

08 March 2021

Fiscal Bulletin



Summary:

1. **Government Emergency Ordinance No. 13/2021 for the amendment and completion of Law No. 227/2015 regarding the Fiscal Code and the Accounting Law No. 82/1991**

Amendments brought to the fiscal and accounting legislation

Government Emergency Ordinance No. 13/2021 for the amendment and completion of Law No. 227/2015 regarding the Fiscal Code and the Accounting Law No. 82/1991 was published in the Official Gazette No. 197/26.02.2021, in force as of 26 February 2021, with a few exceptions mentioned below.

1. Amendments to the Fiscal Code

It clarifies the situation regarding the deductibility of expenses incurred as a result of transactions with a person located in a State included in the EU List of non-cooperative jurisdictions for tax purposes, the new provisions being applicable only to jurisdictions included in Annex I, thus resolving the issue of transactions with entities resident in countries such as Turkey, Morocco, Australia.

Therefore, the expenses incurred in relation to a person located in a State which, at the date of recording the expenses, is included in Annex II, represent deductible expenses for determining the tax result starting with the first quarter of 2021.

It clarifies the tax treatment applicable to salary income for cash and/or benefits in kind granted by both the employer and third parties. These provisions are applicable starting with the revenues related to March 2021.

The new deadline for submitting the annual income tax return for associations without legal personality and entities subject to the transparency regime is 15th of April.

It standardizes the provisions regarding the new threshold of RON 4.5 million turnover for the application of the VAT cash accounting system (in force starting with 1st of March 2021).

2. Amendments to the Accounting Law

The main amendments to the Accounting Law refer to:

- Introducing the obligation to organize and manage the accounting process, according to the accounting provisions for foreign legal entities operating in Romania through a permanent establishment / several permanent establishments, as well as for foreign legal entities that have the place of effective management in Romania.
- Clarifications are provided regarding the entities for which the accounting norms and regulations are issued by the National Bank of Romania, respectively credit institutions, non-banking financial institutions, payment institutions and electronic money issuing institutions, the Deposit Guarantee Fund, as well as for any other entities that fall within the scope of accounting regulation.
- The consolidated annual financial statements are accompanied by the consolidated report of administrators, the audit report, as well as the consolidated report on payments to governments, if the applicable accounting regulations provide for the obligation to prepare it.
- It is established that the public information contained in the financial statements / annual accounting reports are those published on the website of the Ministry of Finance. These are established by order of the Minister of Finance.
- The list of contraventions and related fines is updated, as well as clarifications regarding the persons who ascertain the contraventions and apply the fines - these provisions enter into force within 30 days from the date of publication of the Ordinance.

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Țuca Zbârcea & Asociații Tax S.R.L. is the specialised tax consultancy entity of Țuca Zbârcea & Asociații, offering a full range of advisory and compliance services. Țuca Zbârcea & Asociații Tax S.R.L. covers transaction planning, operational tax advice, efficiency structures (tax optimization schemes), tax reviews and due diligence, tax authorities' audits and dispute resolution (including mitigating the risks and the potential impact of time-consuming disputes with local fiscal authorities), tax compliance and representation, as well as transfer pricing.

Our team comprises tax consultants previously working in management positions with Big Four companies and the Ministry of Finance. The group cooperates closely with the firm's lawyers specialising in administrative law, as well as contentious-administrative disputes.

Țuca Zbârcea & Asociații and Țuca Zbârcea & Asociații Tax S.R.L. are collaborating with **Andersen** in Romania.



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