NEWSLETTER

Nowium - Seemless Tax, Finance & Legal

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Top News:

- Important changes to tax legislation from 1 January 2025: reduction of the ceiling for the micro-enterprise regime, increase of tax on dividends, removal of IT / construction / agriculture and food industry tax facilities, reintroduction of tax on construction ("pillar tax")
- The application of penalties and obligations related to e-VAT have been postponed until 1 July 2025
- The trial balance must be closed on monthly basis
- 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

→ Fiscal changes at the end of 2024, the second Train Ordinance – changes to dividend tax, micro-enterprise regime, cancellation of IT/construction/agriculture and food industry fiscal facilities, reintroduction of tax on construction ("taxa pe stâlp") - GEO 156/2024

→ Multiple fiscal amendments – first Train Ordinance – amendments to RO e-Factura, e-TVA system, Fiscal Code, RO e-Transport and accounting regulations – GEO 138/2024

→ Amendments to cash register legislation – new exceptions regarding obligation to issue fiscal receipts – Law 317/2024

→ Amendments and clarification to accounting regulations – Order 6670/2024

→ Amendments and clarifications on VAT related to warranty-return system (SGR) and VAT refund system for purchases of goods/services provided by art. 294 para. (5) let. a)-b1) of the Fiscal Code – Law 313/2024

→ Classification of legal entities carrying out activities in oil and natural gas sectors – Order 6830/2024

→ Updating Sole Tax Return – tax on income and social contributions owed by individuals – Order 7015/2024

→ Definition of new categories of individuals who may benefit from health insurance without paying contributions – Law 309/2024

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- Amendments to Companies Law 31/1990 – simplifying administrative formalities, expanding the use of digital technology and increasing efficiency in decision making - Law 299/2024
- Complements to legislation on trade of products and services related to operating agreement/authorization – Law 310/2024
- Complement to Procedure on guiding and assisting taxpayers by the Ministry of Finance/ANAF – recognition of the role of professional bodies in communicating with the two institutions – Order 6649/2024
- Other legislative news
- 2024 closing exchange rates
- Social indicators
- ption 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.

Emergency Ordinance 156/2024 on certain fiscal and budgetary measures in the field of public expenditure to substantiate the general consolidated budget for 2025, to amend and complement certain normative acts, as well as to extend certain deadlines (Official Gazette 1334/2024)

Summary

The second *Train Ordinance* was issued in December 2024 to regulate a series of budgetary legislative amendments, aiming to limit the increase in public spending amid a high budget deficit. At the same time, the ordinance also brought fiscal amendments, which we present below.

Details

Tax on dividends

- **The dividend tax rate increases from 8% to 10% for dividends distributed starting the 1st of January 2025.** The provisions apply to both Romanian legal entities and individuals and non-resident legal entities. The same fiscal exemption conditions for dividends distributed between Romanian legal entities or to legal entities resident in another European Union Member State remain applicable.
- For dividends distributed based on **interim financial statements prepared during 2024**/amended fiscal year beginning in 2024, **the tax on dividend rate is 8%**, without recalculation of the tax on the respective dividends, after regularization based on annual financial statements for the financial year 2024/amended fiscal year beginning in 2024, approved according to law.

Micro-enterprises

- The threshold for micro-enterprise income is reduced from EUR 500,000 to EUR 250,000, then to EUR 100,000 starting the 1st of January 2026. The exchange rate to determine the EUR equivalent is the rate valid at the close of the financial year when the income was recorded.
- For the fiscal year 2025, the limit of income earned, representing the equivalent in RON of EUR 250,000, and the equivalent in RON of EUR 100,000 starting the 1st of January 2026, is verified based on income obtained by the Romanian legal entity on the 31st of December 2024 and the 31st of December 2025, respectively.
- The condition regarding share of income obtained from consulting and/or management services is repealed.

Tax on income and social contributions

- **Fiscal facilities granted to employees working in IT, construction, agriculture and food industries are eliminated** starting with income related to January 2025.
- Previous levels of the minimum national gross base salary for construction, agricultural and food industry sectors are repealed, and new levels are adopted, as follows:
  - **construction sector**, minimum national gross base salary guaranteed in payment and set in monetary terms, without including allowances and other bonuses, is set at the amount of RON **4,582 per month**, for a regular work schedule of an average of 165.334 hours per month, representing an average of RON 27.714 per hour.
  - **agricultural sector and food industry**, minimum national gross base salary guaranteed in payment will be **RON 4,050 per month**, excluding allowances and other bonuses, for a regular work schedule of an average of

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165.334 hours per month, representing an average of RON 24.496 per hour. Also, as a reminder - RON 4,050 per month is also the general level of the national minimum gross salary guaranteed in payment applicable starting the 1st of January 2025.

→ **In 2025, the fiscal facility related to non-taxation and non-inclusion of the amount of RON 300 per month in the calculation basis of mandatory social contributions continues to apply**. This is applicable for employees who carry out their activity based on an individual labour contract, employed full-time, at the place where the basic function is located, if the following conditions are cumulatively met:

a) **level of monthly gross base salary established according to the individual labour contract**, excluding allowances and bonuses**, is equal to level of the national monthly minimum gross salary guaranteed in payment** established by Government decision, **in force for the month to which the income is related**;

b) **gross income obtained** from salaries and similar earnings, **excluding meal tickets, holiday vouchers or food allowance**, as the case may be, granted according to law, based on the same individual labour contract, for the same month, **does not exceed RON 4,300**.

