NEWSLETTER

Nowium - Seemless Tax, Finance & Legal

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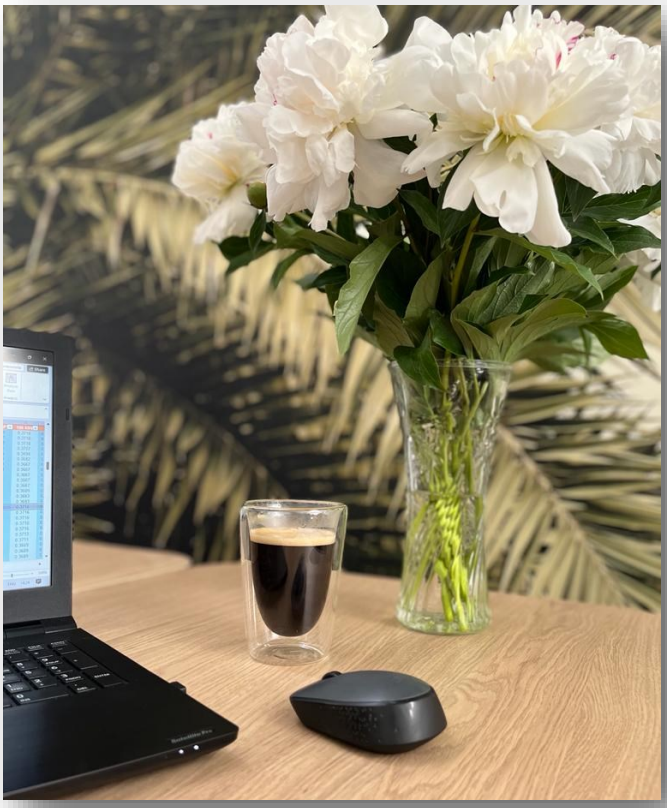

Top News:

- The applicable VAT rate on delivery of coffee, tea or cocoa (served in restaurants) is the standard 19% rate
- The maximum value of meal tickets increases to RON 35 from 1 August 2023 and then to RON 40 from 1 January 2024
- SAF-T: The grace period for medium-sized companies has ended. SAF-T reports for the first six months of 2023 must have been submitted by 31 July 2023
- Half-yearly accounting reports are submitted exclusively online, the deadline is 16 August 2023
- Tax Group meetings - don't miss the opportunity to stay informed on the latest tax and accounting news - a continuous professional training programme of Nowium - details on www.taxgroup.ro and taxgroup@taxgroup.ro

Summary

→ EU Implementing Decision authorising Romania to introduce a special measure derogating from VAT Directive to generalize implementation of electronic invoice system (Info)
→ VAT rate for delivery of coffee, tea or cocoa beverages (Info)
→ New values for meal tickets (GEO 69/2023)
→ Changes on VAT rates related to timber/wood and energy industries (Law 216/2023)
→ Employees having children up to 11 years of age under care may benefit, upon request, from 4 days of work for home or teleworking regime (Law 241/2023)
→ Complements on regulations related to RO e-Transport system (Law 233/2023)
→ Accounting reporting system on the 30th of June 2023 (Order 2195/2023)
→ Procedure to determine and settle the excess difference in corporate tax/tax on micro-enterprise income that were redirected as sponsorships (form D177) – (Order 1090/2023)
→ Update on procedure to apply measures to restructure outstanding budget obligations (Order 2045/2023)
→ Change in procedures to grant fiscal facilities for agriculture and food industry (Order

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2043/2023) and in the field of constructions (Order 2044/2023)

- Other legislative news
- Closing exchange rates for July 2023
- Social indicators

INFO – Council Implementing Decision (EU) 2023/1553 of 25 July 2023 authorising Romania to introduce a special measure derogating from Articles 218 and 232 of Directive 2006/112/EC on the common system of value added tax

The derogation necessary for Romania to generalize the implementation of RO e-Factura system starting the 1st of January 2024, for all B2B transactions, was granted. Details on this derogation may be found in our article here (in Romanian): https://nowium.com/aplicarea-generalizata-a-sistemului-ro-e-factura-de-la-1-ianuarie-2024/.

