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 11 - November 2024

Top News:

- The new level for minimum gross wage becomes RON 4,050 from 1st of January 2025
- Implementation norms for Fiscal Code regarding corporate tax and micro-enterprise income tax have been updated
- The corresponding sanction regarding the confiscation of value of undeclared goods related to RO e-Transport system have been slightly relaxed
- 20th of December - the deadline for payment of tax obligations related to November, as well as the advance payment for profit tax related to the fourth quarter
- We invite you to attend the Tax Group webinar on 18th of December, where we will discuss major tax updates and ongoing projects – details at www.taxgroup.ro and taxgroup@taxgroup.ro.

Summary

→ New level for minimum wage starting the 1st of January 2025 (GD 1506/2024)
→ Amendments on the Fiscal Code related to corporate tax and additional tax for credit institutions/legal entities carrying out activities in oil and natural gas sectors (Law 290/2024)
→ Updated implementation norms for Fiscal Code regarding corporate tax and micro-enterprise income tax (GD 1393/2024)
→ Amendment and complement to the Fiscal Code – Title IV Income tax, introduction of pre-filled Sole Tax Return (GO 128/2024)
→ Changes to RO e-Transport system and gradual application of corresponding sanction - confiscation of value of undeclared goods (GO 129/2024)
→ Extension of deadline to submit applications for fiscal amnesty facilities (GO132/2024)
→ Change in Procedure to apply fiscal amnesty (Order 6438/2024)
→ Maintenance of Intrastat thresholds for 2025 (Order 2353/2024)
→ November 2024 closing exchange rates
→ Social indicators

© 2024 - Nowium Tax & Finance

Decision 1506/2024 to set national minimum gross guaranteed basic salary (Official Gazette 1185/2024)

Starting from the 1st of January 2025, the minimum gross guaranteed basic salary paid in Romanian lei (RON), without including benefits and other bonuses, set at RON 4,050 per month for a regular work schedule of 165.334 hours on average per month, representing RON 24.496 per hour.

As a reminder, starting the 1st of July 2024, the national minimum gross guaranteed basic salary was RON 3,700.

Law 290/2024 to amend and complement Law 227/2015 on the Fiscal Code (Official Gazette 1163/2024)

Summary

The law amends and complements the Fiscal Code regarding corporate tax, specifically additional tax for credit institutions/legal entities that carry out activities in oil and natural gas sectors.

Details

Corporate tax

The category of non-deductible expenses is updated by adding:

- minimum turnover tax expense
- specific tax on turnover expense

Additional tax for credit institutions (ICAS)

If a credit institution that registers turnover of over EUR 50 million in the previous year and, the calculation year activity results in a corporate tax due, accumulated from the beginning of the fiscal year/modified fiscal year by the end of the quarter/calculation year, is less than minimum turnover tax (IMCA), the credit institution owes both IMCA and ICAS.

For legal entities that carry out activities in the oil and natural gas sectors, the following changes were made regarding the additional tax (ICAS):

- elimination of current provision related to applicability of additional tax only by companies with turnover of over EUR 50 million in the previous year, thus they will owe ICAS regardless of the value of turnover;
- legal entities that carry out activities in oil and natural gas sectors that register in the previous year turnover of over EUR 50 million and in the calculation year determine a corporate tax due, accumulated from the beginning of the fiscal year/modified fiscal year by the end of the quarter/calculation year which is less than minimum turnover tax (IMCA), owe both IMCA and ICAS;
- foreign entities that, individually or in a form of association, deliver goods or provide services on Romanian territory carrying out activities in the oil and natural gas sectors are also included in the category of taxpayers that owe ICAS. Income obtained by non-residents from these transactions is not subject to the scope of the conventions to avoid double taxation concluded by Romania with another state.

The amendments come into force the 1st of January 2025.

