NEWSLETTER

Nowium - Seemless Tax, Finance & Legal

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Top News:

- A mix of fiscal changes brought in mid-December to both the Fiscal Code and other normative acts
- RO e-Transport extends to all international road transport of goods - grace period for sanctions until July 1, 2024
- The norms for applying the Fiscal Code have been updated - news on income from the transfer of real estate, but also in VAT area for the application of rate increases from January 1, 2024
- Tax Group meetings - don't miss them! Join Tax Group to get the latest tax information and for continuous professional development - details on www.taxgroup.ro and taxgroup@taxgroup.ro

Summary

→ New ordinance amending Fiscal Code and other normative acts (GEO 115/2023)
→ Amendments to Methodological Norms to apply the Fiscal Code (GD 1336/2023)
→ RON 7,567 – average gross salary used as basis of state social insurance budget for 2024 (Law 422/2023)
→ Updated list of large and medium-sized taxpayers (Order 1945/2023)
→ Form 114 – Statement on insurance contribution payment obligations and nominal list of professional cultural workers for whom the contribution was paid (Order 2006/1193/4680/2023)
→ Legal entities active in oil and natural gas sectors paying additional tax on turnover starting the 1st of January 2024 (Order 5433/2023)
→ Procedure on assigning budgetary receivables owed by debtors in insolvency (Order 1940/2023)
→ Procedure on settlement, through offset of taxpayer fiscal receivables - certain, liquid and due from public local budgets - established by final court decisions, against fiscal/budgetary obligations owed to the state budget (Order 5329/2201/2023)
→ Updated form 112 (Order 1994/2023)

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- → DAC 7 and new reporting obligations for Platform Operators (Order 1946/2023, Order 1996/2023 and Order 2026/2023)
- → Other fiscal news
- → 2023 closing exchange rates
- → Social indicators

Emergency Ordinance 115/2023 on certain fiscal and budgetary measures in the field of public spending, for fiscal consolidation, to combat fiscal evasion, amend and complement certain normative acts, as well as extend/delay certain deadlines (Official Gazette 1139/2023)

Summary

The Ordinance brings multiple amendments to the Fiscal Code and many normative acts. It is a new ordinance that seems to have become "business as usual" for the Government at the end of each year. Unfortunately, this is certainly the largest and most complicated, especially if we take into account the massive regulations amended by Law 296/2023 at the end of October.

The main amendments brought to the Fiscal Code, by chapter, followed by other amendments brought to other normative acts are presented below.

Details

A. FISCAL CODE

A.1 Corporate Tax

Change in rules to carry forward/recover fiscal loss

Starting 2024/for modified fiscal year starting in 2024, annual fiscal losses, established on the corporate tax return, are recovered at a maximum of 70% of taxable profits, during the subsequent 5 consecutive years. Previously, the recovery period was 7 consecutive years, without the 70% limit.

Annual fiscal losses related to years preceding 2024/modified fiscal year starting in 2024, balances not recovered on the 31st of December 2023, are reclaimed from taxable profits starting 2024, within the limit of 70% of the respective taxable profits, for the remaining recovery period of the 7 consecutive years following the year when those losses were recorded.

Taxpayers that were applying the micro-enterprise regime and previously recorded a fiscal loss, apply these provisions from the date when they returned to the corporate tax regime.

Adjustments for impairment of receivables

Deduction limit for adjustments for impairment of receivables is reduced from 50% to 30% and will only apply to trade receivables.

Thus, for **trade receivables registered starting the 1st of January 2024, deductibility of adjustments for impairment of receivables is limited to 30%** and previous conditions will still have to be met (receivables should be unpaid for a period exceeding 270 days from due date, not be guaranteed by another person and be owed by a person who is not related to the taxpayer).

Trade receivables are defined as amounts owed by internal and external customers for products, semi-finished/prefabricated products, materials, sold goods, executed works and services rendered.

Previously, deduction was allowed for all types of receivables.

Social expenses

In 2024, the following expenditure categories are added to social expenses:

Private scholarships, granted according to Law 376/2004

Expenses related to private scholarships will no longer be deducted as fiscal credits. They will be included in the category of social expenses and will become deductible within the 5% limit of salary expenses and the limit of RON 1,500 for each scholarship granted.

For scholarships granted through the 31st of December 2023/end of modified fiscal year ending in 2024, the amount deducted from corporate tax in previous fiscal periods is added as a difference to be paid as corporate tax due in the quarter/year when the grant is returned to the funding source in cases when the beneficiary repays the grant to the taxpayer in a year other than when the scholarship was awarded.

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Early childhood education expenses

Amounts paid by taxpayers for placement of employee children in early childhood education units will be considered social expenses, within the 5% limit of salary expense and RON 1,500 for each child. In the case of amounts paid directly by the employee, they are granted by the employer, within the same ceiling, based on supporting documents presented by the employee.

The amount is granted to a single parent by a single employer, when a personal responsibility declaration from the parent is presented. If an employee works for several employers, the employee has the obligation to declare that he/she does not benefit from such payments from another employer.

Expenses for proper operation of certain units under taxpayer administration

These expenses remain in the company's social expenses category, deductible within the 5% limit of salary expense. Nurseries and kindergartens are added to the list of units subject to taxpayer administration.

Expenses related to registered headquarters

Fiscal depreciation for registered headquarters that are not used exclusively for the purpose of economic activity, located in residential buildings or individual houses, within residential complexes defined according to legal provisions, registered as taxpayer property, are deductible at a 50% level. Fiscal depreciation related to registered headquarters is not deducted when calculating the fiscal result, if the registered headquarters, recorded on taxpayer patrimony, are used for personal purposes by shareholders or associates.

Operation, maintenance and repair expenses related taxpayer headquarters

For headquarters located in a residence/house owned by an individual, that is also used for personal purposes, corresponding to areas made available to taxpayer based on contracts concluded between parties, for this purpose, it is possible to deduct 50% of operation, maintenance and repair expenses.

For registered headquarters that are not used exclusively for the purpose of economic activity, that are residential buildings or individual houses purchased by taxpayers, within residential complexes defined according to legal provisions, it is possible to deduct 50% of operation, maintenance and repair expenses. If the registered headquarters is taxpayer property and is used for personal purposes by shareholders or associates, the associated expenses are considered to be in their favour; therefore, non-deductible when calculating the fiscal result.

Expenses for operation, maintenance and repair of company accommodation are deductible within the limit corresponding to built-up areas provided by Housing Law 114/1996 (previously, the limit was increased by 10%).

Expenses related to purchase of cash registers

Purchase of cash registers may no longer be deducted from corporate tax as a fiscal credit. Thus, starting 2024/the modified fiscal year beginning in 2024, expenses representing purchase cost of cash registers (AMEF) are deductible expenses.

The final fiscal year during which remaining amounts to be carried forward are deducted from corporate tax is 2023/the modified fiscal year that ends in 2024.