Council Decision EU 1553/2023 may also be found here: https://eur-lex.europa.eu/legal-content/RO/TXT/?uri=CELEX:32023D1553.

Nowium will keep you updated regarding the evolution of the national process to generally implement the RO e-Factura system.

INFO – ANAF clarifications: 19% VAT rate on delivery of coffee, tea and cocoa beverages

As a result of recent clarification from ANAF through a reply provided to the Chamber of Fiscal Consultants (CCF), the applicable VAT rate on delivery of coffee, tea or cocoa (served in restaurants) is the **standard 19% rate, and not the reduced 9% rate.**

Details on these clarifications were discussed during our Tax Group meeting on the 21st of July.

Emergency Ordinance 69/2023 to amend art. 14 of Law 165/2018 on granting vouchers, as well as to set certain measures to apply these provisions (Official Gazette 691/2023)

The Ordinance amends the maximum values of meal tickets, as follows:

- starting the 1st of August 2023, the maximum value of meal ticket may not exceed RON 35.
- starting the 1 of January 2024, the maximum value of meal ticket may not exceed RON 40.

Law 216/2023 to amend and complement Law 227/2015 on the Fiscal Code (Official Gazette 633/2023)

Summary

The Law introduces a series of amendments to the Fiscal Code regarding application of reduced VAT rates for wood/timber and energy industries.

Details

Reduced VAT rates for wood/timber industry

Application of reduced 5% VAT rate is extended for:

- delivery of **sawdust, wood waste and scrap, formed in logs** as briquettes, pellets or similar forms, which are qualified for NC 4401 31 00 and 4401 32 00 codes,
- delivery of **sawdust, wood waste and scrap, not formed in logs to use as heating fuel,** which are qualified for NC 4401 41 00 and 4401 49 00 codes.

The reduced VAT rate applies **both for delivery to individuals, as well as for legal entities or other entities,** regardless of their legal form, **based on a statement under own responsibility/affidavit, made available to the supplier, attesting their quality as final consumers/users.**

Reduced VAT rates for energy industry

Clarifications are brought regarding the application of the reduced 5% VAT rate for delivery and installation of photovoltaic panels intended for **homes and central or local public administration buildings, buildings of entities under their coordination/subordination** (except for commercial companies).

Thus, the reduced rate applies including to all necessary components, purchased separately, for this purpose. Also, the reduced VAT rate applies to heat pumps.

The applicability of the reduced 5% VAT rate extends also to:

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- → delivery and/or installation of components to repair and/or extend the systems mentioned above;
- → delivery of systems as a component part of building delivery, as well as for installation of systems as extra options when delivering a building, for recipients mentioned above.

In order to benefit from the reduced VAT rates, legal entity buyers are required to sign a statement under own responsibility/affidavit according to annex 1 to Law 216/2023.

Buyers who are individuals may benefit from the application of reduced VAT rates according to art. 291 para. (3) letter p), r) and s) of the Fiscal Code based on the signature of the buyer receiving the products, applied on the invoice on which the address of the home where the products are installed is mentioned; otherwise, the reduced VAT rates are applied based on a statement under own responsibility/affidavit made available to suppliers according to the template provided in annex 2 to Law 216/2023.

At the same time, the normative act clarifies the meaning of the following terms: high efficiency, solar thermal panel kit, heat pump kit, kit for solid fuel heating systems, necessary components purchased separately and housing/home.

Law 241/2023 to complement Law 53/2003 – Labour Code (Official Gazette 673/2023)

Summary

The Law introduces the possibility for employees who have dependent children of up to 11 years of age to benefit, upon request, from 4 days a month of work from home or telework, with certain exceptions.

Details

The Law complements the Labour Code, introducing a new article that allows employees who have dependent children up to 11 years of age to benefit, upon request, from 4 days a month of work from home or telework, except situations where the nature or type of work does not allow the activity to be carried out under such conditions.