Decision 1393/2024 to amend and complement Methodological Norms to apply Law 227/2015 on the Fiscal Code, approved by GD 1/2016, as well as to amend art. 9 para. (1) of GD 1342/2024 to approve the scheme, "*De minimis* aid for application of the Programme to support production of vegetables grown in protected areas," for the 2024-2025 period (Official Gazette 1125/2024)

Summary

The Decision updates provisions of Methodological Norms to apply the Fiscal Code, given the fact that they were not updated according to changes to the Fiscal Code made in recent years. This Decision updates norms related to corporate tax and tax on micro-enterprise income, including numerous examples.

Details

Corporate tax

A new section has been introduced for norms on IMCA and ICAS.

Thus, technical details related to IMCA and ICAS are introduced, and additional information is presented on how to determine minimum taxes (which are applicable starting with 2024), along with examples (for corporate tax groups and taxpayers applying quarterly advance payment regime, as well).

Tax on micro-enterprise income

In order to apply the micro-enterprise regime, a legal entity with associates/shareholders owning, directly or indirect-

© 2024 - Nowium Tax & Finance

ly, 25% or less than 25% of the value/number of shares or voting rights only verifies, on the 31st of December of the previous fiscal year, the conditions regarding:

- income threshold of EUR 500,000 (if applicable, a corroboration should be made with rules regarding the cumulation of income of linked enterprises);
- ownership of share capital by individuals;
- legal entity is not in process of dissolution followed by liquidation;
- income mostly obtained from activities other than consulting and/or management;
- at least one employee;
- submitting annual financial statements by the legal deadline.

Indirect ownership refers to the situation where a person owns a portion of the share capital or of the total voting rights of a legal entity, through another legal entity where that person holds shares or voting rights. Thus, indirect ownership is calculated by multiplying ownership percentages, starting with the percentage of direct ownership at the first owned legal entity and continuing with ownership percentages on the chain of legal entity ownership, up to that for which the micro-enterprise status is verified.

Cumulation with the income of linked enterprises is applicable if the percentage of indirect holding is more than 25% or if the result of summing the percentage of direct and indirect holding is more than 25%.

The norms present examples on how to interpret the concept of linked enterprises.

Types of economic activities carried out by entities without legal personality (authorized self-employed persons - PFA, individual enterprise - II, family enterprise - IF, other forms of organization without legal personality, etc.) and income taken into account at the level of linked enterprises are mentioned.

Clarification on the condition related to submission of annual financial statements is provided. Thus, to apply the tax on micro-enterprise income regime during fiscal year *N*, the reference to annual financial statements only refers to the legal entity that has not submitted annual financial statements related to fiscal year N-2 and/or those corresponding to the years prior to the year N-2, back to the first year of existence of the respective legal entity.

Emergency Ordinance 128/2024 to amend and complement Law 227/2015 on the Fiscal Code and certain measures for digitization, as well as for the amendment and complement of certain normative acts (Official Gazette 1125/2024)

Summary

The Ordinance amends and complements the Fiscal Code, Title IV – Income Tax, changes effective starting with the income related to the year 2025.

Details

Elimination of estimated Sole Tax Return

The submission of the estimated Sole Tax Return is eliminated as a result of the need to simplify the mechanism to calculate, declare and pay fiscal obligations owed by individuals.

Pre-filled Sole Tax Return (e-DU).

ANAF will send taxpayers the Sole Tax Return pre-filled with data on income obtained, tax on income owed, base upon which social contributions are calculated and amount of contributions owed. The procedure will be approved by ANAF Order by the 10th of May 2025.

Changes related to Sole Tax Return's submission deadlines

The Sole Tax Return will only be submitted by the 25th of May of the year following the year when the income is obtained, even for situations such as:

- starting or ending an activity;
- obtaining new rental income;
- option to determine annual net income by applying real system;
- reducing income tax rate in case of agricultural losses;
- tax on income exemption for people with significant or severe disabilities.

