NEWSLETTER

Nowium - Seemless Tax, Finance & Legal

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Top News:

- Important changes in tax legislation, introduction of new taxes and increase of others, introduction of mandatory electronic invoicing from 2024, capping of cash transactions and many other novelties.
- Nowium Breakfast - November 14 - 9-13—Grand Hotel Continental Bucharest - a practical analysis of the legislative changes of 2024. More details: https://nowium.com/events/
- 17 November - the next Tax Group meeting - don't miss it! Join Tax Group to get the latest tax information and for continuous professional development - details on www.taxgroup.ro and taxgroup@taxgroup.ro

Summary

→ Major amendments brought to fiscal law in Romania finally published (Law 296/2023)
  - o Important changes brought to Fiscal Code
  - o eInvoicing (RO e-FACTURA)
  - o New thresholds for cash transactions/cash register ceiling
  - o Other measures
→ Amendment and complement to accounting regulations (Order 2649/2023)
→ Removing a series of contraventions from scope of Prevention Law (Government Decision 937/2023)
→ Updated value for cultural vouchers (Order 2540/3452/2023)
→ Updated value for nursery vouchers (Order 1925/2654/2023)
→ Documents that may be requested by ANAF to verify fulfilment of conditions to assign a unique AMEF identification number (Order 1612/2023)
→ Closing exchange rates for October 2023
→ Social indicators

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Law 296/2023 on certain fiscal and budgetary measures to assure long-term financial sustainability of Romania (Official Gazette 977/2023)

Summary

The Law brings major amendments to the Fiscal Code and other normative acts, being one of the most controversial and debated laws. Various official and unofficial versions have been circulating since the beginning of August 2023. There were no less than 52 versions. In our previous edition, we briefly presented the final version adopted by the Government and complemented by Parliament.

Details

We present an analysis of the main aspects introduced by the new regulations.

A. FISCAL CODE

Corporate tax

Minimum tax on turnover is introduced for taxpayers which, in the previous year, register a **turnover exceeding EUR 50,000,000** and for the year of taxation determine **a corporate tax lower than the minimum tax on turnover**. They will have to pay **corporate tax at the level of the minimum tax on turnover**.

Minimum tax on turnover **does not apply** to credit institutions and companies operating in the oil and natural gas sectors, because both categories are subject to other additional taxes.

Turnover reported to threshold of EUR 50,000,000, is not turnover mentioned in financial statements. The required turnover is calculated using the formula, **total income (VT) from which a series of incomes defined by Law (Vs) is deducted.**

Total income (VT) is cumulatively determined from the beginning of the fiscal year/modified fiscal year by the end of the quarter/year of calculation, depending on the case.

Income deducted **(Vs)** from total income:

Vs = income types deducted from total income are:

- non-taxable income provided by the Fiscal Code;
- income related to costs of product stock;
- income related to costs of services in progress;
- income related to production of tangible and intangible assets not included with indicator I defined in "Taxation base" section below;
- income from subsidies;
- Reimbursement income for damages by stock or own tangible assets from insurance/reinsurance companies;
- income representing excise duties which were simultaneously reflected in expense accounts.

The calculation of taxation base also continues for the minimum tax when VT minus Vs exceeds EUR 50,000,000.

Taxation base for minimum tax is represented by **total income (VT) from which the following are deducted:**

1. **Income to be deducted (Vs)** – mentioned above;
2. **I** = value of fixed assets under construction caused by the acquisition/production of assets, recorded in accounting records starting the 1st of January 2024/first day of modified fiscal year starting in 2024;
3. **A = 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. This indicator does not include depreciation of assets included with indicator I above.

Tax rate is 1% applied to tax base described above.

Minimum tax will be calculated and paid quarterly, starting 2024, and will also apply if the cumulative fiscal result, before loss recovery, is a fiscal loss.

The Law states that assets taken into account to determine I and A indicators will be set by a separate order to be issued by the Minister of Finance within 60 days from the date Law 296/2023 enters into force. Selection of eligible asset categories will be identified based on criteria related to nature of activity carried out.