In the situation where both parents or legal representatives are employees, the request will also contain a statement under own responsibility of the other parent or legal representative, from which it may be seen that, for the same period, he/she did not simultaneously ask to carry out activity under the regime of work from home or telework. If the parent or legal representative is in one of the situations provided by art. 3 of Law 277/2010 on the allowance for family support, the statement of the other parent or legal representative is no longer necessary.

Employees who ask to work remotely/work from home should have all the necessary means to fulfil their duties according to the job description.

Law 233/2023 to approve GEO 132/2022 to amend and complement certain normative acts (Official Gazette 668/2023)

The Law approves GEO 132/2022 with minor amendments. Thus, with regard to the RO e-Transport system, an addition is introduced to the definition of identification by UIT (unique identification number) - this represents the possession and presentation of UIT code during transportation by road transportation operator or **economic operator which transports via vehicles belonging to it, goods on its own behalf**. The UIT code should be presented in physical or electronic format, together with the document that accompanies the transport of goods with high fiscal risk.

Thus, UIT code should also be presented by the economic operator transporting goods on its own behalf for vehicles belonging to it.

Order 2195/2023 to approve Accounting Reporting System on the 30th of June 2023 for economic operators (Official Gazette 677/2023)

Order 2195/2023 approved Accounting Reporting System on the 30th of June 2023 for economic operators.

The system is addressed to entities that apply national accounting regulations (OMFP 1802/2014) and to those that apply accounting regulations in accordance with IFRS (OMFP 2844/2016), which, during the previous financial year, have recorded a net turnover higher than the equivalent in RON of EUR 1,000,000, including economic operators whose financial year is different from the calendar year.

The deadline for submitting mid-year accounting reports is the 16th of August 2023.

They are submitted on the e-guvernare.ro portal and are signed with a qualified digital certificate.

Extensive details about the preparation of accounting reports (half-yearly) on the 30th of June 2023 may be found in our article (in Romanian) which you may access here:
https://nowium.com/intocmirea-raportarilor-contabile-semestriale-la-30-iunie-2023/

Order 1090/2023 to approve Procedure to determine and settle difference in corporate tax/ tax on micro-enterprise income that was redirected in excess/addition to the revised amounts that may have been redirected, according to law, as well as to amend and complement ANAF Presidential Order 587/2016 to approve template and content of forms used to declare taxes and fees for self-taxation or withholding tax regimes (Official Gazette 643/2023)

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Summary
The Order approves Procedure to determine and settle the excess corporate tax/tax on micro-enterprise income that was redirected, as sponsorship (through form D177). More details about the redirection procedure may be found here: https://nowium.com/en/bulletin/newsletter-5-september-2022/#3

The Order also amends and complements ANAF Presidential Order 587/2016 to approve template and content of the forms used to declare taxes and fees for self-taxation or withholding tax regimes.

Details

The Procedure to determine and settle any difference in corporate tax/tax on micro-enterprise income that was redirected in addition to the amounts that may have been redirected, according to law, which is applied by taxpayers of corporate tax/tax on micro-enterprise income that cumulatively meet the following conditions:

- they ordered the redirection of certain amounts from corporate tax/tax on micro-enterprise income for sponsorship and/or acts of patronage or grant of private scholarships;
- they rectified the corporate tax/tax on micro-enterprise income owed for the year for which the redirection was made, in order to reduce tax expense.

In the situation where, subsequent to submission of form 177, *Application to redirect corporate tax/tax on micro-enterprise income*, the corporate tax/tax on micro-enterprise income due for the year for which the redirection was ordered is **rectified in order to reduce it, and the taxpayer redirected an amount higher** than the amount that could have been redirected, according to law, than the difference is owed to the state budget, thus it determines:

- the amount of tax or tax difference that may be redirected, taking into account the value of reduced corporate tax/tax on micro-enterprise income owed, established following the rectification;
- the corporate tax/tax on micro-enterprise income difference that was redirected in addition to the amount that may have been redirected, according to law.

The positive difference resulting from the calculation, representing the corporate tax/tax on micro-enterprise income difference that was redirected in addition to the revised amounts that should have been redirected, is declared by the taxpayer in form 100, *Statement on payment obligations towards the State Budget*.

