

# Tax & Legal Weekly Alert

19 – 23 September 2016

## In this issue:

### **New sanitary and veterinary conditions for imports, exports, transit and intra-Community trade with food products having non-animal origin**

After almost 6 years from the last amendment, the National Sanitary Veterinary and Food Safety Administration has published a legislative draft on its website, amending and updating the norms that regulate imports, exports, transit and intra-Community trade of products having non-animal origin.

The most important amendment extends the list of products having non-animal origin subject to sanitary and veterinary border controls in the case of imports performed in Romania.

### **Draft of the order for the implementation of new contributions to the Environmental Fund**

Given that new contributions to the Environmental Fund were introduced two months ago (for electrical and electronic equipment, batteries and accumulators) a methodology for computing these contributions and taxes was necessary.

### **Guidelines for qualifying under the income tax exemption for applied research and development and/or technological development activities**

On 16 September 2016 the authorities published the Order no. 4947/899/2018/1840/906 for qualifying as applied research and development and/or technological development activities, which regulates the guidelines for implementing the provisions of art. 60, pt. 3 from Law no. 227/2015 regarding the Fiscal Code.

## **New sanitary and veterinary conditions for imports, exports, transit and intra-Community trade with food products having non-animal origin**

According to a draft order published on the website of the National Sanitary Veterinary and Food Safety Administration, the rules that establish the formalities for performing imports, exports, transit and intra-Community trade of products having non-animal origin and inorganic and organic chemicals used as ingredients in food preparation for human consumption are to be changed in the next period.

One of the most important amendments extends the list of products having non-animal origin subject to sanitary and veterinary border controls in the case of imports, by adding other products such as:

- inorganic and organic chemicals that are used as ingredients in the preparation of food for human consumption (e.g. products with CN codes from 2901 to 2942 and from 2801 to 2853);
- products that are used as ingredients in food preparation for human consumption (e.g. product headings CN 3301, 3302, 3501 – 3505, 3507, 3823, 3824 60, 3824 90 55, 3824 90 62, 3824 90 64, 3824 90 80, 3824 90 92 – 3824 90 96);
- products having non-animal origin for human consumption with headings CN 1209, 1514, 1518, 2308.

In the case that the products have a different use than for human consumption, economic operators will have to provide sanitary and veterinary authority inspectors a statutory declaration in this regard. In addition, in order to obtain customs clearance, importers will have to provide the competent customs office and entry document stating that the products are not subject to sanitary and veterinary border controls.

### **What does this mean for you?**

If you import products having non-animal origin such as those mentioned above, it is possible that in the next period they could be subject to sanitary and veterinary border controls.

### **What to do?**

Until the publication of the new rules in the Official Gazette, we recommend that you review the impact of the new provisions in order to avoid any delays in the customs clearance of your products. Our team of specialists can assist you in performing such analysis.

## Draft of the order for the implementation of new contributions to the Environmental Fund

A draft of the order amending Order of the Minister of Environment and Water Management no. 578/2006 approving the methodology for calculating contributions and taxes due to the Environment Fund was published last week on the website of the Ministry of Environment, Waters and Forest.

The main changes include:

- The contribution of 2 lei / kg for packaging paid only in the case when the recovery objectives for the packaging that were not declared or were transferred to an operator who takes over the transfer of responsibility have not been fulfilled;
- Economic operators that have opted to individually achieve recovery objectives must have supporting financial records and documents for the quantities of packaging waste taken from other generators and be able to prove their traceability;
- The mandatory cumulative transactions for providing services and sales for economic operators who choose to individually recycle/recover the packaging waste will be amended. The sole obligation is to conclude a service contract for recovery/recycling;
- The eco-tax will be due for all bags and grocery bags, regardless of their form or embodiment of handle, with or without perforations, made of materials derived from renewable resources, not only for those with integrated handle or applied handle;
- Computation methodologies for the following contributions have been introduced:
  - contribution due by economic operators who place on the national market electrical and electronic equipment;
  - contribution due by economic operators who place on the national market portable batteries and accumulators;
  - contribution due by the authorized economic operators who take over the annual collecting obligation for the electrical and electronic equipment waste and batteries and accumulators waste;
  - contribution due by the authorized economic operators who take over the annual recovery obligation for packaging waste and used tires.

### What does it mean for you?

Changes regarding the management of packaging, packaging waste, electrical and electronic equipment, batteries and portable accumulators and used tires can entail significant additional obligations for your company in terms of contributions to the Environmental Fund.

In this regard, we recommend companies to consider individually fulfilling a part of the objectives of waste management, as high as possible.

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

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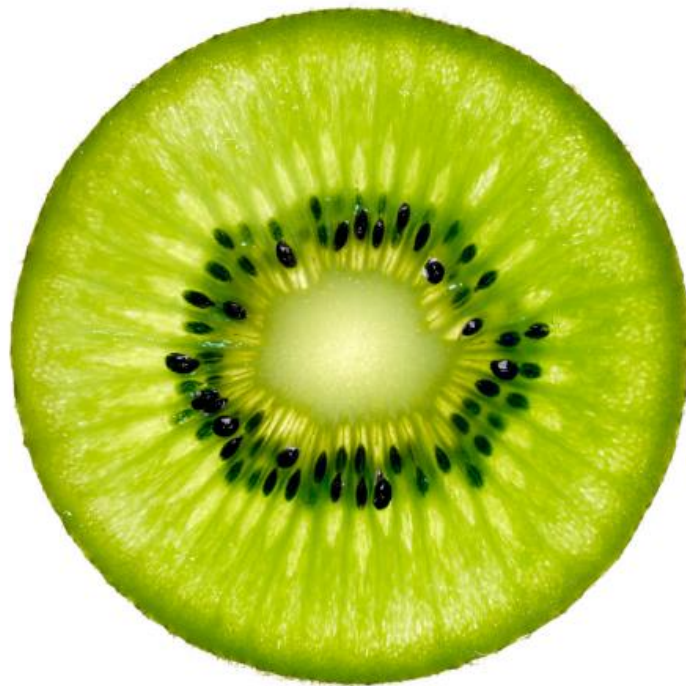
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## Guidelines for qualifying under the income tax exemption for applied research and development and/or technological development activities

Individuals working in the fields of applied research and development and/or technological development who derive salary related income from such activities can benefit of income tax exemption starting with the salary income for the month of August 2016.

Order no. 4947/899/2018/1840/906 from 16 September 2016 regulates the framework of this tax incentive. More precisely, it:

- defines the applied research and development and technological development activities;
- provides a specific list of activities which do not qualify under the above mentioned definitions, such as: aesthetical changes to existing products, services or processes, management or efficiency studies performed prior to starting the research and development activities, studies related to market research, consumption or promotion of sales etc.;
- institutes the obligation of the employer/payer of income to assess and implement the salary tax exemption for the eligible individuals.

The employers, employees or tax authorities can request evaluations from experts enrolled in the Research and Development Registry of Experts, defined by the Order of the Ministry of Public Finances and the Ministry of National Education and Research no. 1056/4435/2016.

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

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