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EMERGENCY ORDINANCE 3 dated 6 January 2017 to amend and complete Law 227/2015 on the Fiscal Code (Official Gazette 16/2017)

The Ordinance amends the Fiscal Code, certain amendments coming into force immediately, while others starting the 1st of February 2017.

The main changes brought by the Ordinance are presented below:

CORPORATE TAX

Taxpayers exclusively carrying out innovation, research and development activity, defined according to Government Ordinance 57/2002 on scientific research and technological development, as well as related activities, **are exempted from corporate tax during the first 10 years of activity**. This fiscal facility will be applied respecting regulations within the area of state aid.

TAX ON MICRO-ENTERPRISE INCOME

The income threshold according to which a company is classified as a micro-enterprise was increased. Thus, the threshold increases from the equivalent of EUR 100,000 to EUR 500,000 set by the exchange rate available at the end of the fiscal year during which the income was obtained. Therefore, the threshold available for 2017 is EUR 500,000 x 4.5411 RON/EUR = RON 2,270,550

All other conditions asserted for micro-enterprise entities remain available.

For 2017, companies which pay corporate tax and, on the 31st of December 2016, meet the new conditions to be qualified as micro-enterprises, but which according to old criteria did not meet the conditions to pay tax on micro-enterprise income by the 1st of January 2017, must apply the tax on micro-enterprise income starting the 1st of February 2017.

These companies will apply the corporate tax regime for the month of January 2017 and must submit the form on corporate tax (D101) for the period 1-31 January 2017 by the 25th of February 2017. Form O10 to change fiscal status (*vector fiscal*) and to perform transition from corporate tax system to tax on micro-enterprise income system should also be made by the 25th of February 2017.

Tax rates have also been slightly modified. Therefore these tax rates will now be:

1% for micro-enterprises which have one or more employees;

3% for micro-enterprises with no employees.

As a reminder, since 1 January 2017 the minimum capital threshold above which an entity may choose to apply the corporate tax regime instead of micro-enterprise regime has been reduced. This threshold is currently set at RON 45,000 (approx. EUR 10,000). The option is final and should be kept as long as the capital balance is maintained above the threshold.

Also, as a reminder, starting the 1st of January 2017, a tax specific to certain economic activities (hotels, bars, restaurants, etc.) was introduced. More details on this tax may be found in the 10th edition of the APEX Team Newsletter in 2016. The specific tax does not apply to those applying tax on micro-enterprise income. If a micro-enterprise opts to apply corporate tax as a consequence of the share capital threshold, then it must also apply the specific tax for activities that have NACE codes entering the sphere of the specific tax.

TAX ON INCOME

EXEMPTION FROM TAX ON INCOME OBTAINED FROM SEASONAL ACTIVITIES

Exemption from tax on income obtained from salaries paid to persons which are employed under an individual labour agreement signed for a period of 12 months, for carrying out seasonal activities for companies which obtain income related to the NACE codes below, has been introduced.

- 5510 - Hotels and similar accommodation;
- 5520 - Holiday and other short-stay accommodation;
- 5530 - Camp grounds, recreational vehicle parks and trailer parks;
- 5590 - Other accommodation;
- 5610 - Restaurants and mobile food service activities;
- 5621 - Event catering activities;
- 5629 - Other food service activities;
- 5630 - Beverage serving activities.

DEDUCTIONS FOR MEDICAL SERVICES

Voluntary health insurance bonuses, as well as medical services provided on a subscription basis, defined according to Law 95/2006, **borne by employee**, will be deducted from the value of taxable income used to calculate tax on income obtained from salaries, up to the annual limit of the annual threshold of EUR 400/person.

TAX ON REAL ESTATE TRANSFER FROM PERSONAL PATRIMONY

This will be calculated by applying a 3% tax rate on the amount of sale price which exceeds RON 450,000 regardless of the period for which the property was held. Thus, real estate sold for under RON 450,000 will no longer be subject to taxation.

SOCIAL INSURANCE CONTRIBUTIONS (CAS)

The upper threshold of five average gross salaries on which social security contribution was calculated for income from wages and salaries assimilated is repealed starting the 1st of February 2017.