Minimum tax deductions

Taxpayers may deduct amounts related to sponsorships/acts of patronage carried out according to law from minimum tax due, at minimum value of the following:

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- 0.75% of turnover;
- 20% of corporate tax.

Amounts representing exempted corporate tax, reduced corporate tax and other amounts that are deducted from corporate tax, according to special laws, or reduction of corporate tax according to GEO 153/2020, are not deducted from minimum tax on turnover.

Minimum tax in the case of fiscal groups

For fiscal groups, each member of the group calculates their share of minimum tax on turnover according to formula and communicates resulting value to responsible legal entity of the group. The responsible legal entity compares corporate tax determined at group level with aggregated value of minimum tax on turnover submitted by members of the fiscal group and applies provisions in force. If the fiscal result of the group is a fiscal loss, the group's tax is due at the level of aggregated value of the minimum tax on turnover submitted by group members.

Credit institutions' additional tax

An additional tax applicable to Romanian legal entities and Romanian branches of credit institutions (foreign legal entities) is introduced. This tax will be due in addition to corporate tax and will be calculated by applying a rate of 2% of turnover for the 2024-2025 period and 1% on turnover starting 2026.

The Law defines types of income that will be included in the calculation of turnover indicator on which the tax will be applied. To determine fiscal result, tax on turnover is a non-deductible expense.

Tax on turnover is calculated, declared, and paid quarterly, by the 25th of the month following the quarter for which payment is made, for the 1st, 2nd and 3rd quarters, and by the 25th of March of the following year, for the 4th quarter.

Specific tax on turnover for oil and natural gas sectors

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

Turnover for previous year and tax base are calculated similarly to the case of the minimum tax defined above.

This tax, as for credit institutions, is in addition to corporate tax and represents a non-deductible fiscal expense.

Specific tax on turnover is calculated, declared, and paid quarterly, by the 25th of the month following the quarter for which payment is made (the 1st, 2nd and 3rd quarters), and for the 4th quarter, by the due date for submission of the corporate tax return.

To determine specific tax, those in oil and natural gas sectors carrying out activities of distribution/supply/transport of electricity and natural gas, regulated/licensed by ANRE, will not include elements related to activities of distribution/supply/transport of electricity and natural gas in the calculated indicators.

Economic operators exclusively carrying out activities of distribution/supply/transport of electricity and natural gas, regulated/licensed by ANRE, are exempted from specific tax on turnover.

Tax on micro-enterprise income

Tax rates for micro-enterprises have changed. Thus, they will pay:

1. 1% on turnover if income is less than EUR 60,000 per year, and does not include carrying out activities mentioned below;
2. 3% if income exceeds EUR 60,000 **or** if micro-enterprises carry out activities belonging to certain NACE codes (IT, HORECA, legal activities, medical care/assistance, stomatology, etc.)

If, during a fiscal year, a micro-enterprise obtains income exceeding EUR 60,000 or starts to carry out activities from point 2 above, the 3% rate is applicable starting the quarter when such situations occur.

Conditions to apply the micro-enterprise regime do not change, with maximum income ceiling remaining at EUR 500,000.

Tax on income and mandatory social contributions

Categories of employees benefiting from fiscal facilities

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, tax exemption will apply at the place where the employees' **basic function** is located, for monthly gross income up to RON 10,000. The portion of monthly gross income that exceeds RON 10,000 does not benefit from fiscal facilities.

For employees in construction, agriculture and the food industry, the exemption from paying social health insurance contribution (CASS), social insurance contribution for special working conditions, as well as payment of reduced share of work insurance contribution (CAM) is eliminated.

Similar to construction, agriculture and food industry employees, reduced social insurance contribution (CAS – pension) is introduced for IT sector employees (the rate excludes percentage corresponding to contribution to privately

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administered pension funds). Thus, all 4 categories will pay CAS - 25% from which the share for privately administered pension fund is deducted (3.75% in 2023, 4.75% starting the 1st of January 2024). Contributions to pillar II will only be possible based on employee option. The provisions are applied starting with income related to the month of November 2023.

