NEWSLETTER

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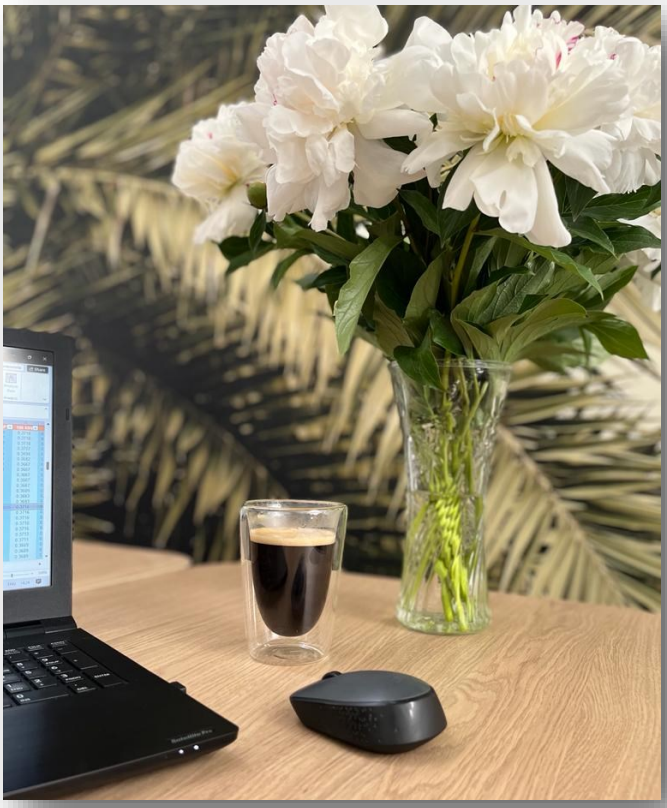

Top News:

- Sports subscriptions become non-taxable salary benefits within the ceiling of 400 euros/year/ employee
- The delivery and installation of photovoltaic panels and solar thermal panels to homes is subject to the reduced VAT rate of 5%
- New asset classes are subject to reinvested profit facilities
- Accounting information and documents must be kept for a minimum period of 5 years
- Important changes to accounting regulations
- Our monthly tax update programme - Tax Group - keeps your accounting team updated with the latest news and information - more details on www.taxgroup.ro

Summary

→ A new type of salary benefit regulated by the Fiscal Code – subscriptions to use sports facilities to practice sports and physical education for wellbeing (Law 34/2023)
→ Reduced 5% VAT rate for supply of goods and provision of services (Law 39/2023)
→ Reduced 9% VAT rate for categories of goods and services in agricultural sector (Order 4634/397/2022)
→ Consumer price index used to set prepayments of 2023 corporate tax (Order 626/2023)
→ New categories of assets subject to tax exemption facility for reinvested profit starting January 1st, 2023 (Order 4636/2022)
→ New regulations on period of time to retain accounting data (Law 36/2023)
→ Important amendments to accounting regulations (Order 4291/2022)
→ Preparation and submission of annual financial statements and accounting reports as of the 31st of December 2022 (Order 4268/2022)
→ New obligations on document archiving and additional requirements when a company enters insolvency, bankruptcy or liquidation proceedings (Law 26/2023)

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- Updated list of deeds for which information is registered in the fiscal record of taxpayers (Decision 1568/2022)
- Criminal record may be issued in digital form (Law 3/2023)
- Other legislative news
- Closing exchange rates for January 2023
- Social indicators

Law 34/2023 to amend and complement Law 227/2015 on the Fiscal Code (Official Gazette 36/2023)

Summary

The Law brings amendments and complements to the Fiscal Code, introducing a new type of salary benefit, with favourable tax treatment, that employers may offer to employees: subscriptions to use sports facilities to practice sports and physical education for wellbeing.

Details

Starting with income related to February 2023, no income tax or social contributions will be due, up to the equivalent in RON of EUR 400 per year/employee, for the value of:

- subscriptions to use sports facilities to practice sports and physical education for wellbeing, offered by suppliers whose activities are classified under NACE codes 9311, 9312 or 9313;
- subscriptions, offered by the same provider acting in its own name or as an intermediary, which include both medical services and the right to use sports facilities, in order to practice sports and physical education for wellbeing;

Only if these expenses are borne by employers for their own employees.

