

# Tax & Legal Weekly Alert

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## In this issue:

### **Amendments to the Fiscal Code regarding social security contributions section**

The government amended the Fiscal Code by the Emergency Ordinance no. 3/2018, published in the Official Gazette no. 125/08.02.2018, regarding social security contributions section, the main subject being, according to the note, to ensure a unitary fiscal regime of the social security contributions.

### **The deadline to submit the 600 form has been extended**

The Government Emergency Ordinance no. 2/ 2018 to extend some deadlines provided by the Law 227/2015 regarding the Tax code has been published. In this respect, the deadline for submitting the 600 form was extended until 15th of April 2018.

### **Implementation of the New Customs Code - European Commission's conclusions**

In a report published at the end of January on the implementation of the new Customs Code, the European Commission announced, among other things, the amendment of the exporter's definition from the customs legislation's perspective.

### **The electronic transport document can be used as a transit declaration**

The electronic transport document can be used as a transit declaration for air transport is one of the main changes to the EU Convention on the Common Transit Procedure.

### **Deloitte in mass media**

- Costs of split VAT application across the EU outweigh the benefits, concludes a Deloitte study. The impact for Romania is explained by Vlad Boeriu, Partner Deloitte Romania: <https://www2.deloitte.com/ro/en/pages/about-deloitte/articles/costurile-aplicarii-split-tva-in-ue-depasesc-beneficiile-impactul-estimat-pentru-romania.html>

## Amendments to the Fiscal Code regarding social security contributions section

The most important provisions of the Ordinance:

- The computation formula for the health insurance contribution withheld from the employees who are exempt from paying income tax for salary and assimilated income is amended, so that the impact on the net income resulted from shifting the social security contribution from the employer to the employee is nil.
- Applying the formula for these employees is conditioned by the increase of the gross salary with at least 20% compared to December 2017.
- Introducing the employer's obligation to bear, starting with the January 2018, the negative difference between the social security contributions due by the employees having part-time employment contracts and who obtain income below the national minimum salary and the minimum social security contributions at employee level, established according to the legal provisions (i.e., by reference to the country's minimum gross wage).
- The monthly basis for computing the social security contribution due by certain categories of individuals during the period in which they benefit of medical leave and health insurance indemnities has been amended.

### The deadline to submit the 600 form has been extended

The Government Emergency Ordinance no. 2/ 2018 to extend some deadlines provided by the Law 227/2015 regarding the Tax code has been published. In this respect, the deadline for submitting the 600 form was extended until 15<sup>th</sup> of April 2018.

The 600 form represents the tax return regarding the income on which the social security contribution is due and also regarding the income obtained within the minimum cap for determining the health insurance contribution.

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



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## Implementation of the New Customs Code - European Commission's conclusions

On 22 January 2018, the European Commission issued a report to European Parliament and European Council on how the provisions of the Union Customs Code, that came into force on 1 May 2016, were implemented, and how has exercised its powers to adopt delegated acts, in the period elapsed since the Code entry into force.

The report describes how the deadlines for implementing the IT systems defined in the Union Customs Code have been met and a summary on the amendments brought to the new customs legislative package since its entry into force until now.

The European Commission reminds that, by 2020, the exchange of information between economic operators and customs authorities will be entirely electronic. To achieve this goal, a total of 17 electronic systems are currently being developed (e.g. to obtain the AEO status or to issue proof on the customs status of goods).

According to the report, the following amendments are to be made to the European customs legislative package:

- The amendment of the exporter's definition provided for in Article 1 (19) of the Delegated Regulation;
- The extension of the one-day period during which goods may be temporarily stored in places other than temporary storage facilities;
- Amendment to the rules of origin so that a preferential tariff treatment can be granted to processed products that have been obtained from imported goods that themselves qualified for preferential tariff treatment under the inward processing procedure.

## The electronic transport document can be used as a transit declaration

Decision no. 1/2017 of the EU-EFTA Joint Committee on Common Transit brings a number of amendments to the Convention of 20 May 1987 on the Common Transit Procedure concluded between the Member States of the European Union and the EFTA States (Switzerland, Iceland, Liechtenstein and Norway).

Among the amendments, the most important are:

- Possibility to use the electronic transport document as a transit declaration for air transport (provisions applicable from 1 May 2018 at the latest);
- Possibility to submit a transit declaration before the estimated date for presentation of the goods at the customs office of departure (applicable from the moment of the NCTS modernization installation as set out in the Annex to Implementing Decision (EU) 2016/578);
- The possibility of using a customs declaration with reduced data requirements for placing goods under the common transit procedure, applicable to the carriage of goods by rail and to the carriage of goods by air, if an electronic transport document is not used as a transit declaration.

## **What does this means for the economic operators?**

We recommend that you review the amendments to the Convention on the Common Transit System in order to identify the benefits that it can bring to your supply chain.

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



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