The condition provided in letter a) above is not considered to be met if, during the period between the 31st of December 2024 and the 31st of December 2025, the level of the monthly gross base salary established according to the individual labour contract is reduced, without including allowances and bonuses.

The above provisions also apply in the case of income obtained from salaries and similar earnings based on a labour relation/report, according to law.

The amount of RON 300 provided above is reduced depending on:

→ period of the month for which the base salary/monthly salary from the individual labour contract or labour report, as the case may be, is maintained at the level of the national minimum gross salary guaranteed in payment established by normative act;

→ date from which new employees are employed at a monthly salary level equal to the level of the national minimum gross salary guaranteed in payment;

→ fraction of the month for which income from salaries and similar to salary is determined;

→ date when the individual labour contract/labour report ends.

Through derogation from provisions of the Fiscal Code, for income related to the year 2025, the level of the minimum national gross base salary guaranteed in payment in force for the month for which the above facility is applied is reduced by RON 300 per month.

The facility applies to salaries for the months of January to December 2025.

Tax on construction

→ Tax on construction (also known as the "pillar tax"), a highly controversial tax that was applied between 2014 and 2016, will be reintroduced effective the 1st of January 2025.

→ Tax on construction is calculated by applying a rate of **1%** to the value of the existing construction in the taxpayers' patrimony as of the 31st of December of the previous year, other than buildings for which tax on buildings is due.

→ The tax will also apply to the value of industrial, scientific and technological parks which, according to law, do not benefit from exemption from paying building taxes. For construction in the public/private domain of state or administrative-territorial units, the tax is owed by taxpayers that have the property under administration/ concession/free use/lease.

→ If, during the current year, there are operations that increase or decrease the value of construction mentioned by art. 497, the tax on construction will not be recalculated. These changes will be taken into account when determining tax on construction for the following year.

→ Tax on construction is paid in two equal instalments by the 30th of June and the 31st of October.

→ For taxpayers that have a modified fiscal year, the tax on construction applies for the modified fiscal year beginning in 2025.

Emergency Ordinance 138/2024 to amend and complement certain normative acts in the fiscal budgetary field, as well as to regulate other measures (Official Gazette 1222/2024)

Summary

Ordinance 138/2024 is the first of the two *Train Ordinances* published in December 2024. It brings multiple amendments and complements in relation to the RO e-Factura, e-TVA system, Fiscal Code, RO e-Transport system and to Accounting Law 82/1991.

A summary of the most important elements are presented below.

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Details

RO e-Factura

Invoices issued in the case of B2C transactions should be reported starting the 1st of January 2025 in the RO e-Factura system. In this context, delivery of goods/provision of services made to an individual who does not identify himself/herself in relation to the supplier/provider by any fiscal identification code or chooses to identify himself/herself by his/her personal identification number are considered to be made in the B2C relation. If the beneficiary, an individual, does not identify himself/herself by any fiscal identification code, invoices are issued using a code consisting of 13 zeroes.

The obligation to transmit invoices through RO e-Factura is eliminated in B2B relations (between taxable entities established in Romania), when they refer to:

- → delivery of goods and provision of services that are not delivered/performed in Romania;
- → intra-community supply of goods in the situation where the beneficiary, a taxable entity established in Romania, communicates a VAT registration code from another Member State.

In the case of simplified invoices, issued in B2B and B2C relations, their transmission through the RO e-Factura system becomes mandatory, except for fiscal receipts that meet the conditions of a simplified invoice. Simplified invoices are exempt.

In the case of B2G (business-to-government) transactions, the obligation to include corresponding CPV codes from the reference list for public procurement is introduced on the invoices. This refers to invoices issued for operations carried out under public procurement contracts, public sector procurement contracts, work or service concessions, including those in the fields of defence and security.

The above provisions are applicable starting the 1st of January 2025.

e-TVA

Application of provisions related to the taxpayers' obligation to send the results of verification of differences communicated by the fiscal authority through a *RO e-TVA compliance notice*, is postponed until the 1st of July 2025. The postponement also applies to sanctions related to non-compliance with these provisions. Previously, the effective date was postponed until the 1st of January 2025.

RO e-Transport

The deadline to start applying fines for failure to report international transport of goods (which are not classified as high fiscal risk) by authorized economic operators (AEOs) is postponed until the 31st of March 2025. Previously, the deadline was the 1st of January 2025.

The postponement only applies to authorized economic operators (AEOs). For all other economic operators carrying out international transport, the sanctions are those already applied starting the 1st of July 2024.

FISCAL CODE

VAT

A new obligation is introduced for operations for which a reverse charge mechanism is applied according to art. 331 of the Fiscal Code, when the supplier/provider does not issue an adjustment invoice in due time. Therefore, the beneficiary has the obligation to issue a self-invoice to adjust the VAT base and to highlight the deductible tax by the 15th day of the month following the month when the events generating the tax adjustment occurred according to art. 287 letters a)-c) and e).

In specific situations, taxable entities carrying out purchases for which they deduct VAT, they should issue a self-invoice highlighting the related self-collection of VAT. These purchases are made to achieve investment objectives within public or social interest programmes, financed from public funds, which, after receipt, they deliver the investment objective to the beneficiary based on a protocol agreement.

The obligation to mention the beneficiary's VAT registration code or fiscal identification code, be it a taxable or non-taxable legal entity, on simplified invoices is introduced.

