NEWSLETTER

Nowium - Seemless Tax, Finance & Legal

Uruguay Str. 11, District 1 - 011443 - Bucharest - Romania
Telefon: +40 (0) 374 926 000
E-mail: office@nowium.com / taxgroup@taxgroup.ro
Web: www.nowium.com / www.taxgroup.ro

Issue 1 - January 2024

Top News:

- Formula for calculating the minimum/special turnover tax has been clarified
- The European Directive Pillar 2 and the minimum tax have been implemented in Romanian legislation
- Updates on RO e-Invoicing system: self-invoices can be sent through the system
- 29th of May - the usual deadline for submitting annual financial statements
- The procedure regarding the RO e-Seal system has been published
- 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

→ Definition of indicators I and A used to calculate minimum tax on turnover (IMCA) or specific tax on turnover (ICAS) (Order 10/2024)
→ Implementation of Directive Pillar 2 on a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups (Law 431/2023)
→ ANAF press release on e-Factura
→ ANAF press release on condition imposed on micro-enterprises to submit financial statements by the 31st of March 2024
→ Preparation of annual financial statements and reports as of the 31st of December 2023 (Order 5394/2023)
→ Convention between Romania and Liechtenstein to avoid double taxation (Law 16/2024)
→ Procedure on RO e-Seal/e-Sigiliu system (Order 5/2024)
→ Cancellation of VAT differences imposed on agricultural cooperatives for purchase of agricultural machinery (Law 10/2024)
→ Other fiscal news
→ January 2024 closing exchange rates
→ Social indicators

© 2023 - Nowium Tax & Finance

Order 10/2024 to set assets included within indicators I and A provided by art. 18^1 para. (3) and art. 18^3 para. (2) of Law 227/2015 on the Fiscal Code (Official Gazette 6/2024)

Summary

The Order details indicators **I** (value of fixed assets under construction caused by the acquisition/production of assets) and **A** (accounting depreciation at historical cost related to assets purchased/produced) that are used to calculate **minimum tax on turnover (IMCA) or specific tax on turnover (ICAS).**

Details

Law 296/2023 introduced **minimum tax on turnover (IMCA)** for taxpayers which, for the previous year, register turnover exceeding EUR 50,000,000. They owe minimum tax on turnover if the corporate tax is lower than the minimum tax on turnover.

Companies operating in oil and natural gas sectors and registering a turnover of over EUR 50,000,000 for the previous year, will owe **a specific tax on turnover (ICAS)** in addition to corporate tax.

Formulas to calculate the above-mentioned taxes are:

→ Minimum tax on turnover - IMCA = 1% x (VT - Vs - I - A);

→ Specific tax on turnover - ICAS = 0.5% x (VT - Vs - I - A).

VT = total income

Vs = income types deducted from total income, specifically regulated by Fiscal Code.

I - value of fixed assets under construction caused by the acquisition/production of assets, registered in accounting records starting the 1st of January 2024/first day of modified fiscal year starting in 2024;

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.

The current Order sets the eligible assets that will be taken into account to determine indicators I and A, as follow:

→ tangible assets are those provided in the following subgroups of the List on classification and standard operating periods of fixed assets, approved by Government Decision, as follows:

- subgroup 1.1 “Industrial construction;”
- subgroup 1.2 “Agricultural construction;”
- subgroup 1.3 “Construction for postal transportation and telecommunications;”
- subgroup 1.4 “Hydrotechnical construction;”
- subgroup 1.5 “Buildings for business, trade, storage,” except for classes 1.5.1 “Business centres” and 1.5.2 “Commercial buildings for storage-trading and distribution. Shops,” 1.5.14 “Other buildings for business, trade, storage not found within subgroup 1.5;”
- subgroup 1.7 “Construction for electricity transmission;”
- subgroup 1.8 “Construction for water supply, sewerage and land improvements;”
- subgroup 1.9 “Construction for transport and distribution of oil, gas, industrial liquids, compressed air and heating;”
- subgroup 2.1 “Technological equipment (machines and work installations);”
- subgroup 2.2 “Measuring, control and regulation devices and installations;”
- subgroup 2.3 “Means of transportation;”
- subgroup 2.4 “Animals and plants.”

