

TAX ALERT



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Criteria for conditioning the registration for VAT purposes

The **Order of the Ministry of Public Finance no. 1984 / 11.05.2011 on establishing the criteria for conditioning the registration for VAT purposes (“OMPF 1984/2011”)** has been published in *Monitorul Oficial* no. 361 / 24.05.2011.

Through OMPF 1984/2011, the Ministry of Public Finance conditions the registration for VAT purposes of the trading companies set up based on the Law 31/1990 on trading companies. The Order addresses to taxable persons that request the registration for VAT purposes based on art. 153, line (1), let. a) and c) of the Fiscal Code, respectively:

- ▶▶ taxable persons that at the beginning of the activity state that they will accomplish a turnover equal or higher than the exemption threshold provided for small enterprises;
- ▶▶ taxable persons that at the beginning of the activity state that they will accomplish a turnover lower than the exemption threshold provided for small enterprises, but choose the normal taxation;
- ▶▶ taxable persons that during the year accomplish a turnover lower than the exemption threshold provided for small enterprises, but choose the normal taxation.

The order presents, among others, the following information:

- ▶▶ registration procedure
- ▶▶ content of the documentation to be submitted by the applicants
- ▶▶ assessment criteria and score granting instructions, based on which the application for registration for VAT purposes is accepted or rejected.

We also inform you that the decision of approving or rejecting the registration for VAT purposes according to the provisions of this Order shall be issued within **15 working days** as of the date of submitting the documentation by the applicant.

Applying the simplification measures for cereals and industrial plants

The **Emergency Ordinance 49/2011 for the amendment and supplementing of Law no. 571/2003 on the Fiscal Code and other financial-fiscal provisions** has been published in *Monitorul Oficial* no. 381 / 31.05.2011.

The Ordinance provides the obligation of applying the reverse charge taxation regime for cereals and industrial plants, as defined in the Council Regulation no. 2658 of July 23rd 1987, on the tariff nomenclature and statistics and the common customs tariff, starting with May 31st 2011.

The provisions apply until May 31st 2013 inclusively.

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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