NEWSLETTER

Nowium - Seemless Tax, Finance & Legal

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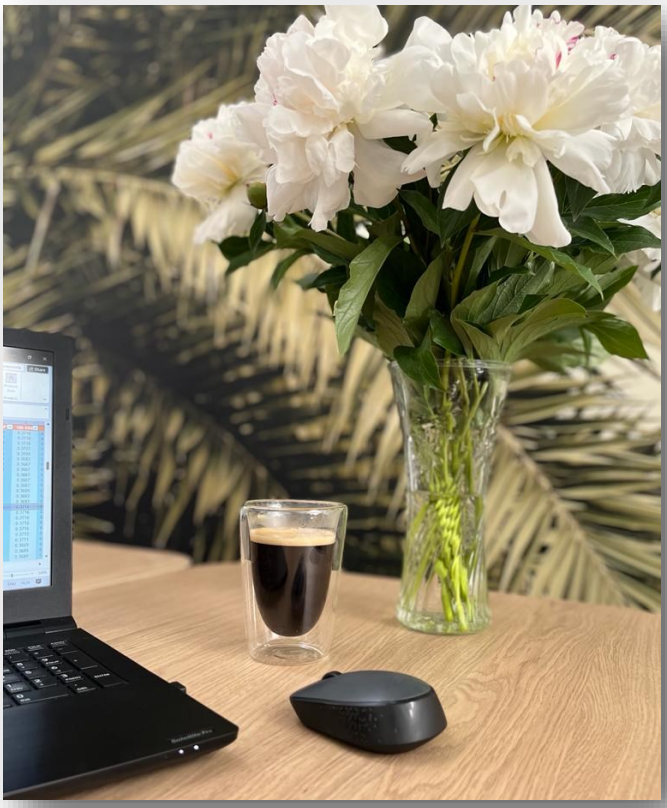
Issue 9 - September 2023



Top News:

- The draft law bringing major changes to fiscal legislation is one step away from being published in the Official Gazette. This will be our main topic of discussions at the next Tax Group event on October 12 - don't forget to register at www.taxgroup.ro
- The minimum gross salary becomes 3,300 lei from October 1, 2023
- The government has granted itself an exception to the principle of fiscal predictability in order to be able to introduce new taxes and duties or to modify existing ones
- The introduction of facilities for those who pay their profit / micro tax on time is again on the agenda of Parliament.

Summary

→ Draft law bringing major amendments to Romanian fiscal legislation

→ New national minimum gross salary – applicable starting the 1st of October 2023 (GD 900/2023)

→ Exception to principle of fiscal predictability introduced in the Fiscal Code (GEO 74/2023)

→ Amendment and complement of Application Norms of GEO 111/2010 regarding leave and monthly allowance for raising children (GD 865/2023)

→ Procedure to reimburse VAT related to purchase of goods and services made/performed by non-profit entities, for which VAT exemption apply according to art. 294 para. (5) letter a) and b) of the Fiscal Code (Order 2438/2023)

→ Amendments to regulations regarding certificate to postpone VAT payment at Customs checkpoints (Order 2494/2023)

→ Amendment on Procedure applied in cases where postponement to determine the final customs value is necessary (GD 849/2023)

→ Complement to Procedure to cancel additional payment obligations (Order 2495/2023)

→ Amendment to Procedure on collecting budget liabilities which represent VAT owed by

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taxpayers applying special regimes provided by art. 314, 315 and 315² of the Fiscal Code (Order 1462/2023)

- → Amendments and complements brought to Norms on use and preparation of payment orders to State Treasury (Order 2538/2023)
- → Draft law: Bonuses for paying tax on micro-enterprise income and corporate tax within the legal deadline
- → Draft law: Reducing response time for petitions received by authorities
- → Closing exchange rates for September 2023
- → Social indicators

DRAFT LAW on certain fiscal and budgetary measures to assure long-term financial sustainability of Romania

Summary

This is probably one of the most publicly debated draft laws, with various unofficial versions circulating since the beginning of August. The draft law takes into account major changes to fiscal legislation and is intended to be approved through a special procedure within which the Government assumes responsibility for the amendments.

This law had not been published in the Official Gazette prior to publication of this newsletter.