Corporate income tax

Clarification is provided regarding the calculation method for the deductibility of interest and other interest-equivalent costs from an economic perspective. Thus, when allocating excess borrowing costs, the proportion of non-deductible excess borrowing costs related to transactions/operations with non-affiliated persons and/or affiliated persons financing the acquisition/production of assets under construction/assets defined by law is determined, compared to total non-deductible excess borrowing costs, prior to applying the 30% limit.

Minimum Turnover Tax (IMCA)/Additional Turnover Tax (ICAS)

Credit institutions and taxpayers carrying out activities in the oil and natural gas sectors, which pay both additional

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taxes on turnover and corporate income tax, are exempt from paying the minimum turnover tax (IMCA), in order to avoid double taxation.

For fiscal groups, provisions of art. 461 (Additional tax for credit institutions) and art. 462 (Additional tax for legal entities carrying out activities in the oil and natural gas sectors) will be applied accordingly by its members, depending on their individual situation.

Starting with fiscal year 2025 (or with modified year starting in 2025), the references within art. 402 to provisions of art. 183 para. (2) and (9) will be considered accomplished/executed through provisions of art. 462 para. (2) and (7) of the Fiscal Code.

The above provisions apply starting with the publication date of the 5th of December 2024.

Additional tax (ICAS)

The calculation method of additional tax for fiscal groups consisting of credit institutions and legal entities from oil and gas sectors is clarified. Specifically, in 2025, additional tax on turnover (ICAS) is extended to all active companies carrying out activities in the oil and gas sectors. In 2024, ICAS was only due by companies which recorded turnover of over EUR 50 million in the previous year.

Taxpayers paying both ICAS and the additional tax for banks are exempt from paying IMCA.

Tax on income

Non-taxable income

Non-taxable income also includes income received as a result of the transfer, through legal acts for cause of death ("mortis causa"), of actual possession registered, in accordance with the law, by the deceased in the land registry.

Income obtained from rental activities (lease of goods)

Clarification has been provided for the fiscal treatment applicable to income obtained by individuals from legal entities or other entities that are obliged to keep accounting records, income which is obtained from rental activities (lease of goods), other than those obtained from rental of agricultural land and rental of rooms for tourist purposes located on one's own property. Thus, the obligation to declare, calculate and pay tax on income falls on the owner, usufructuary (lessee) or other legal holders, through the Sole Tax Return, if the rent was paid in advance prior to the 31st of December 2023, for a period subsequent to the 1st of January 2024.

For income obtained from rental activities paid exclusively in kind, as well as for amounts representing **a guarantee/warranty** used for rent payment set by contract, the owner, usufructuary or other legal holder is obliged to establish annual net income by deducting expenses from gross income. These expenses are determined by applying a 20% rate to annual gross income. Also, the owner, usufructuary or other legal holder is obliged to calculate and pay tax on income. This represents an exception to the rule related to withholding tax on income obtained from rental activities. The annual tax due is set by submitting a Sole Tax Return.

Payers of income obtained from rental activities, legal entities or other entities that are obliged to keep accounting records, are required to issue, upon owner, usufructuary and other legal holder's request, or beneficiary of income, a document certifying the amount of tax on income withheld and paid.

Income obtained from transfer of real estate property from personal patrimony

Changes are made to fiscal treatment applicable to income obtained from transfer of real estate property from personal patrimony. If values declared are lower than the minimum values set by market research carried out by public notaries with expert evaluators authorized according to law, the calculation basis for tax is:

a) the minimum value established by the market research in the case of ownership transfer;
b) 20% of minimum value established by the market research, if the value declared by parties when constituting or transmitting partitioned property (dismemberments) is less than 20%. The same value will be established upon termination by agreement or by consent of the holder of these dismemberments;
c) 80% of minimum value established by the market research, if the value declared by parties upon transfer of bare ownership is lower than this. Transfer of bare ownership occurs when one person transfers the right of ownership of a property to another person/entity, while retaining the right of use;

In the case of individuals obtaining income from transfer of real estate, the tax on income is due after authentication of the notarial deed, which is calculated by the taxpayer at the time of collection, using the 3% or 1% tax rate applied to income obtained. The tax is declared and paid by the 25th of the month following the quarter when the income was collected.

In the case of individuals obtaining income from transfer of dismemberments under suspensive conditions made by final court decision or through another procedure provided by law, the tax is calculated similarly, with a rate of 3%, applied to income obtained.

The tax is declared and paid by the 25th of the month following the quarter when the income was collected.

For income obtained from transfer of real estate properties from personal patrimony, provided above, subsequent to

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the 5th of December 2024, from contracts in progress on the 5th of December 2024 or based on other legal acts, the fiscal obligations are those mentioned above. For income otherwise obtained during the fourth quarter of 2024, taxpayers are obliged to declare and pay the tax due by the 25th of the first month of the second quarter of 2025.

For income obtained from transfer of dismemberments under suspensive conditions paid by legal entities or other entities that are obliged to keep accounting records, the payers of such income are obliged to calculate, withhold, declare and pay the tax corresponding to the amounts paid. This obligation applies to income paid starting the 1st of January 2025. In this case, the tax, calculated by applying the 3% or 1% tax rates to the calculation base that is equal to income paid and withheld, when paying the income, is declared and paid by the 25th of the month following the month when it was withheld. At the same time, these provisions also apply to income obtained based on contracts in progress on the 1st of January 2025 or based on other legal acts, according to law; the rule applies to income paid starting the 1st of January 2025.