→ intangible assets represented by intangible fixed assets recognized from an accounting point of view, except set-up costs, goodwill, intangible fixed assets with undefined useful life, classified as such according to applicable accounting regulations.

The eligible assets should be used in the taxpayer’s economic activity and connected to the object of taxpayer's activity.

In the case of fixed assets under construction caused by the acquisition/production of assets, by the 31st of December

© 2023 - Nowium Tax & Finance

2023, only the value of fixed assets under construction caused by the acquisition/production of assets registered in accounting records starting the 1st of January 2024/the first day of the modified fiscal year that begins in 2024 is included in the value of indicator I. This value will be highlighted separately to apply provisions to determine indicator A/ or to not include in indicator A, as the case may be.

In the case of fixed assets under construction caused by the acquisition/production of assets, started by the 31st of December 2023, but operating starting the 1st of January 2024, their value of fixed assets under construction registered in accounting records by the 31st of December 2023 is not included in indicator A.

Depending on the case, the following are also included in indicators I and A:

- investments made to previously mentioned eligible assets that are the subject to lease, concession, management location, joint venture and similar contracts;
- investments made to previously mentioned eligible assets as subsequent expenses made to improve initial technical parameters and which lead to obtaining future economic benefits, by increasing their value.

In the case of acquisition of previously mentioned assets, only the acquisitions of new assets are included in the value of indicator A, meaning that they were not used before the acquisition date.

Law 431/2023 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups (Official Gazette 8/2024)

Summary

The Law transposes into domestic law the provisions of EU Council Directive 2022/2523 ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups, regulating the following taxes:

- additional tax;
- additional national tax.

The implemented Directive is also known as Directive Pillar 2.

Details

Provisions apply to constitutive entities that are based in Romania and are members of a group of **multinational** enterprises or of a large-scale **domestic group**, a group that has annual income of at least the equivalent in RON of EUR 750,000,000, including income of excluded entities, recorded in consolidated financial statements of the final parent company, from at least 2 of the 4 financial years immediately preceding the reference financial year.

The Law establishes two main common measures to ensure the 15% minimum effective taxation for groups of multinational enterprises or large-scale domestic groups:

a) **Income Inclusion Rule (IIR)**, according to which the parent-company of a group of multinational enterprises or a large-scale domestic group is required to calculate and pay its assigned part of the additional tax for constitutive entities of the group that are taxed at a reduced level;

b) **Under Taxed Payments Rule (UTPR)**, according to which a constitutive entity of a group of multinational enterprises owes a tax that is recorded as an additional expense equal to its share of the additional tax that was not charged under IIR at the parent company level for constitutive entities of the group that are taxed at a lower level.

An **additional national tax** is due for excess profit of the constitutive entities that are taxed at a reduced level and are based in Romania.

The expenses with these taxes are non-deductible when calculating corporate tax.

The Law will produce effects regarding financial years starting the 31st of December 2023, except for provisions related to UTPR that will apply for financial years starting the 31st of December 2024. Thus, the new provisions will apply starting with the following deadlines:

- Income Inclusion Rule (IIR) – the 1st of January 2024;
- Under Taxed Payments Rule (UTPR) – the 1st of January 2025;
- Additional national tax – the 1st of January 2024.

For transition year 2024, the deadline to declare and pay additional tax is 18 months from the last day of the financial reporting year. For the following years, the deadline will be 15 months.

The template for the informative statement that will be used to declare the additional tax will be issued by ANAF within 12 months.

© 2023 - Nowium Tax & Finance

Press release of the Ministry of Finance on e-Invoices

The Ministry of Finance (MF) has issued a statement regarding a series of updates to the RO e-invoice system, through close collaboration with companies providing accounting services and business environment representatives.

The most important improvement is the introduction of the self-invoicing function, which provides the ability to send invoices on behalf of the supplier.

Another important aspect reported by taxpayers was the impossibility to access the system when the SPV (Virtual Private Space) is in maintenance. "In this regard, the National Centre for Financial Information (CNIF) team has identified the necessary technical operations so that taxpayers may use e-Invoice even during the periods when maintenance is in progress," the Ministry of Finance states.