Changes in taxation by annual income quota

Taxpayers, for whom net income is determined based on annual income quota and, during the previous fiscal year, recorded annual gross income of greater than the RON equivalent of EUR 25,000, have the obligation to determine annual net income in the real system starting the subsequent fiscal year.

© 2024 - Nowium Tax & Finance

The exchange rate used to determine the RON equivalent of EUR 25,000 is the average annual exchange rate communicated by the National Bank of Romania, **for the year income is obtained** (previously, average annual exchange rate at the end of the fiscal year was used).

Changing the calculation of social contribution thresholds

The value of the national minimum gross wage, **in force on the 1st of January of the year income is obtained** for which the social contributions are established is taken into consideration when checking whether the income falls within annual ceilings, as well as when establishing the annual calculation base for CAS and CASS due. This is applicable regardless of whether several values of the national minimum gross wage are used during the same year. Previously, the value of the minimum gross wage per country used was the amount in force as of the 25th of May of the year of the income.

Exemption from CASS payment

Individuals carrying out independent activities and register a fiscal loss or net annual income equal to zero are exempt from paying social health insurance contributions (CASS). At the same time, these persons may opt to pay CASS, starting with income related to the year 2025. Adoption of the option to pay CASS is communicated by submitting the Sole Tax Return (D212) at any time during the year when the individual opts to pay the contribution.

Transitional provisions

For income obtained in fiscal year 2024, fiscal obligations are those in force on the date the income is obtained.

For individuals who opted for payment of social health insurance contributions (CASS) during the year 2024, the fiscal obligations are those in force in the year 2024.

The new provisions mentioned above apply starting with income related to the year 2025.

Emergency Ordinance 129/2024 to amend and complement GEO 41/2022 to set up national RO e-Transport system to monitor road transport for goods and repealing art. XXVIII of GEO 130/2021 on certain fiscal and budget measures, extension of certain deadlines, as well as for the amendment and complement of certain normative acts (Official Gazette 1124/2024)

Summary

The Ordinance makes changes to the RO e-Transport system, allowing modification of certain data upon expiration of validity period of a UIT code. Also, a gradual application of the corresponding sanction to confiscate the value of undeclared goods is introduced.

Details

The possibility for economic operators to modify certain data within the RO e-Transport system when the validity period of a UIT code expires is introduced. Thus, the data that may be changed following expiration of the UIT code, but prior to the 25th of the month following the one when the transport of goods was completed, are: name, characteristics, quantities and value of transported goods. The data modification represents information related to the specific risk profiles of taxpayers, without elaborating on this aspect.

Change to corresponding sanction - confiscation of the value of undeclared goods

Changes are made to application of the corresponding sanction - confiscation of the value of undeclared goods that may be applied by inspection authorities following failure to fulfil obligations related to RO e-Transport system.

The corresponding sanction is applied as follows:

- for the first detected violation, only the fine is applied;
- for the second sanction applied within a maximum of 12 months from the first deed sanctioned - the corresponding measure of confiscation will be equal to 15% of the value of undeclared goods;
- for the third sanction applied within a maximum of 12 months from the first deed sanctioned - the corresponding measure of confiscation will be equal to 50% of the value of undeclared goods;
- starting with the fourth sanction applied within a maximum of 12 months from the first deed sanctioned - the corresponding measure of confiscation will be equal to 100% of the value of undeclared goods.

In the situation where, within a period of greater than 12 months from the first sanctioned deed, the economic operator commits a second contravention in a category mentioned above, for which it was sanctioned, the measure of confiscation is not applied. Thus, the sanctions will be applied in relation to deeds committed up to that date, taking into account previous sanctions registered within the previous 12 months. However, for the violation of the obligation to obtain a UIT code, the corresponding sanction of confiscation does not apply in the case of findings resulting from inspections made subsequent to the end of the road transport of goods, when such findings were recorded in support-

© 2024 - Nowium Tax & Finance

ing documents that are the basis for accounting records, as well as for the accounting of the users, as the case may be, during the period to which the respective operations refer.

