

LEGAL AND TAX ALERT, 7 October 2013

THE 85% TAX IS NO LONGER APPLIED ON SEVERANCE PAYMENTS GRANTED IN THE PRIVATE SECTOR

Starting October 7, 2013¹, the provisions regarding the applicability of the 85% income tax quota in case of any indemnity or severance payment granted to individuals holding management positions or appointed as members in management bodies and boards of directors upon the termination of the employment contract, work relationship or mandate are amended.

According to the new regulation, only the indemnities or severance payments granted to employees holding management positions or appointed as members in the Council of the Financial Supervisory Authority, the National Securities Commission, the Insurance Supervisory Commission or the Private Pensions System Supervisory Commission upon the termination of the employment contract, work relationship or mandate are taxed with an 85% income tax quota.

ABOUT US

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- Energy, Natural Resources & Environment
- Infrastructure & Utilities
- Intellectual Property
- Mergers & Acquisitions

¹ The date of the entry into force of Law No. 260/2013 for the approval of Government Emergency Ordinance No. 55/2013 regarding certain fiscal-budgetary measures and for the amendment of certain legal provisions.

- Procurement, Concessions, PPPs
- Real Estate
- Taxation

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Should you require any further information, please feel free to contact us:

Cristina Randjak

Managing Associate

cristina.randjak@bpv-grigorescu.com

Ioana Barbu

Public Relations and Marketing Consultant

ioana.barbu@bpv-grigorescu.com

bpv GRIGORESCU ȘTEFĂNICĂ

33 Dionisie Lupu Street

RO - 020021 Bucharest

Tel. +40 21 264 16 50

Fax +40 21 264 16 60

Web www.bpv-grigorescu.com

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