

## LEGAL UPDATE - JANUARY 11<sup>TH</sup>-17<sup>TH</sup>, 2016

**Order no. 4160/2015 of the Minister of Public Finance amending and supplementing certain accounting regulations** entered into force on January 12<sup>th</sup>, 2016. We mention below several regulated issues:

- Order brings a number of amendments and supplements to the provisions of Accounting Regulations on the individual annual financial statements and individual annual consolidated financial statements, approved by Order no. 1.802/2014 of the Minister of Public Finances, among which we mention the following:
  - the procedure for adjusting the amounts shown in the account 105 "*Revaluation reserves*" depending on the manner in which, on the period in which it has been carried out the reevaluation, have transferred the amounts in the result brought forward (account 1175 "*The result brought forward representing the surplus from revaluation reserve*") for the transition from the reevaluation method to the cost method;
  - it is inserted a new section, section 3.4<sup>1</sup> "*Evaluation of state titles recognized as financial fixed assets*";
- Order amends and the Accounting Regulations in accordance with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, approved by Order no. 1.286/2012 of the Deputy Prime Minister, Minister of Public Finance.

**Decision no. 1/2016 of the Romanian Government for the approval of the Methodological Norms for the application of Law no. 227/2015 regarding the Fiscal Code** entered into force on January 13<sup>th</sup>, 2016.

We mention below several regulated issues:

- The Methodological Norms for the application of Law no. 227/2015 regarding the Fiscal Code regulates the following aspects:
  - Title I - General Provisions;
    - Chapter I - Definitions;
    - Chapter II - Rules of general application;
  - Title II - Tax on profit;
  - Title III - Enterprises' income tax;
  - Title IV - Income Taxes;
  - Title V - Compulsory social contributions;
  - Title VI - Income Taxes for revenue from Romania by non-residents and tax for representatives of foreign companies set up in Romania;
  - Title VII - Value added tax;
  - Title VIII - Excise and other special taxes;
  - Title IX - Local taxes;
  - Title X - Tax on construction.

**Law no. 4/2016 of the Romanian Parliament for the approval of the Government Emergency Ordinance no. 44/2015 on granting some tax facilities** entered into force on January 16<sup>th</sup>, 2016. We mention below several regulated issues:

- Corrective statement will be submitted with effect from 1 October 2015 until 31 March 2016 inclusive.
- For payment obligations set out in the administrative acts of which execution is suspended in accordance with the law, on 30 September 2015 inclusive, the taxpayers may renounce the effects of the suspension of the administrative tax act in order to benefit from the cancellation of the penalties for delay, as well as of a rate of 54,2 % of interest. In this case, the taxpayers must submit a request to renounce the effects of the suspension of the administrative tax act until 31 March 2016 inclusive.
- Taxpayers who at the date of 30 September 2015 benefit from the rescheduling of tax obligations according to the Government Emergency Ordinance no. 29/2011, as well as those who get the staggering in the period between 1 October 2015 and 31 March 2016 may benefit from the cancellation of penalties for delay, and the rate of 54,2 % of interest if they fulfill the conditions provided by the law, but they want and maintaining the payment rescheduling.

**Order no. 4147/2015 of the Minister of Public Finance for the approval of the Implemented Rules of the value added tax exemptions for international traffic of goods referred to in art. 295 (1) of Law no. 227/2015 regarding the Fiscal Code** will enter into force on January 14<sup>th</sup>, 2016. We mention below several regulated issues:

- Value added tax exemption with right of deduction added for international traffic of goods referred to in art. 295 (1) of the Fiscal Code are applied to the extent that the taxable persons may justify the exemption with documents provided by the Implemented rules of the value added tax exemptions for international traffic of goods.
- *At the date of entry into force of the Order are repealed Order no. 2.218/2006 of the Minister of Public Finance for the approval of the Implemented Rules of the value added tax exemptions for international traffic of goods referred to in art. 144 (1) of Law no. 571/2003 regarding the Fiscal Code.*

**Law no. 1/2016 of the Romanian Parliament amending and supplementing Law no. 62/2011 of social dialogue** entered into force on January 17<sup>th</sup>, 2016. We mention below several regulated issues:

- According to art. 24, at the request of the union organization and with the agreement of its members, the employers will retained and transfer the union fees to the union organization on the monthly payment states. The fee paid by the union members is deductible in the amount of up to 1% of the gross income realized, according to the provisions of the Fiscal Code.
- At art. 41 it is introduced (5) according to which a union organization may be affiliated, at national level, to a single union federation. Also a union federation can be affiliated, at national level, to a single union confederation.
- At art. 55 it is introduced (4) according to which an employer may be affiliate, at national level, to a single employer's federation. Also, an employer's federation can be affiliated, at national level, to a single employer's confederation of higher rank.
- It is amended art. 134 which provides the representatives of the employer or of the employers' organization and of the employees.