In case of sick leave, the basis for calculating the social security contribution for an employee is composed of income related to the time worked plus related sick days calculated pro-rata: number of days of sick leave compared to work days available during the month (35% x average gross salary in Romania).

SOCIAL HEALTH INSURANCE CONTRIBUTION (CASS)

For the month of January 2017, the basis for calculating social health insurance contributions (CASS) was capped at the level of five average gross salaries, similar to CAS capping. This new rule will only be applied for January because it is repealed starting the 1st of February 2017.

Moreover, maximum thresholds for CASS contribution calculations of income obtained from dividends, interest and other sources of income is repealed, thresholds which had been introduced starting the 1st of January 2017. The CASS thresholds have been maintained for persons obtaining income from independent activities (authorized self-employed persons, freelancers, etc.) and rental activities.

CASS will not be owed in the case of income obtained from dividends, interest and/or income obtained from other sources if they are simultaneously received with at least one of the following types of income: income obtained from salaries, pensions, independent activities, income from the association with a legal entity, agricultural activities, forestry, fish breeding, unemployment allowance, allowance for raising children, social aid and allowance for temporary inability to work.

We recall that starting the 1st of January 2017, according to already existing Fiscal Code regulations, CASS should have been applied to income obtained from dividends, interest and/or income obtained from other sources, regardless of whether the beneficiary also obtained other income. This provision only applies to January 2017, because it has been repealed starting the 1st of February 2017.



**Starting
1 February 2017 –
no threshold for
CAS and CASS
calculation basis**



ORDER 210 dated 13 January 2017 to amend ANAF Presidential Order 3698/2015 to approve forms for fiscal registration of taxpayers and type of fiscal obligations based on fiscal status (vector fiscal) and to repeal ANAF Presidential Order 3841/2015 to approve template and content of form (088), Affidavit for the evaluation of intention and capacity to carry out economic activities that imply VAT operations (Official Gazette 40/2017)

Starting the 1st of February 2017, the Order repeals the disputed form (088), used to evaluate the intention and capacity to carry out economic activities which imply VAT operations, this being one of the conditions imposed by the Fiscal Code in order to register under the scope of VAT. Repealing form 088 should determine the change in conditions to register under the scope of VAT, provided by the Fiscal Code, or the change of the way to apply the criterion on the intention and capacity to carry out economic activities..

ANAF DRAFT ORDER ON CRITERIA TO CONDITION REGISTRATION UNDER THE SCOPE OF VAT (source: www.anaf.ro)

Starting the 1st of February 2017, the disputed form (088) used to evaluate the intention and capacity to carry out economic activities within VAT area was repealed.

A draft order was published on the ANAF website, to specify new criteria for registration under the scope of VAT subsequent to the 1st of February 2017, criteria that address companies which are set up according to Law 31/1990 on commercial companies, republished. The criteria do not address Romanian branches of taxable entities which have headquarters for their economic activity located outside Romania and have the obligation to register under the scope of VAT in Romania.

Criteria to condition registration under the scope of VAT are:

- a) the taxable entity is not in the situation of not carrying out economic activities in the space designated as registered headquarters and/or secondary establishments or outside such locations. In this regard the taxable entity must submit an affidavit stating whether or not economic activities are carried out at the registered headquarters or secondary establishments.
- b) neither the directors and/or shareholders of the taxable entity applying for registration under the scope of VAT who are fiscally registered in Romania nor the taxable entity itself have any violations or criminal deeds provided by art. 4 para. (4) letter a) of Government Ordinance 39/2015 registered on their fiscal records. This criterion refers to:
 - o directors, in the case of joint stock companies or limited partnerships by shares, set up according to Law 31/1990;
 - o majority shareholders or if the case, sole shareholder and/or directors in the case of other companies, other than those mentioned above, set up according to Law 31/1990, republished. Majority shareholder represents the individual or legal entity holding at least 50% of share capital of the company.

In the case where directors and/or shareholders of the taxable entity, mentioned above, are not fiscally registered in Romania, then they should submit an affidavit stating they have not committed any violations or criminal deeds provided by art. 4 para. (4) letter a) of GO 39/2015 on fiscal records.