An electronic registry to centralize the applied sanctions will be established at the level of the National Centre for Financial Information and made available to persons authorized to carry out the determination and application of sanctions. The access procedure will be subject to a joint Order of the Presidents of ANAF, Customs Authority and the Minister of Internal Affairs, issued within 30 days.

Also, the Ordinance suspends through the 31st of March 2025 the sanction applicable to transport operators for failure to fulfil the obligations to ensure the transfer of data related to the position of the transport vehicle, to equip transport vehicles with telecommunication terminal devices and to make the UIT code available to the driver.

Provisions related to the establishment and sanction of contraventions entered into force within 10 days from the effective date of the Ordinance, i.e. starting the 21st of November 2024.

Emergency Ordinance 132/2024 to amend and complement Law 227/2015 on Fiscal Code and to complement Law 207/2015 on Fiscal Procedure Code, as well as to amend and complement certain normative acts (Official Gazette 1169/2024)

Summary

The Ordinance amends and complements GEO 107/2024 which regulates the measures through which fiscal amnesty was introduced, extending the deadline to submit the application for individuals to benefit from the facilities. At the same time, the Ordinance amends the Fiscal Code in the field of excise duties and the Fiscal Procedure Code.

Details

Amendments on fiscal amnesty

The deadline to submit the application to cancel additional fiscal obligations, given the context of facilities introduced by GEO 107/2024 (fiscal amnesty), is extended from the 25th of November 2024 to the **19th of December 2024**. The deadline **to submit notifications** of intent to benefit from fiscal amnesty **remains the 25th of November 2024.**

For debtors which on the 6th of September 2024 (the date of entry into force of GEO 107/2024) benefited from instalment payments, as well as for those obtaining approval for instalment payments between the 6th of September 2024 and the 25th of November 2024, the cancellation of interest, penalties and all additional fiscal obligations is granted if the application is submitted by the 19th of December 2024 and the instalment payment is completed by the submission date of the application, but no later than the 19th of December 2024.

If the debtor submitted the notification by the 25th of November 2024 but fails to submit the application for cancellation by the 19th of December 2024, he/she benefits from the cancellation of certain budgetary obligations, if he/she meets the conditions provided by law - through an *ex officio* cancelation decision issued by the fiscal authority and after ascertaining the fulfilment of the conditions stipulated by GEO 107/2024 - are met.

In the situation where the debtor submits the application for cancellation prior to fulfilling conditions provided by law, but the decision to reject this request has not been issued, then the fiscal authority will issue a cancelation decision for certain obligations if the fiscal authority ascertains that the debtor fulfils the conditions provided by law on the 19th of December 2024.

If, on the 19th of December 2024, certain debtors have in pending VAT reimbursement applications for which, subsequent to this date, the fiscal authority rejects the reimbursement whole or in part, then they may benefit from the cancellation of additional fiscal obligations if they pay the fiscal obligations on which the cancellation depends, not settled by compensation with amounts itemized in the reimbursement application, within 30 days from the date when the rejection decision related to the VAT reimbursement is communicated.

Fiscal Procedure Code

The obligation of ANAF to register, upon the request of a public notary, a non-resident person who does not have a fiscal identification code is introduced. The procedure for fiscal registration of the non-resident person will be approved by order of ANAF President, based on consultation with the National Union of Public Notaries of Romania, within 60 days from the date of entry into force of GEO 132/2024 (i.e. from the 22nd of November 2024).

Order 6438/2024 to amend and complement the Procedure to cancel certain budgetary obligations, approved by Order of the Minister of Finance 5521/2024 (Official Gazette 1099/2024)

The Order amends and complements the procedure to cancel certain budgetary obligations (OMF 5521/2024), a procedure that is applied within the ongoing fiscal amnesty programme.

