

TAX ALERT



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Further Amendments to Laws

Law No.167 of 14 July 2010, approving of Government Emergency Ordinance No.15/2010 which amends Art.13 (2) of Government Emergency Ordinance No.196/2005, regarding the Environmental Fund, with respect to

- the structure, organisation and functioning of the Environmental Fund Administration
- due contributions to and sources of finance for the Environmental Fund.

Orders of the relevant bodies of the Central Public Administration and the National Health Insurance Agency, referring to:

- approval of the methodology for controlling the release of sick leave certificates
- approval of Decision No. 1 / 2010 of the Central Tax Commission
- determination of the monthly indexation value of crèche tickets in the second half of 2010
- Appendix No. 1 to Order No. 2101 / 2010 of the President of the National Tax Administration Agency, approving of the procedure for the organisation and functioning of the Register of Intra-Community Operators, as well as of the model and content of various forms
- Appendix No.1 to Order No. 101 / 2008 of the President of the National Tax Administration Agency, approving of the model and content of self assessment forms for the declaration of taxes and contributions, and of withholding tax forms
- approval of the Procedure for request and issuance of the certificate regarding the space meant for company registered office, as well as for the registration of the document attesting to the right to use such space, and approval of the model and content of related forms.

Press Release of the Ministry of Public Finance, regarding the documents required for the registration of taxpayers in the Register of Intra-Community Operators.

Further Amendments to Laws

Monitorul Oficial al Romaniei No. 504 / 20 July 2010 has published Law No. 167 / 14 July 2010, approving of Government Emergency Ordinance No. 15 / 2010 which amends Art. 13(2) of Government Emergency Ordinance No. 196 / 2005, regarding the Environmental Fund.

- ▶ Pursuant to the amendments brought by this Law, the Environmental Fund Administration is assigned further task whereby it should prepare guidebooks on the financing of environmental projects and programmes from the Environmental Fund.
- ▶ Several amendments refer to the organisation, functioning and management of the Environmental Fund Administration.
- ▶ The exception related to medicines, included in the contribution of 2% of the value of substances classified under legislative acts as being dangerous for the environment, is abrogated.
- ▶ The 1% fee charged on the revenues obtained from the sale of timber by forest managers or owners has increased to 2%. An exception from this new charge is made by the income achieved from the sale of firewood, ornamental shrubs, Christmas trees, osiers and saplings.
- ▶ The fee due by economic operators that introduce new and/or used tyres into the national market has increased from RON 1/Kg to RON 2/Kg. Such fee shall be paid for the difference between the tyre quantities corresponding to the annual management obligations and the effectively managed quantities.
- ▶ The ecotax on bags and shopping bags/sacks made of materials obtained from non-renewable resources has been cut down to RON 0.1/piece. In addition, the ecotax shall be declared and paid quarterly until the 25th of the month following the quarterly report.
- ▶ A tax amounting to RON 2/l is introduced, which is applied to the oils referred to under Government Resolution No.235/2007, regarding the management of used oils. Such tax becomes effective as of 1 January 2011, being charged on the difference between the quantities corresponding to the annual management obligations and the effectively managed quantities of used oils.
- ▶ Provisions are introduced with regard to the warranty granted by the producers of electrical and electronic equipment as per Government Resolution No.448/2005.
- ▶ Economic operators that are authorised to recover packaging waste have the obligation to quarterly declare the stage in the performance of contracts concluded with economic operators introducing packaging or packaged goods into the market.
- ▶ Two appendices are attached to the above-referenced Law, regarding the minimum targets for the recovery or cremation of packaging, recovery of energy and recycling of every packaging type in 2011 and early 2012, as well as the phasing-out of annual obligations in respect to used oil management.

Monitorul Oficial al Romaniei No. 512 / 22 July 2010 has published Order No. 2007 / 19 July 2010 approving of Decision No. 1 / 2010 of the Central Tax Commission.

With a view to unitarily interpreting Art.42 (b) of Law No.571/2003, regarding the Tax Code, as amended and supplemented, salary income and the adjustments made thereto through the application of the inflation index, irrespective of the manner in which such salary-related rights have been granted, either adjusted or in the form of indemnities, shall be subject to the income tax, as well as to the applicable rates contributed to the social security fund, unemployment fund and healthcare fund.

Monitorul Oficial al Romaniei No. 512 / 22 July 2010 has also published Order No. 627 approving the methodology for controlling the release of sick leave certificates under Government Emergency Ordinance No. 158 / 2005, regarding sick leaves and social security benefits.

The approved methodology establishes the manner in which medical certificates should be released and how such document may be contested, just as the documents which should be provided to health inspectors by the physician issuing the certificate.

Monitorul Oficial al Romaniei No. 516 / 23 July 2010 has published Order No. 566 / 12 July 2010, regarding the determination of the monthly indexation value of crèche tickets in the second half of 2010.

Starting August 2010, the monthly indexation value of crèche tickets has been set at RON 370.