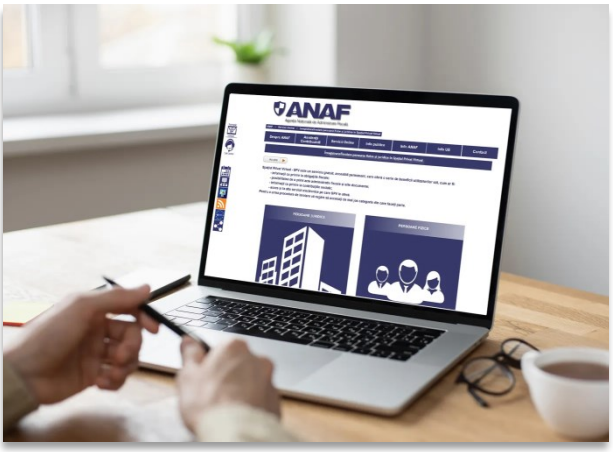
Besides that, accounting service providers have asked to be able to filter invoices based on certain specific criteria. This feature has been introduced by a change to the list of available invoices from web services automatically accessible via API.

The Ministry of Finance also recalls that, starting the 16th of January, duplicate invoices may no longer be entered in RO e-Invoice system.

The Statement of the Ministry of Finance may be accessed here: https://mfinante.gov.ro/ro/despre-minister/-/asset_publisher/uwgr/content/-c3-8embun-c4-83t-c4-83-c8-9biri-pentru-sistemul-e-factura-a-fost-introdus-c4-83-autofacturarea

Press release by ANAF on condition to submit financial statements for micro-enterprises by the 31st of March 2024

One of the new conditions introduced by Law 296/2023 on micro-enterprises was that they submit their annual financial statements on time. Also, provisions of art. 54¹ of the Fiscal Code specifies "To apply tax on micro-enterprise income system during the 2024 fiscal year, the condition provided by art. 47 para. (1) letter i) is considered fulfilled if annual financial statements are submitted by the 31st of March 2024."



This appeared to be a derogation from standard deadlines to submit financial statements mentioned by Accounting Regulations.

In order to clarify this confusion, ANAF issued a statement declaring that the 31st of March 2024 refers to financial statements for years prior to 2023. More precisely, it is addressed to companies that have not fulfilled their obligation to submit financial statements for prior years and can no longer apply the micro-enterprise regime.

Although ANAF's clarification is useful, provisions of art. 54¹ of the Fiscal Code should clearly refer to years prior to 2023.

The content of ANAF's statement is presented below (also accessible here: https://static.anaf.ro/static/3/Anaf/20240126135649_88_informare.pdf)

"We would like to remind you that according to art. 36 para. (1) letter a) of Accounting Law 82/1991, republished, with its subsequent amendments and complements, the entities concerned by this provision should submit a copy of annual financial statements to territorial units of the Ministry of Finance within 150 days from the end of the financial year.

The deadline provided above is applicable to all entities, regardless of the taxation system, according to Accounting Law, as no derogation from this deadline has been established for the financial year of 2023.

Therefore, within provisions of art. 47 para. (1) letter i) and 54¹ of the Fiscal Code, the reference to annual financial statements concerns their submission for the financial year of 2022 and/or for financial years corresponding to years prior to 2022."

Order 5394/2023 on main aspects related to preparation and submission of annual financial statements and annual accounting reports for economic operators to territorial units of Ministry of Finance (Official Gazette 11/2024)

Summary

The Order approves norms on preparation and submission of annual financial statements and annual accounting reports for economic operators related to the 2023 financial year.

Details

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

© 2023 - Nowium Tax & Finance

Content of annual financial statements

1. **Micro-entities**, representing entities which at year-end do not exceed at least 2 of the following thresholds:
   - total assets: RON 1,500,000;
   - net turnover: RON 3,000,000;
   - average headcount: 10.

   prepare financial statements containing:
   - Simplified Balance Sheet (code 10);
   - Income Statement (code 20);
   - Informative Data form (code 30);
   - Statement of fixed assets form (code 40).
   - Micro-entities do not have the obligation to prepare disclosure notes, their preparation being optional, but they must present a minimum set of information regarding accounting policies, financial commitments, guarantees, contingent assets and liabilities, as well as information on advances and credits granted to directors or commitments made on their behalf.
2. **Small entities**, representing entities which are not micro-entities and which at year-end, do not exceed at least 2 of the following thresholds:
   - total assets: RON **17,500,000**;
   - net turnover: RON **35,000,000**;
   - average headcount: **50**.

