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Emergency Ordinance for the amendment and completion of certain normative acts, as well as for the establishment of support measures and humanitarian assistance

On March 8, 2022, was published, in the Official Gazette no. 231, GEO nr. 20/2022, which brings a series of amendments and additions to the Fiscal Code, as well as regarding other normative acts, with the aim of establishing several measures of support and humanitarian assistance in the context of the armed conflict in Ukraine.

Order no. 301 of the Minister of Labour and Social Solidarity for the approval of the employment procedure of Ukrainian citizens coming from the armed conflict zones in Ukraine

The Order contains the employment procedure for Ukrainian citizens who do not have documents proving their professional qualification and work experience have the following options:

I. Emergency Ordinance for the amendment and completion of certain normative acts, as well as for the establishment of support measures and humanitarian assistance

Main changes made in the area of migration

- ✓ Elimination of the obligation to obtain the work permit and the long-stay visa for the purpose of local employment

In the area of migration, the following provisions are introduced:

- Ukrainian citizens, who have entered Romania legally and who did not request a form of protection, can be employed without obtaining a work permit and a long-stay visa;
- those who do not have documents proving the professional qualification or work experience required for employment may be employed for a total period of up to two years, based on a self-statement. The statement will contain information on qualifications, experience, and lack of criminal record;
- the exemptions do not apply to the regulated professions in Romania (such as doctor, pharmacist, general nurse, architect, etc.) regardless of the form of activity (as an employee or freelancer).
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Main changes in the VAT field

- ✓ Until 31 December 2022, goods and services provided free of charge to persons affected by the armed conflict in Ukraine (for humanitarian purposes) shall be deemed to be provided free of charge as sponsorship/ patronage

In the value added tax domain, the following provision is introduced:

- Goods and services provided free of charge, for humanitarian purposes, to persons affected by the armed conflict in Ukraine, shall be deemed to be provided free of charge as sponsorship / patronage (no VAT should be collected within a limit of 0.3% of annual turnover). VAT should be collected for any part exceeding this limit.

This provision will apply until 31 December 2022.

Main amendments to the Fiscal Tax Code

- The possibility of deducting from for the computation of the tax result the amounts **related to sponsorships and cash donations** granted to/through the General Inspectorate for Emergency Situations is introduced.
- For **expenses incurred for goods and services rendered by taxpayers**, regarding persons affected by the armed conflict in Ukraine, the following rules will be applicable:
 - *Limited deduction for computing the tax result*, by summing up the expenses provided by GEO no. 20/2022 with social expenses (deductibility within the limit of the 5% rate applied to expenditures with staff salaries).
 - *Non-deduction for computing the tax result*, by summing up these expenses with the amounts granted by the taxpayer as sponsorship/patronage, the total value being deducted, according to the rules provided by the Fiscal Code, from the corporate income tax due.
- The same provisions also apply to taxpayers liable for income tax on micro-enterprises, who will be able to deduct from their taxable income the amounts related to cash donations granted through the General Inspectorate for Emergency Situations.

Other amendments regarding the sponsorship/patronage expenses regime

- **Expenses related to goods, financial means, and services granted/rendered for the United Nations Children's Fund – UNICEF or other international organizations** which carry out their activity in accordance with special agreements to which Romania is party of **are considered as sponsorship/patronage expenses**.

- In case the entire amount available is not used as a tax credit related to the sponsorship expenses, taxpayers may **redirect the corporate income tax** within the limit of this value **for the benefit of the United Nations Children's Fund – UNICEF** or other international organizations.
- Redirection is **not conditioned by the registration of these beneficiary entities in the Register of entities / places of worship** for which tax deductions are granted.
- Taxpayers incurring expenses according to GEO no. 20/2022 have **the obligation to submit the informative declaration of beneficiaries** of the goods/services/sponsorships, etc.

II. [Order no. 301 of the Minister of Labour and Social Solidarity for the approval of the employment procedure of Ukrainian citizens coming from the armed conflict zones in Ukraine](#)

- ✓ According to the employment procedure, Ukrainian citizens who do not have documents proving their professional qualification and work experience have the following options:
 - They can register with the territorial unemployment agencies in order to benefit from the law provisions on unemployment insurance system and the stimulation of employment, similar to Romanian citizens. After submitting the aforementioned self-statement and go through professional counselling services implemented by authorities, the person concerned may be employed on a position corresponding to the qualifications and experience declared by him/her, as per available positions in the unemployment agencies' database.
 - In the case of persons who will directly contact an employer, the self-statement can be completed together with it, the document being the basis for concluding the employment contract.

For more details, please feel free to contact us:



Mihaela Vechiu
Manager
Deloitte Tax
mvechiu@deloittece.com



Raluca Bontas
Partner
Deloitte Tax
rbontas@deloittece.com



Alexandru Stancu
Senior Manager
Deloitte Tax
alstancu@deloittece.com



Raluca Bâldea
Partner
Deloitte Tax
rbalde@deloittece.com



Alexandra Smedoiu
Partner
Deloitte Tax
asmedoiu@deloittece.co



Mihaela Iacob
Senior Manager
Deloitte Tax
miacob@deloittece.com

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