

LEGAL & TAX ALERT, 26 July 2017

NEW AMENDMENTS TO THE FISCAL CODE, IMMEDIATELY APPLICABLE

New rules regarding taxation have recently entered into force, being implemented by the substantial amendment of some provisions of the Fiscal Code¹.

Among these, the most important amendments are the following:

- **Inclusion of medical subscription under non-taxable incomes**

Voluntary insurance premiums and medical services rendered on the basis of a subscription, which are paid by the employer for its own employees, are not taxable in the sense of income tax on salaries and assimilated incomes, within the limit of EUR 400 per year.

Expenses with the insurance premiums or the medical services rendered on the basis of a subscription, paid by the employees, regardless whether these are related to services provided to the employee or to his/her dependents, within the limit of EUR 400 per year, are not included in the computation base for income tax on salaries and assimilated incomes.

- **Clarification of the conditions to be registered for VAT purposes**

The fiscal authorities will be entitled to refuse the registration for VAT purposes the legal entities with the seat of economic activities in Romania which present a high fiscal risk. Therefore, the fiscal authorities will not check anymore, on the basis of non-transparent criteria, if persons that apply for VAT purpose registration justify the intention and have the capacity to perform economic activities, but will rather evaluate the fiscal risks of these persons. The criteria of identifying the fiscal risk will be determined by an Order of the President of ANAF.

- **Changes regarding the commerce with excise taxable products**

Annex 1 of the Fiscal Code is amended with respect to the values of the excise taxes for period 2017-2022. Moreover, there are few additions with respect to the operations with excise taxable products, in the sense that certain economic operators need to obtain the necessary permits.

- **Establishment of a taxation mechanism for legal entities which perform activities related to hotels and other accommodation facilities, restaurants and other food services, bars and other beverage serving activities**

The persons included in these categories and which on 31 December 2016 have obtained incomes between EUR 100,001 and EUR 500,000, were subject to tax on profit and fulfill all conditions to be

¹ Law no. 177/2017 regarding the approval of Government Emergency Ordinance no. 3/2017 for the amendment and supplement of Law no. 227/2015 regarding the Fiscal Code, published in the Official Gazette of Romania no. 584 from 21 July 2017, which entered into force on 24 July 2017.

included in the microenterprises category, have the obligation to pay microenterprises income tax starting August 2017. In this respect, they will notify the territorial fiscal authorities regarding the change of the taxation mechanism, no later than 25 August 2017.

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

Anca Grigorescu, LL.M.Eur

Partner

anca.grigorescu@bpv-grigorescu.com

Cristina Randjak

Managing Associate

cristina.randjak@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

Disclaimer

This is an information service provided by **bpv GRIGORESCU ȘTEFĂNICĂ**. This material is for information purposes only and does not constitute legal advice. We recommend that you seek legal advice before taking or implementing any decision on the basis of the information contained in this material. We welcome your feedback and suggestions for improving this publication at any of the contact details listed above.