Pension income obtained from abroad

Clarification is provided on fiscal treatment applicable to pension income obtained from abroad. This income is subject to taxation by applying a 10% tax rate to monthly taxable income. Monthly taxable income is established by deducting the monthly non-taxable amount of RON 3,000 from pension income.

Accounting Law 82/1991

The mandatory preparation of a monthly trial balance is introduced in order to verify that record keeping of transactions recorded in accounting records is correct.

Annual financial statements and accounting reports are signed by the legal representative, as well as by the economic director, chief accountant or other person authorized to perform this function, employed according to law.

The following deadlines are established for submission of annual financial statements:

- **the 31st of May** of the financial year following the reporting year for commercial companies, national companies and autonomous administrations;
- **the 30th of April** of the financial year following the reporting year for the other legal entities.

If these deadlines are non-working days, they will be postponed to the following working day.
Commercial companies, national companies and autonomous administrations that have opted for a financial year different from the calendar year will submit their annual financial statements within **150 calendar days from the end of the financial year** thus chosen.

Other legal entities that have opted for a financial year different from the calendar year will submit their annual financial statements within **120 calendar days** from the end of the financial year thus chosen.

Public institutions must prepare quarterly and annual financial statements, according to norms developed by the Ministry of Finance, and keep them for 10 years.

Starting the 1st of January 2026, the forms related to financial reporting, financial statement reports, notes, as well as other documents accompanying financial statements of public institutions are transmitted exclusively in electronic format. Thus, annual financial statements/accounting reports for the year 2025 are only submitted in electronic format, according to specifications published on the ANAF portal. Entities that have chosen a financial year different from the calendar year apply this provision starting with the annual financial statements corresponding to the first financial year thus chosen, which begins after the 1st of January 2025.

Law 317/2024 to amend and complement GEO 28/1999 on obligation of economic operators to use electronic fiscal cash registers, as well as amending art. 319 of Law 227/2015 on the Fiscal Code (Official Gazette 1308/2024)

Summary

The law amends and complements legislation on electronic fiscal cash registers (AMEF) and the Fiscal Code (art. 319) with reference to invoicing.

Details

Amendments to AMEF legislation

The normative act provides that for collections made using credit/debit cards, economic operators **are not obliged to print/provide fiscal receipts through electronic fiscal cash registers to customers**. This applies to economic operators who collect, entirely or partially, in cash or using credit/debit cards or cash substitutes, the value of retail goods delivered, as well as services provided directly to individuals.

Upon customer request, economic operators may print and provide the fiscal receipt. The lack of a printed fiscal receipt does not affect consumer rights provided for by GO 21/1992 on consumer protection, the bank statement taking

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the place of the fiscal receipt as proof of purchase.

Thus, the obligation of AMEF users to issue, ex officio, a fiscal receipt for collections made using credit/debit cards is eliminated, mainly for optimizing operations and reducing related costs, secondly for stimulating innovation and technological development.

Another regulation provides that, for unattended equipment such as vending machines that operate exclusively on payment by card, an electronic fiscal cash register is not mandatory.

Amendments to the Fiscal Code

The Law also amends the Fiscal Code, art. 319 (on invoicing) para. (10), letter a). Thus, it is provided that the taxable entity is exempt from the obligation to issue an invoice for a series of operations, such as "a) deliveries of goods through retail stores and services to people, for which the issuance of fiscal receipts is mandatory, as well as deliveries of goods and services to the people carried out through unattended equipment such as vending machines that operate exclusively on payment by card, according to GEO 28/1999." This does not apply when the beneficiary specifically requests the invoice.

Order 6670/2024 to regulate certain accounting aspects (Official Gazette 1303/2024)

Summary

The order brings amendments and clarifications to accounting regulations.

Details

Reporting obligations applicable to certain NGOs

According to OMF 470/2024 on reporting information related to financing received by NGOs, entities that have received amounts of the nature provided by art. 34 para. (3^1) of the Accounting Law 82/1991, prepare a *Statement on treasury situation*, in the format developed for this purpose. The Ministry of Finance considered that certain clarifications about this new declarative obligation are necessary.

The information mentioned in the *Statement on treasury situation* corresponds to the financial reporting year. Entities that have opted for a financial year different from the calendar year, prepare the statement **with information related to the financial year thus chosen**.

The Procedure to correct errors contained in annual financial statements and annual accounting reports submitted by economic operators and NGOs, approved by OMPF 450/2016, also applies to the *Statement on treasury situation*.

Accounting regulations applicable to companies whose securities as of balance sheet date are no longer admitted for trading on a regulated market

Companies whose securities as of the balance sheet date are no longer traded on a regulated market may apply accounting regulations approved by OMPF 2844/2016 (IFRS) or by OMPF 1802/2014. The current Order introduces specific provisions regarding conditions under which companies whose securities on the balance sheet date are no longer admitted for trading on a regulated market may apply accounting regulations approved by OMPF 1802/2014.

The Order clarifies that companies whose securities on the balance sheet date **are no longer admitted for trading** on a regulated market and which have decided to apply accounting regulations approved by OMPF 1802/2014, organize and conduct accounting based on the aforementioned regulations, starting with the financial year following the year when their securities were no longer admitted for trading on a regulated market.

Clarification related to a series of provisions in force regarding EU Directive 2022/2464

The Order clarifies that certain requirements corresponding to sustainability reporting by companies (Corporate Sustainability Reporting Directive - CSRD), prepared by subsidiaries based in Romania whose ultimate parent companies are governed by the law of a third country, also applies to branches located in Romania belonging to third country entities.