Thus, in the List of payment obligations to the state budget, two new positions are introduced:

- 91 - The difference from excess corporate tax that was redirected - is declared by the taxpayers in the situation where, subsequent to submitting the redirection form, the corporate tax owed for the year for which the redirection was ordered is rectified by reducing it, and the taxpayers redirected an amount higher than the amount that could have been redirected, according to law.
- 92 - The excess difference from tax on micro-enterprise income that was redirected - is declared by taxpayers, in the event where, subsequent to submitting the redirection form, the microenterprise income tax due for the year for which the redirection was ordered is rectified by reducing it, and the taxpayers redirected an amount higher than the amount that could have been redirected, according to law.

Order 2045/2023 to amend and complement Procedure to apply measures to restructure outstanding budget obligations, approved by Order of the Minister of Public Finance 2810/2019 (Official Gazette 615/2023)

The Order updates the Procedure to apply measures to restructure outstanding budget obligations, this being necessary to harmonize provisions of OMFP 2810/2019 with the amendments and complements brought by a series of subsequent normative acts.

Among the most important changes we mention:

- expanding the scope of obligations for which restructured budget obligations may be granted, from the 31st of December 2020 to the 31st of December 2021, as well as changing the deadline to submit notification regarding the intention to restructure budget obligations and deadline to submit the application to restructure budget obligations;
- expanding the scope of obligations for which restructured budget obligations may be granted and with the payment obligations related to amounts granted, during the recent state of emergency, with the title of loan from revenue resulting from privatization recorded in the general current account of the State Treasury, individualized in an enforcement order issued according to law and sent for recovery to the central fiscal body, which do not concern amounts that are subject to state aid;
- reducing the number of applications from two to one during a calendar year or, as the case may be, fraction of a

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calendar year;

→ change in the deadline to submit the quarterly report during of implementation of measures section of the restructuring plan, issued by an independent expert, within the procedure to restructure budgetary obligations regulated by GO 6/2019, in the sense that it is to be sent to both the debtor and to the competent fiscal body by the last day of the first month of the quarter following the quarter being reported. (Currently it is transmitted during the first 10 days of the first month of the quarter following the quarter being reported.)

Summary - Procedure to apply measures to restructure outstanding budget obligations

The procedure applies to debtors, legal entities under public or private law, which:

a) are in a state of financial difficulty; and

b) register outstanding main budget obligations on the 31st of December 2021, not settled until the issuance date of the fiscal attestation certificate by the central fiscal authority, as well as additional budget obligations.

Debtors are in financial difficulty if:

→ they do not have the possibility to pay their outstanding main budget obligations on the 31st of December 2021, nor the additional budget obligations;

→ they do not meet the conditions to benefit from instalment payments regulated by the Fiscal Procedure Code.

Budget obligations that may be subject to restructuring represent:

→ amounts of any kind to be paid to the general consolidated budget and consist of fiscal obligations, as well as individualised budget obligations as enforcement orders issued according to law, existing in the records of the competent central fiscal authority in order to be recovered;

→ payment obligations related to amounts granted, during the state of emergency, as a loan from revenue resulting from privatization registered in the general current account of the State Treasury, individualised in enforcement orders issued according to law and sent for recovery to the central fiscal authority, which do not concern amounts subject to state aid.

The provisions on budget obligations that may be subject to restructuring are also applicable to payment obligations representing VAT that is outstanding prior to the 31st of December 2021 and resulting from registration in the settlement rows of the VAT tax return of the collected tax, as well as the deductible tax, through which VAT that is outstanding prior to the 31st of December 2021 is adjusted.

Not subject to restructuring:

→ main and additional budget obligations representing state aid to be recovered, granted from state sources or resources or managed by the state, European funds or national public funds related to European funds, as well as customs duties, excises duties and VAT for which the administration, with the exception of fiscal inspection and enforcement orders, falls to the Romanian Customs Authority;

→ budget obligations remaining to be paid as a result of restructuring granted according to chapter I of GO 6/2019 on setting certain fiscal facilities, approved by Law 216/2021, for which the restructuring plan failed.

