

Tax & Legal Weekly Alert

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Starting January 1st, 2020, foreign companies will not be able to perform more than 3 customs operations per year, unless they are established in the European Union

A draft amendment of Order no. 2460/2016 on customs representation norms was published on the [Romanian General Customs Directorate website](#).



Starting January 1st, 2020, foreign companies will not be able to perform more than 3 customs operations per year, unless they are established in the European Union

On October 23rd, 2018, a draft Order amending the Norms on the application of the right of customs representation no. 2460/2016 was published on the General Customs Directorate website.

Currently, companies not established in the European Union (e.g. from Turkey, Switzerland, Serbia, etc.) can carry out frequent customs operations (more than three operations per year) only by indirect representation. A company is deemed to be established within the European Union if it has (1) its headquarters in the EU customs territory or (2) a central administration or (3) a permanent establishment where human and technical resources are permanently present and where customs operations are conducted totally or partially.

According to the draft Order, as of January 1st 2020, these companies would no longer be able to carry out more than three customs operations per year in the EU, without being established in this territory.

For example, an exporter established in Switzerland intending to export goods from Romania could no longer be mentioned in box 2 of the export customs declaration, even if the indirect representation method will be used. In this context, the application of the VAT exemption for exports of goods becomes debatable for the Swiss exporter, specifically given the current approach of the tax authorities.

Most importantly, besides export operations, the planned restriction will also affect release for free circulation, bonded warehouse, inward and outward processing customs regimes if done by non-EU established entities.

What does this mean for you?

If you frequently import/ export goods to/ from the European Union and your company is not established in this territory, you will not be able to do such operations after December 31st, 2019, according to the draft order.

We recommend reviewing the impact of these changes on your business in advance.

For further questions regarding the aspects mentioned in this alert, please contact us.



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