



Tax Newsletter – September 2018 fiscal legislative changes

GSR

Your business matters

Fiscal briefing on September 2018 fiscal legislative changes

Please find below a brief information on the main fiscal legislative changes of September 2018.

<p>Order no. 3067/2018 for completing certain accounting regulations published in the Official Gazette of Romania, Part I, no. 792 of September 17th, 2018</p>	<p>GD 714/2018 regarding the rights and obligations of the personnel of public authorities and institutions during the period of delegation and posting in another locality, as well as in the case of traveling in the interest of the service published in the Official Gazette, Part I no. 797 of September 18th, 2018</p>
<p>This order supplemented the Accounting Regulations for the individual annual financial statements and the consolidated annual financial statements, approved by OMFP 1802/2014 with subsequent amendments and completions.</p> <p>Thus, entities that opted for the quarterly distribution of profits by dividend distribution are required to prepare interim financial statements.</p> <p>In order to prepare the interim financial statements, an inventory of assets, liabilities and equity shall be made in accordance with the provisions of Order no. 2861/2009, as subsequently amended and supplemented.</p> <p>The interim financial statements together with accounting policies shall be submitted to the tax authority within 30 days of their approval by the General Meeting of Shareholders / Shareholders (GMS).</p>	<p><u>Starting with January 1st, 2019</u>, the following thresholds shall apply to the <u>public sector</u>:</p> <ul style="list-style-type: none"> • Business travel allowance shall be RON 20/day compared to RON 17.5/day - applicable until December 31, 2018 inclusive; • accommodation allowance shall be RON 230/day, within the limit of which the person delegated to more than 50 km away from the locality in which he/she has his/her permanent place of work and who cannot return at the end of the day, must cover its accommodation costs. <p>Considering that this normative act refers strictly to the personnel of public institutions, for the private sector the legal provisions of the Labor Code and the Fiscal Code will apply.</p> <p>Thus, starting with January 1st, 2019, the non-taxable amount of the business travel allowance shall be in the amount of $2.5 * 20 = \text{RON } 50/\text{day}$, and the amount exceeding this threshold is a benefit in cash for the employee, subject to income tax and social contributions.</p>

<p>OpNAFA 3903/2018 approving the Procedure regarding the structure and periodicity of the transmission of the information of the individuals taxpayers declared in the tax returns to the social health insurance system published in the Official Gazette, Part I no. 812 of September 21st, 2018</p>	<p>Government Emergency Ordinance 88/2018 amending and completing certain normative acts in the field of insolvency and other normative acts published in the Official Gazette Part I no. 840 of October 2nd, 2018</p>
<p>This normative act establishes the procedure by which the National Agency for Fiscal Administration (NAFA) has the obligation to communicate to the National Health House.</p> <p>Thus, NAFA communication to the Healthcare House shall be made:</p> <ul style="list-style-type: none"> • Daily for individuals declared in return 112; • Within maximum 10 days for individuals who filed their single declaration or other tax returns between January 1st and the date of entry into force of this order, i.e. September 21, 2018; • Daily for individuals who will file the single declaration after the entry into force of this order, i.e. September 21, 2018. <p>Every month, for the insured individuals, from the point of view of the date of starting the activity, suspension or cessation of the activity, these information shall be communicated to the National Health House.</p>	<p>The main changes brought by GEO 88/2018:</p> <ul style="list-style-type: none"> • The threshold on which a creditor or a debtor might apply for insolvency proceedings is RON 40.000 and employees might claim the employer's insolvency for a debt amounting to six gross average salaries. • The insolvency procedure cannot be applied if the debts to the State Budget exceed 50% of the total debts. • Within 60 days of the date of publication in the insolvency bulletin of the notification of the opening of insolvency proceedings, the tax authority shall carry out a tax audit based on the risk analysis. Thus, if the company does not present fiscal risk, it will not be subject to tax inspection.
<p>Government Emergency Ordinance 89/2018 regarding certain fiscal-budgetary measures and for the amendment and completion of certain normative acts published in the Official Gazette, Part I no. 854 of October 9th, 2018</p>	<p>Government Emergency Ordinance 89/2018 regarding certain fiscal-budgetary measures and for the amendment and completion of certain normative acts published in the Official Gazette, Part I no. 854 of October 9th, 2018</p>
<p>As of November 1st 2018, the reduced VAT rate of 9% shall be eliminated, and the 5% reduced rate shall be applied for the following operations:</p> <ul style="list-style-type: none"> • accommodation in the hotel sector or similar-function sectors; • restaurant and catering services, excluding alcoholic beverages other than beer, falling within NC code 22 03 00 10. 	<p>In 2018 the following bonuses shall be granted:</p> <ol style="list-style-type: none"> 1. Income tax and social security contributions • for the online submission of the single income tax and social security contributions return due by individuals until July 15th 2018 inclusive, a 5% bonus on income tax and social security contributions paid up

