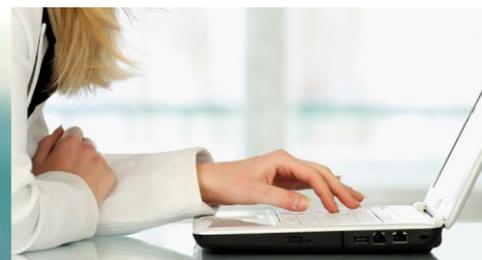


Romania



A summary of recent legislative amendments approved by the Romanian authorities is provided below

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1. New amendments to the methodological norms for the application of the Fiscal Code

A new Government Decision, which was published in the Official Gazette of Romania on 21 March 2016, amends and clarifies a number of provisions of the methodological norms for the application of the Fiscal Code released in January 2016.

The amendments and clarifications introduced to the methodological norms include the following:

- New examples illustrating the moment at which a VAT chargeable event and VAT chargeability occurs in various situations
- New clarifications and examples of cases where VAT simplification measures are applicable in Romania in transactions between VAT taxable persons registered for VAT purposes in Romania (e.g. sales of mobile phones, games consoles and other devices)

- Changes to the tax on buildings due by individuals who own buildings that are used for both residential and non-residential purposes, such that:
 - ✓ If no business activity is performed at a registered office located in a given building, then the owner will only be liable to pay the tax on residential buildings
 - ✓ If business activity is performed in a given building and the surface areas used for residential and for non-residential purposes are clearly defined in available documents (e.g. renting agreement, cadastral documentation etc.), then the overall tax on buildings will be determined by adding together the corresponding tax on residential buildings and the tax on non-residential buildings as a function of the surface areas allocated to each purpose
 - ✓ If business activity is performed in a given building, but the surfaces used for residential and non-residential purposes are not distinctly defined in documents, then the building will qualify as residential provided the person performing the economic activity in question does not register or deduct utilities expenses.

Source: Government Decision no. 159/2016 amending and supplementing Government Decision no. 1/2016 approving the methodological norms for the application of the Fiscal Code, published in the Official Gazette of Romania no. 208/21.03.2016

2. New amendments to Statement 394 ("Informative statement regarding supplies of goods/services and acquisitions performed in Romania by companies registered for VAT purposes")

Following recent public consultation on this subject, Statement 394 ("Informative statement regarding supplies of goods/services and acquisitions performed in Romania by companies registered for VAT purposes") was amended on 1 April 2016. This amendment was introduced through Order no. 1105/2016, which in turn amends Order no. 3769/2015 approving the content and template of Statement 394.

As a result, the date on which the new template for Statement 394 is to come into force has been postponed from 1 April to 1 July 2016. In addition, the obligation on taxpayers to submit the new version of Statement 394 retroactively for fiscal periods predating its entry into force (i.e. 1 January-30 June 2016) has been removed. Thus the new template for Statement 394 will now enter into force on 1 July 2016 and is only to be submitted for fiscal periods starting 1 July 2016.

The new instructions for Statement 394 introduced by the Order also contain the following clarifications and amendments:

- Intra-community operations required to be declared in Statement 390 (statement for intra-community supplies and acquisitions) should not also be declared in Statement 394
- For the period 1 July-31 December 2016, invoices issued to individuals with a value lower than or equal to RON 10,000 should not be declared in the detailed section of Statement 394. As of 2017, however, all invoices issued to individuals, irrespective of their value, are to be declared in the detailed section of the statement
- If the personal identification number of individuals to whom invoices are issued is not provided to the taxpayer, the identification details of the individuals in question (i.e. name, surname and address) will need to be reported in Statement 394.

Source: Order no. 1105/2016 amending Order no. 3769/2015 regarding the reporting of supplies of goods/services and acquisitions performed in Romania by taxable persons registered for VAT purposes and approving the template and content of the informative statement regarding supplies of goods/services and acquisitions performed in Romania by taxable persons registered for VAT purposes, published in the Official Gazette of Romania no. 242/01.04.2016

3. Extension of various declaration and payment deadlines in the field of local taxes

A number of declaration and payment deadlines in the area of local taxes laid down by the Fiscal Code have been extended by a Government Emergency Ordinance published in the Official Gazette of Romania on 25 March 2016.

