



Tax & Legal Newsletter September 2024

1. Tax facilities introduced by Government Emergency Ordinance no. 107/2024

Government Emergency Ordinance no. 107/2024 (GEO no. 107/2024) on the regulation of certain fiscal-budgetary measures in the field of managing budget receivables and the budget deficit for the general consolidated budget of Romania in 2024, as well as on the amendment and extension of certain normative acts (published in the Official Gazette, Part I, on 6 September 2024), introduces a series of tax facilities available to the following categories of taxpayer:

a) Legal entities

- Cancellation of ancillary tax obligations (interest, penalties and other ancillaries) relating to principal budgetary obligations outstanding as of 31 August 2024 based on fulfilment of the following conditions:
 - settlement of all principal tax obligations managed by the central tax authority, outstanding as of that date, by the date of submission of the ancillary tax cancellation request (and no later than 25 November 2024);
 - settlement of all principal and ancillary tax obligations managed by the central tax authority with payment deadlines falling between 1 September 2024 and the date of submission of the ancillary tax cancellation request (and no later than 25 November 2024);
 - submission of all tax returns within the legal deadlines by the date of the ancillary tax cancellation request;
 - submission of the ancillary tax cancellation request, subsequent to fulfilling the above conditions, by 25 November 2024, under penalty of forfeiture.

The cancellation of ancillaries can also be obtained in other situations – for example, in the case of principal obligations due before 31 August 2024, and which have been paid by this date, or for taxpayers who benefit from payment deferral on tax obligations, where the payment deferral is completed by the submission date of the ancillary tax cancellation request (and no later than 25 November 2024).

Debtors may notify the tax authorities of their intention to apply for a cancellation of ancillaries by 25 November 2024. This has the effect of deferring the payment of ancillaries, thus preventing the initiation or suspension of the enforcement procedure for the deferred ancillaries until the ancillary cancellation request has been processed, or until 25 November 2024 in the event that the debtor does not submit an ancillary tax cancellation request.

Ancillaries settled after the entry into force of GEO no. 107/2024 that are eligible for cancellation **will be refunded** in accordance with the provisions of the Fiscal Procedure Code.

- A bonus of 3% of the tax due for taxpayers subject to corporate income tax or microenterprise income tax for the tax year 2024/tax year starting in 2024, based on fulfilment of the following conditions:
 - submission of all returns;
 - complete and timely payment of the annual corporate income tax/microenterprise income tax for the year 2024/modified tax year starting in 2024;
 - no outstanding obligations as of the legal deadline for submitting the annual corporate income tax



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return for the year 2024/modified tax year starting in 2024, or the return for the microenterprise income tax for Q4 of the 2024 tax year.

The bonus also applies to taxpayers subject to minimum turnover tax for 2024/the tax year starting in 2024. The tax authority will automatically assess compliance with the conditions for obtaining the bonus, whereafter it will issue a decision following expiry of the deadline for submitting the annual tax return applicable to the taxpayer.

The amounts subject to a bonus **will not be refunded** but will instead be used to **offset the taxpayer's tax obligations**.

b) Individuals:

Partial cancellation of principal obligations and related ancillaries outstanding as of 31 August 2024, as follows:

- cancellation of 50% of the principal obligations, up to RON 5,000, if half of these amounts are paid by the submission date for the cancellation request (and no later than 25 November 2024);
- cancellation of 25% of the principal obligations exceeding RON 5,000, if 75% of these amounts are paid by the submission date for the cancellation request (and no later than 25 November 2024).

Any amounts representing the **principal obligations** and **ancillaries** eligible for cancellation that are settled after the entry into force of GEO no. 107/2024 **will be refunded**.

Source: Government Emergency Ordinance no. 107/2024 on the regulation of certain fiscal-budgetary measures in the field of managing budget receivables and the budget deficit for the general consolidated budget of Romania in 2024, as well as on the amendment and extension of certain normative acts, and Order no. 55521/2024 approving the Procedure for the Cancellation of Certain Budgetary Obligations.