Information and updates subsequent to publication in the Official Gazette will follow in future newsletters. For the moment, a brief review of the main changes mentioned in the most recent draft version presented to Parliament is presented below.

On Thursday, the 12th of October, this topic will be debated at the Nowium Tax Group. Do not forget to register! Details: www.taxgroup.ro

Details

The main changes introduced by this draft law are:

CORPORATE TAX

A minimum tax is introduced for taxpayers which register turnover of over EUR 50,000,000 in the previous year and which determine a corporate tax lower than the minimum tax on turnover.

The minimum tax will be 1%, calculated on total taxpayer income from which the following will be deducted:

1. non-taxable income, income related to the costs of product stock, costs of services in progress, production of tangible and intangible assets (other than those per point 2), income from subsidies, compensation, income representing excise duties which were simultaneously reflected in expense accounts;
2. value of fixed assets under construction caused by the acquisition/production of assets, recorded in accounting records starting the 1st of January 2024;
3. accounting depreciation at historical cost related to assets purchased/produced starting the 1st of January 2024 or the first day of the modified fiscal year that begins in 2024, as the case may be. This indicator does not include depreciation of assets included at point 2.

Minimum tax will be calculated and owed on a quarterly basis, starting in 2024.

Credit institutions will owe an additional tax besides corporate tax. Tax on turnover is calculated by applying a 2% rate to turnover, which is due for the subsequent 2 years. Starting in 2026, this rate will be reduced to 1%.

Companies operating in the oil and natural gas sectors will owe an additional tax of 0.5% on turnover if they register income of over EUR 50,000,000.

TAX ON MICRO-ENTERPRISE INCOME

Micro-enterprises will pay a tax of 1% on turnover if income is less than EUR 60,000 per year and 3% if income exceeds this amount, or if micro-enterprises carry out activities belonging to certain NACE codes (IT, Horeca, etc.).

TAX ON INCOME AND MANDATORY SOCIAL CONTRIBUTIONS

Fiscal facilities for individuals obtaining income from salaries and similar to salaries for carrying out activities in the fields **of IT, construction, agriculture and the food industry**, are revised. Thus, the tax exemption will apply to gross income of up to RON 10,000. The portion of monthly gross income that exceeds RON 10,000 does not benefit from fiscal facilities.

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Employees in construction, agriculture and the food industry will pay CASS (contribution for social health insurance).

A fiscal regime applicable to benefits representing the RON equivalent of meal tickets granted by employers for the benefit of employees is regulated.

The fiscal regime applicable to gift vouchers, meal tickets and holiday vouchers is revised.

Changes are made to health insurance contributions owed by individuals who obtain non-salary income.

For income from independent activities, the base ceiling used to calculate CASS is increased to 60 multiplied by the national minimum wage. For remaining income, the current ceiling of the national minimum wage multiplied by 6, 12, or 24 is maintained.

The national RO e-Seal/Sigiliu System is established in order to ensure compliance with traceability of road transport of goods on the territory of Romania.

Income whose source cannot be proven is taxed at 70%.

VALUE ADDED TAX

The meaning of the expression, ***"housing that upon delivery may be inhabited as such"*** is revised, by introducing certain **conditions regarding the degree of finishing touches and the required equipment.** The **VAT rate is increased from 5% to 9%** for delivery of **social housing**, delivery and installation of **photovoltaic panels, solar thermal panels, heat pumps and other high-efficiency heating systems** and delivery of **high-quality food** authorized by the Ministry of Agriculture and Rural Development.

In the case of social housing, a derogation is introduced. The 5% VAT rate continues through the 31st of December 2024 for housing that meets the size/value criteria, purchased by persons individually or jointly with another person/s, if they have concluded legal acts between living persons whose object is the advance payment for the purchase of such a home in 2023.

The **VAT rate is increased from 5% to 19%** for certain operations, such as: the right to use **sports facilities** whose activities are included in NACE codes 9311 and 9313, for passenger transportation with **narrow-gauge steam trains or historic vehicles/cable-carriage facilities for individuals/animal-drawn vehicles/boats** used for tourist or leisure purposes.

The **VAT rate is increased from 9% to 19%** for delivery of **foods with added sugar**, whose total sugar content is at least **10g/100g of product**, other than "Romanian Cozonac bread" and biscuits.

