

Tax & Legal Weekly Alert

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The stamp is no longer mandatory for documents submitted to the customs authorities

Stamping the declarations, applications, contracts or any other documents to be submitted to the customs authorities is not mandatory, states the General Customs Directorate on its own website, www.customs.ro.

Commission's Electronic Decision System, applicable from 2 October 2017

Information sharing related to applications and decisions between customs authorities in the European Union, as well as between economic operators and customs authorities in the European Union, will be carried out by using electronic data processing techniques, starting with 2 October 2017.

The Fiscal Code: The most recent amendments brought by Law 170 / 2017

A number of amendments were brought to the Fiscal Code by Law 170/2017. Among the most relevant changes there are:

- The subscription to medical services covered by the employer for its employees are considered non-taxable income within the annual threshold of EUR 400.
- The taxpayers subject to the tax on specific activities are obliged to pay the income tax for microenterprises starting with August 2017 in case their total income is up to EUR 500,000
- For VAT registration purposes, the authorities will analyze the fiscal risk instead of the intention and capacity of the taxable person to carry out economic activity.

Deloitte in mass-media

An analysis of the cost of social security contributions in Romania comparing to other European states by Raluca Bontaş, Partner Deloitte Romania and Monica Ţariuc, tax Manager Deloitte Romania

Stamping declarations, applications, contracts or other documents to be submitted to the customs authorities is not mandatory

Stamping the declarations, applications, contracts or any other documents or documents to be submitted to public institutions or authorities, issued, or concluded in relation to public institutions or authorities is not mandatory, both for natural persons and legal persons.

As of 30 July 2017, the act of requesting natural persons, private legal entities and entities without legal personality, to stamp declarations, applications, contracts or any other documents committed by the person within an institution or public authority, constitutes a disciplinary offense and entails disciplinary liability.

The measure is included in Government Emergency Ordinance no. 49/2017, which was published in the Official Gazette, Part I, no. 507 of 30 June 2017 and will apply from 30 July 2017.

Commission's Electronic Decision System, applicable from 2 October 2017

Starting 2 October 2017, the applications and authorizations listed in Annex A to Delegate Regulation (EU) No. 2446/2015 of the Commission will be managed in the European Commission's Central Customs Decision System ("DGTAXUD"), except:

- Decisions on mandatory information;
- Applications and authorizations for the status of authorized economic operator;
- Applications and decisions regarding repayment or remission of import or export duties;
- Applications and authorizations for the use of the temporary admission procedure, final destination, inward processing or outward processing in situations where Article 163 (1) of Delegate Regulation (EU) 2015/2446 of the Commission applies;

What does this mean for the economic operators?

Using the above-mentioned electronic data processing system will ease the procedures for obtaining customs authorizations and will reduce the processing time of the customs applications.

In order to obtain the right of access to DGTAXUD's Central Customs Decision System, the interested economic operators must access the link "Decizii Vamale/Cerere acces sistem Decizii Vamale" link, which will be available on the General Customs Directorate's website, starting with 01.08.2017.

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The Fiscal Code: The most recent amendments brought by Law 170 / 2017

The amendments brought by Law no. 170 to the Fiscal Code have entered into force starting this week, except for certain provisions which will enter into force starting with 1st of October, 2017/1st of January, 2018.

Corporate income tax

- House owners associations set-up as legal entities and tenants associations recognised as house owners associations are considered as taxpayers, according to the new provisions. This amendment will enter into force starting with 1st of January, 2018.
- The expenses incurred with the write-off of certain category of goods are deductible for corporate income tax purposes if the legal provisions regarding the food waste are fulfilled. The amendment shall enter into force starting with 1st of October, 2017.

Income tax for microenterprises

- A new paragraph is introduced which stipulates that the provisions of the Fiscal Code regarding the microenterprise tax prevail over the provisions of Law no. 170/2016 (HoReCa Law).
- The taxpayers subject to the tax on specific activities which as at 31st of December, 2016 booked total income between EUR 100,001 and EUR 500,000, fulfilling also the other conditions regarding the microenterprises regime, are obliged to pay the income tax for microenterprises starting with August 2017.
- Starting with 1st of October, 2017, the income with the provisions booked in the period for which the taxpayer has applied the microenterprise regime are included in the taxable base for the computation of the income tax for microenterprises.

Personal income tax

- The subscription to medical services covered by the employer for its employees are considered together with the voluntary health insurance premiums non-taxable income within the annual threshold of EUR 400.
- In addition, both the subscription to medical services and insurance contract are referring to the medical services provided to the employee and/or any person in his/her support.
- Certain amendments were introduced with respect to the method for computing the tax due for income derived from activities, other than production, trade services, liberal professions, intellectual property rights, agricultural, forestry and pisciculture activities for the taxpayers who provide the proof of the tax registration. For these types of income a self-statement is submitted with the income payers, at the payment moment.

Value added tax

- The tax base for foodstuff granted free of charge will be established through the methodological norms. Thus, the conditions regarding: (i) exceeding the expiration date and (ii) the impossibility to sell such goods were removed.
- Clarifications are brought regarding the VAT adjustments to be made following the bankruptcy of the beneficiary/ the implementation of a reorganization plan whereby the creditor's receivable is changed / eliminated.

Thus, the VAT adjustment can be made within 5 years from 1st January of the year following the one in which a court decision regarding the bankruptcy / approval of the reorganization plan of the beneficiary was issued.

Previously, these provisions were included in the methodological norms for applying the Fiscal Code.

Such VAT adjustments can be made also for transactions performed in periods that were already subject to a tax audit. In this case, ANAF can re-check the transaction for which the VAT adjustment was made.

- Regarding the registration for VAT purposes and the cancellation of the VAT number, no further reference to the assessment of the intention and ability of the taxable person to carry out economic activities is included. Instead, it is mentioned that a company will not be registered for VAT purposes / will have its VAT number cancelled if it has a high fiscal risk. The criteria for assessing the fiscal risk will be established through an order to be issued by ANAF.
- The amendments will come into force from 1 October 2017.

Excise duties

- The commission for authorizing the operators of products subject to harmonized excise duties (authorized warehouse keepers, registered consignees, registered consignors and authorized importers) established within the Ministry of Public Finance will be abolished. The requests addressed to the Commission and unresolved by the date the law comes into force (i.e. 24 July 2017) will continue to be settled by the commission;
- The attributions of this commission are to be taken over by the General Regional Directorate of Public Finance. The procedure and the conditions for authorization will be determined by an order of the Minister of Public Finance.
- The resolution of the complaints related to authorized warehouse keepers, registered consignee, registered consignor and authorized importer will be carried out by a structure within the Ministry of Public Finance, which is to be established by Minister of Public Finance's order.
- The specific excise duty for cigarettes, applicable from 1 July 2017 to 31 March 2018, increases from 329,222 lei / 1000 cigarettes, as stipulated by Order 350/2017 to approve the level of the specific excise duty on cigarettes, to 333,582 lei / 1000 cigarettes;
- Excise duty on other products subject to harmonized excise duty (energy products, alcohol) remains unchanged until 2022.

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