



Tax Flash November 2024

1. Amendments to Government Emergency Ordinance no. 107/2024

Government Emergency Ordinance no. 107/2024 (GEO no. 107/2024), which includes provisions on tax amnesty, has undergone a series of modifications as a result of Government Emergency Ordinances and Orders introducing new provisions and clarifications with respect to the application procedure as published in the period September-October 2024.

a) Legal entities

- For debtors in insolvency proceedings, special/judicial administrators are obliged to request the approval of the creditors, in accordance with the provisions of Law no. 85/2014 regarding insolvency and insolvency prevention procedures, in order to apply for amnesty.

b) Individuals:

- Debtors who receive final tax decisions ex officio for income related to the years 2019 and 2020 may benefit from tax amnesty provided they meet the following cumulative conditions:
 - settlement of all principal obligations set out in the tax decision by the legal payment deadline, as per Law no. 207/2015 (Fiscal Procedure Code);
 - submission of the ancillary tax cancellation request within 90 days of communication of the tax decision.
- Additional cases in which tax amnesty can be granted:
 - in the event of the definitive annulment of the fiscal administrative document establishing the obligations subject to amnesty, as part of the contestation resolution procedure as well as the judicial procedure, where the issuance of a new fiscal administrative document has been requested;
 - in the event that, after the tax attestation certificate has been issued, the tax authority discovers the existence of budgetary obligations not included in it;
 - for principal obligations such as fines and court expenses, not including those arising from criminal offences.
- The amounts due can be paid to Compania Națională Poșta Română S.A., which is responsible for printing, enclosing and sending to the taxpayer the informative documents necessary when applying for tax amnesty, etc.

Amendments applicable to both legal persons and individuals:

- The ancillary annulment may be also applied in the case of principal obligations relating to national public funds related to European funds;
- Debtors benefiting from payment deferral only for ancillary budgetary obligations may have these cancelled without being required to pay them anymore;
- The deadline for the submission of the notification stating the intention to benefit from the amnesty remains 25 November 2024, but the legal deadline for the submission of the ancillary tax cancellation request and payment is extended until 19 December 2024.

Source: Government Emergency Ordinance no. 112/2024 regarding the modification and supplementation of certain normative acts, Government Emergency Ordinance no. 116/2024 concerning certain measures regarding the information, communication and collection system for budgetary obligations subject to the measures for the cancellation of certain budgetary obligations as provided for under Government Emergency Ordinance no. 107/2024, Order no. 6,410/2024 and Order no. 6,438/2024 regarding the modification and supplementation of the Procedure for the cancellation of certain budgetary obligations.

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2. Amendments to the RO e-Transport System

Government Emergency Ordinance no. 41/2022 (GEO no. 41/2022) on the establishment of the RO e-Transport national system for monitoring the road transport of goods has been amended by Government Emergency Ordinance no. 129/2024 (GEO no. 129/2024).

The main amendments introduced are as follows:

a) Updating of data after expiration of the UIT code

- The name, characteristics, quantities and value of the transported goods may be modified after expiration of the validity period of the UIT code, more precisely up to the 25th day of the month following the month in which the transport of goods was completed. The updated data includes information regarding the risk profiles of taxpayers

b) Incremental penalties

- A set of incremental penalties is introduced for the following offences:
 - failure to declare in the system information pertaining to the transport of goods that would allow them to be identified by UIT code,
 - the use of a UIT code by the transport operator after its validity has expired
 - the unloading in Romania of goods that are the subject of intra-community transactions in transit, with the exception of those unloaded for the purposes of storage or forming part of a new transport made up of one or more batches of goods;
 - declaration in the system of quantities different from those that are the subject of the transport
- For the first offence, the penalty involving confiscation of the value of undeclared goods no longer applies, but the fine remains in force, at between RON 10,000 and 50,000 for individuals, and between RON 20,000 and 100,000 for legal entities.
- For the second offence, if committed within 12 months of the first sanction, a fine will be imposed together with confiscation of 15% of the value of any undeclared goods.
- For the third offence, a fine will be imposed together with confiscation of 50% of the value of any undeclared goods.
- Starting with the fourth offence, a fine will be imposed together with confiscation of 100% of the value of any undeclared goods.
- If the economic operator commits a second offence 12 months or more after the first sanction, the penalty imposed will consist of a fine only. Any subsequent offences committed within 12 months of this second offence will then also be subject to confiscation of the value of any undeclared goods at the incremental rates stated above (i.e., 15%, 50% or 100%)
- The complementary penalty of confiscation of the value of the goods for failure to declare information in RO e-Transport system will no longer apply where **verifications are performed after the road transport of goods has been completed** and the goods in question have been recorded in the supporting documents that form the basis of the accounting entries or in users' accounts, as the case may be, for the period to which the respective operations refer.