Regulations on **VAT exemption with right of deduction applied to operations carried out at State hospital units** are revised.

SPECIAL TAX ON HIGH-VALUE IMMOVABLE AND MOVABLE ASSETS

A special tax on high-value assets will be owed by:

- individuals who, on the 31st of December of the previous fiscal year, individually/jointly own residential buildings located in Romania, having a taxable value exceeding RON 2,500,000;
- individuals and legal entities owning cars registered in Romania whose individual purchase value exceeds RON 375,000. The tax is due for a period of 5 years starting the fiscal year in which delivery of the car takes place or for the fraction of years remaining by the completion of the 5-year period from delivery date for those whose delivery took place previously.

Tax rate

- in the case of property representing residential buildings, a rate of 0.3% is applied to the difference between the taxable value of the building communicated by the local fiscal authority through a tax decision, and ceiling of RON 2,500,000;
- in the case of property representing cars, a rate of 0.3% is applied to the difference between the purchase value and ceiling of RON 375,000.

E-Invoicing

E-Invoicing will become mandatory starting 2024 for B2B and B2G relations and will be implemented in 2 stages:

- between the 1st of January 2024 and the 30th of June 2024, it will work as a reporting system, i.e., all issuers should submit invoices via SPV in the RO e-Invoice platform, regardless of whether the beneficiary is in the RO e-Invoice system or not. In practice, the system will continue to work as before for goods with high fiscal risk during the above-mentioned period, i.e., as a reporting system. The transmission of invoices to beneficiaries will still be possible via current communication channels without affecting the right of deduction.
- between the 1st of January 2024 and the 31st of March 2024, a grace period in terms of fines will be applied, but starting the 1st of April 2024, fines will be applied for not sending invoices via the RO e-Invoice system.
- starting the 1st of July 2024, art. 319 of the Fiscal Code is amended so that the only documents that will be consid-

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ered invoices will be the electronic, through the RO e-Invoice system. In practice, after the 1st of July 2024, it will no longer be possible to accept invoices by any means other than through RO e-Invoicing.

Other measures

Amendments and complements to other normative acts, including:

- → **Accounting Law 82/1991**:
  - o update of certain sanctions of contraventions;
  - o introduction of mandatory auditing in the case of non-profit organisations that, during the reporting financial year, received subsidies, sponsorships, amounts redirected from corporate tax or tax on micro-enterprise income, meaning from income tax owed by individuals, as well as other similar forms of financing, above a certain ceiling.
- → **GEO 28/1999 on obligation of economic operators to use fiscal electronic cash registers**:
  - o update of certain **contravention sanctions**.
- → **Law 70/2015** to strengthen financial discipline **for cash receipts and cash payments operations**:
  - o **decrease in thresholds** for cash receipts and cash payments;
  - o introduction of certain **sanctions**;
  - o setting **a certain cash register ceiling**.
- → **Law on companies** 31/1990
- → Measures of economic and financial discipline. Decentralization of certain public services;
- → Measures to combat tax evasion.

Fiscal measures amending the **Fiscal Code are set to come into force starting the 1st of January 2024** or, as the case may be, **income related to the month of January 2024 or year of 2024**. As an exception, certain **measures** are set to **come into force starting with income related to the month after publication in the Official Gazette.**

We will keep you updated on the evolution of the legislative process and approval of this draft law. We emphasize that the provisions will only be applicable after their adoption and publication in the Official Gazette.

Decision 900/2023 to set minimum gross guaranteed basic salary for the country (Official Gazette 877/2023)

Starting the 1st of October 2023, the minimum national gross guaranteed basic salary for the country, excluding compensation, bonuses and other benefits, increases to **RON 3,300 (previously RON 3,000),** for a regular work schedule – average 165.333 hours/month, representing RON 19.960 per hour.

These new provisions are not applicable to agriculture and food industry, where the minimum level is kept at RON 3,000.

Practical aspects

The salary increases should be made based on an **addendum to the individual labour agreement,** and the change in salary **should be registered in the Revisal system within 20 working days** from the date of change.

By the end of 2023, the **additional tax deduction for those paid the minimum wage** is still applicable.