Basically, the facilities (fiscal regime) will be similar for all 4 categories of employees and will apply by the 31st of December 2028.

Other provisions applicable to employees

Regarding the fiscal regime applied to salary benefits, the value of meal tickets and holiday vouchers will be included in the basis to calculate social health insurance contribution (CASS), starting with income related to January 2024.

Income from independent activities

Annual basis to calculate social health insurance contribution (CASS) will be equal to net/gross annual income obtained or annual income quota, but no more **than 60 gross minimum salaries for country** in force at submission deadline for the Sole Tax Return.

For the rest of income, the current ceiling system for CASS of 6-12-24 minimum salaries is maintained.

Income from unidentified sources

Income found by fiscal authorities whose source has not been identified will be subject to tax on income at a rate of 70% (compared to 16% currently) applied to adjusted taxable base. These provisions apply starting the 1st of July 2024.

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.**

Increased VAT rates:

The **VAT rate** is increased from **5% to 9%** for:

- delivery of **high-quality food** authorized by the Ministry of Agriculture and Rural Development;
- delivery and installation of **photovoltaic panels, solar thermal panels, heat pumps and other high-efficiency heating systems with low emissions, including installation kits, as well as all necessary components purchased separately and intended for houses/buildings of central or local public administration, except companies**;
- delivery and installation of components to repair and/or extend systems as a component part of delivery of buildings or building improvements, or as extra options when delivering the final construction work;
- access to fairs, amusement and recreational parks whose activity fall under NACE codes 9321 and 9329, fairs, exhibitions, cinemas and cultural events, other than tax-exempt activity;
- access to sports events;
- delivery of social housing.

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 other 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;
- delivery of non-alcoholic beer.

Regulations on **VAT exemption with right of deduction applied to operations carried out at State hospital units** are revised. Thus, VAT exemption no longer applies for the following operations performed at State hospital units:

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- building, renovation, modernization services of hospital units within State public network;
- supply of medical equipment, devices and similar items;
- adaptation, repair, rental and lease of such goods.

Exemption for these operations is only maintained when they are carried out at 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 from the public State network.

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 upon completion of the 5-year period from delivery date for those where 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 taxable value of the building communicated by the local fiscal authority through a tax decision, and 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 RON 375,000.

B. e-Invoicing (RO e-FACTURA)

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

Stage 1 - between the 1st of January 2024 and the 30th of June 2024, it will work as a **reporting system** towards authorities for electronically issued invoices.

This system will be mandatory for all economic operators, taxable entities set in Romania, whether or not they are registered under the scope of VAT, and for economic operators, taxable entities not set in Romania, but registered under the scope of VAT.

Obligation to report within the RO e-Invoice system will apply to all **invoices issued for supply of goods and provision of services taxable in Romania, carried out in B2B relationships**, regardless of whether the beneficiary is in the RO e-Invoice system or not.

During this period, the system will continue to work as before for goods with high fiscal risk, as a reporting system. The transmission of invoices to beneficiaries will still be possible via current communication channels without affecting the right of deduction.

It is not mandatory to submit invoices issued for VAT-exempt operations as per art. 294 para. (1) letters a) and b) and para. (2) of the Fiscal Code.

Invoices issued for taxable operations in Romania to a public institution as defined in the Administrative Code should be sent through the RO e-Invoice system.

Stage 2 – starting the 1st of July 2024

Starting the 1st of July 2024, amendments are brought to art. 319 of the Fiscal Code, where e-Invoicing becomes mandatory. This will no longer operate as a reporting system to authorities. It will become the only invoicing method between taxable entities set in Romania, for supply of goods and provision of services that are taxable in Romania, carried out in B2B relationships. Therefore, starting the 1st of July 2024, only invoices sent through the RO e-Invoice system are considered invoices.

