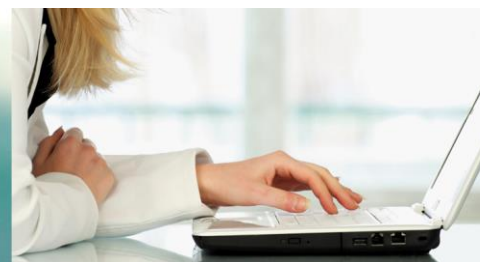


Romania



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

1. New health insurance contribution exemption threshold for investment incomepage 1
2. New procedure for registration and deregistration of companies applying the VAT cash accounting schemepage 1
3. Increasing in the value of meal tickets.....page 2
4. New incentives for business incubators.....page 2

1. New health insurance contribution exemption threshold for investment income

According to Law no. 112 of 27 May 2016, individuals deriving investment income (dividends, interests, etc.) will be exempt from paying health insurance contributions provided their income falls below the new threshold of 12 minimum gross salary.

This category of tax payer may still chose to take out voluntary insurance in order to pay health insurance contributions on their investment income.

Source: Law no.112/2016 regarding the approval of Government Emergency Ordinance nr.41/2015 for amending and completing of certain normative acts, as well as for regulating some budgetary measures published in the Official Gazette nr.408/30 May 2016

2. New procedure for registration and deregistration of companies applying the VAT cash acocunting scheme

A new procedure for the registration and deregistration of companies applying the VAT cash accounting scheme has been approved through Order no. 1503/2016. The Order also approves the new template and content for Form 097 – “Notification regarding application/deregistration of VAT cash accounting scheme”.

Source: NAFA Order no.1503/2016 regarding approval of the registration/deregistration procedure, in taxpayer register which applying VAT cash accounting scheme, as well as for approving the model of certain forms, published in the Official Gazette no. 403/27 May 2016

3. Increase in the value of meal tickets

Pursuant to Order no. 934/2016, as of May 2016 the value of one meal ticket has increased to 9.57 RON.

Source: MMFPSPV Order no. 934/2016 for establishing the nominal value of a meal ticket for first semester of 2016, published in the Official Gazette no. 373/ 16 May 2016

4. New incentives for business incubators

What is a „business incubator“?

According to Law no. 102/2016, published in the Official Gazette, Part 1, no. 393/23.05.2016, a business incubator is a support structure for businesses managed by an administrator for small and medium start-ups (enterprises with an annual average number of employees less than 250, an annual net turnover of up to EUR 50 million and maximum 3 years since incorporation), helping them to develop in the early stages through the provision of shared facilities.

Who can set up a business incubator?

A business incubator can be set up local government authorities, an institution or consortium of institutions of higher education, research and development centres, chambers of commerce or any private law entity.

The title of business incubator is granted to the founders by the central government authority responsible for small and medium enterprises for a period of 10 years, with the possibility of extension at the request of the founder or administrator, provided the incubator continues to meet the relevant legal conditions.

What types of services do business incubators provide?

The types of services provided by a business incubator are as follows:

- services provided to potential beneficiaries in the pre-incubation period (maximum duration 6 months);
- incubation services (maximum duration 3 years);
- business accelerator services (maximum duration 2 years);
- management consultancy;
- access to training tailored to the current and future needs of the market;
- professional financial, accounting and legal services;
- collective purchasing of products and services;
- access to non-governmental funds for economic development;
- access to sources of finance, investment and working capital;
- contacts with individual investor and venture capital funds;
- the transfer and commercialisation of technology as well as contact with universities and institutions of research and development;
- internationalisation services for SMEs;
- general management services of business incubator infrastructure.

Which facilities are available to founders of business incubators?

Through state aid schemes initiated by the local authorities, the founders of business incubators may take advantage of the following facilities with the approval of the local authority:

- exemption from land tax for land belonging to the infrastructure of the business incubator;
- exemption from tax on buildings for buildings belonging to the infrastructure of the business incubator;
- exemption from any fees payable for the issuing of town planning certificates and building/demolition permits in respect of buildings and land belonging to the infrastructure of the business incubator
- other facilities that may be legally granted by the local or central government authorities.

Law no. 102/2016 comes into force on 22 July 2016.

Source: Law no. 102/2016 on business incubators, published in the Official Gazette of Romania, Part I, no. 393 on 23 May 2016.

This newsletter is a service of TPA Horwath.

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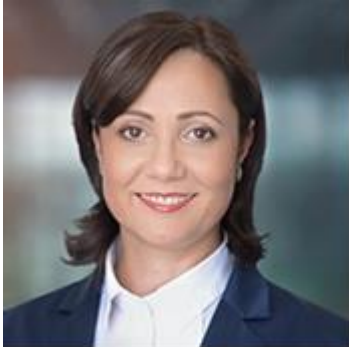
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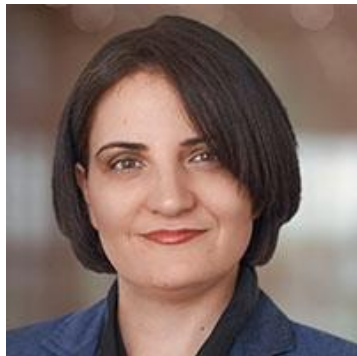
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