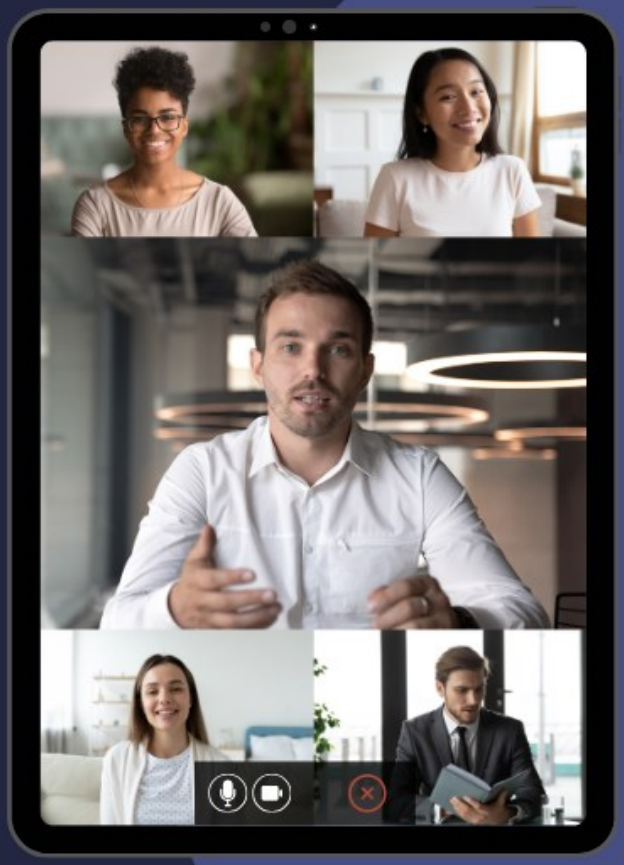
If the main fiscal obligations that are itemized in taxation decisions issued as a result of a fiscal inspection in progress on the 6th of September 2024 or in *ex officio* taxation decisions for income obtained by individuals for the years 2019 and 2020 are fully extinguished, the additional fiscal obligations will be returned according to provisions of the Fiscal Procedure Code.

© 2024 - Nowium Tax & Finance

TAX GROUP

BY NOWIUM

- Important changes of tax legislation



Monthly 2 hours online meetings

www.taxgroup.ro

Sign-up

The main budgetary obligations related to fiscal periods up to and including the 31st of August 2024, established by the central fiscal authority through taxation decisions issued on the personal numerical code, are analysed from the perspective of establishing the threshold provided by art. XVI of GEO, as follows:

- when establishing the threshold for the main budgetary obligations established by *ex officio* taxation decisions on income obtained by individuals for the years 2019 and 2020 or by taxation decisions issued as a result of a fiscal inspection in progress on the 6th of September 2024, for which the payment deadline has expired prior to the issuance date of the fiscal attestation certificate or by the submission date of the cancellation application, as the case may be, but no later than the 25th of November 2024, both the budgetary obligations established by these decisions and the other outstanding budgetary obligations as of the 31st of August 2024 that remained unsettled on this date are cumulatively taken into account;
- for the main budgetary obligations established by *ex officio* taxation decisions on income obtained by individuals for the years 2019 and 2020 or by taxation decisions issued as a result of a fiscal inspection in progress on the 6th of September 2024, for which the cancellation application was submitted subsequent to the 25th of November 2024, regardless of whether the payment deadline was reached before or after this date, only budgetary obligations established through these decisions are taken into account when establishing the threshold, without taking into account fiscal obligations unpaid as of the 31st of August 2024 that remained unsettled up to this date.

In the situation where the budget obligations are established by taxation decisions issued as a result of a fiscal inspection in progress on the 6th of September 2024, the debtor may pay these obligations using the payment record number.