As a reminder, the conditions for applying this facility are mentioned below:

For the period January - December 2023, no income tax is due and it is not included in the monthly calculation basis of mandatory social contributions in the amount of RON 200 per month for each person meeting the criteria, representing income from wages and salaries, for employees who carry out activity based on an individual labour agreement, full-time, at the place where the basic function is located, if the following conditions are cumulatively met:

a) the level of the basic monthly gross salary established according to the individual labour agreement, excluding compensation, bonuses and other benefits, is equal to the level of the minimum gross guaranteed basic salary for the country established by a Government Decision, in force in the month to which the income is related;

b) gross income obtained from salaries and similar to salaries, based on the same individual labour agreement, for the same month, does not exceed the level of RON 4,000;

Under the same conditions, the above provisions also apply in the following cases:

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a) employees who carry out activity in the agriculture and food industry and do not benefit from the fiscal facilities provided by art. 60, point 7, art. 138^2 and art. 154, para. (1), letter s) of the Fiscal Code;

b) income from salaries and similar to salaries, as defined by art. 76, para. (1) – (3) of the Fiscal Code, earned based on a labour report.

The amount of RON 200 is reduced according to various situations such as: change in basic salary during month, start date for new employees, fraction of month for which salary is determined and end date of the labour agreement.

For income related to 2023, the level of minimum salary to which the calculation of CAS and CASS for part-time labour contracts will be reduced by RON 200 per month per each applicable employee.

Emergency Ordinance 74/2023 to amend para. (4) of art. 4 of Law 227/2015 on the Fiscal Code (Official Gazette 850/2023)

The Ordinance introduces an exception to principles generally stated by the Fiscal Code regarding the fact that any amendment or complement should come into force within at least 6 months from its publication in the Official Gazette. Further, the introduction of new taxes, fees or contributions, an increase in existing taxes, etc. and elimination or reduction of existing facilities will apply starting the 1st of January of each year and will remain unchanged at least throughout that year.

The Emergency Ordinance establishes an exception from provisions of the Fiscal Code for amendments to the Fiscal Code arising from Romania's international commitments, as well as amendments and/or complements that introduce new taxes, fees or mandatory contributions, an increase to aforementioned obligations, eliminate or reduce existing facilities, exclusively for the extraordinary situation of excessive budget deficits as found according to the European Union treaties and the subsidiary regulations agreed at the European level.

Decision 865/2023 to amend and complement Methodological Norms to apply GEO 111/2010 on leave and monthly allowance for raising children, approved by GD 52/2011 (Official Gazette 844/2023)

The Decision amends and complements Methodological Norms to apply GEO 111/2010 regarding leave and monthly allowance for raising children.

This complement to Methodological Norms was necessary as a result of changes brought by GO 164/2022 to provisions of GEO 111/2010. Furthermore, the Methodological Norms should have been updated within 60 days from the publication of GEO 164/2022, meaning by February 2023, but they were barely adopted in September 2023.

Order 2438/2023 to approve Procedure to reimburse VAT related to purchase of goods and services manufactured/performed by non-profit entities, for which tax exemption applies according to art. 294 para. (5) letter a) and b) of Law 227/2015 on the Fiscal Code (Official Gazette 788/2023)

Summary

The Order approves Procedure to reimburse VAT related to purchase of goods and services manufactured/performed by non-profit entities, for which a tax exemption applies as provided by art. 294 para. (5) letter a) and b) of the Fiscal Code.

Details

The procedure to reimburse VAT related to the purchase of goods and services manufactured/ performed by non-profit entities refers to:

a) building, renovation, modernization of hospital units - services provided to non-profit entities registered in the ANAF Public Register, if they are intended for hospital units owned and operated by the non-profit entity or those in the State public network;

b) supply of medical equipment, devices, articles, accessories and protective equipment, sanitary-use material and consumables, normally intended to be used in the field of health care or by disabled persons, goods essential to compensate or overcome disabilities, as well as the adaptation, repair, rental and lease of such goods, carried out at non-profit entities registered in ANAF Public Register, if they are intended for hospital units owned and operated by the non-profit entity or those from the public State network.

The VAT refund is processed by the competent fiscal authority in whose fiscal records the non-profit entity that has the right to request the refund is registered. The claim is made based on an application submitted by the non-profit entity to ANAF, accompanied by a series of documents mentioned in the procedure.

