



Tax&Legal Highlights

Romania

VAT split payment – The final form of the law

Only the companies having VAT debts or in insolvency will mandatory apply the VAT split payment system starting with 1 January 2018, according to the final form of the law on the VAT split payment, published in the Official Gazette.

Two categories of taxpayers – companies having VAT debts or in insolvency – will mandatory apply the VAT split system starting with 1 January 2018.

The final provisions of the new VAT payment system are mentioned in Law 275/2017 for approving Government Ordinance 23/2017 regarding the VAT split payment that was published in the Official Gazette, Part I, no. 1036 of 28 December 2017 and entered into force on 31 December 2017.

In brief, the final form of the Ordinance states that:

- The VAT split payment will be mandatory starting with 2018 only for companies which have / will have outstanding VAT debts (with the exception of those having enforced procedures suspended) or which are under insolvency proceedings.
- The taxpayers registered for VAT purposes (regardless if they apply the VAT split system or not) must pay the VAT corresponding to acquisitions

of goods/services performed from suppliers applying the VAT split system in their dedicated VAT account.

[Deloitte tax alert](#) of 19 December 2017 presents and explains the application of the VAT split payment system.

For further questions, please contact us.

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New changes regarding contributions and taxes due to the Environment Fund

New methodological rules for calculating the contributions and taxes due to the Environmental Fund came into force on December 28, 2017, according to Order of the Ministry of Environment no. 1503/2017 for modifying and completing the methodology of calculation of taxes and contributions due to the Environment Fund.

The new order replaces the methodology for calculation of contributions and taxes due to the Environment Fund. Among the main changes, we mention the following:

- Environmental Fund Administration inspectors may not consider a transaction that has no economic purpose or may reclassify the form of a transaction/ activity to reflect its economic content at the time of the tax audit;
- The traders that does not take physical possession of the wastes, in addition to the economic operators recyclers/ collectors have also the obligation to calculate and withhold at source the contribution of 3% of the revenues from the sale of ferrous and non-ferrous metal wastes;
- Sample documents that can be used in order to determine the weight and packaging, tires, EEE, batteries and accumulators placed on the national market for proving the traceability of waste are listed;
- Specific conditions to be met for packaging waste that is subject to intra-Union or extra-Union transactions in order to be considered as recycled/ recovered are mentioned;
- In the case of meeting the annual targets for recovery of waste taken from other waste generators, it is no longer necessary to prove the traceability of packaging waste from the waste generator to the final recovery operator, but only from the economic operator with which the service contract was concluded to the final recovery operator;
- A series of requirements to be met by recovery/ recycling operators for the acceptance of packaging waste as recovered/ recycled are introduced;

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- An economic operator within the meaning of the Methodology is defined as a manufacturer, importer, warehouse, transporter or trader of goods, including a service provider.

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The national average gross salary applicable for 2018 was published

The value of the national average gross salary used for establishing the budget of the state social insurance for the year of 2018 is 4,162 lei.

The national average gross salary for the year 2018 is 4,162 lei, according to law no. 3/2018 for establishing the budget for the state social insurance for the year of 2018, published in the Official Gazzette no. 5 from 3rd January 2018.

This indicator is utilized, for example, in order to determine the eligibility of the non-EU citizens as highly skilled workers. One of the conditions to be met is to have a minimum salary of at least four times the national average gross salary.

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