Amounts representing cash registers, remaining to be carried forward after deduction from corporate tax related to 2023/the modified fiscal year ending in 2024, are considered elements similar to expenses starting in 2024/the modified fiscal year starting in 2024. In this case, expenses representing fiscal depreciation of electronic cash registers are non-deductible expenses when calculating the fiscal result.

Sponsorships – corporate tax redirection

Current limits on sponsorship and/or patronage expenses are maintained. Private scholarships are no longer included in this category and may no longer be deducted as a fiscal credit.

The possibility to redirect the unused limit is kept by submitting form D177. The form will must be submitted by the deadline for annual corporate tax returns (D101) and not within 6 months from submission date of the corporate tax return.

A lower limit is introduced for the use of fiscal credits in the case of economic operators to which the state or administrative-territorial units are sole or majority shareholders, or directly or indirectly hold a majority stake. In their case, fiscal credits for sponsorship/patronage may be reduced to a minimum ceiling of 0.15% of turnover or 20% of corporate tax due.

Deductibility of interest and other costs economically equivalent to interest

Deductibility of excess costs of indebtedness resulting from transactions/operations with affiliated persons, which do not finance the purchase/production of certain fixed assets under construction/assets to be established by order of the Minister of Finance, will be limited to a ceiling of EUR 500,000. This ceiling does not apply to credit institutions, Romanian branches of credit institutions, non-banking financial institutions, Romanian branches of non-banking financial institutions and investment companies.

For deductibility of total excess costs of indebtedness resulting from transactions/operations carried out both with

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affiliated and non-affiliated persons within a fiscal period, the ceiling of EUR 1,000,000 is maintained.

Excess costs carried forward are distributed proportionally, depending on the pro rata share of transactions carried out with affiliated vs. non-affiliated persons to total transactions.

Excess costs of indebtedness carried forward to the 31st of December 2023 are allocated, in subsequent fiscal years, up to deductible ceiling represented by the equivalent in RON of EUR 1,000,000.

Permanent establishments

The fiscal result of a permanent establishment/designated permanent establishment is determined by using transfer pricing rules to set market value of a transfer made between the foreign legal entity and its permanent establishment.

When setting market value of goods and services transferred between the foreign legal entity and its permanent establishment, provisions of Report 2010 on attribution of profits to permanent establishments, issued by the Organization for Economic Cooperation and Development (OECD) and published on the website of this organisation, are taken into account (https://www.oecd.org/ctp/transfer-pricing/45689524.pdf).

Even though, the above link is officially mentioned in GEO 115/2023, this will not access the Report, but will indicate that the page is archived. The report may be reached at: https://web-archive.oecd.org/2012-06-14/104309-45689524.pdf

Corporate tax consolidation

When determining corporate tax owed by a fiscal group, expenses related to private scholarships and purchase cost for electronic cash registers are no longer taken into account.

During the period when the fiscal consolidation system is applied, prior year negative consolidated fiscal results recorded by the fiscal group is recovered at 70% of current year positive consolidated fiscal result. Recovery of negative consolidated fiscal results is carried out as they are registered, upon each corporate tax payment deadline. The same conditions apply for dissolution of the fiscal group.

A.2 Minimum tax on turnover (IMCA)/Specific tax on turnover for legal entities carrying out activities in oil and natural gas sectors

The elements to calculate IMCA are changed, as follows:

- the phrase "which are not included with indicator I" is removed, referring to income from production of tangible and intangible assets taken into account when determining income that is deducted in order to calculate turnover;
- Taxpayers have the obligation to keep fixed assets in progress/assets included in the calculation formula of IMCA in its patrimony for at least half of economic use period, established according to applicable accounting regulations, but no more than 5 years. In case of non-compliance with this condition, IMCA is recalculated for the respective amounts and additional amounts are owed according to the Fiscal Procedure Code for the quarter/year of their deduction. In this case, the taxpayer has the obligation to submit a rectified/adjusted tax return. Assets registered in any of the following situations do not fall under the scope of these provisions:
  a) are transferred within reorganisation operations, carried out according to law;
  b) are removed within liquidation/bankruptcy procedure, according to law;
  c) are destroyed, lost, stolen or defective and replaced, provided that these situations are properly demonstrated or confirmed by taxpayer. In the case of stolen assets, the taxpayer proves the theft based on supporting documents issued by legal authorities;
  d) are removed from patrimony to fulfil certain obligations provided by law.

In the case of a fiscal group, to determine if the EUR 50,000,000 minimum revenue is met, the responsible legal entity tallies each member's turnover.

The above provisions also apply to specific tax on turnover for legal entities that carry out activities in the oil and natural gas sectors.

A.3 – Tax on micro-enterprise income

1. Condition on maximum number of owned micro-enterprises

The number of companies where an associate/shareholder may directly or **indirectly** hold more than **25%** of the value/number of shares **or** voting rights is reduced to **one micro-enterprise** (previously three).

We emphasize the inclusion of this additional condition, i.e., indirect ownership, a non-existent condition in the amendments made two months ago.

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Associates/shareholders holding, directly or indirectly, more than 25% of the value/number of shares or voting rights, both in analysed company and in other companies that meet conditions for the micro-enterprise regime, should establish, **by the 31st of March of the following fiscal year, only one company applying the micro-enterprise regime**.

Romanian legal entities that have not been established by associates/shareholders, by the 31st of March deadline, come under provisions of corporate tax.

2. Maximum threshold for income – EUR 500,000

The limit on income is verified by taking into account income earned by the Romanian legal entity and income of **enterprises linked to it,** as defined by Law 346/2004 on stimulation to establish and develop small and medium enterprises.

Therefore, the Government establishes a new criterion regarding calculation of maximum threshold for income of a company that is/may be qualified as a micro-enterprise by referring to total income of "enterprises linked" to it. All micro-enterprises will need to carefully consider whether they respect this condition, even if the associate no longer owns other micro-enterprises.

The maximum threshold of EUR 500,000 will in practice have to be monitored continuously during the financial year and will have to be analysed by adding own income to that of linked enterprises. Exceeding the threshold during the year results in an exit from the micro-enterprise system and application of corporate tax regime, starting with the quarter when the threshold is exceeded.

The definition of linked enterprises according to Law 346/2004 is detailed below:

Linked enterprises

Linked enterprises are enterprises between which any of the following relationships exist:

a) an enterprise holds the majority of voting rights of shareholders or associates of the other enterprise;

b) an enterprise has the right to appoint or revoke a majority of members of the board of administration, management or supervision of the other enterprise;

c) an enterprise has the right to exercise a dominant influence on the other enterprise, based on a contract concluded with this enterprise or a clause in its statutes;

d) an enterprise is a shareholder or associate of the other enterprise and owns, based on an agreement with other shareholders or associates of that enterprise, the majority voting rights of shareholders or associates of the respective enterprise.

Enterprises between which any of the above-mentioned relationships exist, **through an individual or a group of individuals acting with consent, are also considered linked enterprises, if they carry out their activity or part of their activity on the same market or on adjacent markets**.

An adjacent market is that market of a product or service located directly upstream or downstream of the market in question.