   prepare annual financial statements containing:
   - Simplified Balance Sheet (code 10);
   - Income Statement (code 20);
   - Informative Data form (code 30);
   - Statement of fixed assets form (code 40);
   - Disclosure notes;
   - Optionally, the statement of changes in owner's equity and cash flow statement may be prepared.
3. **Medium and large entities,** representing entities which at year-end, exceed at least 2 of the following thresholds:
   - total assets: **RON 17,500,000;**
   - net turnover: **RON 35,000,000;**
   - average headcount: **50.**

   as well as public interest entities, prepare annual financial statements containing:
   - Balance Sheet (code 10);
   - Income Statement (code 20);
   - Informative Data form (code 30);
   - Statement of fixed assets form (code 40);
   - Statement of changes in owner's equity;
   - Cash flow statement;
   - Disclosure notes.

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

Audit of annual financial statements

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

→ total assets: **RON 16,000,000;**

→ net turnover: **RON 32,000,000;**

→ average headcount: **50.**

Submission deadline

→ Annual financial statements and annual simplified financial statements are submitted to territorial units of the Ministry of Public Finance within **150 days** from the date when the financial year ends. Thus, for entities which

© 2023 - Nowium Tax & Finance

have the same financial year as the calendar year, the submission deadline is the **29th of May 2024**;

- Public institutions, associations and other for-profit and non-profit organizations submit their annual financial statements **within 120 days** from close of the financial year-end, meaning the **29th of April 2024**;
- Sub-units in Romania, belonging to legal entities having their headquarters or domicile abroad, except those opened in Romania by companies which are resident in European Economic Area (EEA) States, submit their annual financial statements as of the 31st of December to territorial units of the Ministry of Public Finance **within 150 days** from the close of the financial year. The same deadline is applied for submission of annual financial statements prepared for permanent establishments. Assigned permanent establishments submit their annual financial statements to the territorial unit where they are registered.
- Entities which do not carry out activity from inception through the end of the reporting financial year do not prepare annual financial statements. Instead, they will submit a statement under own responsibility/*affidavit* signed by the person having the obligation to manage the entity **within 60 days** from the close of financial year **(the 29th of February 2024)**. The statement is submitted electronically;
- Non-profit organizations submit financial statements within 120 days from the close of its financial year, or by the 29th of April 2024;
- Entities opting for a financial year different from the calendar year have the obligation to submit a notification to elect the option for a financial year different from the calendar year in electronic/digital format to territorial units of the Ministry of Public Finance at least 30 calendar days prior to the beginning of the entity's financial year or within 30 calendar days from set-up date of newly established entities opting for a different financial year than calendar year at inception.

Other accounting regulations

Dividends distributed in advance during the 2023 financial year

Dividends distributed in advance throughout 2023 based on quarterly interim financial statements should be analysed in relation to the final distributable profit for the year 2023. If the anticipated distributions exceed the annual distributable amount, the associates/shareholders should repay the surplus distributed in advance.

Non-financial statement for large companies

Private companies having an average of more than 500 employees during the financial year should submit along with financial statements related to 2023 a non-financial reporting on environmental, social and personnel issues, among others. This obligation is provided by OMPF 3456/2018.

Annual accounting report as of 31st of December

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

- entities which opted for a different financial year than the calendar year, according to art. 27 para. (3) of Accounting Law 82/1991, in any organizational and ownership form;
- legal entities under liquidation, according to law;
- sub-units opened in Romania by companies which are resident in EEA States;
- legal entities which are required to apply Accounting Regulations in conformity with IFRS should submit annual accounting reports as of 31st of December 2023, in addition to annual financial statements including all components provided by IFRS.

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

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

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

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

- **90 days from the end of the calendar year** in the case of legal entities under liquidation (**the 30th of March 2024**);

© 2023 - Nowium Tax & Finance

→ **150 calendar days from the end of the calendar year** for other entities (**the 29th of May 2024**).

Extensive information on preparation of financial statements and accounting reports as of the 31st of December 2023 may be found in our article on this topic that can be accessed here (in Romanian): https://nowium.com/situatii-financiare-2023/.