Deadlines to send invoices in RO e-Invoice system:

Invoices are sent via the RO e-Invoice system within five working days from issuance date or from the deadline provided by the Fiscal Code to issue the invoice. As a reminder, the deadline to issue the invoice is the 15th day of the month following the one when the VAT generating event occurs.

Fines

For non-compliance with deadlines for submitting invoices via the RO e-Invoice system, contravention fines will be applied, as follows:

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- between RON 5,000 to RON 10,000 for large-size taxpayers;
- between RON 2,500 to RON 5,000 for medium-size taxpayers;
- between RON 1,000 to RON 2,500 for other legal entities and individuals.

Between the 1st of January 2024 to the 31st of March 2024, a grace period in terms of fines will be applied, no sanctions being applied for not sending invoices via the RO e-Invoice system.

Starting the 1st of July 2024, **receipt, and registration of invoices by recipients (taxable entities set in Romania) in a method different than through the RO e-Invoice system, for B2B transactions, is sanctioned with a fine equal to the amount of VAT related to invoice received.**

C. NEW THRESHOLDS FOR CASH TRANSACTIONS/CASH REGISTER CEILING

The Law amends Law 70/2015 to strengthen financial discipline for cash receipts and cash payments, measures that enter into force within 15 days from publication date of the law, i.e., on the **11th of November 2023.**

Decrease in thresholds for cash transactions

Thresholds for cash operations (receipts and payments) made by legal entities, authorized self-employed persons, individual or family enterprises, freelancers, individuals carrying out activities independently, associations, and other entities with or without legal personality, are as follows:

- **receipts** from any of these entities/persons, within the limit of a **daily ceiling of RON 1,000 per person/ entity** (previously RON 5,000);
- **receipts** at cash and carry stores, which are organized and operate based on legislation in force, from any of these persons/ entities, within the limit of a **daily ceiling of RON 2,000 per person/entity** (previously RON 10,000);
- **payments** to any of these persons/entities, within the limit of a **daily ceiling of RON 1,000 per person/entity** (previously RON 5,000), but no more than a **total ceiling of RON 2,000 per day** (previously RON 10,000);
- **payments** to cash and carry stores, which are organized and operate based on legislation in force, within the limit of a **total daily ceiling of RON 2,000** (previously RON 10,000);
- **payments** related to travel advances, within a **daily ceiling of RON 1,000 per person** (previously RON 5,000);

- **receipts/payments from/to individuals,** representing value of certain deliveries or purchases of goods or services, dividends, assignments of claims or other rights and receipt or reimbursement of loans or other financing, within the limit of a **daily ceiling of RON 5,000 per person, by the 31st of December 2024, and RON 2,500 per person, starting by the 1st of January 2025** (previously RON 10,000). As an exception, daily ceiling does not apply for delivery of goods and services for which payment is made in instalments if the purchase contracts are concluded providing for instalment payments.

Collection and payment operations carried out with individuals who hold the capacity of associates/shareholders/directors/individuals/other creditors and only institutional creditors carrying out financial intermediary activities representing **loans**, regardless of their nature and destination, **may only be carried out through non-cash payment instruments** (previous daily ceiling was RON 10,000 cash).

Ceilings for **cash receipts and payments made between individuals**, other than cash receipts and payments made through institutions providing payment services authorized by NBR or authorized in another EU Member State and where NBR is notified, according to law, are reduced. Operations **carried out as a result of ownership transfer of goods or rights, provision of services, as well as those representing receipt/reimbursement of loans** may be carried out within the limit of a **daily ceiling of RON 10,000 per transaction, by the 31st of December 2024, and RON 5,000 per transaction, starting the 1st of January 2025** (previously RON 50,000).

Fragmented cash receipts/payments whose aggregate value is higher than the previously specified ceilings are prohibited.