Bookkeeping for corporate income tax at the minimum turnover tax level by members of a fiscal group

According to the Ministry of Finance, OMF no. 4291/2022 regarding the regulation of certain accounting aspects, provided the method for recording expenses related to corporate income tax resulting from settlements within the fiscal group in the area of corporate income tax, as well as any decreases in minimum turnover tax expense for some members of the group resulting from such settlements. The Fiscal Code was supplemented with provisions applicable to corporate income tax at the level of **minimum turnover tax**.

The current order establishes that this accounting transaction should be performed similarly to accounting for corporate income tax resulting from settlements between members of the fiscal group, specifically through account 694 - "Corporate income tax expense, or income tax at the level of the minimum turnover tax, resulting from settlements within the fiscal group in the area of corporate income tax" or account 794 - "Corporate income tax revenue, or income tax at the level of the minimum turnover tax, resulting from settlements within the fiscal group in the area of corporate income tax," as applicable.

In this context, the names of accounts 694 and 794 were modified to also reflect settlements related to corporate income tax at the level of the minimum turnover tax.

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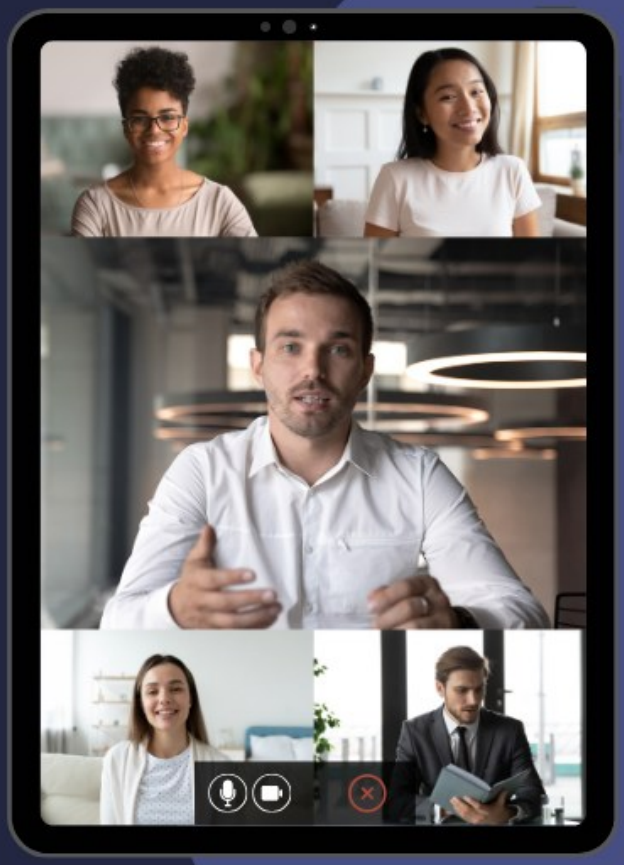
- Important changes of tax legislation



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Law 313/2024 to approve GEO 78/2024 to amend and complement Law 227/2015 on the Fiscal Code, as well as to regulate certain fiscal and budgetary measures (Official Gazette 1270/2024)

Summary

The law approves GEO 78/2024, which brought amendments and complements to the Fiscal Code, with several amendments being made to these changes.

Also, complements and amendments are made to Law 204/2024 on transitional measures referring to VAT refunds for operations for which VAT became chargeable prior to when the Law entered into force (the 30th of June 2024).

Details

VAT regime applicable to warranty-return system (SGR)

SGR packaging not returned at the end of a calendar year is considered a delivery of goods by the SGR administrator. The generating act for delivery of goods provided above occurs on the last day of the calendar year. The complement brought by Law 313/2024 is the introduction of an exception stating that VAT becomes chargeable on the date when the SGR administrator has its legal deadline to submit annual financial statements.

More details about GEO 78/2024 and the VAT regime applicable to the warranty-return system may be found in Nowium Newsletter 6/2024 - https://nowium.com/en/bulletin/newsletter-6-june-2024/#7

VAT exemptions with right of deduction provided by art. 294 (5) letters a), a1), b) and b1) of the Fiscal Code

Transitional measures introduced by Law 204/2024 are complemented and amended. Thus, **VAT is refunded, including operations for which VAT was chargeable before the law entered into force (the 30th of June 2024)**, according to provisions of art. 294 para. (6) letter b) of the Fiscal Code, for purchases of goods/services provided by art. 294 para. (5) letters a)-b1) of the Fiscal Code carried out prior to the 30th of June 2024 by NGOs recorded in the Public Register organized by ANAF, as well as by any 100%-owned subsidiary companies of the NGO.

The following are eligible for VAT refunds:

a) purchases of services and/or goods provided by art. 294 para. (5), letters a) and a1) of the Fiscal Code, if it is proved that they:
   - are related to work in progress as investments in hospital units on the date this law entered into force. A VAT refund is only allowed for purchases with due date for payment occurring within a period of no more than 5 years prior to the date this law entered into force;
   - are related to work whose acceptance upon completion took place no more than 2 years prior to the date this law entered into force. A VAT refund is only allowed for purchases whose payment due date occurred no more than 3 years prior to the date of acceptance upon completion of the work;

b) purchases of goods provided by art. 294 para. (5) letters b) and b1) of the Fiscal Code, whose chargeability occurred, similar to construction and related work, within the deadlines provided by letter a).