Law 16/2024 to ratify Convention between Romania and the Principality of Liechtenstein to avoid double taxation and to prevent tax evasion and avoid tax payments, as well as Convention Protocol, signed in Bern, the 10th of November 2022 (Official Gazette 31/2024)

Summary

The Law ratifies the Convention between Romania and the Principality of Liechtenstein to avoid double taxation on income and capital taxes and to prevent tax evasion and avoid tax payment, and Convention Protocol.

Details

We present several tax rates set by the convention:

→ Interest and royalties – tax rate 5%

→ Dividends
- Standard rate - 10%
- Rate 0, if the beneficiary is a company that directly owns at least 10 percent of the company's capital, a company that paid dividends for an uninterrupted period of at least one year.

Provisions of the Convention will take effect on or after the first day of January of the calendar year immediately following the year in which the Convention entered into force.

Order 5/2024 to approve Procedure on setting risk criteria for risk analysis, application of smart seals and monitoring road transportation of goods - RO e-Seal, as well as certain forms (Official Gazette 10/2024)

Summary

The Order approves Procedure on setting risk criteria for risk analysis, application of smart seals and monitoring road transportation of goods - RO e-Seal, as well as certain forms.

The national RO e-Seal system was introduced by Law 296/2023. This system is based on the use of an IT application and intelligent/smart devices that provide competent authorities with access to information on location of the means of transportation on which they are installed, in order to track road movement for goods with high risk under supervision of the customs/fiscal authority.

Details

To whom does RO e-Seal system apply?

→ to Romanian or foreign legal entities/individuals carrying out customs operations or movement of goods with customs/fiscal risk under the supervision of customs/fiscal authority, such as:
- placed in transit between two border customs offices that present a high customs/fiscal risk in terms of fraudulent unloading;
- placed in customs transit between a border customs office and a customs office inside the country and which present a high customs/fiscal risk in terms of fraudulent unloading;
- declared for export, which present a high customs/fiscal risk or which are subject to special export measures;
- concerning movement within the country of products subject to payment of harmonised and non-harmonised excise duties, as follows: products under suspensive regime, products released for consumption up to the first beneficiary, as well as products for which payment of excise duty is exempted or with direct exemption;
- in intra-Community transit, which present a risk of unloading/trading on national territory;
- goods of an intra-Community nature intended for a taxpayer from Romania that presents a fiscal risk;
- goods for an intra-Community delivery that presents the risk of not leaving national territory.
- Romanian or foreign road freight carriers.

The risk analysis to use of RO e-Seal system will consider the following risk criteria:

→ nature of transported goods;

→ value of goods;

→ import restrictions/bans;

→ taxation regime;

© 2023 - Nowium Tax & Finance

- goods classified as excisable products;
- transportation route used;
- information from other national and international law enforcement institutions;
- shipments/transportation of goods suspected to fall under measures to prevent and combat illegal economic activities;
- existence of information on the sender, road transportation operator, recipient's involvement in customs/fiscal fraud activities;
- beneficiary economic operator is on record for the following reasons:
  - the economic operator was not found at the registered office, fiscal domicile or declared places of business;
  - identity theft - previous intra-Community transports were carried out on behalf of a taxpayer, without their knowledge;
  - inadequate fiscal history (inconsistency of data from tax returns compared to data from other forms provided by law and submitted by the taxpayer, inconsistency of data from tax returns and other forms provided by law and submitted by the taxpayer compared to data and information transmitted by third parties, conduct of actions aimed to reduce profitability at declaration level, failure to submit tax returns);
  - decisions on precautionary measures were issued, and the estimated receivable was not fully covered as provided by point 5.8 of ANAF Presidential Order 2605/2010 to approve Implementation procedures for precautionary asset measures set by Government Ordinance 92/2003 on the Code of Fiscal Procedure, with its subsequent amendments and complements.

In the case of e-Seal monitoring, as a result of the risk analysis and decision to seal the means of transportation, the customs/fiscal authority assigned to use national RO e-Seal system performs the following operations:

a) prepares the monitoring sheet/file of the means of transportation;

b) records transportation route and its duration;

Transportation route will be declared by the driver, and it will be approved and recorded by the competent authority.

c) sets the e-Seal using IT monitoring application through which the data is entered/downloaded and read;

d) applies the e-Seal to the cargo compartment of the means of transportation, activates the e-Seal and starts monitoring;

e) prepares sealing/unsealing report;

f) automatically uploads to IT application, saves and stores prepared documents, meaning the monitoring sheet and sealing/unsealing report.

