

Tax & Legal Weekly Alert

October 31st, 2018

In this issue:

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](#).

The Combined Nomenclature in force in 2019

The European Commission has published the Combined Nomenclature ("CN") applicable starting January 1st, 2019. Consequently, starting January, you will need to use the new CN codes for customs and excise operations, Intrastat declarations and for operations performed on the basis of a customs and fiscal authorisations issued on CN 2018 tariff codes.

Excisable products: On December 31, 2018 certificates for engross trading of energy products and alcoholic beverages/processed tobacco with no storage will lose their validity

According to a draft order published on the website of the General Customs Directorate, the deadline for economic agents to re-authorize under the new conditions will be extended (initially the re-authorization deadline was set for November 9, 2018).



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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The Combined Nomenclature in force in 2019

Among the changes in the new CN, applicable from 1st of January 2019, new tariff codes have been introduced or the existing ones have been modified for:

- Fresh, chilled sea products suitable for human consumption of CN heading 0308 30;
- Light oils and preparations of heading 2710 12;
- Aluminium sheets and strip of heading 7606 12 for bodies, lids and beverage cans defined by a new Additional Note 2 to Chapter 76.

What does it mean for you?

The new CN may include new classifications for your products. If you import / export goods into / out of the EU starting 1st of January 2019, you will need to use the new CN codes in your import / export declaration processes.

The amendment of the Combined Nomenclature has implications not only for customs operations, but also for operations with excisable products and the Intrastat statistical reporting, namely the tariff codes of goods traded between EU Member States.

In addition, the holders of the customs and tax authorisations that include reference to tariff codes issued in accordance with NC 2018 (e.g. for suspensive customs regime) will be subject to the new rules.

What to do?

To avoid any administrative and operational inconveniences as of 1st of January 2019 (e.g. extended stay of goods in customs), we recommend that you adjust the codes as soon as possible.

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



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On December 31, 2018 certificates for engross trading of energy products and alcoholic beverages/processed tobacco with no storage will lose their validity

At the time of publication, Order no. 1960/2018 provided the date of November 9, 2018 as the deadline by which economic agents authorized to distribute and trade energy products/alcoholic beverages/processed tobacco, in a wholesale system without storage, can be re-authorized under the new conditions (i.e. holding of storage facilities).

According to a draft amendment to Order no. 1960/2018 published on the General Customs Directorate's website, the re-authorization deadline will be extended until December 31, 2018.

Economic agents who will submit requests for re-authorization within the aforementioned term will be able to operate until their settlement, but no later than 30 days from the filing of the application.

We encourage you to make sure that by 31 December 2018 you have taken the necessary steps to obtain the new certificates. After this date, customs authorities are expected to check if you fulfil the new conditions.

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