Application of the facility is conditioned by being included, together with other benefits provided by the Fiscal Code, within the monthly ceiling of 33% of employee base salary.

If the value of subscriptions is borne by employees, for the determination of taxable salary income, this amount will be deducted from gross income within the annual limit of the equivalent in RON of EUR 400. The subscription may cover services provided to the employee and/or any dependent.

A similar tax facility is introduced for people who earn income from independent activities. Thus, when determining annual net income, using the real system, individuals carrying out independent activities will be able to deduct expenses related to subscriptions to use sports facilities for personal purposes, regardless of whether the activity is carried out individually or under an association, within the annual limit of the equivalent in RON of EUR 400 for each person.

Law 39/2023 to complement art. 291 para. (3) of Law 227/2015 on the Fiscal Code (Official Gazette 40/2023)

Summary

The Law complements art. 291 of the Fiscal Code, by introducing a new, reduced VAT rate of 5% for the supply of goods and provision of services.

Details

The reduced 5% VAT rate applies to supply and installation of photovoltaic panels, solar thermal panels, high-efficiency low-emission heating systems that fall within the reference values for PM emissions, including installation kits, components and complete solutions, **intended for residences, central or local public administration buildings and buildings of entities under their coordination/subordination.**

The reduced 5% VAT rate **does not apply** in the case of deliveries and installations of photovoltaic panels, solar thermal panels, heating systems, meaning installation kits, components and complete solutions, **intended for commercial companies**.

Order 4634/397/2022 to apply the reduced 9% VAT rate for supply of fertilizer and pesticides normally used in agricultural production, seeds and other agricultural products intended for sowing or planting, as well as for provision of services normally performed in agricultural production (Official Gazette 1282/2022)

Summary

The Order establishes the categories of goods and provision of services within the agricultural sector for which the reduced 9% VAT rate applies.

Details

As a reminder, the reduced 9% VAT rate is applied in the agricultural sector for:

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- → delivery of fertilizer and pesticides, those normally used in agricultural production, other than those provided for in letter l) of the Fiscal Code, seed and other agricultural products intended for sowing or planting, as well as provision of services normally performed for agricultural production, provided for by joint order of the Minister of Finance and the Minister of Agriculture and Rural Development;
- → delivery of chemical fertilizers and chemical pesticides, the type that are normally used in agricultural production, provided by joint order of the Minister of Finance and the Minister of Agriculture and Rural Development.

Order 626/2023 on consumer price index used to update prepayments to the annual corporate tax account (Official Gazette 62/2023)

For the fiscal year 2023, the consumer price index used to update prepayments of 2023 corporate tax on account is 109.6%.

As a reminder, this index is used to update corporate tax owed for 2023 by those applying the advance payment regime.

Order 4636/2022 on assets used in production and processing activity, and assets representing re-tech for which tax exemption for reinvested profit is applied, according to art. 22 of Law 227/2015 on the Fiscal Code (Official Gazette 1275/2022)

Summary

From January 1st, 2023, tax facilities on reinvested profit are extended to new categories of assets, more precisely those used in the production and processing activity; that is, those representing re-tech. The Order details the types of assets covered by this extension.

Details

Starting January 1st, 2023, assets used in the production and processing activity and assets representing re-tech for which the tax exemption for reinvested profit is applied, according to art. 22 of the Fiscal Code, are those provided in the following subgroups and classes in the Catalogue on classification and standard operation periods of fixed assets:

a) class 1.1.1 *Industrial buildings*;

b) class 1.1.2. *Light construction with metal structures (production halls, assembly halls etc.)*;

c) class 1.1.3. *Hydroelectric plants, substations and transformer points, connection stations;*

d) class 1.1.4. *Thermoelectric and nuclear-electric plants*;

e) class 1.2.1. *Agro-zootechnical buildings*;

