**

- ☑ The Romanian entity is unable to communicate a valid VAT code, circumstances which trigger being charged VAT by the EU supplier at the VAT rate of the State where the supplier is registered under the scope of VAT.
- ☑ The purchaser of the goods/beneficiary of the service will continue to apply reverse tax (Debit 4426/Credit 4427) and it will analyze the deduction right in according with general provisions in this respect.

We mention for this purpose the provisions of article 146 of the Fiscal Code regarding conditions for exercising the deduction right:

- ☑ letter b) of article 219<sup>2</sup> states that "for the tax afferent to items which were or will be supplied or to services which were or will be rendered for its benefit, but for which the taxable entity is liable to the tax as per article 150 point (2) - (6), an invoice issued in accordance with provisions of article 155 or documents set at article 155<sup>1</sup> point (1) is received;"
- ☑ letter e) states that "for the tax afferent to an EU acquisition of goods, an invoice or the document set at article 155<sup>1</sup> point (1) is received."

Implementation Norms of the Fiscal Code also states at point 46(6) that "to exercise the deduction right of the tax, the taxable person or the non taxable legal entity, subject to the tax in conditions of article 150 point (2) - (4) and (6) and of article 151 of the Fiscal Code, must hold an invoice which comprises at least the information set at article 155 of the Fiscal Code or a self issued invoice issued in accordance with provisions of article 155<sup>1</sup> point (1) or (2) of the Fiscal Code."

In conclusion, we assess that the deduction right for VAT afferent to an EU transaction (EU acquisition of goods or services) cannot be limited by failure to register with ROI. However, there is a risk that some tax inspectors may interpret legal provisions differently due to the lack of definition in the law of the expression "valid VAT code" and attempt to deny the taxpayer deduction right for the period the entity was not registered with ROI. Regarding statement of EU acquisitions (form 390), the situation is confused with respect to eventual transactions made during the period the entity has not been registered with ROI. First, it is worth mentioning that the EU business partner would not declare as an EU supply the transactions for which the VAT code of the Romanian client could not have been validated and to which to the supplier invoice was issued with VAT of the State where it is registered. If the Romanian entity reports these transactions in form 390, a mismatch will exist in the VAT Information Exchange System (VIES) between data declared by the two business partners.

Furthermore, questions may be raised whether or not tax authorities would accept form 390 in case the entity is not registered with ROI. In addition, the risk the entity may later face in case of omission of these transactions in form 390, as a tax inspectors may punish the fact that these transactions were not reported in form 390.

**EU supplies with an invalid VAT code:**

In terms of carrying out EU supplies or rendering EU services, general rules will apply regardless of whether the vendor/service provider has registered with ROI, due to the fact that in this case, it is important for the business partner (purchaser) to have a valid VAT code and not for the one who supplies the goods or renders the service.

**ORDER 2434 dated 3 September 2010 to approve Instructions to file administrative documents in electronic format (e-DA) using EMCS-RO application for control of movements of excisable products under the excise suspense regime for excisable products (Official Gazette 655/2010)**

**ORDER 1477 dated 16 September 2010 to amend and complement Order of the Ministry for Environment and Water Administration 549/2006 to approve the model and content of form "Environment Fund Statement" as well as guidance on preparation and submission (Official Gazette 653/2010)**

This Order introduces the following amendments to Order 549/2006 to approve the model and content of the "Environment Fund Statement" form and guidance on preparation and submission:

- ☑ The electronic format of the Environment Fund Statement is transmitted to <http://www.afm.ro> after signature of a convention for this type of communication. The form and content of the Convention are approved by Order of the President of the Administration Environment Fund (AFM). The Convention will be made available to the taxpayer on its Internet site, <http://www.afm.ro>
- ☑ To declare liabilities for the same reporting period, several modalities of declaration cannot be simultaneously used. In case a taxpayer has used several modalities of declaration for the same reporting period, it is the first statement which submitted which will be registered as per law.

- Amounts disclosed in the statements do not comprise taxes or contributions set by decision issued by tax authorities further to a tax inspection.

**EMERGENCY ORDINANCE 85 dated 20 September 2010 to amend article 1 of OUG 116/2009 to establish measures regarding registration with the Trade Register (Official Gazette 654/2010)**

By derogation to the provisions of Law 26/1990 regarding the Trade Register and of Law 31/1990 regarding commercial companies as well as other texts in this respect, the competence for processing applications to register with the Trade Register and, if case, other applications in progress with the assigned Judge lays until regulation of the registration activity with the Trade Register by commercial registrars to the Director of the Trade Register Office liaising with the Court and/or to the persons assigned by the General Manager of the National Office of the Trade Register (ONRC).

**DECISION 962 dated 8 September 2010 to approve modalities to set up the national system regarding the national health insurance card (Office Gazette 646/2010)**

Starting 1<sup>st</sup> January 2011, health books and medical certificates will be replaced by the national health insurance card.