3. Annual financial statements should be submitted within the deadline

A new condition is introduced on submission of financial statements in due time.

Unfortunately, to apply the micro-enterprise system for fiscal year 2024, the condition is considered fulfilled if annual financial statements are submitted by the **31st of March 2024**.

4. Redefinition of limit to apply the regime for insurance/reinsurance intermediaries

Limitation to apply the micro-enterprise system to companies carrying out activities in the field of insurance and reinsurance, capital markets, including those carrying out intermediation activities in these fields, is redefined.

Thus, an exception is introduced for secondary insurance and/or reinsurance intermediaries that have earned income from the activity of insurance/reinsurance distribution in a proportion of up to 15% of total income.

5. For HORECA – provision granting to companies in this field the possibility to opt for a micro-enterprise regime by companies in this field, regardless of meeting the conditions (income threshold, employee, etc.) is repealed

Thus, HORECA (Hotel/Restaurant/Cafe) companies with turnover of more than EUR 500,000 may no longer optionally apply tax on micro-enterprise income. Basically, these companies will apply the micro-enterprise regime under the same conditions as other taxpayers.

6. Optional application of micro-enterprise regime

Romanian legal entities may opt to apply the tax on micro-enterprise income regime starting with the fiscal year following the year in which they meet conditions and if they were not taxpayers of micro-enterprise income subsequent to the 1st of January 2023, meaning the 1st of January 2024 in the case of companies in the HORECA sector.

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7. Micro-enterprises in temporary inactivity

A micro-enterprise that is **in temporary inactivity registered** with the Trade Register continues to be a taxpayer for tax on micro-enterprise income during the entire period in which it is in the situation of inactivity. When reactivated at the Trade Register, it continues to be a micro taxpayer if it fulfils the condition regarding the employee within 30 days and if it also fulfils the other conditions.

8. Failure to meet conditions

If, during the fiscal year, a micro-enterprise no longer meets the condition of having one employee and/or has not submitted its annual financial statements for the previous fiscal year in due time, if it had this obligation according to law, then the micro-enterprise owes corporate tax starting the quarter when any of these conditions are no longer met.

If, during a fiscal year, any of associate/shareholder of a micro-enterprise owns, directly or indirectly, more than 25% of the value/number of shares or voting rights in other micro-enterprises, the associates/shareholders should establish the micro-enterprise/micro-enterprises that fall under the scope of this title and which will apply corporate tax starting the quarter when the respective situation is registered, so that the condition of owning a single micro-enterprise is met.

9. Fiscal credit

Starting 2024, micro-enterprises will no longer benefit from fiscal credit for sponsorships and purchase of electronic cash registers.

The tax on micro-enterprise income related to 2023 is redirected, according to provisions in force, by the 31st of December 2023. 2023 is the last fiscal year for which amounts representing sponsorships/scholarships and for purchase cost of electronic cash registers be carried forward, according to law, and are deducted from tax on micro-enterprise income.

10. Taxation rates

Taxation rates for 2024 are:

- 1%, for micro-enterprises earning income that does not exceed EUR 60,000 and does not carry out the activities corresponding to NACE codes mentioned below
- 3%, for micro-enterprises:
  - earning income exceeding EUR 60,000, but less than EUR 500,000;

    or
  - carrying out activities, main or secondary, corresponding to NACE codes:
    - 5821 – Publishing of computer games activities
    - 5829 – Other software publishing activities
    - 6201 – Computer programming activities
    - 6209 – Other information technology services activities
    - 5510 – Hotel services
    - 5520 – Holiday and other temporary accommodation services
    - 5530 – Camping grounds, recreational vehicle parks and trailer parks
    - 5590 – Other accommodation
    - 5610 – Restaurants and mobile food activities
    - 5621 – Event catering
    - 5629 – Other catering
    - 5630 – Provision of drinks
    - 6910 – Legal activity – only for companies with legal personality that are not fiscally transparent entities, constituted by lawyers according to law
    - 8621 – General medical practice activities
    - 8622 – Specialist outpatient care

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- 8623 – Dental outpatient care
- 8690 – Other human health activities.

An ANAF order will regulate conditions regarding indirect holdings of associates, as well as other newly introduced conditions on micro-enterprise income tax.

A.4 Value added tax

A new category of products is added to the list for which the 9% VAT rate applies starting the 1st of January 2024 - milk formula for newborns, infants and young children.

A 50% limitation is introduced for the right to deduct VAT related to the purchase, rental or leasing of buildings/residential areas to inhabit, regardless of their destination, located in residential areas or in apartment buildings, and tax related to expenses for these buildings/areas, if they are not used exclusively for the purpose of economic activity. The limitation applies starting the 1st of the month following the date when Romania receives the approval to derogate this measure from provisions of Directive 2006/112/EC on the common VAT system.

No actual payment is made to customs authorities for imports by taxable entities registered under the scope of VAT which submit customs forms using centralized customs clearance procedures (previously by taxable entities obtaining certificate of authorized economic operator).

The suspension to submit forms 392A, 392B and 393 is extended through the 31st of December 2026.

A.5 Income tax and mandatory social contributions

A.5.1 – Salary income

The 33% ceiling of base salary, which includes non-taxable income, will be modified, starting with January 2024 income, as follows:

→ telework facilities are eliminated, meaning the possibility to grant a non-taxable monthly stipend for the telework regime – RON 400. This amount becomes taxable.

→ sports subscription cost is reduced from EUR 400 to EUR 100 per year. This limit is also carried over to deduction of subscriptions paid by employees for themselves and/or any of their dependents.

→ favourable difference between preferential interest rates established through negotiation and interest charged on the market, for loans and deposits, is included in the ceiling.

→ includes amounts borne by the employer for early childhood education of employee children, within the limit of RON 1,500 per month for each child.

Complements are made regarding recognition and taxation of certain income, applicable starting the 1st of January 2024. Thus:

→ amounts representing value/cost of tourist and/or treatment services, including transportation, during leave periods, for own employees and their family members is income related to the month when the expense report is **approved**, meaning income related to the month when the services are **granted,** if there is no obligation to present supporting documents.

→ amounts representing contributions to a voluntary pension fund borne by the employer for its own employees is income related to corresponding months for which the **payment was made**, based on supporting documents.

→ amounts representing voluntary health insurance premiums, as well as medical services provided as medical subscriptions, borne by the employer for its own employees, is income related to corresponding months for which the **payment was made**, based on supporting documents.

→ amounts representing value of subscriptions borne by the employer for its own employees are income related to the corresponding months for which **the payment was made**, based on supporting documents.

→ amounts borne/granted by the employer for placement of employee children in early childhood education units, according to law, is income related to corresponding months for which the **payment was made**, based on supporting documents.

→ amounts representing favourable differences between preferential interest established by negotiation and interest charged on the market for loans and deposits, are considered income related to each of the months when the loan is due; that is, the month when interest related to the deposit is recorded in the lender's bank account.

Fiscal facilities

The fiscal facility on non-taxable amount of RON 200 of minimum gross salary is extended to the January-December 2024 period.