The driver is obliged:

- to allow installation of the e-Seal by the competent authority on the means of transportation;
- to sign the payment commitment;
- to ensure integrity of the e-Seal applied for transport supervision.

In the case of application of smart seals on means of transportation, the driver has the obligation to ensure their integrity. The driver's failure to fulfil this obligation represents a contravention, if it was not committed under such conditions as to be considered, according to criminal law, a crime, and is sanctioned with a fine between RON 20,000 to 50,000. Moreover, in case of damage to integrity of the smart device (the device disappears or suffers damage), the road freight carrier is obliged to pay its value, according to the payment commitment.

When presenting it at the destination on the national territory/border crossing point where the monitored means of transportation is to leave the national territory, the competent authority eliminating the e-Seal performs the following operations:

a) checking integrity of the cargo compartment that was sealed;

b) stopping operation of the e-Seal from the IT monitoring application;

c) removing it from the means of transportation.

© 2023 - Nowium Tax & Finance

Law 10/2024 to approve GEO 67/2023 on setting a temporary measure to combat excessive increase in prices for certain agricultural and food products, as well as to settle certain fiscal obligations owed by agricultural cooperatives (Official Gazette 17/2024)

VAT differences are cancelled, as well as additional fiscal obligations related to them, established by the fiscal authority through tax decision issued and communicated to agricultural cooperatives established based on the Agricultural Cooperation Law 566/2004, representing VAT related to purchases of agricultural machinery, for which they exercised their right of deduction. The cancellation of fiscal obligations is carried out *ex officio* by the competent fiscal authority, by issuing a decision to cancel fiscal obligations.

If, prior to when this Law (the 12th of January 2024) entered into force, the competent fiscal authority issued, but did not communicate the tax decision establishing obligations of the nature mentioned above, then it will no longer communicate the tax decision, and fiscal obligations are deducted from analytical records of the taxpayer.

The application procedure is approved by ANAF Presidential Order, issued within 30 days from the date in which the Law entered into force.

Order 6/2024 to approve template, content and methods to submit and manage Form 212, *Sole tax return on income tax and social contributions owed by individuals* (Official Gazette 14/2024)

The Order updates template and content of form 212, *Sole tax return on income tax and social contributions owed by individuals* and its annexes.

The form is used by individuals to declare tax on income obtained and social contributions owed starting 2023, as well as to declare tax on estimated income and social contributions owed starting 2024.

Order 52/2024 to regulate several aspects on reporting certain financial and non-financial information (Official Gazette 29/2024)

Summary

The Order amends:

- Accounting regulations on individual annual financial statements and consolidated annual financial statements, approved by OMPF 1802/2014;
- Accounting regulations for legal entities without patrimonial purpose (NGOs), approved by OMPF 3103/2017.

Details

Accounting regulations for companies, approved by OMPF 1802/2014

- Provisions of the Methodology for sustainability reporting - the Romanian Sustainability Code, for voluntary reporting, approved by Government Decision 1117/2023 may be considered when presenting non-financial information for the financial year of 2023, according to point 492[1].

The provisions apply for the financial year of 2023.

Accounting regulation for NGOs, approved by OMPF 3103/2017

- amounts received from the state budget to support organisations of citizens belonging to national minorities are also considered revenue/income corresponding to activities without patrimonial purpose.
- account 7389 - Income from amounts received from the state budget to support organisations of citizens belonging to national minorities is introduced in the general chart of accounts.

The provisions apply starting with annual financial statements related to the financial year of 2023. Entities that have chosen a financial year different from the calendar year will apply the provisions starting with the first annual financial statements concluded on a date subsequent to the 1st of January 2024.