The application may be submitted within 90 days from the end of the calendar month for which the refund is requested. The procedure also mentions an exception, when non-profit entities have not submitted the VAT refund application and/or related documentation on or before the deadline. Upon the non-profit entity's request, the General Director of the Regional General Directorate of Public Finances may approve the VAT refund, if the application is submitted within 5 years from the 1st of January of the year following the year when the right to VAT refund arose.

Non-profit entities should justify compliance with the destination of the amounts representing reimbursed VAT from the State budget, including amounts that were settled with the entity's fiscal obligations. The justification is formed

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with documents attesting to the subsequent acquisition of goods/services.

Order 2494/2023 to amend OMF 3225/2020 to approve Procedure to issue certificate to postpone VAT payment at Customs checkpoints and to issue guarantees for import of goods (Official Gazette 829/2023)

The Order states that the certificate to postpone VAT payment at Customs checkpoints is issued for a period of 6 months (previously issued for the period indicated by the applicant).

The Order updates required forms.

Certificates to postpone VAT payment at Customs checkpoints issued through the 14th of September 2023 (date the current Order came into force) will keep their validity through the 31st of December 2023 or by the expiration date mentioned on such certificates if that date is prior to the 31st of December 2023.

Decision 849/2023 to amend GD 973/2006 on Procedure applied when a postponement to determine final customs value is necessary (Official Gazette 847/2023)

Summary

The Decision amends GD 973/2006 on Procedure applied when a postponement to determine the final customs value is necessary.

Details

The Decision sets that determination of final customs value is postponed in the following situations:

- when it is necessary to adjust the price actually paid or to be paid, and at the time of declaring the goods for release into free circulation (not at the time of release into free circulation as previously mentioned) no conclusive documents may be presented in order to exactly determine the amount to be adjusted;
- when the price paid or to be paid does not include or is not likely to include all payments made or to be made as a condition of sale of the goods in free circulation by the buyer to the seller or by the buyer to a third party, to comply with an obligation to the seller;
- in any other situations where, to determine the customs value based on the transaction value, it is necessary to present some supporting documents regarding the accuracy and reality of the declared value that are not available when declaring the goods for free circulation.

If the customs value has been definitively deferred, the grant of customs clearance is conditioned on establishment of a satisfactory/adequate guarantee, which ensures the collection of import duties and other taxes and duties owed to the State budget, according to law, within the customs operation, corresponding to the related goods.

Order 2495/2023 to amend and complement Procedure to cancel additional payment obligations, approved by OMPF 2100/2020 (Official Gazette 839/2023)

The Order complements the Procedure to cancel additional payment obligations in the case of enforcement orders sent to the central fiscal authority to recover amounts by public authorities/institutions, for which the calculation of additional payment obligations related to main payment obligations for the fiscal periods up to the 31st of March 2020 has been carried out by the courts through their final court decisions. Thus, the Order mentions that in these cases, fiscal facilities related to cancellation of additional payment obligations are granted by the central fiscal authority.

Additional fiscal obligations to be cancelled are those calculated by the central fiscal authority or authorities/institutions, as well as by the courts through final court decisions, as the case may be.

Order 1462/2023 to amend and complement Annex no. 1 to ANAF Presidential Order 10/2022 to approve certain procedures to collect budgetary liabilities representing VAT owed by taxpayers applying special regimes provided by art. 314, 315 and 315² of Law 227/2015 on the Fiscal Code (Official Gazette 859/2023)

Summary

The Order amends and complements ANAF Presidential Order 10/2022, which established procedures to collect budget liabilities representing VAT owed by taxpayers applying special regimes provided by art. 314, 315 and 315^2 of the Fiscal Code.

Details

Special regimes referred to by Order 10/2022 and complemented by Order 1462/2023 are:

a) special regime for services provided by taxable entities not established in the European Union;

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b) special regime for intra-Community distance sales of goods, for domestic deliveries of goods carried out by electronic interfaces that facilitate these deliveries and for services provided by taxable entities established in the European Union, but not in the Member State of consumption;

c) special regime for distance sale of goods imported from third party territories or third party countries.

Order 10/2022 set the following procedures:

→ Procedure to highlight and pay amounts representing VAT owed by taxpayers using the special regimes (Annex 1 to the Order);

→ Procedure to refund amounts representing additional VAT paid by taxpayers using the special regimes (Annex 2 to the Order).