f) class 1.2.2. *Light agricultural construction (barracks, warehouses, sheds, cabins)*;

g) class 1.2.3. *Deposits of mineral or natural fertilizers (composting buildings)*;

h) class 1.2.4. *Feed silos*;

i) class 1.2.5. *Grain storage silos*;

j) class 1.2.7. *Animal and bird husbandry, paddocks*;

k) class 1.2.8. *Hedgerows, ponds, pools; locks and elevators; dams; gutters, etc. for fisheries*;

l) class 1.2.9. *Arable terraces, orchards and vineyards*;

m) class 1.2.10 *Greenhouses, solariums, nurseries and mushroom farms*;

n) subgroup 2.2. *Devices and installations for measurement, control and regulation*;

o) subgroup 2.4. *Animals and plants*.

Law 36/2023 to amend Accounting Law 82/1991, as well as GEO 28/1999 on obligation of economic operators to use fiscal electronic cash registers (AMEF) (Official Gazette 36/2023)

Summary

The Law amends two normative acts, the Accounting Law and the Ordinance regulating fiscal electronic cash registers. The amendments refer to the period for which data processed by accounting software and AMEF fiscal memory are kept.

Details

Amendments brought to Accounting Law 82/1991

- → Entities provided by art. 1 of the Accounting Law 82/1991 which use IT systems for automatic data processing have the obligation to keep data recorded in the accounting, on technical support, for a period of five years.

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- Mandatory accounting ledgers and supporting documents based on which the financial accounting records are prepared, as well as payroll sheets, will also be kept for a period of five years.
- The five-year period is calculated from July 1st of the year following the end of the financial year when they were prepared.

Amendments brought to AMEF regulations (GEO 28/1999)

The general definition of fiscal memory is changed, mentioning that accounting data processed with IT systems should be kept for a period of five years.

The special ledger and daily closing fiscal report, documents requested by the fiscal authorities to verify revenue that is the basis of determining taxes due to the state budget, will be kept by economic operators for five years. The 5-year period is calculated from July 1st of the year following the end of the financial year when financial statements were issued.

When fiscal memory is full or is replaced as a result of damage or it can no longer be used for various reasons, as well as when the economic operators cease their activity, they should keep the fiscal memory for a period of five years, calculated from July 1st of the year following the end of the financial year when they were prepared.

Order 4291/2022 to regulate certain accounting procedures

Summary

The Order aims to amend several accounting regulations of OMPF 1802/2014 (general regulations), OMPF 2844/2016 (IFRS) and OMPF 3103/2017 (NGO).

Most amendments refer to OMPF 1802/2014 and they have been presented from the draft available to the public, in our November 2022 Newsletter.

Details

Interruption of capitalisation of borrowing costs in the case of assets with a long manufacturing cycle

Borrowing costs will not be capitalised throughout extended periods when economic operators are not actually working to build an asset with a long manufacturing cycle.

During extended periods when the activities necessary to prepare an asset for use or sale are interrupted, economic operators may bear the costs of borrowing.

During periods when significant technical and administrative work is being carried out or when a temporary delay is a necessary part of the process to prepare an asset for use or sale, economic operators will capitalize the costs of borrowing.

The provisions apply starting with annual financial statements related to 2022, if the effect of the change in the accounting policy may be established by the date when those annual financial statements are authorized for issuance. Otherwise, the provisions apply to borrowing costs borne by economic operators in relation to loans contracted subsequent to January 1st, 2023.

Costs related to construction of a tangible asset, directly attributable to it

Additional information is introduced in relation to construction of a tangible asset, directly attributable to it, more precisely the expenses related to design and obtaining authorizations.