If it is found that the payment facility has lost its validity, the debtor may submit an application to maintain its validity, to which a new payment schedule is attached. This is only possible once during a calendar year or a fraction of a calendar year, but no later than 90 days from the date of the decision establishing the end of validity of the payment facility. Otherwise, the restructuring plan fails, and the competent fiscal authority issues the decision of failure of the restructuring plan.

During the period covered by the restructuring plan, the independent expert permanently monitors implementation measures included in the plan. Thus, the independent expert issues a quarterly report on the stage of implementation of measures in the restructuring plan, which is transmitted to both the debtor and to the competent fiscal authority, by the last day of the first month of the quarter following the reporting quarter (previously during the first 10 days of the first month of the quarter following the reporting quarter).

Order 2043/2023 to amend and complement Annex to OMF 1525/2022 to set Procedure to grant fiscal facilities for agriculture and food industry (Official Gazette 611/2023)

The Order amends and complements Procedure to grant fiscal facilities for the agriculture and food industry. The update was mandatory following legislative amendments and complements made to the Fiscal Code by GO 16/2022 and Law 370/2022.

Provisions of the new order were presented in last month's issue of the Nowium newsletter when the Order was in the draft stage. You may access this information here: https://nowium.com/bulletin/newsletter-6-iunie-2023/#10

Order 2044/2023 to amend and complement Annex to OMF 1528/2022 to set Procedure to grant fiscal facilities in the field of constructions (Official Gazette 607/2023)

The Order amends and complements Procedure to grant fiscal facilities in the field of constructions.

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As a reminder, individuals who obtain income from salaries or similar to salaries provided by art. 76 para. (1) - (3) of the Fiscal Code, for activity carried out in Romania based on an individual labour contract by the 31st of December 2028, in the field of constructions, benefit from fiscal facilities if conditions provided by art. 60 point 5 of the Fiscal Code are cumulatively met.

The Order was prepared given the amendments and complements brought to the Fiscal Code by GO 16/2022.

Provisions of the new order were presented in last month's issue of the Nowium newsletter when the Order was in the draft stage. You may access this information here: https://nowium.com/bulletin/newsletter-6-iunie-2023/#11

Other legislative news

Law 222/2023 to amend and complement Law on companies 31/1990, as well as Law 265/2022 on the Trade Register and to amend and complement certain normative acts impacting registration at the Trade Register (Official Gazette 667/2023)

The Law incorporates into domestic law Directive (EU) 2019/2121 of the European Parliament and of the Council of 27 November 2019 amending Directive (EU) 2017/1132 as regards cross-border conversions, mergers and divisions. More specifically, new provisions were introduced regarding the application field, stages, effects and nullity of cross-border merger, conversion, and division.

Order 1107/2023 to approve template and content of forms used in the activity to monitor and control financial reporting institutions by the personnel of the General Direction of Fiscal Information and sub-structures under its coordination (Official Gazette 670/2023)

Order 2202/2023 to amend and complement Methodological Norms to organise and conduct the accounting of public institutions, Chart of accounts for public institutions and instructions for its application, approved by Order of the Minister of Public Finance 1917/2005 (Official Gazette 682/2023)

INFO – Valuation of monetary items in foreign currency

The July 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 = 4,9346 RON; 1 USD = 4,4712 RON; 1 CHF = 5,1405 RON; 1 GBP = 5,7479 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	→ max. RON 30 → max. RON 35 (1st of August 2023-31st of December 2023) → max. RON 40 (starting the 1st of January 2024)	
Minimum wage (gross)	→ RON 3.000 → RON 4.000 for employees in the construction field	
Per Diem (in the country) For employees of public institutions For private sector employees (* 2.5)	→ RON 23 → RON 57,5	

(*) If the employers in the field of construction, agriculture or food industry have turnover of at least 80% of the activities defined by law, the following facilities apply for gross salaries between 4,000 lei and 10,000 lei:

→ the employee does not owe income tax or 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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Why Nowium?
Because we have a strong team of professionals, we have the necessary expertise and a mix of skills that allow us to address the most challenging requests from our clients. In addition, we know very well what each customer expects from us. We know how to adapt to each type of client and deliver them more than expected from a professional in the field.

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