The new Order 1462/2023 brings complements which consider both the situation in which Romania is a Member State of registration and the situation in which Romania is a Member State of consumption.

For the situation in which Romania is a Member State of registration, separate specifications are introduced for the case where the taxpayers using the special regimes do not have their fiscal domicile on the territory of Romania, as well as for the case when the taxpayers have their fiscal domicile on the territory of Romania.

Thus, for taxpayers using special regimes that do **not have their fiscal residency on the territory of Romania**, the competent fiscal authority proceeds to formulate a request for mutual assistance to recover fiscal liabilities in accordance with the Fiscal Procedure Code.

In the situation where taxpayers using special regimes have **residency on the territory of Romania**, clarifications have been introduced regarding the transfer of amounts recovered - within the recovery assistance activity - abroad. The amounts represent VAT owed by foreign taxpayers, using special regimes. For these situations provisions of OPANAF 2288/2019 on Procedure to transfer amounts recovered through mutual assistance with other States are applicable, as well as to approve template and content of certain forms.

Order 2538/2023 to amend and complement Methodological Norms on use and completion of payment order to the State Treasury (OPT) and the electronic multiple payment order (OPME), approved by OMPF 246/2005 (Official Gazette 830/2023)

Summary

The Order brings amendments and complements to Norms on using and completing payment orders to the State Treasury.

Details

A summary of the updated regulations on completion of payment orders to the State Treasury is presented below:

→ The payment order for the State Treasury (OPT) is no longer completed separately for each type of budget obligation by payers;

→ The Beneficiary column in the OPT form is completed as follows:

- for fiscal/budgetary obligations that are paid to component budgets of the general consolidated budget such as budgetary revenue accounts, sole accounts or cash accounts in which ANAF collects/recovers fiscal/budgetary obligations, complete/fill in GENERAL CONSOLIDATED BUDGET
- for payment obligations to public institutions, meaning payments requested by public institutions in accordance with legal provisions in force, complete/fill in the name of the beneficiary public institution;
- for excise duties that are paid by the buyer on behalf of the supplier, before actual delivery of the excisable products, enter the name of the supplier registered as an excise duty payer.

→ The Fiscal identification code column in the OPT form is completed with the beneficiary's fiscal identification code, as follows:

- the taxpayer's fiscal identification code for fiscal/budgetary obligations that are paid to component budgets of the general consolidated budget such as budgetary revenue accounts, sole accounts or cash accounts in which ANAF collects/recovers fiscal/budgetary obligations or for other fiscal/budgetary obligations for which the normative acts in force provide as such;
- in the case of tax on income from salaries owed by secondary offices, enter the fiscal identification code of the secondary office;
  - by way of exception, enter the fiscal identification code of the fiscal body subordinated to ANAF when it is the account holder.
- the fiscal identification code of the supplier registered as an excise duty payer, for excise duties paid by the buyer on behalf of the supplier;
- for payments made from accounts opened at the State Treasury for other destinations - the fiscal identification code of the beneficiary of the amount - only legal entities and only if the beneficiary of the amount is fiscally reg-

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istered in Romania;

- personal identification number, in the case of payments to accounts opened at the State Treasury for other destinations;
- personal identification number or fiscal identification code of the central credit institution in Romania where the beneficiary of the funds has an account opened according to the decision of the payer, in case payment is made from accounts opened at the State Treasury units to individuals in bank accounts, for payments from accounts opened at the State Treasury for other destinations.

→ The Beneficiary IBAN code column in the OPT form is completed with the IBAN code related to the budget revenue/expenditure account or cash account, as the case may be, in which the funds are paid, opened at State Treasury units or the IBAN code of the account of the beneficiary, opened at the credit institution;

→ The Representing column in the OPT form is completed as follows:

- for amounts representing budget revenue, enter the name of the budget obligation paid, and in the case of fiscal/budgetary obligations that are paid to component budgets of the general consolidated budget such as budgetary revenue accounts, sole accounts or cash accounts in which ANAF collects/recovers fiscal/budgetary obligations, enter GENERAL CONSOLIDATED BUDGET, as well as any other information that the payer considers relevant;
- in the case of other categories of amounts to be paid, the economic nature of the payment is completed, and in the case of payments to beneficiaries that are not fiscally registered in Romania, other relevant information may also be included (fiscal identification code from the country in which they are fiscally registered).