Summary of VAT exemptions with right to deduction provided by art. 294 (5) letters a), a1), b) and b1) of the Fiscal Code

Conditions to apply VAT exemptions with right to deduction provided by art. 294 (5) letters a), a1), b) and b1) of the Fiscal Code for:

- → construction, renovation, modernization services of hospital units;
- → delivery of medical equipment, devices, articles, accessories and protective equipment, sanitary-use materials and consumables, normally intended to be used in the field of health care or by disabled persons, goods essential to compensate and overcome disabilities, as well as for the adaptation, repair, rental and lease of such goods.

The exemptions for operations provided by art. 294 (5) letters a), a1), b) and b1) of the Fiscal Code (mentioned above) are applicable in the case of services/deliveries **to NGOs** or to **companies entirely owned by NGOs**, registered in the Public Register organized by ANAF, **if these services/deliveries are intended to hospital units owned and operated by the NGO or those in the public state network**.

VAT exemption for goods/services intended for hospital units owned and operated by **companies entirely owned by NGOs**, registered in the Public Register organized by ANAF, applies if the following conditions are cumulatively met:

- → to not change their destination as hospital units;
- → the condition "to not be alienated" is replaced by "both hospital units and social shares owned by non-profit entities within the companies that own such hospital units are not to be split off as private legal entities for 20 years from the date of application of the VAT exemption;"
- → new condition: profit obtained must be reinvested for development of the hospital units in question or for provision of free medical services for the disadvantaged, established according to internal procedures.

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How is the VAT exemption applied?

The exemption is applied through the refund of VAT related to the purchase of goods or services carried out by NGOs or companies entirely owned by NGOs.

The amounts refunded from the state budget are used by NGOs or companies entirely owned by NGOs exclusively to finance purchases of goods and/or services mentioned above and which are subject to exemptions, **as well as to cover operating expenses for hospital units**.

If conditions provided by art. 294 para. (5), letters a1) and b1) are no longer met, the companies entirely owned by NGOs owe VAT from the date they benefited from the exemption in the form of a refund.

We also recall the provision introduced by GEO 31/2024, by complementing art. 297 of the Fiscal Code on the right to deduction. The tax related to purchases of goods/services provided above, carried out by companies entirely owned by NGOs registered Public Register organized by ANAF is non-deductible. This remark was necessary considering that VAT amounts related to these purchases are subject to refund by ANAF.

The refund procedure is regulated by Order 3044/2024 (Official Gazette 672/2024) – presented in the 7/2024 Nowium Newsletter - https://nowium.com/en/bulletin/newsletter-6-june-2024/#7. The procedure is to be also modified as a result of these recent amendments and complements.

Order 6830/2024 to establish legal entities carrying out activities in oil and natural gas sectors according to art. 462 of Law 227/2015 on the Fiscal Code (Official Gazette 1332/2024)

Summary

The Order regulates classification of legal entities carrying out activities in the oil and gas sectors and replaces provisions of Order 5433/2023, which is repealed. This classification is important for the application of additional turnover tax (ICAS).

Details

Romanian or foreign legal entities that individually or in a form of association deliver goods or provide services on the territory of Romania, which carry out activities in the oil and natural gas sectors, are those that carry out activities, main or secondary, corresponding to the following NACE codes:

- 0610 - Extraction of crude petroleum;
- 0620 - Extraction of natural gas;
- 0910 - Support activities for petroleum and natural gas extraction;
- 1920 - Manufacture and processing of refined petroleum products;
- 3522 - Distribution of gaseous fuels provided supplied through mains pipeline;
- 3523 - Trade of gaseous fuels distributed through mains pipeline;
- 4671 - Wholesale of fuels and related products, or 4681 - Wholesale of solid, liquid and gas fuels and derived products, as the case may be;
- 4730 - Retail sale of fuel for motor vehicles in fuel stations, specifically Retail sale of fuel for vehicles;
- 4950 - Transport of fuel gases via pipeline.

The above provisions enter into force on the 1st of January 2025.

Order 7015/2024 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 1327/2024)

The Order updates template and content of Form 212 - *Sole Tax Return on income tax and social contributions owed by individuals* and its appendix. The form is used by individuals to declare income tax and social contributions due for the year 2024, as well as to declare social health insurance contribution due by individuals who opt to pay the contribution during the year of 2025.

Law 309/2024 to amend art. 224 para. (1) letter a) of Law 95/2006 on health reform, as well as to amend art. 154 para. (1) letter a) of Law 227/2015 on the Fiscal Code (Official Gazette 1236/2024)

The law defines new categories of individuals who may benefit from health insurance without paying

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contributions. Thus, graduates of medical, dentistry and pharmacy schools/universities **are exempt from paying social health insurance contributions**, up to **6 months** after graduation.

The provision also applies to young people from 18 to 26 years of age, pupils, apprentices or students, including PhD students, enrolled at an accredited high school/vocational school or higher education institution, as the case may be, from another country.

However, **the aforementioned persons owe CASS if they obtain income from the following categories**:

- → income from salaries and similar earnings;
- → income from self-employment;
- → income from agricultural, forestry and fishing activities.

Law 299/2024 to amend and complement Companies Law 31/1990 (Official Gazette 1212/2024)

Summary

The law brings changes to operating framework of commercial companies through regulations on simplifying administrative formalities, expanding the use of digital technology and increasing efficiency in decision making.