- c) based on the analysis carried out by tax authorities, the assessment of the intention and capacity to carry out economic activities which imply taxable and/or exemption from VAT with deduction right operations, as well as operations for which the location of delivery/provision are considered to be abroad if the tax will be deductible in the case where these operations would take place in Romania.

Based on the assessment of taxable entities, there are three risk groups: high, medium and low.

Not meeting the first two criteria leads to asking the applicant to complete or clarify the situation (in case of incomplete information attached to the file) or to rejection of application to register under the scope of VAT, without analysing the third criterion.



Form 088 repealed





Return to old criteria for registration under the scope of VAT

The third criterion, previously analysed based on form O88, is verified by ANAF through the evaluation/assessment department. Subsequent to the analysis, if the taxable entity:

- ☑ meets the assessment criteria, is qualified as low risk – application to register under the scope of VAT is approved;
- ☑ does not meet the assessment criteria, is qualified as high risk – application to register under the scope of VAT is rejected;
- ☑ partially meets the assessment criteria, is qualified as medium risk – the evaluation department invites legal representative to the appropriate tax authority office to clarify certain aspects and mentions the information/documents which must be presented by the company's legal representative. The taxable entity may only request postponement of the meeting date once, based on justified reasons. The application to register under the scope of VAT is rejected in case legal representative of the taxable entity does not attend the meeting or does not present the required documents or information. Therefore, if the taxable entity provides fair and complete data and information, justifying the intention and capacity of the taxable entity to carry out economic activities which imply VAT operations, then registration under the scope of VAT is approved. In case the required information is not submitted or is incomplete or the taxable entity's intention and capacity to carry out economic activities is not supported/justified, the following situations may take place:

- the application to register under the scope of VAT is rejected, where **the taxable entity has submitted its first application to register under the scope of VAT.**
- if the taxable entity **has submitted more than one application to register under the scope of VAT**, the application and the documentation based on which the analysis was made are rightfully transmitted to the regional fiscal anti-fraud directorate. Subsequent to verification, the regional fiscal anti-fraud directorate sends a report to the evaluation department, listing the legal reasons for which it proposes approval or rejection of registration under the scope of VAT.

Prior to making the rejection decision regarding the registration under the scope of VAT, the evaluation department will ensure the taxpayer's right to be heard, according to provisions of art. 9 of the Fiscal Procedure Code. The evaluation department notifies the taxable entity about the solution to be undertaken in writing, the relevant facts and circumstances that led to making this decision, including the date when the legal representative should attend the hearing. During the hearing, the legal representative has the right to express his/her point of view in written form or to decline this right. Conclusions of the hearing procedure are mentioned in signed minutes with two original copies, one of which is communicated to the taxable entity.

An appeal may be lodged with the issuing tax authority against the rejection decision, according to provisions of art. 272 para. (6) of the Fiscal Procedure Code within 45 days of the communication date.

DECISION 1 dated 6 January 2017 to set national minimum gross wage with payment guaranteed (Official Gazette 15/2017)

Starting the 1st of February 2017, national minimum gross wage with payment guaranteed (amount set in money, not including benefits and other additional incentives) is set at RON 1,450 per month for a full-time work schedule of 166 hours per month, in 2017, representing RON 8.735/ hour.

Setting base wage under the provided level is considered to be a contravention and it is punished with fines between RON 300 to RON 2,000 for each individual labour agreement not observing the limit of the national minimum gross wage mentioned above.

ORDER 5932 dated 7 December 2016 on classification of IT software development activity (Official Gazette 22/2017)

ORDER 872 dated 1 November 2016 on classification of IT software development activity (Official Gazette 22/2017)

ORDER 2903 dated 23 December 2016 on classification of IT software development activity (Official Gazette 22/2017)



ORDER 2284 dated 14 December 2016 on classification of IT software development activity (Official Gazette 22/2017)

The joint Orders of the Ministry of Communications and Information Society, Ministry of National Education and Scientific Research, Ministry of Labour, Family, Social Protection and Elderly and the Ministry of Public Finance, bring changes to fiscal facilities represented by exemption from tax on income granted to programmers. Changes apply starting the 1st of February 2017.