2. Unitary Patent System

On 1 September 2024, the Unitary Patent system became operational, with Romania becoming the 18th European state to have deposited the instrument of ratification of the Agreement on the Unified Patent Court, thereby joining the list of states that have the effects of the Unitary Patent covered on their territory.

The Unitary Patent is a European patent granted by the European Patent Office (EPO) according to the rules and procedures laid down in the European Patent Convention. One of the advantages of the new system is the possibility for the holder of a patent to apply for unitary effect of protection, covering the territory of all EU Member States to have deposited instruments of ratification.

Key aspects of the Unitary Patent:

- it provides uniform coverage across all the states that have signed the elements of ratification, namely Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Romania, Slovenia and Sweden



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- it provides a streamlined route to uniform, territory-wide patent protection, thereby cutting red tape and costs significantly
- the procedure for obtaining a unitary patent begins with obtaining a European patent, followed by filing an application for a patent with unitary effect
- holders do not need to validate a patent in each individual state, but can apply for a unitary patent through a single application to the EPO, a regional office acting as a one-stop shop that is also responsible for the centralised administration of the unitary patent system and the related fee payments
- The Unitary Patent system will co-exist with both the national patent system and the traditional European patent, with holders free to choose the system best suited to their economic and strategic needs

Source: Announcement dated 29.08.2024 published on the website of the State Office for Inventions and Trademarks, and Law no. 81/2024 on the ratification of the Agreement on the Single Patent Court, opened for signature and signed by Romania in Brussels on 19 February 2013.

3. DORA Regulation – Digital Operational Resilience Act

European Regulation 2554/2022 on Digital Operational Digital Resilience in the Financial Sector (DORA) was formalised at the end of 2022 and is to apply from 17 January 2025.

The DORA Regulation applies, for example, to credit institutions, payment institutions, account information service providers, electronic money institutions and investment firms.

In order to achieve a high common level of digital operational resilience, the DORA Regulation establishes uniform requirements for the security of networks and information systems underpinning the operational processes of financial entities, as follows:

- A. Requirements applicable to financial entities in relation to:
 - information and communication technology (ICT) risk management
 - reporting major ICT incidents and voluntarily notifying the competent authorities of any significant cyber threats
 - reporting by credit institutions, payment institutions, account information service providers and electronic money institutions to the competent authorities of any major payment-related operational or security incidents
 - testing of digital operational resilience
 - sharing of intelligence and operational data on cyber threats and vulnerabilities
 - measures for the proper management of ICT risks generated by third parties
- B. Requirements in relation to contractual arrangements between third party ICT service providers and financial entities
- C. Rules on the establishment and conduct of the supervisory framework for essential third-party ICT service providers when providing services to financial entities
- D. Rules on cooperation between competent authorities and rules on supervision and enforcement by competent authorities in relation to all aspects covered by the DORA Regulation

Source: Regulation (EU) No. 2022/2554 of the European Parliament and of the Council of 14 December 2022 regarding financial sector digital resilience and amending Regulations (EC) No. 1060/2009, (EU) No. 648/2012, (EU) No. 600/2014, (EU) No. 909/2014 and (EU) 2016/1011



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TPA Romania

Bld. Iancu de Hunedoara, 48, 011745 Bucharest, Romania
Tel: +40 21 310 06-69

www.tpa-group.ro
www.tpa-group.com

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Dan Iliescu
Legal Services Partner

email: dan.iliescu@tpa-group.ro

Sorana Cernea,
Managing Partner

email: sorana.cernea@tpa-group.ro



IMPRINT Information update: September 30 July 2024. This information has been simplified and is not a substitute for individual advice. Responsibility for the content lies with [Dan Iliescu, Legal Partner](#) and [Sorana Cernea, Managing Partner](#), of TPA Romania, Bld. Iancu de Hunedoara, 48, 011745, Bucharest, Romania. TPA Romania is an independent member of the Baker Tilly Europe Alliance. Tel: +40 21 3100669. Homepage: www.tpa-group.ro; Concept and design: TPA Romania

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