Thus, contracting services prior to obtaining construction authorization of tangible assets, but not followed by expenditure, **is insufficient in order to have it recognized in the cost of the related asset.**

Advance payments from customers

If a customer pays an amount prior to the transfer a good or service performed by the entity to the customer, the entity records a **debt** related to the contract when the payment is made. This represents the obligation of the entity to transfer goods or perform services, for which it has already received payment, to the customer

When cashing a payment from a customer in advance, the entity recognizes a debt related to the contract (account 419, "Customers - creditors") amounting to the value of the payment in advance for its obligation to transfer or be prepared to transfer goods or services in the future. **The entity eliminates from its records that debt and recognizes the revenue/income when it transfers those goods or services and thereby fulfils its contractual obligation.**

An entity may sometimes charge the customer a **non-refundable advance payment** when the contract enters into force or near that date (e.g., activation fees for telecommunications contracts, set-up fees for certain service contracts and initial fees for some supply contracts). **In this situation, the entity should determine whether the advance payment received refers to provision of service**. If it represents a payment in advance for future services (amount recognized in account 472, "Deferred income"), it will be recognized as income when those future services are provided. If the advance payment does not refer to future services, the amount collected from the customer

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is recognized as income for the respective period.

Interim dividends

For dividends that are distributed quarterly, accounting regulations in force only provide how they are registered in accounting records by entities distributing dividends, not by entities receiving them. The proposal is for entities that **receive** interim dividends to recognize them as a liability (debit account 461, "Sundry Debtors"/analytically distinct = credit account 467, "Debts related to distribution of interim dividends").

The settlement of amounts is made between dividends due based on annual financial statements of the entity that has chosen, according to law, to distribute dividends throughout the financial year (debit account 467, "Debts related to distribution of interim dividends" = credit 461, "Sundry Debtors"/analytically distinct).

Acting in own name or as an intermediary – recognition of income

Examples of indicators that an entity acts in its own name or as an intermediary are introduced, thus determining how income is recognised:

- The economic operator is primarily responsible for fulfilling the contract;
- The economic operator bears the risk of ownership of inventory prior to or subsequent to transfer of the specified goods to a customer;
- The economic operator has the freedom to set the price for the specified good or service.

If another economic operator assumes rights and obligations provided for in the contract and the obligation to transfer the contracted good or service to the customer (i.e. no longer acts in own name), the economic operator should not recognize income, but will determine if it acts as an intermediary and will recognize the related income properly.

Divesting intellectual property through licence agreement

Accounting regulations are complemented with extended provisions on accounting treatment applied when an entity grants a client the right to use its intellectual property. A new category is added: "Divesting intellectual property through license agreement," according to subsection 4.17. 1, "Income".

A license establishes the rights of a client regarding the intellectual property of an economic operator. The contract will identify the obligation to grant the license or licenses, in addition to other contracted goods or services. If they are not highlighted separately, the grant of the license and goods or services are accounted for together, as a single operation.

By granting the license, the entity provides a right to access its intellectual property to the client if all of the following criteria are met:

a) the contract requires or the client reasonably expects the entity to carry out activities that significantly affect the intellectual property over which the client has rights;

b) the rights granted by the license directly expose the client to any positive or negative effects of the entity's activities, mentioned at letter a); and

c) the activities provided for at letter a) do not result in the transfer of a good or service to the client.

In the case when:

- the criteria are met, an entity accounts for income related to granting the license, over time, as the entity fulfils its obligation to provide access to its intellectual property;
- the criteria are not met, an entity accounts for its obligation to provide a right to use its intellectual property as a performance obligation fulfilled at a specific time.

Examples of licenses that are not distinct from other contracted goods or services:

- license that is a component of a tangible asset and is essential to functionality of the asset;
- license that the client may benefit from only by using it together with a related service.

If the license is distinct from other goods or services contracted and is a separate performance obligation, the economic operator determines whether the license is transferred to the client at a given moment or over time. The economic operator analyses and accounts to determine income related to granting the license differently, depending on the type of obligation: right to access its intellectual property, or to use its intellectual property.

Royalties based on sales or promised use in exchange for an intellectual property license are recognized by economic operators only when or following the occurrence of the events described below:

- sale or subsequent use takes place; and
- performance obligation to which the sale or usage-based royalty was partially or entirely allocated has been fulfilled (or partially fulfilled).