Details

The possibility of electronic voting at general meetings of shareholders and/or associates (AGA) is introduced. Thus, shareholders/associates may participate in the AGA through electronic means of remote communication that allow the identification of participants, their effective participation and continuous and real-time retransmission of deliberations, rights of shareholders/associates to address the meeting, as well as to express their votes. The electronic systems used should ensure the identification of shareholders/associates, subsequent verification of the manner in which voting was carried out and the possibility for each shareholder/associate to verify his/her vote, thus ensuring transparency, security and verification of the authenticity of the votes.

For any AGA organized in joint-stock companies, the boards of directors will be able to modify upon their own initiative the convening notice of the AGA within 15 days of its publication. Also, the boards of directors may delegate the power to establish and dissolve secondary offices for extraordinary general meetings of shareholders.

The requirement to include identification data of ultimate beneficial owners in the articles of association of companies has been eliminated.

Law 310/2024 to complement art. 6 of GO 99/2000 on trade of market products and services (Official Gazette 1236/2024)

Summary

The Law complements GO 99/2000 on the trade of market products and services, introducing additional provisions related to the operating agreement/authorization.

Details

The operating agreement is the individual administrative act, which establishes the conditions to carry out activities to trade in market products and services. This agreement is issued by local public administrations authorities or Bucharest district authorities where the economic operator is to carry out its activity in sales structures with a fixed headquarters, for an undetermined period. This is applicable for as long as the initial conditions for which the operating agreement was requested remain unchanged and documents that constitute the application file for the operating agreement/authorization are valid.

Tax to issue/renew the operating agreement/authorization is established by decision of the local council.

As an exception, in the event of any changes, the economic operator is obliged, within 30 calendar days from the date when the change occurred, to obtain a new operating agreement/ authorization. The changes refer to the type of activity carried out, surface area of the sales structure for which the operating agreement was requested or expiration of documents in the file submitted for issuance of the operating agreement/authorization. In the absence of these steps, the operating agreement/authorization is automatically suspended, with the application of sanctions provided by art. 73 point 1 of GO 99/2000.

Order 6649/2024 to amend and complement Procedure for ANAF in guiding and assisting taxpayers and for methodological coordination of the unitary application of fiscal and procedural fiscal legislation carried out by taxpayer assistance structures, as well as in the field of information technology, approved by OMF 1233/2021 (Official Gazette 1295/2024)

Summary

The Order brings amendments and complements to the Procedure for ANAF in guiding and assisting taxpayers and for methodological coordination of the unitary application of fiscal and procedural fiscal legislation carried out by taxpayer assistance structures, as well as in the field of information technology.

The Order introduces an exception for regulated professional bodies from the standard treatment of the assistance procedure. The exception takes into account that an essential element of voluntary compliance by taxpayers is the

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cooperation with regulated professional bodies. These professional bodies do not address requests in their capacity as taxpayers, but the requests are specific to the respective profession and are generally valid for all members of the respective professional category.

Details

Requests submitted by professional bodies are to be solved by the Ministry of Finance or ANAF central office, as the case may be, depending on the issue for which the opinion is requested, with the cumulative fulfilment of the following conditions:

- to seek clarification on the application of fiscal legislation, primary or secondary, for which the Ministry of Finance or ANAF, as the case may be, has regulatory powers, according to law;
- to be specific to the requesting professional body or members of that professional body, in accordance with the rights and powers provided by its organizational and operation law;
- to address a valid and generally applicable problem and not to contain specific situations and identification elements of certain taxpayers/payers. By decision of management of the professional body, internal mechanisms and procedures are established to determine the general nature of the issue. The decision given in application of this point is published on the professional body's website. The request should indicate the management decision regarding such publication;
- to contain a general overview of the issue, factual and legal arguments, as well as its own conclusions;
- to contain a proposal, duly argued, regarding the recommended solution among those identified or, as the case may be, a reasoned proposal to complement/amend the legal texts concerned.

The professional body shall submit the request to the Ministry of Finance or the ANAF central office, as the case may be, depending on the issue for which the opinion is requested. In this situation, the request submitted to the Ministry of Finance/ANAF, as well as the response received, **will be published on the website of the professional body, within 30 days from receiving the response, with personal data of the signing persons redacted.** If possible, the response will be transmitted or made available to members of the professional body and disseminated within professional training courses organized for members of the professional body.

Other legislative news

Order 7032/2024 to amend and complement ANAF Presidential Order 2012/2016 to approve Procedure to change *ex officio* fiscal status (*vector fiscal*) related to VAT, as well as template and content of certain forms (Official Gazette 1325/2024)

Summary

The Order amends and complements OPANAF 2012/2016 to approve Procedure to change *ex officio* fiscal status (*vector fiscal*) related to VAT, as well as template and content of certain forms, the amendments aiming to correlate procedural provisions with subsequent legislative amendments, along with an impact on the procedure for the *ex officio* change of fiscal status with regard to VAT, as well as to clarify certain procedural aspects.