The main change - elimination of the condition according to which, during the previous year, the employer had to register income obtained from IT software development activity of at least USD 10,000. Therefore, this facility will be granted regardless of income obtained.

The tax exemption is granted to employees of economic operators which carry out their activity on Romanian territory and which have as its object of activity IT software development (NACE codes 5821, 5829, 6201, 6202, 6209), in compliance with several cumulative conditions:

- ☑ job positions for which they are hired correspond to those mentioned in the Order;
- ☑ the job position is part of a specialized IT department, highlighted in the company's organizational chart as follows: computing centre, directorate, department, office, division, compartment, or similar;
- ☑ eligible employees hold diplomas awarded upon graduating from long-term or bachelor studies. These diplomas should be issued by an acknowledged higher-education institution;
- ☑ during the previous financial year, as a result of the activity to develop IT software destined to be sold based on a contract, the employer obtained and distinctively registered annual income in its analytical (detailed) trial balance.

Supporting documents required for tax exemption:

- ☑ Constitutive Act, in the case of companies;
- ☑ employer's Organizational Chart;
- ☑ job description;
- ☑ copy of the employee's education diploma, mentioning in conformity with the original;
- ☑ copy of the individual labour agreement, mentioning in conformity with the original;
- ☑ payroll sheet separately prepared for employees benefiting from exemption from tax on income;
- ☑ internal order, approved by the employer's management;
- ☑ analytical trial balance separately reflecting income obtained from the activity of IT software development.

The file containing supporting documents, will be kept at the employer's headquarters, in order to be presented in case of inspection. In the situation in which the employer keeps supporting documents in electronic format, they will be signed using an extended digital signature, obtained based on a qualification certificate, finalized by an approved supplier of services.

Job positions for which the tax exemption is granted:

- ☑ Database administrator;
- ☑ Analyst;
- ☑ IT engineer;
- ☑ Software engineer;
- ☑ IT project manager;
- ☑ IT programmer;
- ☑ IT developer.

EMERGENCY ORDINANCE 10 dated 27 January 2017 to stimulate creation of new small and medium enterprises (Official Gazette 79/2017)

The Ordinance sets the programme to stimulate creation of new small and medium enterprises, a programme which encourages development of an entrepreneurial spirit – Start-up Nation – Romania. Through this programme the state will grant de minimis aid amounting to a maximum of RON 200,000 per beneficiary, representing 100% from the total amount of eligible expenses, to a maximum of 10,000 small and medium enterpris-



Conditions for exemption from tax on income for IT developers have been simplified



es.

Application norms for the new financing scheme will be elaborated within 30 days by the Ministry for Business Environment, Trade and Entrepreneurship.

According to the Ordinance, companies which will benefit from the Start-up Nation – Romania programme are small and medium enterprises (IMM) which will be created subsequent to the effective date of this Ordinance.

Application norms may introduce additional eligibility conditions and will detail which expenses will be eligible for financing through this scheme.



ORDER 3706 dated 27 December 2016 to approve Registration Procedure for agreements concluded by non-resident employers not having registered headquarters, permanent establishments or representative offices in Romania and which should pay mandatory social contributions for their employees, according to provisions of European legislation applicable to social security domain, as well as registration of other agreements on social security systems to which Romania is part, as well as other procedural aspects (Official Gazette 19/2017)

In the situation where a non-resident employer hires employees from Romania and they carry out their activity on Romanian territory, the employers must pay taxes and social insurance related to those employees to the Romanian State.

As a consequence, non-resident employers should fiscally register in Romania as taxpayers for taxes related to income obtained from salaries and should submit tax returns. Another alternative is for non-resident employers to conclude agreements with Romanian employees, through which they fulfil the declarative role for taxes related to salaries paid by non-resident employers.