Confusion must not be made between the National health insurance card and the European Health insurance card. The latter is delivered by the Health House of the domicile upon insured person's request and is used in case he/she needs medical care while travelling in one of the 31 countries within Europe.

The national health insurance card proves the fact that the person is insured within the Health insurance regime in Romania. This card contains information which will make access to medical care in Romania easier and will only be used in Romania.

**ORDER 168 dated 28 July 2010 to complement Order of the Ministry of Administration and Internal Affairs 1501/2006 regarding procedure for registration, deregistration and issue of license for temporary circulation or for vehicle testing (Official Gazette 627/2010)**

The Inspectorate in charge of driver's licenses and vehicle registration within the public service authority will check the documents set for vehicle registration indicate that the person applying for registration has performed an EU acquisition in the sense of Title VI of Law 571/2003 – Fiscal Code. Verification is made online if the person who applies for registration of a vehicle acquired in another EU member State is registered under the scope of VAT as per article 153 of the Fiscal Code, in which case, no other document is to be presented.

For a natural person as well as for a legal entity applying for registration of a vehicle acquired in another EU member State who is not registered in the scope of VAT as per article 153 of the Fiscal Code, in addition to the required documents, the person will submit:

- "Certificate to attest VAT payment in case of acquisition of new means of transport" form set at appendix 1 of ANAF Order 1128/2009 if the vehicle is new as defined by Title VI of the Fiscal Code
- or
- "Certificate" form set at appendix 2 of ANAF Order 1128/2009 if the vehicle is not new as defined by Title VI of the Fiscal Code.

Provisions of this Order entered in force on 9 September 2010.

**REMINDER – Contribution for non employment of disabled persons**

As per provisions of Law 448/2006 on the protection and promotion of disabled persons' rights, republished (Official Gazette

1/2008), legal entities with headcount of over 50 must employ disabled persons in a percentage at least of 4% of total employees. Breach of this obligation triggers payment of a monthly contribution representing 50% of the minimum gross salary multiplied by the number of job positions for which disabled persons were not recruited considering the percentage of 4% of headcount.

We wish to point out that article 78 (3) letter b) of Law 448/2006 offers the possibility to fulfil this obligation by buying goods or services from organizations licensed, known as protected units, by the General Inspectorate for protection and the promotion of disabled persons' rights within the Ministry of Labour, Family and Welfare. Thus, further to contracts concluded with such entities, it is possible to benefit from goods and services which are treated as a deduction from the contribution which is due.

Additional information regarding protected units can be consulted on:

[http://www.anph.ro/lista\\_institutii.php?m=informatii&id\\_up](http://www.anph.ro/lista_institutii.php?m=informatii&id_up)

**LAW PROJECT regarding carrying out temporary activities by day labourers**

The law project has been adopted by the Government and will be transmitted to Parliament for debate and adoption.

Among the main provisions, we mention:

- Activities with an occasional feature can be carried out in the following domains: household activities, agriculture, hunting and fishing, forestry and timber activities, fish farming and aquaculture, tree cultivation, performing arts, cinematographic and audiovisual productions, cultural activities. The beneficiary of the work is, as per the new regulations, the legal entity for which the day labourer carries out occasional activities. It can be agreed between the Parties that provisions of this law can apply to the day labourer if the beneficiary is an individual.
- The beneficiary will maintain evidence of the day labourers in a registry and the day labourer will have a book which will stand as a contract. The day labourer's book will be issued by the Mayor's Office in the town or city where the activity will be carried out, or of the domicile upon request of the beneficiary or of the day labourer. The beneficiary will pay for the « stamp » at the Mayor's Office with respect to remuneration agreed with the day labourer.
- The stamp for occasional activities represents the amount of income tax and can be of two types:
  - o The standard stamp, equivalent to income tax, calculated for a working period of 8 hours per day, multiplied by the amount of the minimum hourly salary set by Government Decision;
  - o The number of stamps needed, for the income tax equivalent, is determined based on RON 10 per stamp.
- Modalities to issue stamps for occasional activities as well as their amount are set by the Ministry of Public Finance and to be regulated according to a legal text to be issued within 60 days from the date the law enters in force.
- The Ministry of Labour, Family and Welfare mentioned that control of the application of provisions included in this project of law will be made by labour inspectors within the Labour Inspection and the Local Labour Inspectorate (ITM) as well as by ANAF.

**REMINDER – Valuation of monetary items in foreign currency**

Do not forget that starting 2010, at the end of each month, monetary items (cash on hand, receivables, payables) denominated in foreign currency are valued at the NBR exchange rate in force on the last banking day of the month.

This procedure also applies to receivables and payables denominated in RON but pegged to a foreign currency for collec-

tion/disbursement.

