

Tax & Legal Weekly Alert

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In this issue:

The High Court of Cassation and Justice ruled that a person performing work in favor and under the supervision of another party in the absence of a written individual employment agreement may file a declaratory judgment action in view of ascertaining the existence of employment relations and the legal effects thereof

According to a statement published on the Supreme Court's website on 7 November 2016, the High Court of Cassation and Justice (the Panel for ruling on legal matters) has ruled that the courts of law can ascertain both the existence of employment relations and the legal effects thereof, including after the termination of the employment relations.

The European Commission has adopted a new common procedure for denaturing alcohol, effective from 1 August 2017

The new procedure for the complete denaturing of alcohol becomes binding in all Member States and will replace the national denaturing procedures.



The High Court of Cassation and Justice ruled that a person performing work in favor and under the supervision of another party in the absence of a written individual employment agreement may file a declaratory judgment action in view of ascertaining the existence of employment relations and the legal effects thereof

Starting with the publication of Decision no. 37/2016 of the High Court of Cassation and Justice in the Official Gazette, a person who performs work in favor and under the supervision of another party in the absence of a written individual employment agreement will be able to file a declaratory judgment action in view of ascertaining the existence of the employment relation, including after the termination of the employment relations;

Implications of Decision no. 37/2016 of the High Court of Cassation and Justice

- Given that there is no statute of limitation for filing declaratory judgment actions, persons who perform work in favor and under the supervision of another party in the absence of a written individual employment agreement will be able to claim before courts of law to ascertain the existence of the individual employment agreement at any time;
- If the court of law ascertains the existence of an employment relationship, the employer may be obliged to retroactively pay the social contributions and other taxes, with penalties, and grant employees all rights provided under the Labor Code; however, when filling these claims the employees will have to observe the applicable statutes of limitation.

The Decision of the High Court of Cassation and Justice will certainly have a major impact in practice; however, it will also create practical problems, given on one hand the status of limitation applicable to employees' requests for claiming their rights and, on the other hand the limitations in evidences admissible for proving the existence of individual employment agreements.

The Decision will become binding following its publication in the Official Gazette.

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

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The European Commission has adopted a new common procedure for denaturing alcohol, effective from 1 August 2017

Published on 20 October 2016, Regulation (EU) 1867/2016 introduces a new common procedure for the denaturing of alcohol, which will become mandatory for all Member States from 1 August 2017 and will eliminate the common procedure and the national denaturing procedures currently applicable.

Although it has been shown to be effective in fighting fraud, the common procedure established by Regulation (EU) 162/2013, currently applicable, has been little used in industry because of the high costs of this procedure compared to the national denaturing procedures.

Thus, it is expected that this new common procedure will have significantly reduced costs for industry compared to the common denaturing procedure currently applicable, by reducing the quantities of denaturant to be used.

What does this mean for you?

Since 1 August 2017, companies intending to distribute denatured alcohol or products containing denatured alcohol must apply this new denaturing procedure.

What do to?

Companies that sells denatured alcohol will have to adjust their denaturing process to ensure that they will apply this new procedure starting 1 August 2017. In some cases, this will also require an update of existing authorizations.

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

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