

TAX ALERT



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NEW AMENDMENTS TO THE TAX LEGISLATION



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Monitorul Oficial al României Part I, No. 754 / 26 October 2011, has published **Order No. 3.347 / 20 October 2011 of the President of the National Tax Administration Agency, which approves the procedures for the application of Art. 78¹ (1) (a) of the Tax Procedure Code, as well as the model and content of specific forms.**

The Order approves the following procedures, as well as the model and content of the forms required for the application of such procedures:

▶▶ *Procedure for the declaration of inactive taxpayers*

The Order specifies the conditions under which a taxpayer is included in the list of taxpayers that are declared inactive. The procedure also refers to the terms on which it should be applied and the course of declaration of inactive taxpayers.

The procedure also contains exemptions from the application of such provisions.

Registration for VAT purposes is annulled *ex officio* starting the 1st of the month following the communication of the decision regarding the declaration of inactivity.

▶▶ *Procedure for the reactivation of inactive taxpayers*

The Order makes specific mention of the conditions which should be met by the taxpayers that have been declared inactive in order to be reactivated.

A taxpayer will be deemed reactivated from the date on which it receives the decision on reactivation.

The Order also details the course which should be followed for the reactivation of said taxpayers.

▶▶ *Procedure for the correction of material errors*

This procedure is applicable *ex officio* by the relevant tax authority or upon the written request forwarded to the tax authority by the legal representative of the taxpayer that has been declared inactive.

The Order details the procedural steps which should be taken by the taxpayer and the tax authority toward reactivating the taxpayers that have been declared inactive by error.

▶▶ *Procedure for the exclusion of deregistered taxpayers from the list of the taxpayers declared inactive* is referred to in detail in respect to the internal circulation of documents.

▶▶ Several pieces of information are supplied with reference to the registration structure of the taxpayers that have been declared inactive or reactivated in the Register of inactive / reactivated taxpayers.



Monitorul Oficial al Romaniei No.761 / 28 October 2011 has published **Order No. 2.706/25 October 2011 of the Minister of Public Finance**, which amends Finance Minister's Order No. 262 / 2007, **approving taxpayers' tax registration forms, as subsequently amended and supplemented.**

The Order introduces a new category of declarative tax obligations specified by Art.4¹ (o) in respect to the contribution for financing healthcare expenses. The Order contains new instructions for filling in the aforesaid document and amends Forms 010, *i.e.* Tax Registration Statement / Declaration of Amendments relating to legal entities, associations and other entities without legal personality, and 070, *i.e.* Tax Registration Statement / Declaration of Amendments in respect to natural entities independently carrying on economic activities or being freelancers.

When this Order comes into full force and effect, any provision running counter thereto shall be abrogated.



Official Journal of the European Union C 134 / 22.05.2011 has published the **decision of the European Court of Justice on case C-93/10 Finanzamt Essen-NordOst v. GFKL Financial Services AG.**

The European Court of Justice (ECJ) rendered its decision on case C-93/10 Finanzamt Essen-NordOst v. GFKL Financial Services AG which referred to the assignment / sale of defaulted debts at a price below their face value. ECJ resolved that the difference between the face value of the defaulted debts and their selling price represented the actual value of said debts rather than a consideration (*i.e.* payment) for service and, consequently, the difference in value might not be assimilated to service supply within the VAT scope.



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.

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