This facility means that employees who carry out activity based on a full-time labour contract, at the place where the base position is located, do not owe any income tax and mandatory social contributions for an amount of RON 200 representing salary income if the following conditions are cumulatively met:

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- level of base monthly gross salary established according to individual labour contract, without including bonuses, is equal to the minimum national gross salary in force in the month in which the income is related;
- gross income obtained from salaries or similar to salaries based on the same individual labour contract, for the same month, does not exceed RON 4,000.

The amount of RON 200 provided above decreases depending on:

- period of the month for which the salary increase was granted;
- date from which new employees are employed;
- fraction of month for which salary income is determined;
- date when the labour contract ends.

A.5.2 Income from independent activities

Starting with income related to 2024:

- granting private scholarships is a deductible expense within a 5% limit of calculation base.
- value of subscriptions including the right to use sports facilities is deductible within the limit of RON equivalent of EUR 100 per year for each person.
- expenses for purchase of cash registers operating during the respective year are tax deductible, but are no longer deducted from income tax as fiscal credits.
- sponsorship and/or patronage expenses are not tax deductible, and taxpayers may no longer redirect 3.5% from income tax to support non-profit organisations.
- expenses recorded in accounting records, regardless of their nature, later proven to be related to corruption are not tax deductible.

A.5.3 Tax on income from rental activities

New rules are defined for taxation of income from rental activities (other than from lease of agricultural goods, as well as from rental of rooms located in privately owned houses for tourist purposes), depending on the type of tenant (legal entity or individual).

Withholding tax obligation when the tenant is a legal entity

The obligation to withhold tax is introduced if the tenant is a legal entity (or any person keeping accounting records according to law).

Thus, tax will be set with each payment of rent, by applying a 10% tax rate on taxable base determined based on gross income from which a flat rate of 20% will first be deducted. The tax will be declared and paid to the budget by the 25th of the month following the month when it was withheld.

The owner will no longer be required to submit the sole tax return for this income.

Tenant is an individual

When the tenant is an individual, the owner has the obligation to calculate and declare the tax, as previously, but the tax will be set by applying a 10% tax rate on taxable base determined based on gross income from rental activities from which a flat rate of 20% will be deducted.

Other provisions on income from rental activities

The provision setting that individuals who earn income from rental activities by operating more than 5 rental contracts at the end of the fiscal year, starting the following fiscal year, deem this income as being from independent activities and subject to rules to determine net income for this category, is eliminated.

The possibility to opt for application of the real system to determine net income from rental activities is eliminated.

The flat tax expense rate to determine net income in the case of leased agricultural goods is reduced from 40% to 20%.

A.5.4 Tax on income from transfer of real estate from personal patrimony

The deadline for public notaries to submit informative statement on transfers of real estate property is changed.

Thus, starting the 1st of January 2024, this statement will be submitted monthly, by the 25th of the month following the month when documents on the transfer of real estate from personal patrimony were authenticated. Up to the end of 2023, the statement was submitted every half year.

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The statement should also include the cadastral number of the property. In addition to this information, the following are also included for each transaction: contracting parties, value mentioned on transfer document, income tax from the transfer of real estate properties from personal patrimony and notary fees related to transfer.

A.5.5 Tax on income from independent activities based on sports activity contracts and tax on income from intellectual property rights/copyright

The possibility to redirect the amount representing up to 3.5% of income tax to support non-profit organisations and religious units, as well as to grant private scholarships, according to law, is eliminated.

A.5.6 Tax on income – Recover fiscal loss

Annual fiscal losses recorded for each source of income from independent activities, copyright and agricultural, forestry and fish farming activities, determined by applying the real system, is carried forward and recovered from current year profit within the limit of 70% of annual net income, obtained from the same source of income during the subsequent 5 consecutive fiscal years.

Losses from income obtained from independent activities, copyright, agricultural, forestry and fish farming activities obtained from abroad are carried forward and recovered by taxpayer from net income within the limit of 70% of annual net income of the same nature and source, obtained from abroad, for each country, earned during the subsequent 5 consecutive fiscal years.

Annual net loss from investment operations such as gains from security transfer and any other operations with financial instruments, including financial derivatives, specifically gains from gold investment transfer, defined according to law, established by Sole Tax Return and owed by individuals are recovered within the limit of 70% of annual net income earned during the subsequent 5 consecutive fiscal years.

Annual net losses coming from abroad are carried forward and recovered by taxpayer within the limit of 70% of annual net income obtained from the same nature and source, obtained abroad, for each country, recorded during the subsequent 5 consecutive fiscal years.

Annual fiscal losses recorded prior to 2024, remaining unrecovered by the 31st of December 2023, are recovered from annual net income starting 2024, for the remaining period of 7 years, within the limit of 70% of annual net income or, as the case may be, the respective annual net income by income source. To apply the 70% limit, annual fiscal losses recorded prior to 2024, remaining unrecovered by the 31st of December 2023, are added to annual fiscal losses recorded starting 2024.

A.5.7 Other provisions on social contributions

Minimum salary reference level

Clarifications are made on minimum salary used for classification within social contribution ceilings and calculation base for contributions.

If, by Government Decision or other normative act, several values for minimum gross salary are used simultaneously (as in 2023), the lowest value of minimum national gross salary per month is taken into account when applying provisions of art. 145, 146 and 157[1], if the law does not provide otherwise.

If, by Government Decision, several values of minimum national gross salary are used throughout the year, then when checking classification within annual ceilings, as well as when establishing annual calculation base for CAS and CASS, the value of minimum gross salary in force on the 25th of May of the year when income for which social contributions are set, will be taken into consideration. The provision also applies for option expressed according to art. 180 para. (1) letter a).

Thus, for 2023, a minimum salary of RON **3,000** is used (NOT RON 3,300).

Regulations are provided regarding the update of amounts set by Sole Tax Return, if during 2023, another level of the minimum salary was used to determine the ceilings or CAS and/or CASS.

Other provisions

Exception to pay CASS for medical leave granted under GEO 158/2023 is removed. The exception is maintained for temporary work incapacity granted following work accidents or occupational diseases, based on Law 346/2002 on insurance for work accidents and occupational diseases. Indemnities related to medical certificates – starting with social health insurance indemnities related to January 2024.

By the last day of February 2024, for 2023, income payers have the obligation to issue a document regarding the level of CAS and CASS withheld to individuals receiving income, as well as the level of minimum national gross salary used for calculation.

B – RO e-Factura system

Deadline to send electronic invoices

Deadline to send electronic invoices when there is an obligation to use the national RO e-Factura system is defined/set. This term is **5 calendar days** from issuance date/deadline to issue them according to the Fiscal Code. We

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emphasize that the obligation to use the RO e-Factura system in B2B relationships exists in two situations:

- by the 30th of June 2024, when both supplier and beneficiary are enrolled in the RO e-Factura national system; otherwise, electronic invoicing does not apply, only a report from the issuer will be required.
- starting from the 1st of July 2024, for invoicing between entities/persons established in Romania.