Order 2079/2023 to amend and complement ANAF Presidential Order 1699/2021 to approve tax registration forms of taxpayers and types of fiscal obligations that form the fiscal vector (Official Gazette 27/2024)

Summary

The Order amends forms for tax registration and types of fiscal obligations that form the fiscal vector, regulated by Order 1699/2021:

- Form 700, “Declaration for electronic registration/modification of entries after fiscal registration, as well as for deletion of fiscal registration;”
- Form 010, “Declaration of fiscal registration/Declaration of mentions/Declaration of deregistration for legal entities, associations and other entities without legal personality;”
- Form 013, “Declaration of fiscal registration/Declaration of mentions/Declaration of deregistration for non-resident taxpayers that carry out activity in Romania through one or more permanent establishments;”

© 2023 - Nowium Tax & Finance

- Form 015, "Declaration of fiscal registration/Declaration of mentions/Declaration of deregistration for non-resident taxpayers which do not have a permanent headquarters in Romania;"
- Form 016, "Declaration of fiscal registration/Declaration of mentions/Declaration of deregistration for foreign legal entities exercising effective management in Romania".

Details

1. **Form 010, "Declaration of fiscal registration/Declaration of mentions/Declaration of deregistration for legal entities, associations and other entities without legal personality" and form 016, "Declaration of fiscal registration/Declaration of mentions/Declaration of deregistration for foreign legal entities exercising the effective management in Romania"**

The section used by corporate taxpayers to declare the **option for a modified fiscal year**, as well as to renounce/waive this option, is rephrased.

Thus, the form for the option to change the fiscal year is submitted to the competent fiscal authority:

- within 15 days from the start date of the modified fiscal year or from the date of taxpayer's registration, depending on the case;
- within 15 days from the start date of the new modified fiscal year, in case of a change in the period of the modified fiscal year;
- up to and including the 25th of the third month from the date when the modified fiscal year would have ended if the modified fiscal year switches back to a calendar fiscal year.

Thus, this section is used in order to:

a) express the option to change the fiscal year, according to art. 16 para. (5) of the Fiscal Code;

b) express the option to change the period of the modified fiscal year, according to art. 16 para. (5^1) of the Fiscal Code;

c) express the option to switch back to the calendar fiscal year, according to art. 16 para. (5^1) of the Fiscal Code.

2. **Form 013, "Declaration of fiscal registration/ Declaration of mentions/Declaration of deregistration for non-resident taxpayers that carry out activity in Romania through one or more permanent establishment"**

The section used by corporate taxpayers to declare the option for the modified fiscal year, as well as to renounce/waive this option, is rephrased – similar to changes to form 010 presented above.

Form 013 is completed with a new section to declare or register, depending on the case, representatives of non-resident taxpayers that carry out activity in Romania through one or more permanent offices.

Two new declarative obligations are introduced: tax on representative and contribution to finance certain health expenses.

3. **Form 015, "Declaration of fiscal registration/Declaration of mentions/Declaration of deregistration for non-resident taxpayers that do not have a permanent headquarters in Romania"**

A new declarative obligation is introduced: contribution to finance certain health expenses.

The declaration is submitted on paper, physically, at the registration office of the competent fiscal authority, or by registered mail with confirmation of receipt, observing the deadlines set by legislation in force.

4. **Form 700, "Declaration for electronic registration/modification of entries after fiscal registration, as well as for deletion of the fiscal registration"**

Form 700 integrates the previous forms and is used to declare mentions subsequent to fiscal registration, by all categories of taxpayers.

Order 5453/2023 to apply Commission Decision (EU) 2023/829 of 17 April 2023 on relief from import duties and VAT exemption on importation granted for goods to be distributed or made available free of charge to persons fleeing the military aggression in Ukraine and to persons in need in Ukraine (Official Gazette 40/2024)

The Order approves list of goods that may be imported applying exemption from import duties and VAT by organisations approved by the competent authorities of the Member States, according to Commission Decision (EU) 2023/829 of 17 April 2023 on relief from import duties and VAT exemption on importation granted for goods to be distributed or made available free of charge to persons fleeing the military aggression in Ukraine and to persons in

© 2023 - Nowium Tax & Finance

need in Ukraine.

Organisations approved by the competent authorities of the Member States represent charitable or philanthropic organisations authorized to benefit from such an exemption by the Romanian Customs Authority, through regional customs departments. In order to be authorized to import goods exempted from payment of import duties and VAT, the organisations submit an application on this matter to the regional customs departments where they are based.