Decrease in cash register ceiling

A ceiling of RON 50,000 is introduced for cash amounts allowed in the cash register of legal entities, authorized self-employed persons, individual or family enterprises, freelancers, individuals carrying out independent activities, associations, and other entities with or without legal personality, at the end of each day.

Excess cash amounts are deposited into bank accounts of these individuals/entities within 2 business days.

Exceeding this ceiling is only allowed for amounts earmarked for salary payment and other personnel rights, as well

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as other operations with individuals, for a period of 3 business days from payment date.

Sanctions

Failure to comply with provisions regarding **cash receipts and payments and maximum amount to be held in cash register** represents a contravention. If cash is not earmarked as described above, then according to criminal law, this represents a crime. It is sanctioned with a fine representing **25% of amount received/paid, held in the cash register**, which exceeds the ceiling set for each type of operation, **but no less than RON 500**.

Granting advantages to customers who make payment in cash is to be sanctioned by a fine amounting to between RON 15,000 and RON 20,000.

D. OTHER MEASURES INTRODUCED BY THE CURRENT LAW

Amendments and complements to other normative acts, such as:

- Accounting Law 82/1991:
  - update of certain sanctions of contraventions;
  - 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:
  - update of certain contravention sanctions;
- Law on companies 31/1990;
- Measures of economic and financial discipline. Decentralization of certain public services;
- Measures to combat tax evasion.

Order 2540/3452/2023 to set indexed amount granted in the form of cultural vouchers for the second half of 2023 (Official Gazette 899/2023)

Order updates amount granted, monthly or occasionally, in the form of cultural vouchers up to RON 210 per month or RON 420 per event. The new values apply for the period of October 2023 to March 2024.

Previously, the value of cultural vouchers was a maximum of RON 200 per month or RON 400 per event.

Order 1925/2654/2023 to set monthly indexed amount granted in the form of nursery vouchers for the second half of 2023 (Official Gazette 881/2023)

Order updates monthly amount granted in the form of nursery vouchers – RON 620 – for the October 2023 to March 2024 period (previously RON 600).

Order 2649/2023 to amend and complement certain accounting regulations (Official Gazette 903/2023)

Summary

The Order brings a series of amendments to accounting regulations, applicable starting with financial statements related to the year 2023, specifically with first annual financial statements concluded subsequent to the 1st of January 2024, for entities that have chosen a fiscal year different than the calendar year

Details

The main amendments are presented below:

1. Amendments to accounting regulations on individual annual financial statements and consolidated annual financial statements, approved by OMPF 1802/2014

Provision establishing that greenhouse gas emission certificates, as well as green certificates in the category of other investments held as fixed assets, be highlighted separately, is repealed.

Amendments are brought to the general chart of accounts, as follows:

- New accounting accounts are introduced:
  - account 1496, *Losses resulting from company reorganizations, corresponding to the negative net asset balance of the absorbed company*;

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- account 612 is divided/broken into accounts 6121, *Expenses with royalties*, 6122, *Expenses with management locations* and 6123, *Rent expenses;*
- account 616, *Expenses related to intellectual property rights* - keeps records of expenses related to intellectual property rights that do not meet conditions to be recognized as assets, amounts representing expenses related to intellectual property rights are recorded as a debit to the account (credit to 401, 408);
- account 617, *Management expenses* - keeps records of management expenses, amounts representing management expenses are recorded as a debit to the account (credit to 401, 408);
- account 618, *Consultancy expenses* - keeps records of consultancy expenses, related to current period, amounts representing consultancy expenses being registered in the debit to the account (credit to 401, 408);

→ account 266, *Deferred green certificates,* is eliminated.

2. Amendments to accounting regulations in accordance with IFRS, approved by OMPF 2844/2016

Changes are made to the general chart of accounts, similar to those introduced in OMPF 1802/2014 and described above. Thus, accounts 6121, 6122, 6123, 616, 617 and 618 are also included in the chart of accounts specific to companies applying IFRS.