The Order approves Registration Procedure of these agreements. Non-resident employers have the obligation to communicate the agreements to ANAF, signed with their employees by sending copies, translated into Romanian by an authorized translator. Employees who fiscally register as taxpayers of taxes related to salaries, will add the copy of the agreement to documents required for fiscal registration. Fiscal registration is carried out at the competent fiscal authority, where the individual has his residence or where he/she lives, if the residence differs from tax domicile. Fiscal registration is performed using one of the following forms:

- form O20, Fiscal registration/mentions return for Romanian or foreign individuals holding a personal numeric code;
- form O30, Fiscal registration/mentions return for individuals not holding a personal numeric code

Individuals declared as taxpayers for taxes and contributions related to salaries should submit form 112, without also submitting form 224, Statement of salary 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.

ORDER 3697 dated 27 December 2016 to approve Procedure of exemption from payment of social health insurance contributions for individuals who do not have the quality of taxpayer to the social health insurance system, as well as template and content of form 603, Affidavit for exemption from payment of social health insurance contribution (Official Gazette 65/2017)

The Order approves Procedure of exemption from payment of social health insurance contributions by individuals who do not have the quality of taxpayer to the social health insurance system.

Also, the Order approves template and content of form 603, Affidavit for exemption from payment of social health insurance contribution.

Individuals holding health or maternity insurance in the social security system of another EU Member State, Economic European Area, Swiss Confederation or in other states with which Romania has concluded bilateral social security agreements with provisions related to health and maternity insurance, based on domestic legislation of those respective states that produce effects on Romanian territory and proving the validity of the insurance, do not owe social health insurance contributions (CASS) for income obtained

Procedure to register agreements between employees and non-resident employers to meet fiscal obligations in Romania is introduced



according to provisions of art. 153 para. (1) and (2) from the Fiscal Code.

The Order's provisions apply to the following categories of persons:

- a) Romanian citizens who have their domicile in Romania;
- b) foreign citizens and stateless individuals who have requested and obtained extension of temporary residence right in Romania or have their domicile in Romania;
- c) citizens of EU Member States, Economic European Area and Swiss Confederation who requested the right to stay in Romania for a period of more than 3 months;
- d) persons from EU, EEA Member States or Swiss Confederation who meet the conditions of trans-border workers and carry out a **salary** or independent activity in Romania and who live in another Member State where they return on a daily basis or at least once a week;
- e) retired individuals insured in the public pension system, who no longer have their domicile in Romania and who establish their residence on the territory of a EU or EEA Member States or Swiss Confederation, or on the territory of states with which Romania has concluded a bilateral social security agreement with provisions related to health and maternity insurance.



In order to be exempted from payment of CASS, individuals belonging to one of the categories mentioned above submits directly or through a representative to the competent tax authority form, 609 Affidavit for exemption from payment of social health insurance contribution, together with supporting documents attesting the fact that they may be included in one of the situations mentioned above. The supporting documents are:

- a) A1 portable document;
- b) TR/R1 – Form on applicable legislation;
- c) PM/RO101 – Certificate on applicable legislation;
- d) MD/RO101 – Certificate on applicable legislation, etc.

ORDER 3737 dated 29 December 2016 to approve Registration Procedure of taxable entities in order to use one of the special regimes for electronic, telecommunication, broadcasting or television services, as well as procedure to declare VAT, according to provisions of art. 314 and art. 315 of the Fiscal Code, in the situation where Romania is a registration Member State (Official Gazette 25/2017)

The Order applies to taxable entities from third party states carrying out telecommunication, broadcasting, television or digital services for European Union clients. Providers of these type of services have the obligation to register under the scope of VAT in one of the Member States, of their own free choice, in order to apply special regime for electronic services.

The Order regulates the procedure applied for registration in Romania.

ORDER 1475 dated 27 December 2016 to approve Norms to complete INTRA-STAT statistical statement (Official Gazette 25/2017)

ORDER 2937 dated 30 December 2016 to repeal Order of the Minister of Public Finance 1870/2004 to approve Instructions to complete payment registration number (Official Gazette 12/2017)

ORDER 94 dated 10 January 2017 to amend and complement Norms to use simplified custom statements and registration in the declarant's record, approved by ANAF Presidential Order 1887/2016 (Official Gazette 35/2017)

ORDER 63 dated 9 January 2017 to approve template and content of certain forms used to collect fiscal receivables, as well as to amend ANAF Presidential Order 3454/2016 to approve Procedure of enforcement in the case of debtors collecting certain, liquid and chargeable amounts from authorities and public institutions (Official Gazette 32/2017)

The Order approves templates and printing characteristics, distribution, usage and storage modality for several forms used by ANAF in the activity of fiscal receivables collection.