In the case of payment obligations to public institutions, meaning payments requested by public institutions in accordance with legal provisions in force, public institutions have the obligation to inform taxpayers regarding the IBAN code as well as to the fiscal identification code related to the account in which they will pay amounts due.

DRAFT LAW: Bonuses for paying tax on micro-enterprise income and corporate tax within the legal deadline

A new draft law has been registered in the Senate, which proposes to grant a 3% bonus for companies that pay quarterly and on time, the tax on micro-enterprise income and corporate tax. The bonus would be granted starting 2024 and may be used exclusively for investments.

The bonus would be granted only under the following conditions:

→ during the previous year, taxpayers paid the tax quarterly/advance payment by the due dates;

→ at the beginning of the year, taxpayers do not register outstanding fiscal obligations to the general consolidated budget;

→ taxpayers use the 3% bonus **exclusively for making investments**, provided in the List on classification and regular operating periods of fixed assets, in: Group 1 - Buildings; Group 2 - Technical installations, means of transportation, animals and plantations or to support dual vocational education.

The 3% bonus may only be used during the year when it is granted.

The purpose of the project is to stimulate on-time payment, ensure constant revenue to the State budget and voluntary compliance of companies.

We will keep you updated on the evolution of the legislative process and approval of this draft. We emphasize that the provisions will only be applicable after their adoption and publication in the Official Gazette.

DRAFT LAW: Reducing response time for petitions received by authorities

A new draft law has been registered in the Senate, which foresees a reduction in public authority response time to citizen requests from 30 to 10 days, with the possibility of extending the deadline by another 10 days. For requests in the field of energy and natural gas, the postponement could be 15 days, with the obligation to notify the petitioner.

We will keep you updated on the evolution of the legislative process and approval of this draft. We emphasize that the provisions will only be applicable after their adoption and publication in the Official Gazette.

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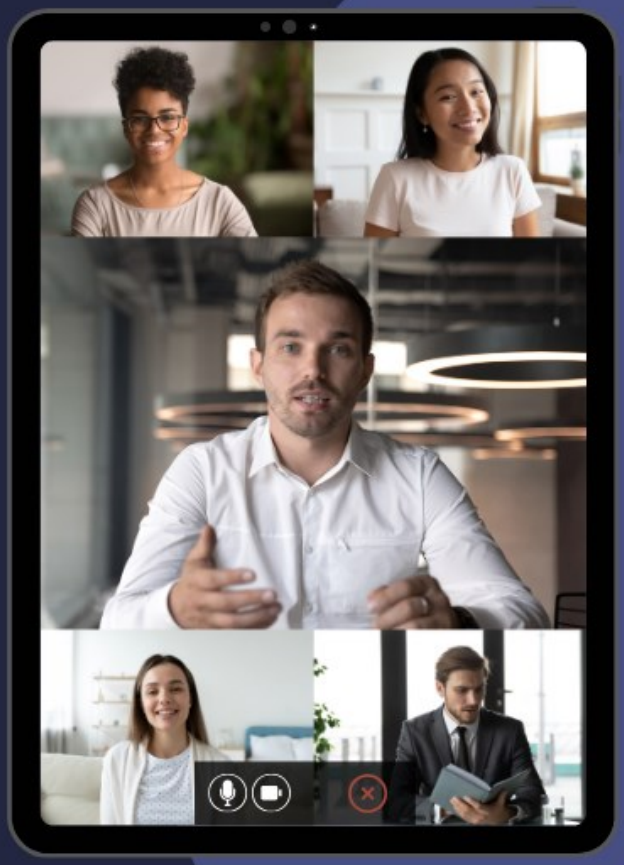
TAX GROUP

BY NOWIUM

- Important changes of tax legislation



Thursday,
12 October, 10 a.m.

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Sign-up

INFO – Valuation of monetary items in foreign currency

The September 2023 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 = 4,9746 RON; 1 USD = 4,6864 RON; 1 CHF = 5,1446 RON; 1 GBP = 5,7433 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 3.300 (starting the 1st of October 2023) → 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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