3. Amendments to accounting regulations for non-governmental organisations (NGOs), approved by OMPF 3103/2017

Changes are made to the general chart of accounts, similar to those introduced in OMPF 1802/2014 and described above. Thus, accounts 6121, 6122, 6123, 616, 617 and 618 are also included in the chart of accounts specific to NGOs.

New provisions are introduced to clarify accounting treatment applicable to borrowing costs attributable to assets with a long manufacturing cycle.

Thus, according to these regulations, the costs of borrowing attributable to assets with a long manufacturing cycle are included in their production costs, to the extent that they are related to production period.

Capitalization of borrowing costs should cease when most of activities necessary to prepare assets with a long manufacturing cycle for its intended use or sale are completed. Considering this aspect, these new provisions establish that:

→ an asset is normally ready for its intended use when its physical construction is finished, although certain routine administrative work may continue. If only minor changes remain (interior decoration of a building according to specifications of the buyer or user), then a major part of activities is considered to have been completed;

→ entities that have included borrowing costs in the value of assets with a long manufacturing cycle should present appropriate information in disclosure notes to financial statements;

→ the date when the capitalization of borrowing costs, as part of the cost of an asset with a long manufacturing cycle, begins is the date when the entity first meets all the conditions presented below:

- bear expenses for that asset;
- bear borrowing costs; and
- undertakes necessary activities to prepare the asset for its predetermined use.

→ an entity only bears expenses for an asset with a long manufacturing cycle when those expenses generated cash payment, bank payment orders, transfer of other assets or assumption of interest-bearing liabilities;

→ activities necessary to prepare the asset for its predetermined use do not include physical construction of the asset only. They include technical and administrative work prior to the start of physical construction, such as activities associated with obtaining permits prior to the start of physical construction. However, such activities exclude ownership of an asset when no activity takes place that changes the state of the asset;

→ an entity should interrupt capitalization of borrowing costs during extended periods when it is not actually working on producing the asset with a long manufacturing cycle;

→ an entity may bear borrowing costs during an extended period when it interrupts activities necessary to prepare an asset for its intended use. Capitalization of borrowing costs is not interrupted during the period when the entity performs significant technical and administrative work or when a temporary postponement is a necessary part of the process to prepare an asset for its intended use.

Provisions on interruption of capitalization of borrowing costs apply starting with financial statements related to the year 2023, if the effect of the change in accounting policy may be established by the date when the respective annual financial statements are approved. Otherwise, those provisions apply to borrowing costs that are borne by the entity in relation to loans contracted subsequent to the 1st of January 2024.

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Nowium Breakfast

How will Law 296/2023 impact your company?

We invite you to discover that together, in an open discussion, with Nowium's fiscal and legal professionals.

The Nowium team invites you to discuss and identify the best solutions applying to your company with business environment representatives and experts on **the 14th of November at the Grand Hotel Continental Bucharest**.

The presentation will be in Romanian.

For details and registration, please visit: https://nowium.com/events/

Decision 937/2023 to amend Annex 1 to GD 33/2018 to set contraventions falling under Prevention Law 270/2017, as well as template for remediation plan and to amend and complement certain normative acts (Official Gazette 904/2023)

Summary

The Decision removes a series of contraventions from the scope of Prevention Law. Thus, these contraventions may no longer be subject to a light sanction such as a warning, being directly sanctioned with a fine.

Details

Main contraventions removed from the scope of Prevention Law are mentioned below:

- failure to submit informative statements of fiscal registration, cancellation of fiscal registration or mentions by deadlines provided by law;
- taxpayer/payer's failure to prepare transfer price file;
- taxpayer/payer's failure to fulfil declarative obligations, provided by law, of taxable goods and income or, as the case may be, of taxes, fees, contributions and other amounts, as well as any information related to taxes, fees, contributions, assets and taxable income, if the law provides for their declaration;
- failure to submit either *Application to set residency of individual upon arrival in Romania*, or *Application to set residency of individual upon departure from Romania, as the case may be,* on time by individuals obliged to do so according to the Fiscal Code;
- failure to submit VAT recapitulative statements by the deadlines provided by law;
- issuance of a tax receipt containing erroneous data;
- failure to issue tax receipt by the operator of fiscal electronic cash registers to customer and/or failure to issue invoice upon customer request;
- failure to provide periodic information requested by ANAF on time;
- submission of incorrect or incomplete recapitulative statements.