Procedure for exemption from CASS payment of individuals who are already insured in other states is introduced



LAW 1 dated 6 January 2017 to exclude certain taxes, as well as to amend and complement certain normative acts (Official Gazette 15/2017)

Starting the 1st of February 2017, a series of taxes are repealed, such as:

- Taxes charged by the Trade Register to register and for registration of mentions, as well as other operations that are listed in the trade register;
- RADIO-TV tax;
- Tax for issuance of criminal record;
- Environmental stamp for vehicles;
- Tax for issuance of fiscal record.



ORDER 3731 dated 29 December 2016 to approve frame-template of collaboration protocol regarding exchange of information between ANAF and non-banking financial institutions (Official Gazette 17/2017)

In order to carry out exchange of information between ANAF and non-banking financial institutions registered with the NBR (National Bank of Romania) General Register and Special Register, the Order approves the frame-template of collaboration protocol. In order to be approved, every non-banking financial institution will submit an application for accepting the conclusion of the collaboration protocol, according to template provided in appendix 2 of the current Order.

ORDER 112 dated 11 January 2017 to establish capacity/competence to assume ownership and value goods entering private property of the state, according to law, and competent authorities to carry out procedures to value those goods (Official Gazette 70/2017)

ORDER 81 dated 9 January 2017 to approve Technical Norms to authorise use of special seals within Community/common transit regime (Official Gazette 67/2017)

INFO – INFORMATIVE STATEMENTS 392A, 392B and 393

Given the amendments brought to the Fiscal Code starting the 1st of January 2017, the submission, of informative statements 392A, 392 B and 393 is postponed by the 31st of December 2019. We recall the fact that the submission deadline was the 25th of February of the year following the reporting one.

REMINDER – Loss of more than half of share capital

As per provisions of Law 31/1990 regarding commercial companies, republished with its further amendments, if it is found that more than half of net assets have been lost, the share capital must be reconstituted or reduced before any appropriation.

When Directors (Administratori) find that further to losses enacted in the annual financial statements, net assets, calculated as the difference between total assets and total liabilities of the company have decreased up to at least 50% of subscribed share capital, they must convene an extraordinary general meeting to decide whether the company must be dissolved. If the general meeting does not result in a decision to dissolve the company, the company must, by the end of the financial year following the year when the loss has been disclosed, reduce share capital by an amount at least equal to the losses which could not be covered by reserves; unless company net assets had been reconstituted at that time up to an amount equal to at least half of share capital.

REMINDER – Do not forget to request tax residence certificates issued in 2017 from your foreign business partners

Tax residence certificates issued in 2016 are valid for the first 60 days of 2017.

REMINDER – Valuation of monetary items in foreign currency

The January closing NBR exchange rates to use for valuation of monetary items (cash on hand, receivables, payables) denominated in foreign currency, as well as receivables and payables denominated in RON but pegged to a foreign currency for collection/disbursement are:

1 EUR = 4.5038 RON; 1 CHF = 4.2267 RON; 1 GBP = 5.2324 RON; 1 USD = 4.2072 RON.

Informative statements 392A, 392B and 393 suspended by the 31.12.2019



FEBRUARY 2017 – AGENDA

Every day - do not forget

- To complete the petty cash register (or print electronic version)
- To complete the purchase ledger and sales ledger
- To update electronic employee registers with information regarding labour contract inception/amendment or termination, if any

At month end - do not forget

- To complete the journal ledger
- To register contracts concluded during the month for services rendered by non-residents with tax authorities as per article 8 point 8 of the Fiscal Code
- To revalue monetary assets and liabilities in foreign currency (cash on hand, assets, liabilities) at the NBR exchange rate in force on the last banking day of the month
- To organise a stock count of inventories if the enterprise does not use a perpetual inventory system
- To issue final invoices for the current month.