The consequences of this Emergency Ordinance in terms of deadlines are as follows:

- Individuals who own non-residential buildings or buildings used for both residential and non-residential purposes at 31 December 2015 are now required to submit local tax returns by 31 May 2016 (previous deadline 31 March)
- Companies are now required to submit local tax returns pertaining to buildings owned at 31 December 2015 by 31 May 2016 (previous deadline 31 March)
- For 2016 the deadline for payment of the first instalment of the tax on buildings, the tax on land and the tax on vehicles is now 30 June 2016 (previous deadline 31 March).

Source: Government Emergency Ordinance no. 8/2016 on various financial measures to finalise projects financed through EU funds pertaining to the period 2007-2013 as well as various fiscal and budgetary measures, published in the Official Gazette of Romania no. 225/25.03.2016

4. Law no. 33/2016 approving Government Emergency Ordinance no. 52/2015 amending and supplementing Law no. 307/2006 on fire prevention was published in the Official Gazette, Part I, no. 209 on 22 March 2016

Under this law, which came into effect on 25 March 2016, buildings and facilities currently operating without a fire safety permit will be required to obtain such document by 31 December 2016.

The obligation to obtain a fire safety permit lies with the beneficiary or the natural or legal person financing or investing in new or existing buildings.

Until this permit is obtained, liability for the operation of buildings and facilities in terms of fire safety lies with the beneficiaries of the investments. However, should serious violations of the fire safety regulations be discovered, the authorities may order a cessation of the operation or use of the buildings in question without waiting for a fire safety permit to be obtained.

Source: Law no. 33/2016 approving Government Emergency Ordinance no. 52/2015 amending and supplementing Law no. 307/2006 on fire prevention published in the Romanian Official Gazette no. 209/22.03.2016

5. Law no. 15/2016 amending and supplementing Law no. 349/2002 on preventing and combating the effects of tobacco products was published in the Official Gazette, Part I, no. 72 and came into force on 17 March 2016, 45 days after its publication.

This law, which introduces a complete ban on smoking in enclosed public places, came into force on 17 March 2016. As a result, smoking is now completely prohibited in all enclosed public places, including bars, night clubs and restaurants, as well as enclosed work spaces and children's playgrounds.

According to the new law, smoking is now permitted "only in specially designated rooms located exclusively within the transit areas of international airports" and will be subject to certain rules.

Smoking has also been completely banned in schools and in areas used for child protection and assistance.

The only exception to the ban will be the cells of detainees being held in maximum security prisons.

Individuals who fail to comply with the law will be punished by fines ranging between RON 100 and 500, while legal persons risk sanctions of increasing severity, including and culminating in the closing of their facilities.

Source: Law no. 15/2016 amending and supplementing Law no. 349/2002 on preventing and combating the effects of tobacco products published in the Romanian Official Gazette no. 72/01.02.2016

6. Minister of Internal Affairs Order no. 47/2016 on the designation of competent personnel to establish contraventions and apply the sanctions provided for by Law no. 349/2002 on preventing and combating the effects of tobacco products was published in the Official Gazette, Part I, no. 183 on 11 March 2016.

This normative act establishes the persons authorised to establish contraventions and apply fines to individuals who smoke cigarettes in enclosed public places as well as to companies that allow cigarettes to be smoked on their premises and fail to respect other interdictions laid down in law. These authorised personnel include police officers and various agents, such as border guards, the staff of the Romanian Inspectorate for Emergency Situations (ISU) and gendarmes.

Source: Minister of Internal Affairs Order no. 47/2016 on the designation of competent personnel to establish contraventions and apply the sanctions provided for by Law no. 349/2002 on preventing and combating the effects of tobacco products published in the Romanian Official Gazette no. 183/11.02.2016

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