Decision 52/2024 to complement Annex no. 1 of GD 837/1995 on criteria for payroll and other rights denominated in foreign currency or RON for personnel sent abroad on permanent missions (Official Gazette 81/2024)

The Decision complements Annex to GD 837/1995 on criteria for payroll and other rights denominated in foreign currency or RON for personnel sent abroad on permanent missions, by adding Latvia and base salary of EUR 660.

As a reminder, provisions of GD 837/1995 apply to personnel sent on permanent missions abroad to diplomatic missions, consular offices and other representatives of Romania abroad by the Ministry of Foreign Affairs, as well as by the other ministries, organs and specialized institutions of central public administration.

Order 1504/2117/2024 to complement Classification of positions in Romania – occupational level (six characters) approved by Order of the Minister of Labour, Family, Social Protection and Elderly and of the President of the National Institute of Statistics 1832/856/2011 (Official Gazette 47/2024)

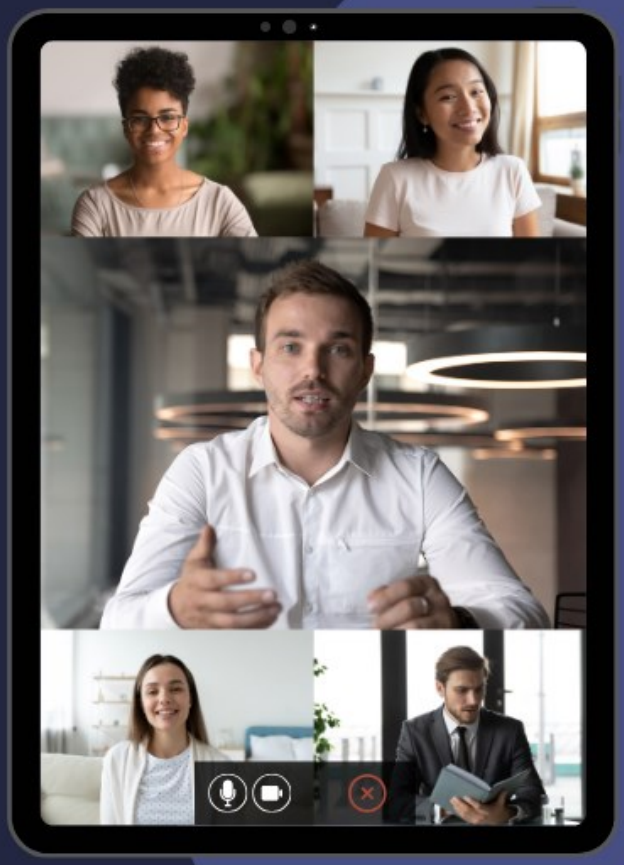
The Order complements Classification of positions in Romania – occupational level (six characters) with position "Civil Aviation Safety Investigator" – code COR 242238.

© 2023 - Nowium Tax & Finance

TAX GROUP

BY NOWIUM

- Important changes of tax legislation



Monthly 2 hours online meetings

www.taxgroup.ro

Sign-up

INFO – Valuation of monetary items in foreign currency for January 2024

The January 2024 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 = 4.9759 RON; 1 USD = 4.5962 RON; 1 CHF = 5.3190 RON; 1 GBP = 5.8235 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

© 2023 - Nowium Tax & Finance

Growing Business Together

finance ▪ tax ▪ legal

NOWIUM

Nowium
Uruguay Street 11, District 1
011443 - Bucharest
Romania

Phone: + 40 (0) 374 926 000
E-mail: office@nowium.com
taxgroup@taxgroup.ro
Web: www.nowium.com
www.taxgroup.ro

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

Nowium is a new business concept that defines its values in ambition, creativity, quality, excellence, trust and responsibility. We are a brand new, but of an experienced, strong team, formed over 20 years of activity together.
Many of you already know us!

Why Nowium?
Because we have a strong team of professionals, we have the necessary expertise and a mix of skills that allow us to address the most challenging requests from our clients. In addition, we know very well what each customer expects from us. We know how to adapt to each type of client and deliver them more than expected from a professional in the field.

© 2022 - Nowium Tax & Finance

The above information is a short summary of recently published information and is not intended to be advice on any particular matter. Nowium Tax & Finance disclaims liability to any person in respect of anything done in reliance of the contents of these publications.