To comply with requirements regarding VAT

- Mention the registration code under the scope of VAT on documents for EU business partners
- Check validity of registration code under the scope of VAT mentioned on invoices received
- Check amount of VAT disclosed on invoices received
- Check references related to VAT (e.g.: “reverse charge,” “operation not subject to VAT,” etc...)
- On invoices, write VAT amount received in case of reverse charge
- Maintain ledger of goods received
- Maintain ledger of non-transfer of goods
- Maintain non-current assets ledger
- Mention which exchange rate will prevail (NBR, commercial bank or Central European Bank) in contracts with foreign partners

DO NOT FORGET to establish the numbers which will be used during this financial year for invoices, petty cash receipts, delivery notes and other accounting documents at the very beginning of 2017 by internal resolution.

During the month - do not forget that within:

- 15 days** from the date when an individual ceases to obtain income, prepare form 604 (Declaration of registration of individuals who have no income and for setting the payment liabilities for the health insurance contribution)
- 30 days** from the date of incorporation/date of issuance of authorization/date of commencement of activity/date of incurring of the first income/date of obtaining the status of employer, as appropriate, or 15 days from the date of subsequent modification of data initially declared, there is the obligation to submit the following:
 - o 010 - Tax Registration Statement for legal persons, associations and other entities without legal personality
 - o 020 - Tax Registration Statement for Romanian and foreign individuals with a personal identification code (tax code)
 - o 070 - Tax Registration Statement for individuals who carry out economic activities independently or as freelancers.

Tuesday 7 February is the last day to submit

- Form 092 (amendments) to change VAT return periods from Quarterly to Monthly in case an EU acquisition of goods occurred in January 2017. Starting January 2017, VAT returns shall be submitted monthly.

Friday 10 February is the last day to submit

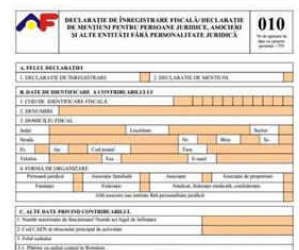
- Return for mentions (amendments) or deregistration under the scope of VAT in case of entities registered under the scope of VAT who, during the previous year, do not exceed the exemption threshold (**form 096**).

Friday 10 February is the last day to pay

- Advertising service tax



**Do not forget
to ask your
foreign partners
the tax residency
certificate for
2017**





**27 February –
submission deadline
for corporate tax
return for NGO's
and those obtaining
income from
cereal crops**



Wednesday 15 February is the last day to submit

- INTRASTAT statement for January 2017 (standard or extended submitted on-line)

Monday 27 February is the last day to submit

- State budget liability return (**form 100**)*
- Return regarding social contributions, income tax and nominative list of insured persons (**form 112**)*
- VAT return (**form 300**)*
- Special VAT return for VAT non payers (**form 301**)*
- Tax on profit return (**form 101**)* for:
 - o Non-profit organisations;
 - o taxpayers deriving most of their income from the cultivation of cereal, technical plants, tree husbandry and viticulture.
- Recapitulative statement of EU Supply/acquisition/services (**form 390**)* for January 2016
- Statement of salary 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 (excluding "ecotax")
- Application for use of half year or calendar year as fiscal period for the current year with respect to VAT (**form 306**)
- Return regarding the amounts resulting from VAT adjustment (**form 307**);
- VAT return for taxable entities whose registration code under the scope of VAT is cancelled (**form 311**).

Monday 27 February is the last day to pay

- Excise taxes
- VAT
- Liabilities to the sole account – **State Budget**
 - o Tax on crude oil and natural gas from domestic production
 - o Withholding tax on non-resident income
 - o **Tax on profit pertaining to Quarter IV 2016 for taxpayers who must submit annual profit tax return (form 101) on or before 25 February 2017.**
 - o Income tax on salary (separate bank transfer for headquarters and each secondary establishment)
 - o Tax on income from independent activities, withheld at source
 - o Tax on dividends paid in January 2017
 - o Tax on interest income
 - o Tax on investment income
 - o Tax on pension income
 - o Tax on income from prizes and gambling
 - o Tax on income from other sources
 - o Contribution for non-employment of disabled persons for employers with head-count over 50
- Liabilities to the sole account – **Public Insurance Budget and special funds**
 - o Social security contribution (pension)
 - o Health insurance contribution
 - o Medical leave contribution and health insurance allowance
 - o Unemployment contribution
 - o Contribution to fund to guarantee payment of salary liabilities
 - o Contribution to work accident and occupational disease fund
- Contribution to Environment Fund ("ecotax" excluded);
- Quarterly contribution for medication pertaining to Quarter IV 2016.