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General chart of accounts

The following new accounts are introduced:

- 467, Debts related to distribution of interim dividends
- 6053, Expenses related to natural gas consumption
- 6058, Expenses related to other utilities
- 694, Expenses related to corporate tax resulting from settlements in the field of corporate tax within the fiscal group
- 794, Income obtained from corporate tax resulted from settlements in the field of corporate tax within the fiscal group, as well as group 79, Income obtained from corporate tax.

The description of group 60 changes – *Expenses related to inventory and other consumption*, and the description of account 605 changes – *Expenses related to utilities*.

Order 4268/2022 on main aspects related to preparation and submission of annual financial statements and annual accounting reports for economic operators to territorial units of Minister of Finance as well as for regulation of certain accounting aspects (Official Gazette 22/2023)

Summary

The Order approves norms on preparation and submission of annual financial statements and annual accounting reports for economic operators related to financial year 2022 and brings certain amendments to accounting regulations.

Details

The size criteria, criteria for auditing the financial statements, composition of financial statements and annual reports are the same as for previous years.

The Order specifically mentions that the procedure to adjust errors contained in annual financial statements and annual accounting reports submitted by economic operators and NGOs also applies to consolidated annual financial statements. The director/manager of the parent company is responsible for the corrections made.

Content of annual financial statements

1. Micro-entities, representing entities which at year-end do not exceed at least 2 of the following thresholds:

- total assets: RON 1,500,000;
- net turnover: RON 3,000,000;
- average headcount: 10.

prepare financial statements containing:

- Simplified Balance Sheet (code 10);
- Income Statement (code 20);
- Informative Data form (code 30);
- Statement of fixed assets form (code 40).

Micro-entities do not have the obligation to prepare disclosure notes, their preparation being optional, but they must present a minimum set of information regarding accounting policies, financial commitments, guarantees, contingent assets and liabilities, as well as information on advances and credits granted to directors or commitments made on their behalf.

2. Small entities, representing entities which are not micro-entities and which at year-end, do not exceed at least 2 of the following thresholds:

- total assets: **RON 17,500,000**;
- net turnover: **RON 35,000,000**;
- average headcount: **50**.

prepare annual financial statements containing:

- Simplified Balance Sheet (code 10);
- Income Statement (code 20);
- Informative Data form (code 30);

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- Statement of fixed assets form (code 40);
- Disclosure notes;
- Optionally, the statement of changes in owner's equity and cash flow statement may be prepared.

3. Medium and large entities, representing entities which at year-end, exceed at least 2 of the following thresholds:

- total assets: RON **17,500,000**;
- net turnover: RON **35,000,000**;
- average headcount: **50**.

as well as public interest entities prepare annual financial statements containing:

- Balance Sheet (code 10);
- Income Statement (code 20);
- Informative Data form (code 30);
- Statement of fixed assets form (code 40);
- Statement of changes in owner's equity;
- Cash flow statement;
- Disclosure notes.

Newly set-up entities may prepare for the first reporting financial year abbreviated annual financial statements or five-component annual financial statements, as well as annual financial statements as those applicable to micro-entities.

Audit of annual financial statements

Annual financial statements are subject to audit if at least two of the following three criteria are exceeded, for two consecutive financial years:

- total assets: RON **16,000,000**;
- net turnover: RON **32,000,000**;
- average headcount: **50.**

Submission deadline

- Annual financial statements and annual simplified financial statements are submitted to territorial units of the Minister of Public Finance within **150 days** from the date when the financial year ends. Thus, for entities which have the same financial year as the calendar year, the submission deadline is **May 30th, 2023**;
- Public institutions, associations and other for-profit and non-profit organizations submit their annual financial statements **within 120 days** from close of the financial year-end, meaning **May 2nd, 2023**;
- Sub-units in Romania, belonging to legal entities having their headquarters or domicile abroad, except those opened in Romania by companies which are resident in European Economic Area (EEA) States, submit their annual financial statements as of the 31st of December to territorial units of the Minister of Public Finance **within 150 days** from the close of the financial year. The same deadline is applied for submission of annual financial statements prepared for permanent establishments. Assigned permanent establishments submit their annual financial statements to the territorial unit where they are registered;
- Entities which do not carry out activity from inception through the end of the reporting financial year do not prepare annual financial statements. Instead, they will submit a statement under own responsibility/*affidavit* signed by the person having the obligation to manage the entity **within 60 days** from the close of financial year **(the 1st of March 2023)**. The statement is submitted electronically;
- Non-profit organizations submit financial statements within **120 days** from the close of its financial year, or by **May 2nd, 2023**;
- Entities opting for a financial year different from the calendar year have the obligation to submit a notification to elect the option for a financial year different from the calendar year in electronic/digital format to territorial units of the Minister of Public Finance **at least 30 calendar days prior to the beginning of the entity's financial year** or within **30 calendar days** from set-up date of newly established entities opting for a different financial year than calendar year at inception.