Also, certain fines provided by Regulation to apply Romanian Customs Code are increased. The maximum limit of certain fines provided for excise goods is increased, from RON 5,000 to RON 10,000.

New regulations enter into force on the 5th of November 2023.

Order 1612/2023 on documents that may be requested according to art. 61 para. (5) of Annex to GD 479/2003 to approve Methodological Norms to apply GEO 28/1999 on obligation of economic operators to use fiscal electronic cash registers (Official Gazette 919/2023)

Summary

Order approves documents that may be requested by fiscal authorities, in order to verify fulfilment of conditions to assign a unique AMEF identification number.

Details

Order regulates the following cases and specific documents:

- In the case of alternative transport activity with a passenger car and driver, as well as in the case of taxi activity, the fiscal authority may request a copy of the lease contract for the vehicle. In the case of alternative transport with passenger car and driver, the fiscal authority may request information from the Romanian Road Authority - ARR that may be found in the authorization for alternative transport with passenger car and driver, as well as the certified copy of authorization for alternative transport with passenger car and driver, based on an inter-institutional protocol;
- In the case of individuals renting rooms located in their personal homes for tourist purposes, the fiscal authority may request proof of ownership of the space or the right to sublease the building;
- If the user of the fiscal cash register has died, and the legal heir applies for assignment of the unique identification number, the fiscal authority asks the heir for a certificate attesting to inclusion of the fiscal electronic cash register in the estate.

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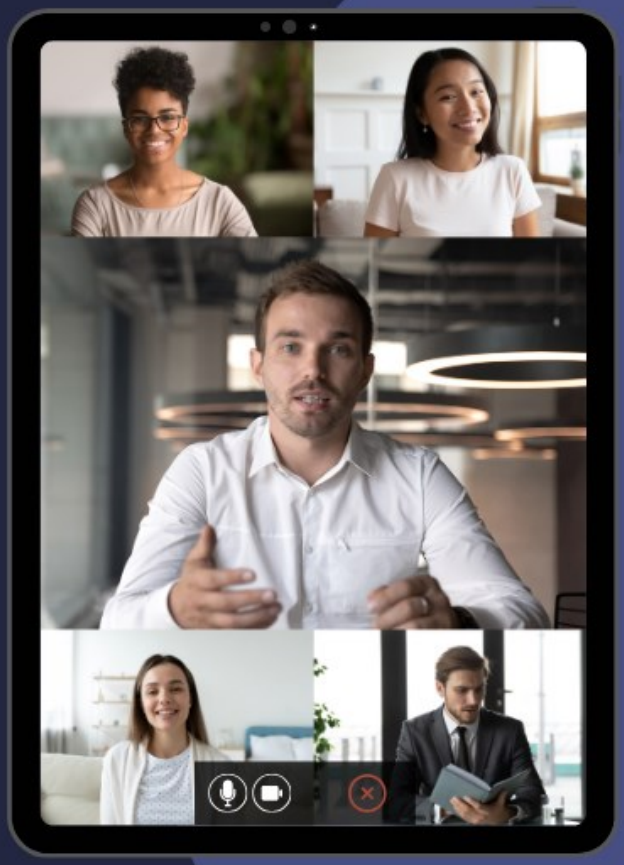
- Important changes of tax legislation



Friday,
17 November, 10 a.m.

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Sign-up

INFO – Valuation of monetary items in foreign currency

The October 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 = 4,9669 RON; 1 USD = 4,6585 RON; 1 CHF = 5,1639 RON; 1 GBP = 5,6781 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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Growing Business Together

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