

Tax & Legal Weekly Alert

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Articles in this issue

Legal Updates

The Regulation regarding the acceptance upon completion of the construction works and of the related installations, ratified by Government Decision no. 273/1994, has been amended by Government Decision no. 444/2014 which introduces a new notification obligation for investors and which grants additional attributions to the State Construction Authority (S.C.A.) in the procedure for the acceptance upon completion of construction works.

Therefore, starting from 3 June 2014, the role of the SCA has been extended and the authority now has the right to participate as a member in the acceptance upon completion of works committee, including for buildings funded by private financing. In addition, according to the new regulations, investors must notify the SCA of the completion of works and must present the proof of payment of all construction taxes due; otherwise, the procedure for the acceptance upon completion of works will be postponed – [page 2](#)



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The regulation regarding the acceptance upon completion of construction works and related installations has undergone several amendments concerning the committee for the acceptance upon completion of works. In this respect, the role of the State Construction Authority (S.C.A) has been extended as to introduce the authority as a member of the committee in the case of publicly funded buildings and, in certain cases, for privately funded buildings. Furthermore, the new regulation introduces new obligations for investors during the building process.

Extension of the SCA's role regarding the acceptance upon completion of construction works

Through the amendments brought by Government Decision no. 444/2014, starting from 3 June 2014 the role of the SCA has been extended to cover certain buildings privately funded, namely buildings of exceptional and special importance (A and B categories), as they are classified under the Regulation regarding the importance classification of buildings, approved by Government Decision no. 766/1997 regarding the approval of certain regulations in respect to quality of constructions. Until the latest amendments, SCA was entitled to participate only as a guest in the procedure of the acceptance upon completion of works for publicly funded buildings; however, under the amendments, the authority may now appoint a representative as member having full rights in the committee for the acceptance upon completion of works for both public and private funded buildings, described above.

In the context of extending the role of SCA to private funded buildings, the law also provides for the investor's obligation to give notice to SCA in 3 days as of the receipt from the contractor of the notice regarding the completion of works. The SCA will appoint its representative within 3 days from the moment it receives investor's notice.

Postponing acceptance upon completion of works for lack of documents ascertaining payment of taxes

Another significant amendment brought by Government Decision no. 444/2014 is the obligation to present at the time of the acceptance upon completion of works the documents ascertaining the payment of construction taxes, respectively:

- the tax provided by art. 30 para. (1) Law no. 50/1991 on the expenses for state control regarding planning and permitting construction works, amounting to 0.1% of the value of the buildings for which a building permit was issued, as well as
- the tax provided by art. 40 para. (1) Law no. 10/1995, amounting to a monthly percentage of 0.70% of the expenses for the completion of certain construction works.

In case such ascertaining documents are not provided, the committee recommends the postponement of the acceptance upon completion of works.

Government Decision no. 444/2014 amending and supplementing the Regulation regarding acceptance upon completion of construction works and related installations, approved by Government Decision no. 273/1994, was published in the Official Gazette no. 409 of 03.06.2014 and is in effect starting with 3 June 2014.

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