Other accounting regulations

Dividends distributed in advance during the 2022 financial year

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Dividends distributed in advance throughout 2022 based on quarterly interim financial statements should be analyzed in relation to the final distributable profit for the year 2022. If the anticipated distributions exceed the annual distributable amount, the associates/shareholders should repay the surplus distributed in advance.

Non-financial statement for large companies

Private companies having an average of more than 500 employees during the financial year should submit (starting with financial statements related to 2021) non-financial reporting on environmental, social and personnel issues, among others. This obligation is provided by OMPF 3456/2018.

Annual accounting report as of 31st of December

Who should submit accounting reports as of the 31st of December?

- entities which opted for a different financial year than the calendar year, according to art. 27 para. (3) of Accountancy Law 82/1991, in any organizational and ownership form;
- legal entities under liquidation, according to law;
- sub-units opened in Romania by companies which are resident in EEA States;
- legal entities which are required to apply Accounting Regulations in conformity with IFRS should submit annual accounting reports as of 31st of December 2022, in addition to annual financial statements including all components provided by IFRS.

Accounting reports are different from annual financial statements concluded on the date selected.

Annual accounting reports as of 31st of December contain the following forms**:**

- Statement of Financial Position (code 10);
- Income statement (code 20);
- Informative data form (code 30);
- Statement of fixed assets (code 40).

Submission deadline of annual accounting reports as of 31st of December is:

- **90 days from the end of the calendar year** in the case of legal entities under liquidation (**31st of March 2023**);
- **150 calendar days** from the end of the calendar year for other entities (**30th of May 2023**).

Extensive information on preparation of financial statements and accounting reports as of December 31st, 2022 may be found in our article on this topic that can be accessed here (in Romanian):

https://nowium.com/intocmirea-situatiilor-financiare-2022/

Law 26/2023 to amend and complement Law on National Archives 16/1996 and Law 53/2003 – Labour Code (Official Gazette 30/2023)

Summary

The Law brings amendments to the Law on National Archives and Labour Code. The amendments refer to new obligations regarding archived documents and additional requirements when a company enters insolvency, bankruptcy or liquidation proceedings.

Details

Among the main amendments brought by the Law we mention:

Amendment brought to Labour Code

If the employer is in insolvency, bankruptcy or liquidation proceedings, according to legal provisions in force, the official receiver/trustee in bankruptcy is obliged to issue to employees a document certifying the activity carried out by them, to cease the individual labour contracts and to transmit their termination in the General Registry of Employees. The deadline for this operation is 60 calendar days from the start of proceedings.

Violation of this provision is punishable with a fine of between RON 300 to 1,000.

Amendment brought to Law on National Archives

The Law clarifies certain aspects on the transfer of administrative documents/documents of practical value, that are at the premises of the document generators and sent to economic operators authorized to provide archive services. The intention was to avoid situations where those requesting job-related documents may not be able to identify the entity that took responsibility for documents/archives from a bankrupt employer.

For public information, the Law establishes the obligation to publish all previously known names of the document

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generator that was liquidated/dissolved (from set-up until their de-registration at the Trade Register), as well as relevant information regarding the status of documents as follows:

a) for provided economic operators, through any means accessible to the public, including on their website;

b) for National Archives:

- → in the Register of economic operators providing archive services, which is published on its website;
- → for administrative documents held by the National Archives or by county offices/Bucharest office of the National Archives, depending on the case, on their website.