Monitorul Oficial al Romaniei No. 527 / 23 July 2010 has published Order No. 2221 amending Appendix No. 1 to Order No. 2101 / 2010 of the President of the National Tax Administration Agency, approving of the procedure for the organisation and functioning of the Register of Intra-Community Operators, as well as of the model and content of various forms. The amendments refer to taxpayers' obligations subject to the mentions contained in the Criminal Record Certificate.

The Website of the Ministry of Public Finance contains a Press Release dated 28 July 2010, regarding the documents required for the registration of taxpayers in the Register of Intra-Community Operators.

To expedite the requests of intra-Community operators for their filing in the Register of Intra-Community Operators, which becomes effective as of 1 August 2010, the Ministry of Public Finance points to the content of the Methodological Norms with regard to the persons that have to provide their Criminal Record Certificate.

The Methodological Norms for the Application of Law No. 571 / 2003, regarding the Tax Code, approved under Government Resolution No. 44 / 2004 on VAT and excise taxes, have been approved during Executive's meeting on 23 July 2010.

Monitorul Oficial al Romaniei No. 538 / 2 August 2010 has published Order 2.238 / 2010 which amends and supplements Order No. 101 / 2008 of the President of the National Tax Administration Agency, approving of the model and content of self assessment forms for the declaration of taxes and contributions, and of withholding tax forms, issued by the National Tax Administration Agency (ANAF).

This Order amends and supplements Appendix No. 1 headlined "Declaration on Payment Obligations to the State Treasury" and Appendix No. 8 containing the Instructions for filling out Form 100 to Order No. 101 / 2008, specifying and approving alike the procedure, model, content and instructions related to such amendments.

This Order enters into force concurrently with the declaration of the payment obligations set for 25 August 2010.

Monitorul Oficial al Romaniei No. 443 / 1 July 2010 has published Order 2.112 / 2010 of ANAF President, approving of the Procedure for request and issuance of the certificate regarding the space meant for company registered office, as well as for the registration of the document attesting to the right to use such space, and of the model and content of related forms.

The Order approves the following:

- ▶ Procedure for request and issuance of the certificate regarding the space meant for company registered office, as well as for the registration of the document attesting to the right to use such space;
- ▶ Model and content of related forms:
 - "Application for the filing of the document attesting to the right to use the space meant for company registered office and the release of the certificate regarding such space;"
 - "Certificate of registration of the document attesting to the right to use the space meant for company registered office;"
 - "Certificate of the space meant for company registered office."

The Application must be filed with the relevant tax authority. The term for the handling of the Application is five (5) working days of its registration date when the required documentation should also be submitted.

Monitorul Oficial al Romaniei No. 534 / 30 July 2010 has published Government Resolution No. 768 / 23 July 2010 amending and supplementing the Methodological Norms for the Application of Law No. 571 / 2003, regarding the Tax Code, approved under Government Resolution No. 44 / 2004.

The main amendments refer to the following:

Title VI – The Value Added Tax:

- ▶ Point 16¹ has been amended and supplemented by examples referring to the date on which the VAT applicable to the supply of goods and the provision of services becomes due and payable, as well as to the manner in which such VAT is calculated and adjusted subject to the applicable rate (19% before 1 July 2010 and 24% after this date);
- ▶ The provisions and examples that were referring to 19% VAT rate are updated;
- ▶ Point 23¹ has been introduced containing provisions and examples related to the amended VAT rates applicable to various supplies, deliveries and other operations;
- ▶ The persons who have been authorised to train the civil air navigation personnel as per Law No. 223 / 2007 may apply the tax exemptions provided under Art.141 (1) (f);
- ▶ New provisions have been introduced in relation to the invoices issued for partial or full payments made in advance, which should be adjusted in accordance with the newly applicable VAT rate;
- ▶ Methodological Norms are provided with reference to the Register of Intra-Community Operators.

Title VII – Excise Duties and Other Special Taxes

- ▶ The charged excise duties are defined as taxes determined and entered into the taxpayer's accounting records, which are to be paid to the State Treasury;
- ▶ New provisions are introduced with regard to the documents which should be submitted together with the request for the classification of energy products from the point of view of excise duties;

- ▶▶ Clearer information is provided in respect to the registration of the operators that are authorised to work in the natural gas, electric power and coal extraction industries;
- ▶▶ Clarifications are made in matters related to the manufacture and transformation of excisable products, operations which should be performed in a tax warehouse;
- ▶▶ The rules referring to tax warehouses and their operators, guarantees and markings are restated.

Monitorul Oficial al Romaniei No. 539 / 3 August 2010 has published Order No. 2245 / 2010 of ANAF President, approving of the model and content of Form (300) - "Value Added Tax Return".

This Order updates the VAT Return (300) and the instructions for filling it out.

Tax Alert contains a selection of the latest major issues occurred in the Romanian legislative framework, is intended only to provide information and, hence, shall not be deemed to provide professional advice or consultancy.

Therefore, we assume no responsibility in this respect.

Should you require any information related to the foregoing, please do not hesitate to contact us.

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