Thus, we note that the legislation introduces two different deadlines for similar obligations regarding the RO e-Factura system, as follows:

- if the issuer of the invoice does not have the obligation of electronic invoicing by the 1st of July 2024, but has the obligation to electronically report invoices issued in B2B relationships by the 30th of June 2024, the reporting period is **5 working days** from issuance date/deadline to issue (as defined by Article LIX of Law 296/2023).
- if the issuer has opted for electronic invoicing and is already applying it in relation to its partners, also using it, between the 15th of December 2023 and the 30th of June 2024, will apply the deadline defined for electronic invoicing by GEO 120/2021, complemented by GEO 115/2023, meaning **5 calendar days** from issuance date/deadline to issue them according to the Fiscal Code.
- starting the 1st of July 2023, electronic invoicing in B2B relationships becomes mandatory, and the deadline to send invoices through the RO e-Factura system is **5 calendar days** from issuance date/deadline according to the Fiscal Code.

We note the confusion caused by regulations by simply using calendar or working days and the legislator's inability to standardize the deadline during the first 6 months of 2024, a period when there will be, in effect, 2 different deadlines.

Sanctions

In relation to sanctions for non-compliance with the deadline, the same level to sanction contraventions depending on the type of taxpayer is extended subsequent to the 1st of July 2024, a level already established by Law 296/2023 and also applicable from the 1st of April 1 to the 30th of June 2024:

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

Starting from the 1st of July 2024, the fine for communication/transmission of an invoice, for which transmission via RO e-Factura is mandatory, by other methods will be **15% of total value on the invoice**. This applies to both supplier and beneficiary. The fine applies to taxable entities/individuals established in Romania having the capacity of both supplier and beneficiary.

The fine equal to VAT applicable to the beneficiary if invoices are received other than through RO e-Factura, is eliminated.

RO e-Factura exceptions

The following are not subject to transmission through the RO e-Factura system: simplified invoices (tax receipts containing the beneficiary's fiscal registration code), invoices issued for operations to persons/legal entities that are not established and not VAT registered in Romania and invoices presented for services for which the issuance is not subject to invoicing rules in Romania.

Unavailable system

New provisions are introduced for the situation when the RO e-Factura system is not functional for at least 24 hours. In this situation, the transmission obligation is suspended until the system is once again functional.

When the RO e-Factura system is not functioning, a notification will be published on the ANAF and the Ministry of Finance websites.

C – RO e-Transport System

Starting from the 15th of December 2023, the **obligation to report international road transportation of goods via RO e-Transport**, related to import/export operations/intra-community purchases/intra-community deliveries, regardless of the category of transported goods (not only for goods with high fiscal risk) is introduced.

The obligation to declare data related to international transportation of goods in the RO e-Transport system to obtain UIT codes rests with the following users:

- **recipient** listed on the import customs form, or sender listed on the export customs form, in the case of goods

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subject to import or export operations, as the case may be;

- → **Romania based beneficiary**, in cases of intra-community purchase of goods;
- → **Romania based supplier**, in cases of intra-community delivery of goods;
- → **deposit/warehouse,** in the case of goods that are subject to intra-community transactions in transit, both for goods unloaded on Romanian territory for storage or for formation of a new shipment/transportation from one or more consignment of goods, as well as for goods loaded after storage or after formation of a new shipment from one or more consignments of goods on national territory.

Failure to comply with obligations to declare international shipments of goods in the RO e-Transport system is sanctioned with a fine between RON 10,000 and RON 50,000 for individuals or between RON 20,000 and RON 100,000 for legal entities, as well as with confiscation of the value of undeclared goods.

Contravention sanctions for non-compliance with new obligations on international road transportation of goods enter into force on the 1st of July 2024.

Road transportation operators will have the obligation to ensure data transfer regarding current positioning of transport vehicles, for the entire duration of transportation of goods that are the subject to monitoring via the RO e-Transport system. Thus, the operator is obliged to equip transport vehicles with terminal devices that use satellite positioning and data transmission technologies.

D – Limitation of cash transactions

New amendments are brought to Law 70/2015 to strengthen financial discipline for cash receipts and cash payments. Thus, starting the 15th of December 2023:

- → daily ceiling for payments related to travel advances increases from RON 1,000 to RON 5,000;
- → **Receipts or repayments of loans or other financing** 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 will be carried out, regardless of their nature and destination, **exclusively through non-cash payment instruments**. Failure to comply with this obligation is sanctioned with a fine of 25% of amount collected/paid, but no less than RON 500 (entered into force on the 25th of December 2023)**.**
- → At the end of each day, cash amounts in cash registers may not exceed RON 50,000, or RON 500,000 for cash and carry stores and super/hypermarkets. Amounts exceeding thresholds are deposited into bank accounts within 2 working days.
- → Branches and other secondary offices of legal entities that have their own cash register and/or account opened at a credit institution apply provisions of Law 70/2015, for each individual cash register.

Our updated material on ceilings for cash transactions may be accessed here (in Romanian):
https://nowium.com/plafonarea-tranzactiilor-cu-numerar-2023/

E – Electronic cash registers (AMEF)

Application of the sanction provided for not equipping commercial vending machines with electronic cash registers is postponed to the 1st of October 2024.

F – Amendments brought to Accounting Law 82/1991

Starting with annual financial statements related to the 2023 financial year, all non-profit organisations which, during the reporting financial year, received amounts representing subsidies, sponsorships, amounts redirected, according to law, from corporate tax, tax on micro-enterprise income and income tax owed by individuals, as well as other similar forms of financing, regardless of their cumulative value, should prepare a statement that is attached to annual financial statements and highlights the amounts received, and how such amounts were spent.

Statement template is approved by order of the Minister of Finance, issued within 60 days from the entry into force of GEO 115/2023 (the 14th of December 2023).

Failure to meet this obligation constitutes a contravention and is sanctioned with a fine between RON 20,000 and RON 30,000.

Fines provided by the Accounting Law are also increased.

Decision 1336/2023 to amend and complement Methodological Norms to apply Law 227/2015 on the Fiscal Code, approved by GD 1/2016 (Official Gazette 1196/2023)

Summary

The Decision brings amendments to application norms of the Fiscal Code to corelate them with amendments to the Fiscal Code.

Details

The Decision concerns application norms for three chapters of the Fiscal Code:

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- Income tax – point 33 of the norms referring to income from transfer of real estate from personal patrimony
- VAT
- Excise duties

The Decision also contains as annex two templates for documents that refer to excise duties:

- Application on authorization for economic operator trading products subject to non-harmonized excise duties provided by art. 439 para. (2) letter a) - c) of the Fiscal Code
- Notification on production, purchase from other EU Member States or import of products provided by art. 439 para. (2) letter d) - e) of the Fiscal Code.