Those generating or holding documents or, depending on the case, their successors in rights, should release upon request of individuals and legal entities certificates, copies and extracts of documents they generate or hold, including documents for which the term provided by art. 13 of the Law on National Archives was not met, if they refer to rights that concern the applicant. These documents are issued following an application submitted in written or electronic format, within 60 calendar days.

Certificates, copies and extracts are issued physically and provided in hard copy, at the headquarters of the generators or holders of the documents, personally or through a legal representative, or sent by fast delivery/postal services, with confirmation of receipt. The cost of fast delivery/postal services is borne by the applicant.

Decision 1568/2022 to amend Annex to GD 1000/2015 on deeds for which information is registered on the taxpayer's fiscal record, according to law in force (Official Gazette 1279/2022)

The Decision updates the list of deeds for which information is registered on the taxpayers' fiscal record.

The Annex may be accessed here (in Romanian):

https://nowium.com/wp-content/uploads/2023/01/ANEXA_la_Hotararea_nr._1568_din_2022.pdf

Law 3/2023 to complement art. 28 of Law 290/2004 on criminal record (Office Gazette 3/2023)

The Law complements art. 28 of Law 290/2004 on criminal record, introducing the possibility of issuing the criminal record, free of charge, in electronic form, by mentioning this option in the standard application submitted for the release of the criminal record. Criminal records issued in electronic form are signed with a qualified digital signature.

Within 6 months, the procedure to issue electronic criminal records will be established by joint order of the Minister of Internal Affairs and Minister of Research, Innovation and Digitalization.

Order 2578/2022 to amend ANAF Presidential Order 1699/2021 to approve forms for fiscal registration of taxpayers and types of fiscal obligations that compose the fiscal status (vector fiscal)

The Order updates form 010, Statement for fiscal registration/Statement of mentions/Statement for de-registration of legal entities, associations and other entities without legal personality and form 700, Statement to register/change electronically mentions that are subsequent to fiscal registration, as well as for fiscal de-registration, following the repeal of the specific tax.

Order 2509/2022 to approve template and content of *Application for fiscal registration* and instructions to fil *Application for fiscal registration* (Official Gazette 58/2023)

The Order updates template, content and instructions to complete *Application for fiscal registration*. The form is attached to Application to register at the Trade Register of legal entities or individuals.

The fiscal registration application is completed and submitted by legal entities or authorized individuals, individual enterprises and family enterprises that have the obligation to register at the Trade Register, at the sole office within the Trade Register, prior to carrying out economic activity.

Order 18/2023 to amend and complement ANAF Presidential Order 179/2022 to approve template and content of forms 205, Informative statement on withholding tax and gains/losses from investments, by income beneficiaries and 207, Informative statement on withholding tax/tax borne by the income payer/exempted income, by non-resident income beneficiaries (Official Gazette 47/2023)

The Order updates form 205, Informative statement on withholding tax and gains/losses from investments, by income beneficiaries.

This form is used to declare withheld tax, as well as gains/losses from investments, obtained starting 2022, by income beneficiaries.

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Order 59/2023 to amend ANAF Presidential Order 587/2016 to approve template and content of forms used to declare taxes and fees with self-assessment tax regime or withholding tax regime (Official Gazette 59/2023)

The Order updates instructions to file form 100 *Statement on payment obligations towards the State Budget,* to declare:

- contribution owed by energy producers, entities agreeing to produce electric energy, traders, providers carrying out trading activity and those who trade, starting the 1st of September 2022, quantities of electric energy and/or natural gas on the bulk product market, as well as by energy producers' partners in hedge contracts;
- contribution to Energy Transition Fund withheld for income obtained by resident/non-resident entities related to long-term market risk coverage products; as an exception, the production capacities put into operation subsequent to April 1st, 2022 (previously September 1st, 2022), as well as companies that provide public thermal services that produce energy through co-generation do not pay a contribution to the Energy Transition Fund.