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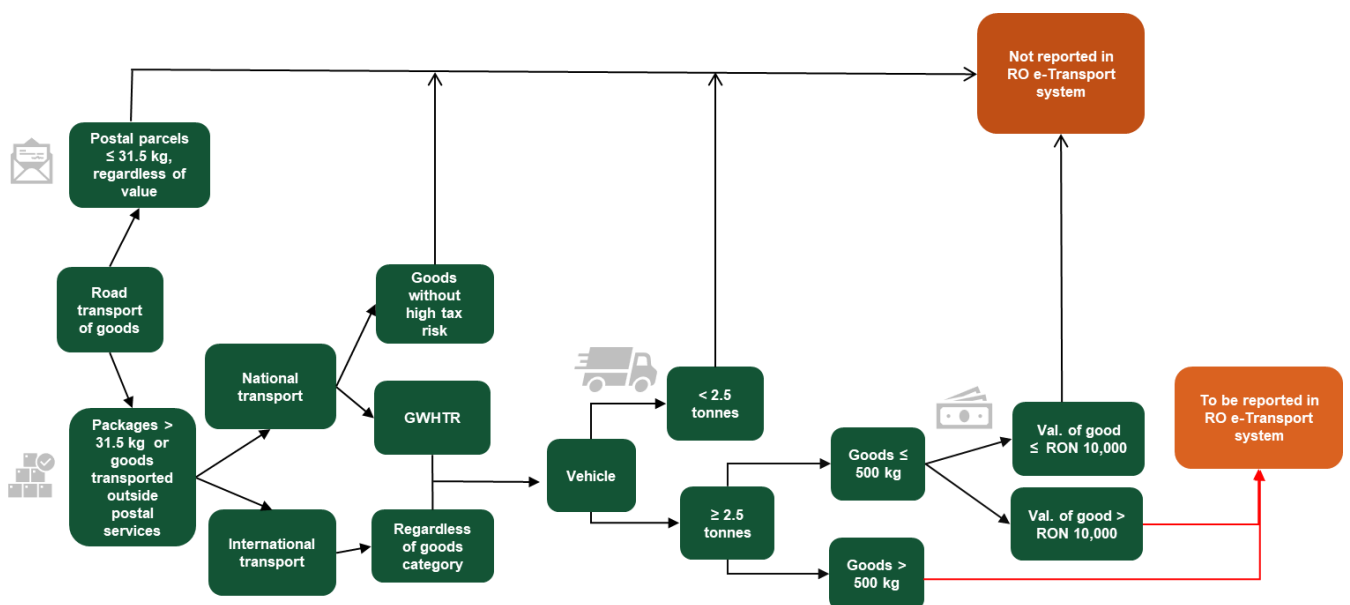
c) Postponed application of certain penalties

- The application of penalties will be postponed until 31 March 2025 in cases of non-compliance by road transport operators with the following obligations:
 - ensuring the continuous transmission of vehicle positioning data throughout the monitoring period to the RO e-Transport system;
 - equipping transport vehicles with devices that use satellite-based positioning and data transmission technologies, where the vehicles in question are not already equipped in this manner;
 - transmitting the UIT code to the driver.

d) Digital register of penalties imposed

- A digital register will be set up at the National Centre for Financial Information through which the competent authorities will be able to access a centralised record of penalties imposed as per GEO no. 41/2022

In addition to the amendments recently published in the Official Gazette of Romania, we make available the below chart prepared by TPA Romania, which presents in a simplified way the shipments that should be declared in the RO e-Transport system:



Source: Government Emergency Ordinance no. 129/2024 on the modification and supplementation of Government Emergency Ordinance no. 41/2022 on the establishment of the RO e-Transport national system for monitoring the road transportation of goods and the repealing of Article XXVIII of Government Emergency Ordinance no. 130/2021 on certain fiscal-budgetary measures, the postponement of certain deadlines and the modification and supplementation of certain normative acts.



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3. Amendments to the Methodological Norms for the application of the Fiscal Code

Following the publication of Decision no. 1393/2024 in the Official Gazette on 11 November 2024, the Methodological Norms for the application of Law no. 227/2015 (the Fiscal Code) with respect to minimum turnover tax, microenterprise income tax, excise duties and other special duties were introduced/ amended as follows:

Minimum turnover tax

- Clarifications were made to the Methodological Norms regarding the calculation of minimum turnover tax, the additional tax levied on credit institutions and the additional tax on legal entities engaged in activities in the oil and natural gas sectors;
- The main provisions of the norms refer to the formula used to calculate the total revenue (TR) indicator, the determination of the value of external tax credits, sponsorships and/or acts of patronage (which are deducted from the minimum turnover tax), and the determination of the amount of quarterly corporate income tax due;
- It is stated that corporate income tax at the level of the minimum turnover tax represents corporate income tax for the application of double taxation treaties;
- Examples are provided of minimum turnover tax calculations compared with corporate income tax calculations for taxpayers who apply the quarterly/annual system of declaring and paying corporate income tax, as well as for those who apply the rules of tax consolidation

Source: Decision no. 1.393/2024 regarding the modification and supplementation of the Methodological Norms for the application of Law no. 227/2015 (the Fiscal Code), approved by Government Decision no. 1/2016, and amending Article 9, para. (1) of Government Decision no. 1.342/2024 on the approval of the "De minimis aid for the implementation of the Program to support the production of vegetables grown in protected areas" scheme, for the period 2024-2025

4. Amendments to the Annual Tax Return

- Starting in 2025, individuals will no longer be required to submit an Annual Tax Return for estimated income for the year. Instead, the Annual Tax Return will only need to be submitted for earned income up to 25 May of the year following the year in which the income was obtained.
- Separately, the tax authorities will send taxpayers a pre-completed Annual Tax Return reflecting income earned. The first pre-completed declaration will be issued by the tax authorities in 2026 for income realised in 2025. Further information about the process will be outlined in a procedural document covering the pre-completion of Annual Tax Returns by the tax authorities.

Source: Emergency Ordinance no. 128 amending and supplementing Law no. 227/2015 (the Fiscal Code) and specific measures of digitalisation, as well as amending and supplementing various normative acts, as published on 11 November 2024.



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