In addition, **the reduced VAT rate of 5% is extended** to the following operations:

- services consisting in giving access to castles, museums, memorial houses, historical monuments, architectural and archaeological monuments, zoological and botanical gardens, fairs, amusement parks and recreational parks whose activities are classified under NACE codes 9321 and 9329, according to the Classification activities in the national economy - CAEN;
- the right to use sports facilities for the purpose of practicing sport and physical education, activities that are part of the CAEN code group 9311 - Activities of sports facilities and 9313 - Activities of fitness centers.

to March 15th 2019 inclusive , representing the annual tax obligations for 2018.

- for the **anticipated payment of income tax and social security contributions, a 5% bonus on annual income tax and social security contributions estimated in the single return and fully paid until December 15th 2018 inclusive.**

Thus, the value of these bonuses diminishes the estimated annual net income tax and the estimated social security contributions.

2. Taxation decisions

For **annual tax decisions issued and communicated by the tax authority after October 9th 2018 for the definitization of the annual tax on income from individuals in 2017 and pension due by individuals for the period 2016-2017, the payment deadline is June 30 2019.**

- **for full payment in anticipation until December 15th 2018 inclusive, a 10% bonus of these amounts shall be granted.**

Thus, the value of these bonus diminishes the amounts of payment provided in the tax decisions received.

For **annual tax decisions issued and communicated by the tax authority after 9 October 2018 for health settlement by individuals for the period 2014-2017, the payment deadline is June 30 2019.**

- **for full payment in anticipation until 31 March 2019 inclusiv, a 10% bonus of these amounts.**

Guidebooks for electronic cash registers

Companies that have the obligation to use the new electronic cash register have a guide provided by the National Agency for Fiscal Administration.

The NAFA guide addresses to:

- cash registers users;
- manufacturers/importers/Romanian legal persons who purchase from the Member States of the European Union cash registers or authorized distributors;
- service accredited units.

The guide can be accessed via this [link](#).

Mention: the guide is available only in Romanian.

Electronic Register of Internship contracts - NAE Press Release from October 2nd, 2018

The National Agency for Employment (NAE) has launched the Electronic Register for internship contracts, in which the legal persons which carry out activities with interns must register the concluded contracts.

- *How to access the electronic register?*
 - Access to the electronic register is done only on the basis of an own **password**, used free of charge
 - Registration of host organizations is done online at <https://www.internship.anofm.ro/inregistrare.html>
- *What is the term for registering internship contracts?*
 - **For new contracts, the registration shall be done before the start of the internship.**
 - For **any other modification** as host organization identification data or to the internship agreement, registration shall be made **within 3 business days of the occurrence of the situation that required the change.**
- *What happens if the registration of the internship contracts is not done in the Electronic Register?*
 - Non-registration of contracts is sanctioned by a fine ranging from **RON 2.000 to RON 4.000 lei.**

For further information, our consultants are at your disposal.

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