ANAF
Agenția Națională de Administrare Fiscală

Law 382/2022 to approve GEO 143/2022 to amend art. 17 of GO 25/2014 on employment and posting of foreign workers in Romania and to amend and complement certain normative acts on the regime for foreigners in Romania (Official Gazette 1276/2022)

Foreigners who have legally entered the territory of Romania and whose single work permit has expired may request another single work permit, within 90 days from the date of entry into force of the current law, if termination of the foreigner's labour relation has been registered with at most 18 months prior to when the law entered into force (January 2nd, 2023).

The provisions do not apply to foreigners for whom the General Inspectorate for Immigration has issued a return decision by January 2nd, 2023.

Order 2559/2022 to approve Procedure to establish VAT owed in Romania, according to art. 294 para. (4) of Law 227/2015 on the Fiscal Code, by European Commission or by an agency or authority set up under EU law, related to value of the delivery/provision for which the tax exemption was applied, according to art. 294 para. (1) letter k1) of Fiscal Code, but the destination of goods/services was changed, as well as template and content of certain forms Official Gazette 29/2023)

The Order approves procedure to establish VAT owed in Romania by the European Commission or an agency or authority set up under European Union law, which have purchased goods or services to fulfil tasks conferred to them by EU law to combat the COVID-19 pandemic and which informs the fiscal authority about the change in destination of delivery/provision of goods/services where the VAT exemption was applied.

Order 4635/2022 to apply Commission Decision (EU) 2022/1108 of July 1st, 2022 on relief from import duties and VAT exemption on importation granted for goods to be distributed or made available free of charge to persons fleeing the war in Ukraine and to persons in need in Ukraine (Official Gazette 1281/2022)

The Order approves list of goods that may be imported under the regime of import duties and VAT exemption according to Commission Decision (EU) 2022/1108 of July 1st, 2022, that concerns the war in Ukraine.

Order 9/2022 to amend and complement NBR Order 6/2015 to approve accounting regulations in accordance with European directives (Official Gazette 1279/2022)

Order 4148/2022 to approve procedure on activity to monitor and control compliance by specialized structures within the Romanian Customs Authority, as well as the legal conditions regarding approval of authorized warehouses, registered recipients, registered consignors and authorized importers (Official Gazette 19/2023)

Order 596/2023 on transmission of centralized annual financial statements prepared by public institutions as of the 31st of December 2022 and to amend and complement certain Orders of the Minister of Public Finance in the field of public institution accounting (Official Gazette 44/2023)

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INFO – 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 = 4.9221 RON; 1 USD = 4.5466 RON; 1 CHF = 4.8998 RON; 1 GBP = 5.6028 RON

SOCIAL INDICATORS 2023

2023 Contributions for dependent activities	**Employer and beneficiary (for activities considered dependent)** (% share)	**Employee and dependent worker** (% share)
Social security contribution (pension)	→ Nothing due for normal working conditions → 4% for special work conditions → 8% for special work conditions	25% (*)
Contribution to health insurance fund (calculated on gross income)	Not due	10% (*)
Income tax		10% (*)
Work insurance contribution	2.25% (*)	
Disability Fund (for employers with more than 50 employees)	4 x minimum wage for every 100 employees	
The amount of a taxable meal ticket in the sense of income tax	Maximum 30 lei (from 1 July 2022)	
Minimum wage (gross) starting 1 January 2023	→ 3.000 lei → 4.000 lei for employees in the construction field	
Per Diem (in the country) For employees of public institutions For private sector employees (* 2.5)	 → 20 lei → 50 lei	

(*) If the employers in the field of construction, agriculture or food industry have a turnover of at least 80% of the activities defined by law, the following facilities apply for gross salaries between 4,000 lei and 30,000 lei:

→ the employee does not owe income tax and health insurance (CASS)

→ the pension contribution (CAS) due by the employee is reduced to 21.25%

→ reduction of the employer's insurance contribution (CAM) due from 2.25% to 0.3375% (applicable when the facility is approved as state aid)

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Growing Business Together

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Nowium is the One-Stop-Shop solution for integrated accounting, taxation, consulting, legal, payroll and transfer pricing services, founded by a team of experts with over 20 years of experience.

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