Exchange rates to use for valuation at the end of September 2010:

1 Euro = 4.2674 RON; 1 USD = 3.1254 RON;  
1 CHF = 3.2068 RON; 1 GBP = 4.9667 RON.

## OCTOBER 2010 – 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 employee electronic registers with information regarding labour contract inception 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 7<sup>1</sup> 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 month of October 2010
- To update fiscal evidence register for Quarter III 2010

### To comply with 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 7 October last day to submit

- Form 092 (amendments) to change VAT return periods from Quarterly to Monthly for EU acquisitions of goods in September 2010. Starting October, the VAT return will be submitted monthly.

#### That Monday 10 October is the last day to submit

- Return on collection of hotel tax

#### That Monday 10 October is the last day to pay

- Hotel tax
- Advertising service tax

#### That Friday 15 October is the last day to submit

- INTRASTAT statement for September 2010 (submitted on-line)
- Recapitulative statement of EU Supplies/acquisitions/ services (form 390)\* for September 2010;**

#### That Monday 25 October is the last day to submit

- State budget liability return (form 100)\*
- Social insurance and special funds liability return (form 102)\*
- VAT return (form 300)\*
- 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 25 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
- VAT
- Profit tax or minimum tax**
- Salary tax
- Tax on income from independent activities, withheld at source
- Tax on interest income
- Tax on investment income
- Tax on dividends
- 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 for employers with headcount over 50
- Contribution to Environment Fund
- Gambling tax.

### 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](http://www.mfinante.ro).

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.

This modality of transmission will become mandatory for large taxpayers as well as middle size taxpayers.

## KEY HR FIGURES

2010 Contribution (based on the gross income)	Employer and Beneficiary of activities considered dependent activities (%rate)	Employee and provider of dependent activities (%rate)
Social security contribution	20.8% for normal working conditions 25.8% for particular working conditions 30.8% for special working conditions	10.5%
Medical leave contribution and health insurance allowance	0.85%	
Work accident and occupational disease fund	0.15% - 0.85% depending on CAEN code for main activity	
Unemployment fund	0.5%	0.5%
Contribution to fund to guarantee payment of salary liabilities	0.25% <b>(only for employees under labour contract)</b>	
Health insurance fund	5.2%	5.5%
Labour office commission ("ITM" commission)	0.25% or 0.75% <b>(only for employees under labour contract)</b>	
Salary tax		16%
Contribution 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	
Minimum monthly gross salary	RON 600 for unqualified positions RON 720 for positions requiring High School RON 1,200 for positions requiring a University degree	
Luncheon voucher <b>subject to income tax starting July 2010</b>	RON 8.72	
Average monthly gross salary (INSSE July 2010)	RON 1,868	
Per diem (in Romania) Employees in the public sector Employees in the private sector (x 2.5)	RON 13.00 RON 32.50	

Note 1: Income paid to a person who carried out an activity considered dependent activity (example: in-house "captive" PFA or who meets at least one out of the four re-qualification criteria mentioned in OUG 82/2010) are disclosed on a separate "Payment statement" which is not submitted to ITM but is included in all payroll returns except the return regarding ITM commissions.

However, in the present format of forms provided by IT applications as guidance for preparation of the returns, there is no specific code to enable declaration of this particular category of income.

Contributions starting 10 September 2010 (based on gross income reduced by the standard deduction as deemed expenses for intellectual property rights and based on gross income for persons under civil contract and in both cases capped at 5 average monthly gross salaries)	Income payer / Beneficiary of professional activities (of author or person under civil contract) (% rate)	Provider of professional activities (author or person under civil contract) (% rate)
Contribution to social insurance <i>(if applicable)</i>	0%	10.5% <sup>2</sup>
Contribution to unemployment insurance <i>(if applicable)</i>	0%	0.5% <sup>3</sup>
Contribution to health insurance	0%	0% <sup>4</sup>
Income tax		16% <sup>5</sup>

Note 2: The income payer calculates, withholds, pays and declares the individual contribution for pension (CAS) if the author or person under civil contract does not prove he/she is retired or insured in another pension regime within Pillar 1.

Note 3: The income payer withholds, pays and declares the individual contribution for unemployment if the author or the person under civil contract does not prove he/she is insured with the unemployment insurance regime.

Note 4: The author or the person under civil contract remains responsible for submitting his/her return for health insurance as well as for payment of the health contribution as per Law 95/2006.

Note 5: Regarding income tax, it remains possible for the author to have 10% of his/her income tax withheld when author's rights are paid, and to annually declare author's rights income obtained to tax authorities and to adjust the 10% income tax rate to 16%, paying the balance due.

Regarding remuneration paid to a Director further to a Shareholder General meeting resolution (and not from an administration or management contract), we keep expecting requested clarification regarding contributions due by the Director as well as those due by the entity which pays the respective remuneration.



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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 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 »**
- Certification of annual profit tax**
- Start up services**
- Organization of the accounting function**
- Assistance in implementation of ERP**
- Training**



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