Tuesday 28 February is the last day to submit:

- Informative Statement on domestic supply/services rendered and acquisitions regarding January 2017 (**form 394**)*
- Annual informative return on income tax withheld from income and realized gains/losses, by income beneficiary, during 2016 (**new form 205**)* – it does not include information on the salary income tax previously reported through fiscal forms
- Annual informative return on income tax withheld and transferred between income/

exempted income, by non-resident income beneficiary, during year 2016 (**new form 207**)*

- Informative statement of interest income from bank savings accounts obtained in Romania by individuals resident in other EU Member States, dependent or associated territories or any other country (OMEF 564/2007) – **form 400***
- Informative statement on income (including remuneration of managers or other persons in similar positions) obtained by residents of other European Union Member States in Romania (**form 402**)*
- Informative statement on life insurance products contracted by residents of other European Union Member States in Romania (**form 403**)*
- Annual return for taxation of Representative Offices.

Wednesday 1 March is the last day

- of validity of 2016 tax residence certificate based on which payments can be made to non-residents in 2017 as per provisions of the Treaty to avoid double taxation signed between Romanian and the respective State.

IMPORTANT

All forms mentioned above as well as guidance on their preparation may be downloaded from the Ministry of Public Finance website: www.mfinante.ro. Tax returns noted with an asterisk (*) may be submitted by remote means of electronic transmission by large and medium taxpayers as well as by taxpayers which have opted to file their returns online and which hold a digital certificate.

KEY HR FIGURES

2017 Contributions	Employer and Beneficiary of activities considered dependent activities (% rate)	Employee and provider of dependent activities (% rate)
Social security contribution (pension) <i>See note 1</i>	15.8% for normal working conditions 20.8% for particular working conditions 25.8% for special working conditions	10.5%
Health insurance fund (based on gross salary) <i>See note 2</i>	5.2%	5.5%
Medical leave contribution and health insurance allowance (based on gross salary)	0.85%	
Unemployment fund (based on gross salary)	0.5%	0.5%
Work accident and occupational disease fund (based on gross salary) ²	0.15% - 0.85% depending on CAEN code for main activity	
Contribution to fund to guarantee payment of salary liabilities (based on gross salary) ³	0.25% (only for employees under labour contract included for retired persons)	
Salary tax		16%
Contribution for non-employment of disabled persons (for employers with more than 50 employees)	4 x 50% minimum gross salary for every 100 employees	
Minimum monthly gross salary	RON 1250 (until 1 February 2017) RON 1450 (starting 1 February 2017)	
Luncheon voucher	up to maximum RON 15.00	
Per diem (in Romania) Employees in the public sector Employees in the private sector (x 2.5)	RON 17.00 RON 42.50	

Note 1: Basis for calculating social insurance contribution (CAS) is no longer capped after February 1, 2017 (applicable for both employer and employee contribution)

Note 2: Basis for calculating health insurance contribution (CASS) has been capped for the period 1 to 31 January 2017. As of February 1, 2017 capping the tax base is repealed returning to the regime applicable in 2016.

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Our Mission:
Adding Value to Client's Business

APEX Team includes qualified professionals able to provide a full range of accounting and payroll services. Our consultants are ready to share their knowledge and experience gained whilst working in Romania as consultants for one of the Big 4 international companies, having many international companies acting in a wide range of industries as clients.

The team includes chartered accountants (Romanian Chartered Accountants Body and also ACCA) specialised in accounting for business entities, as well as a group specialised in payroll administration on behalf of the client.

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

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