If, on the issuance date of the fiscal attestation certificate, the percentage of cancelled main budgetary obligations outstanding by the 31st of August 2024 was 50%, and thereafter, by the date of submission of the cancellation application, but no later than the 25th of November 2024, new main fiscal tax obligations are established and/or new enforceable titles are received for the purpose of recovery by fiscal authorities, changing the percentage of certain cancelled budgetary obligations to 25%, to benefit of the cancellation of main fiscal tax obligations according to art. XVI of GEO 107/2024, debtors should pay the remaining 75% that were not cancelled.

If, subsequent to the date the Emergency Ordinance enters into force, any amounts paid in order to settle 50%, or 25%, depending on the case, of budgetary obligations outstanding on the 31st of August 2024, from those established by *ex officio* taxation decisions of income obtained by individuals for the years 2019 and 2020 or taxation decisions issued as a result of an ongoing fiscal inspection on the 6th of September 2024, as well as interest, penalties and all additional liabilities that may be cancelled according to this article, they are returned according to provisions of Law 207/2015, with its subsequent amendments and complements.

In the case of persons who have been found liable according to Law 85/2014 on insolvency prevention and insolvency procedures, with its subsequent amendments and complements, or according to Law 85/2006 on the insolvency procedure, with its subsequent amendments and complements, for budgetary obligations related to the period prior to the 31st of August 2024, the fiscal authority performs their analysis according to the receivables remaining to be collected from the definitive table of receivables or from the definitive consolidated table of receivables, as the case may be, as this information was made available to the fiscal authority by the director/judicial liquidator (trustee).

In the situation the documents forming the basis of cancellation of certain budgetary obligations cannot be edited with IT systems. The fiscal authorities may prepare these documents in paper format, and then, through an IT application, the budgetary obligations will be removed from records based on cancellation decisions approved by the head of the fiscal authority, and subsequently, these decisions are communicated to debtors.

Order 2353/2024 on INTRASTAT thresholds to collect statistical information on intra-community trade in goods for 2025 (Official Gazette 1101/2024)

Summary

Intrastat thresholds to collect statistical information on intra-community trade in goods for the reference year 2025 (thresholds for 2024 and 2023 are kept):

- RON 1,000,000 for intra-community supply of goods (delivery)
- RON 1,000,000 for intra-community purchase of goods (acquisition)

Details

Economic operators which, during 2024, carried out trade of goods with EU Member States with a total annual value of each separate flow (supply and purchase) exceeding the thresholds listed above should prepare and submit an INTRASTAT return to the National Institute of Statistics starting January 2025.

In 2025, other economic operators may become providers of INTRASTAT data if they carry out the supply or purchase of goods having an accumulated value from the beginning of year which exceeds the applicable 2025 thresholds. These economic operators should prepare and submit statistical INTRASTAT returns starting the month when the cumulative value from the beginning of 2025 regarding supply to or purchase from the EU exceeds the INTRASTAT threshold for each separate threshold.

The Order comes into force on the 1st of February 2025.

© 2024 - Nowium Tax & Finance

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

The November 2024 closing NBR exchange rates to use for valuation of monetary items (cash on hand, receivables, payables) denominated in foreign currency, as well as receivables and payables denominated in RON but pegged to a foreign currency for collection/disbursement are:

1 EUR = 4.9771 RON; 1 USD = 4.7129 RON; 1 CHF = 5.3526 RON; 1 GBP = 5.9807 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 40.04	
Minimum wage (gross)	→ **RON 3,700** (starting the 1st of July 2024) → **RON 4,050** (starting the 1st of January 2025) → **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 industry sectors	
Per Diem (in the country) For employees of public institutions For private sector employees (* 2.5)	 → RON 23.00 → RON 57.50	

(*) If 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 monthly salaries of between RON 4,000 and RON 10,000:

→ for monthly income up to RON 10,000, the default CAS rate is reduced to 21.25% (20.25% starting 1st of January 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

© 2024 - 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.