On VAT, the following are enacted:

- Adapting Methodological Norms to amendments brought to VAT rates applicable starting the 1st of January 2024
- Clarifications are introduced on NC codes specific to new products to which the 9% VAT rate is applied (instead of the 19% VAT rate):
  - milk formula for newborns, infants and young children; that is, first infant formula, follow-on and growing-up formulas, which fall under NC codes 0402 and NC 1901 10;
  - "cozonac" cake sold under this name and which falls under NC code 1905;
  - biscuits sold under this name and fall under NC codes 1905 31, 1905 90 45 and 2309.
- Clarification on foods with added sugar and the method to determine sugar content in order to apply the correct VAT rate (9% or 19%) as follows:
  - based on the list of ingredients, identifying whether the food has added sugar, regardless of quantity, and total sugar content mentioned in nutritional information.
  - if total sugar content is expressed in grams/unit of measure for volume, taxable entities should convert from volume unit measure to mass/weight unit measure.
- the method to apply the VAT rate related to food supplements is also clarified. The same conditions should be met, as before, regarding disclosure on the website of the Ministry of Health or that of the National Institute for Research and Development for Food Bioresources.

In addition, it is expressly stated that the 9% reduced VAT rate does not apply to food supplements that fall within the exceptions provided by art. 291 para. (2) letter e) of the Fiscal Code, meaning the same exceptions as for food (a food supplement with sugar content of at least 10g/100g product is subject to the 19% VAT rate).

Registration under the scope of VAT

Several clarifications and additions regarding VAT registration are introduced:

For taxable entities applying for **registration under the scope of VAT upon registration at the Trade Register** according to art. 316 para. (1) letter a) of the Fiscal Code, VAT registration is considered valid starting from the **date of registration at the Trade Register** (and not the date of communication of the registration certificate, as it was previously).

VAT registration applications submitted according to art. 316 para. (1) letter a) of the Fiscal Code, by taxable entities requesting VAT registration together with registration at the Trade Register, during 2023, and did not go to the competent fiscal authority to take their certificate for VAT registration, **are cancelled after 60 days from the date this Decision enters into force (the 1st of March 2024).**

VAT registration will be considered valid starting from communication date of the VAT registration certificate for taxable entities requesting VAT registration together with registration at the Trade Register, during 2023, and go to the competent fiscal authority to get their certificate for VAT registration within 60 days from the date of entry into force of this decision (the 1st of March 2024).

Law 422 /2023 on state social insurance budget for 2024 (Official Gazette 1188/2023)

Summary

The Law approves the state social insurance budget for 2024. Accordingly, average gross salary used to base state social insurance budget for 2024 is RON 7,567 lei (compared to RON 6,789 in 2023).

Details

Average gross salary influences various tax limits, indemnities and benefits, such as:

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- technical unemployment during a state of emergency – 75% gross average salary per country;
- indemnities related to days off for parents, granted when school courses are suspended due to weather conditions or other extreme situations, as well as when school courses are suspended or limited due to the coronavirus epidemic - 75% gross average salary per country;
- covering the cost of tourist and/or treatment services, including transportation, granted by employer to its employees and their family members - capped at the average gross average salary per country.
- burial allowance established at the level of an average gross salary per country for the death of the insured person or retiree, or at half of average gross average salary per country for the death of a family member of the insured person or retiree.

Order 1945/2023 to amend and complement certain ANAF Presidential Orders on organising activity to administer/manage large and medium-sized taxpayers (Official Gazette 1097/2023)

Summary

The Order updates the list of large and medium-sized taxpayers effective the 1st of January 2024.

Details

The change of classification from one category to another affects the competent fiscal authority, to which a company should address starting the 1st of January 2024, and also the Treasury to which the payment of fiscal obligations should be performed.

Inclusion in the category of large-sized taxpayers generates the obligation to prepare an annual transfer pricing file.

Last but not least, the transition from small to medium or large-sized taxpayers generates the obligation to prepare SAF-T reports starting the 1st of January 2024. This does not happen in the opposite direction, the obligation to prepare SAF-T reports is maintained if there is a transition from the category of large or medium to small-sized taxpayers.

To check the lists published by ANAF, you may access the links below:

- Large-size taxpayers list
- Large-size taxpayers – secondary offices
- Middle-size taxpayers
- Middle-size taxpayers – secondary offices.

Order 2006/1193/4680/2023 to approve template, content, means to submit and manage *Statement on insurance contribution payment obligations and nominal list of professional cultural workers for whom the contribution was paid* (MO 1164/2023)

The Order approves template and content of Form 114, *Statement on insurance contribution payment obligations and nominal list of professional cultural workers for whom the contribution was paid* and its annexes. Filing instructions are also approved.

The statement provided above is a tax return and is submitted by electronic means of remote transmission by income payers for professional cultural workers, who, during the reporting period, concluded contracts with the beneficiary according to GEO 21/2023 on the status of professional cultural workers and owes an insurance contribution representing 1% of the value of each concluded contract.

Statement is submitted every six months by the 25th of the month following the semester when contracts with professional cultural workers were concluded.

Order 5433/2023 to set legal entities that carry out activities in oil and natural gas sectors according to art. 18^3 para. (1) of Law 227/2015 on the Fiscal Code (Official Code 1185/2023)

The Order regulates classification of legal entities that apply art. 18^3 of the Fiscal Code on additional tax for legal entities carrying out activities in oil and natural gas sectors. This tax applies from the 1st of January 2024.

Thus, legal entities that carry out activities in oil and natural gas sectors are those that carry out main or secondary activities, corresponding to the following NACE codes:

- 0610 – Petroleum extraction;
- 0620 – Natural gas extraction;
- 1920 – Manufacture and processing of refined petroleum products;
- 3522 – Gas distribution;

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- 3523 – Gas trading;
- 4671 – Wholesale of solid, liquid and gaseous fuels and related products;
- 4730 – Retail sale of fuel for motor vehicles in fuel stations;
- 4950 – Transport via pipelines.

In the case of taxpayers carrying out activities corresponding to NACE codes provided above, as well as activities according to NACE codes 3512 – Electricity transmission, 3513 – Electricity distribution and 3514 – Electricity trading and which are regulated/licensed by ANRE, in order to set specific tax, the elements related to these activities are not included in the indicators, VT, Vs, I and A of the formula to calculate specific tax on turnover.

Order 1940/2023 to approve Procedure on assigning budgetary receivables owed by debtors in insolvency (Official Gazette 1109/2023)

Summary

The Order approves new Procedure on assigning budgetary receivables owed by debtors in insolvency, as well as required forms. This way, ANAF Presidential Order 942/2019 is repealed.

Details

Budgetary receivables owed by debtors in insolvency are subject of assignment, if they are recorded on the fiscal attestation certificate, and not settled when the assignment contract was concluded.

Budget receivables due are outstanding budget receivables as at the issuance date of the fiscal attestation certificate, respectively:

a) those registered or, as the case may be, accepted for the purposes of determining the debtor's total amount due;

b) those provided by letter a), but admitted under condition of suspension;

c) those that are not considered overdue according to art. 157 para. (2) letter a), letter a1), letter b1), letter c) and letter e) of Law 207/2015 on the Fiscal Procedure Code;

d) those that are not admitted for the purposes of determining the debtor's total amount due according to law (provided that the debtor has not been convicted of simple or fraudulent bankruptcy or has not been held accountable for making fraudulent payments or transfers) or are not accepted in the reorganisation plan confirmed by the bankruptcy judge, as the case may be;

e) current receivables, meaning certain, liquid and chargeable, arising during the insolvency procedure, according to documents from which they result.