Details

The most important aspects are:

- establishing ANAF obligation to remove, after cancellation of VAT registration of a taxable entity that is a member of a VAT fiscal group, the reported taxable entities from the sole VAT fiscal group whose VAT registration is cancelled;
- regulating the situation of VAT registration upon fiscal inspection authority request. This means that the decision to *ex officio* register under the scope of VAT, will be issued only based on fiscal administrative documents issued by the fiscal inspection authority that are final, due to failure to appeal in court or by final court decision if they have been appealed in court;
- ensuring the taxpayer's right to be heard, provided by art. 9 of the Fiscal Procedure Code, prior to making a decision on VAT registration, except in cases where the situation has been identified by fiscal inspection authorities;
- amending form, *Notification on ex officio registration under the scope of VAT according to provisions of art. 316 para. (10)/art. 317 para. (4) of Law 227/2015 on the Fiscal Code, with its subsequent amendments and complements*, in order to eliminate the obligation of the notified person to present himself/herself at the fiscal authority's headquarters to submit declaration of mentions, in order to request registration under the scope of VAT;

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- approval of *"Notice on cessation of ex officio VAT registration procedure*, which will be communicated in situations where either the taxpayer requests VAT registration by submitting a declaration of mentions, after the start of VAT registration procedure, or the taxpayer presents, within the hearing procedure, documents proving that they were not obliged to request VAT registration;
- complementing procedural provisions in order to cancel VAT registration for taxable entities falling under the provisions of art. 316 para. (11) letter d) of the Fiscal Code, even if for the respective period there is a decision issued by the fiscal inspection authority or a taxation decision, *ex officio*, issued by the competent fiscal authority, which has become final according to art. 107 para. (5) of the Fiscal Procedure Code.

Order 3241/2024 3241/2476 to amend and complement Order of the Minister of Labor, Family and Social Protection and of the President of the National Institute of Statistics 1832/856/2011 to approve Classification of positions in Romania - occupational level (six characters) (Official Gazette 1257/2024)

Order 2412/2024 3162/2412 to amend and complement Classification of positions in Romania - occupational level (six characters), approved by Order of the Minister of Labor, Family and Social Protection and of the President of the National Institute of Statistics 1832/856/2011

The Orders complements the list on classification of positions in Romania - occupational level (six characters).

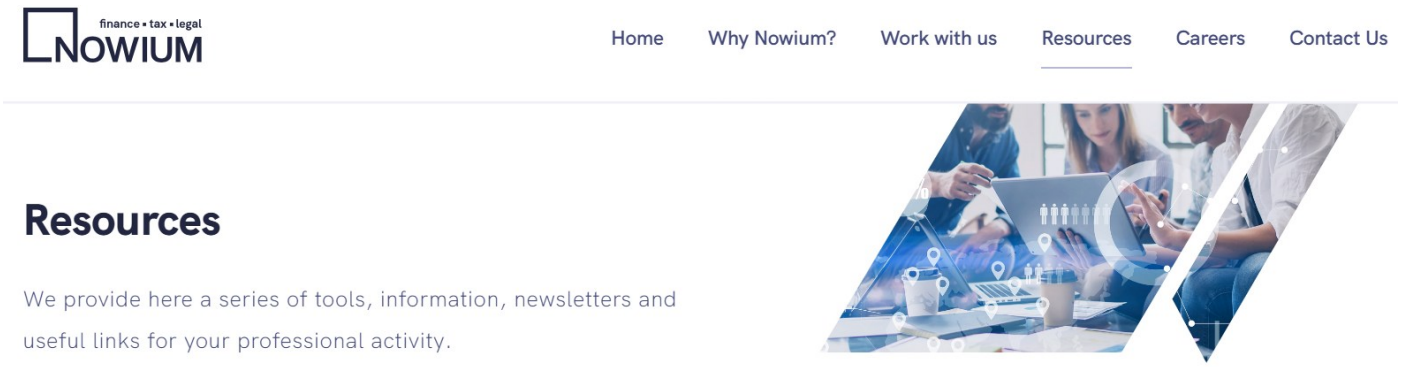
Emergency Ordinance 137/2024 to amend and complement Law 162/2017 on statutory audit of annual financial statements and consolidated annual financial statements and to amend certain normative acts, GEO 75/1999 on financial audit activity, as well as to amend and complement certain normative acts (Official Gazette 1215/2024)

Order 7/2024 to amend and complement NBR Order 4/2022 to approve Methodological Norms to prepare individual periodic financial statements, in accordance with IFRS, applicable to non-banking financial institutions for prudent monitoring/supervision purposes (Official Gazette 1219/2024)

Order 8/2024 to amend and complement Order 9/2017 to approve Methodological Norms to prepare FINREP financial statements at individual level, according to International Financial Reporting Standards, applicable to credit institutions for prudential supervision purposes, as well as NBR Order 10/2017 to approve Methodological Norms to prepare periodic reports containing financial accounting statistical information, applicable to branches of credit institutions in Romania from other Member States (Official Gazette 1219/2024)

The Resources section of our website you will find an Excel file through which the exchange rates are automatically taken from the NBR website and are allocated on each date of validity, according to accounting rules. Thus, the exchange rate communicated by NBR on day N will be displayed on the validity dates N+1...N+2....until the next foreign exchange session.

The closing exchange rate for the month is the exchange rate communicated in the final foreign exchange session of the respective month.



INFO – Closing exchange rates of 2024

The 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 = 4.9741 RON; 1 USD = 4.7768 RON; 1 CHF = 5.2806 RON; 1 GBP = 5.9951 RON

SOCIAL INDICATORS 2025

2025 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 4,050** (starting the 1st of January 2025) → **RON 4,582** for employees in the construction field → **RON 4,050** for employees in agriculture and food industry sectors (starting with income related to January 2025)	
Per Diem (in the country) For employees of public institutions For private sector employees (* 2.5)	 → RON 23.00 → RON 57.50	
Starting with income related to January 2025, fiscal facilities granted to employees carrying out activities in IT, construction, agriculture and food industry fields are eliminated.		

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Growing Business Together

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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.
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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.

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