Assignment of budgetary receivables due is carried out if the following conditions are cumulatively met:

- sale price offered covers at least 50% of the starting sale price;
- payment of assignment price is made entirely or within a maximum period of 3 years from the date the assignment contract is concluded, as follows:
  - entirely, by the date of conclusion of the assignment contract;
  - entirely, within 30 days from the date of conclusion of the assignment contract, setting warranties covering the price of assignment;
  - within a maximum period of 3 years from the date of conclusion of the assignment contract, setting warranties covering both the price of the assignment and the value of related interest , calculated according to law;
- setting warranties, covering the value, except for the situation when the payment is made entirely by the date of conclusion of the assignment contract.

Order 5329/2201/2023 to approve Procedure on settlement, through offset of taxpayer fiscal receivables - certain amounts, liquid and chargeable from public local budgets - established by final court decisions against fiscal/budgetary obligations owed to the state budget, as well as on information exchange between local and central fiscal authorities (Official Gazette 1116/2023)

Summary

The Order approves Procedure on settlement, through offset of taxpayer fiscal receivables - certain amounts, liquid and chargeable from public local budgets - established by final court decisions, with fiscal/budgetary obligations owed to the state budget, as well as on information exchange between local and central fiscal authorities. In addition,

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required forms are approved.

Details

Taxpayers submit an application to competent local fiscal authorities, also attaching a copy of the final court decision, in order to settle the taxpayers' fiscal receivables, certain, liquid and chargeable from local budgets, established by final court decisions, with fiscal/budgetary obligations towards state budget.

The deadline to solve submitted applications is 45 days from registration date with the competent local fiscal authority, which may be extended according to law.

Order 1994/880/1181/4594/2023 to approve template, content, means to submit and administer/manage form 112, *Return on social contributions, income tax and nominative list of insured persons* (Official Gazette 1112/2023)

The joint Order approves template and content of form, *Return on social contributions, income tax and nominative list of insured persons*, as well as its annexes.

The new form went into effect when declaring income related to November 2023.

INFO – DAC 7

GO 16/2023 transposes provisions of (EU) Council Directive 2021/514 to amend Directive 2011/16/EU on administrative cooperation and extends the automatic exchange of information in the tax field to income obtained through digital platforms ("DAC7").

The Fiscal Procedure Code was updated for these new regulations at art. 291^5, "Scope and conditions of mandatory automatic exchange of information reported by Platform Operators," and in Annex 5 to the Fiscal Procedure Code – "Procedure of fiscal due diligence, reporting and other rules for Platform Operators."

Annual reporting obligation of digital Platform Operators applies starting with the activity of 2023, and the first reporting deadline is **the 31st of January 2024**.

Failure to comply with these obligations constitutes a contravention and is punishable by fines of up to RON 100,000 and revocation of the Platform Operator's registration, according to the Fiscal Procedure Code.

More details on these provisions may be found in Nowium Newsletter 2 2023

Related to these regulations, Orders 1946/2023, 1996/2023 and 2026/2023 were published in December. The Orders are presented below.

Order 1946/2023 to approve Procedure to apply provisions of art. 291^5 para. (10)-(13) and para. (19) letter a) of Law 207/2015 on the Fiscal Procedure Code (Official Gazette 1098/2023)

Summary

The Order aims to ensure a unified framework to register or re-register for Platform Operators which are required to report. ANAF mentions, in the Report approving the normative act, that Law 207/2015 on the Fiscal Procedure Code was amended by adopting GO 16/2023, incorporating provisions of (EU) Council Directive 2021/514 to amend Directive 2011/16/EU on administrative cooperation and extends the automatic exchange of information in the field of taxation to income obtained through digital platforms ("DAC7"), by complementing Title X, "International aspects" – Chapter I "Administrative cooperation in the fiscal field" with art. 291^5, which also includes Platform Operators in the scope of mandatory automatic exchange of information, as defined in Annex 5, section I, subsection A, para. (1) - (11) of the Fiscal Procedure Code.

Taking into account the specificity and flexibility of digital platforms, the reporting obligation also falls on Platform Operators carrying out commercial activity within the European Union, but not having fiscal residency, not being established or administered in a Member State, nor having a permanent establishment in a Member State. This would ensure fair competition between all digital platforms. To fulfil this objective, foreign Platform Operators should only register and report in one Member State for the purpose of conducting business on the domestic market. Also, if registration of such a Platform Operator is revoked, it may only be re-registered if appropriate warranties are provided on its commitment to comply with EU reporting requirements, including any unmet reporting requirements.

Details

The Order approves the following:

- Procedure to apply provisions of art. 291^5 para. (10), (12), (13) and para. (19) letter a) of the Fiscal Procedure Code
- Procedure to apply provisions of art. 291^5 para. (11) of the Fiscal Procedure Code
- Template, content and instructions to fill form 707, *Application for Platform Operators to register/mention changes/de-register, defined at point 4 letter b) of subsection A of section I of Annex 5 of the Fiscal Procedure Code*.

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Article 291^5 of the Fiscal Procedure Code refers to "Scope and conditions of mandatory automatic exchange of information reported by Platform Operators."

Procedure to apply provisions of art. 291^5 para. (10), (12), (13) and para. (19) letter a) of the Fiscal Procedure Code sets that:

- Platform Operator, other than the excluded Platform Operator, which
  - has no fiscal residency
  - is not established or administered in Romania or in any other Member State, nor does it have a permanent establishment in Romania or in any other Member State
  - facilitates carrying out a relevant activity by reportable sellers or a relevant activity involving the rental of real estate located in Romania or in another Member State
  - is not a non-EU qualified Platform Operator

  may opt to register with the competent authority in Romania or in any other Member State, in order to comply with reporting obligation, by submitting form 707
- fiscal authorities are notified of any change by submitting form 707, including when the Platform Operator no longer carries out any activity.

Procedure to apply provisions of art. 291^5 para. (11) of the Fiscal Procedure Code establishes that:

- if a Platform Operator registers with the competent authority in Romania or any other Member State (according to those previously mentioned), in order to comply with its reporting obligation, but **fails to comply with it**, ANAF **revokes its registration**, subsequent to sending two notifications regarding its non-compliance with reporting obligation. The registration is revoked within a maximum of 90 days, but not prior to the end of a 30 day period from the date of the second notification.
- A Platform Operator whose registration has been revoked will only be able to re-register if it provides appropriate warranties for its commitment, namely an affidavit and financial warranties, as required by law, including complying with any unmet reporting requirements. After the documents have been submitted and validated by ANAF, the Platform Operator will be able to re-register by submitting form 707.

Form 707, *Application for Platform Operators to register/mention changes/de-register, defined at point 4 letter b) of subsection A of section I of Annex 5 of the Fiscal Procedure Code*, is used by Platform Operators that have the obligation to report - other than an excluded Platform Operator - under the conditions mentioned above.

Form 707 is only submitted by electronic means of remote transmission, as follows:

- application to register or de-register by the 15th of December of the year for which the report is made or the year when the de-registration was decided;
- mentions application within 30 days from the date when changes to the previously declared information occurred.

Order 1996/2023 to approve template and content of form used by Platform Operators to meet reporting obligation as provided by art. 291^5 para. (1) of Law 207/2015 on the Fiscal Procedure Code (MO 1167/2023)

Summary

The Order approves template for form F7000 used by Platform Operators in order to comply with their reporting obligation as provided by art. 291^5 para. (1) of the Fiscal Procedure Code.

Details

The reporting form is submitted on the portal, as a PDF file with attached XML, signed, electronically by means of remote transmission. To submit F7000, Platform Operators should hold a qualified digital certificate, issued according to Law 455/2001 on electronic signatures.

Platform Operators are informed about any changes made to form F7000 by publishing it on the ANAF portal, Online Services section, Download electronic forms menu, at least 15 days before the changes are applied.

Adjustments on transmitted information are made:

a) upon Platform Operators' initiative;

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b) following an adjustment request sent by other reporting jurisdictions through ANAF;

c) following a notification sent by ANAF;

d) as a result of the measures ordered by ANAF after carrying out an inspection.

Possible adjustment types:

→ change of certain information initially transmitted, in the situation where it was incompletely or incorrectly reported;

→ cancellation of certain information initially transmitted.

Order 2026/2023 on administrative procedure through which a Platform Operator having the obligation to report may choose to perform in Romania the reporting procedures as provided by section III of Annex 5 of Law 207/2015 on the Fiscal Procedure Code (Official Gazette 1144/2023)

The Order approves template and instructions to file form 708, *Information on the choice to carry out reporting procedures in Romania, according to provisions of section IV of annex 5 to Law 207/2015 on the Fiscal Procedure Code, for Platform Operators that meet conditions mentioned at point 4 letter a) of subsection A of section I of annex 5 to Law 207/2015 on the Fiscal Procedure Code in Romania and in other Member States*.

Furthermore, the administrative procedure by which a Platform Operator meeting any condition provided at point 4 letter a) from subsection A of section I of annex 5 of the Fiscal Procedure Code in Romania and in other Member States chooses to carry out the reporting procedures provided for in section III of annex 5 of the Fiscal Procedure Code in Romania is approved.

Order 2080/2023 to approve Procedure to organise Register for purchase of houses where reduced VAT rate is applied (Official Gazette 1190/2023)

The Order approves new Procedure to organise Register for purchase of houses subject to reduced VAT rate and repeals Order 2053/2022.

Decision 1307/2023 to establish working days for which days off are granted, days preceding and/or succeeding non-working public holidays for 2024 (Official Gazette 1172/2023)

The Decision establishes the 2nd of May, the 16th of August, and the 27th of December 2024 as days off for the public service employees.

To recover the working days established as days off, public institutions and authorities shall accordingly extend their work hours by the 31st of May, the 30th of August 2024 and the 31st of January 2025, as set through administrative acts issued at the level of each authority and public institution.

The provisions do not apply to work locations where operations cannot be interrupted due to the nature of the production process or specifics of the activity of magistrates and other categories of law court personnel involved in settlement trials with hearings on the 2nd of May, the 16th of August and the 27th of December 2024, as well as the participants in these trials.

Order 1930/2023 to amend ANAF Presidential Order 420/2023 to approve template and content of form, *Compliance notification issued by the fiscal inspection authority*, procedure to notify and issuance periodicity, as well as to amend annex 1.a to ANAF Presidential Order 3711/2015 on template and content of forms and documents used for the activity of fiscal inspection (Official Gazette 1115/2023)

Order 2048/2023 to amend and complement ANAF Presidential Order 2594/2015 to set competent fiscal authorities to organise and manage the fiscal record, procedure to record, remove or rectify information on/from the fiscal record, application for and issuance of fiscal record, template and content of required forms, as well as appropriate level of access to information on the fiscal record (Official Gazette 1181/2023)

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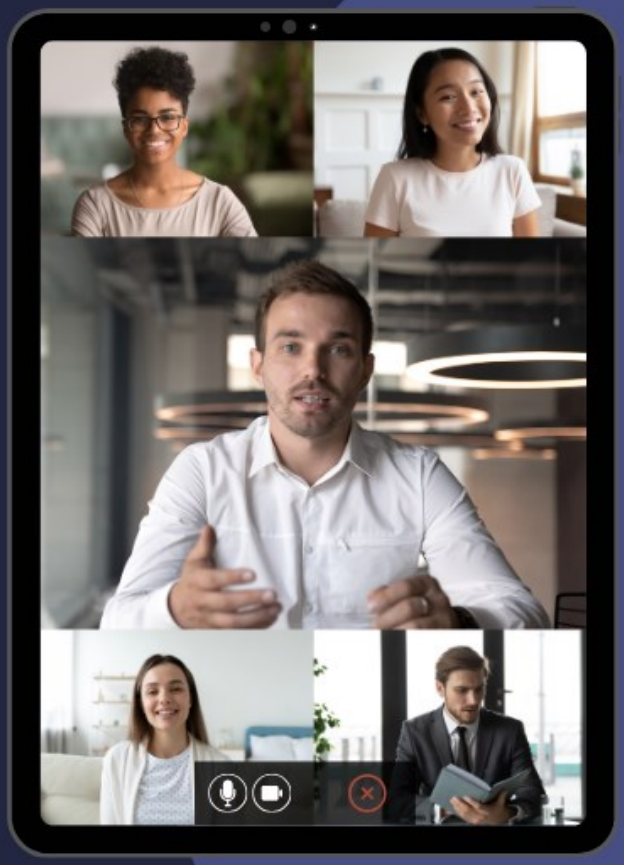

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INFO – Valuation of monetary items in foreign currency

The 2023 closing NBR exchange rates to use for valuation of monetary items (cash on hand, receivable, 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 = 4.4958 RON; 1 CHF = 5.3666 RON; 1 GBP = 5.7225 RON

SOCIAL INDICATORS 2024

2024 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 40 (starting 1st of January 2024)	
Minimum wage (gross)	→ RON 3,300 (starting the 1st of October 2023) → RON 4,582 (starting the 1st of November 2023) for employees in the construction field → RON 3,436 (starting the 1st of November 2023) for employees in agriculture and food	
Per Diem (in the country) For employees of public institutions For private sector employees (* 2.5)	 → RON 23 → RON 57,50	

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

→ for income up to RON 10,000, the default CAS rate is reduced to 21.25% (20.25% starting 01.01.2024), and for income that exceeds the ceiling of RON 10,000, the 25% rate is applied

→ by option, the employee may also choose to contribute to pillar II of pensions, i.e. 25% standard rate will be withheld from total income

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