

04 September 2017

# Fiscal Bulletin



## Summary:

1. Ordinance No. 23/2017 ("Ordinance No. 23/2017") regarding the VAT split payment - published in the Official Gazette, part I, No. 706/31.08.2017
2. Ordinance No. 25/2017 ("Ordinance No. 25/2017") for amending and completing the Law No. 227/2015 regarding the Fiscal Code - published in the Official Gazette, part I, No. 706/31.08.2017

## VAT split payment

---

Following the Draft Ordinance published on the 18<sup>th</sup> of August 2017, the Romanian Government has adopted Ordinance No. 23/2017 regarding the VAT split payment. Ordinance No. 23 has been published in the Official Gazette, part I, No. 706/31.08.2017. By analyzing the provisions of the Draft Ordinance and those of Ordinance no 23, we have not identified any significant differences between the two documents.

However, since the implementation and application of the VAT split payment mechanism is expected to pose difficulties to the taxpayers, we hereby wish to reiterate some characteristics of the VAT split payment mechanism of major importance, such as:

- The optional implementation for the period 01.10.2017 - 31.12.2017 and the mandatory implementation starting with 01.01.2018.
- The mechanism involves the use of a dedicated VAT account for the collection of VAT from clients and the payment of VAT to suppliers, except for payments by card and cash.
- VAT related to collections in cash, by card or cash substitutes (i.e. after the deduction of the VAT related to the similar payments made) must be transferred within 7 business days into the VAT account.
- Excess money availabilities of the dedicated VAT account may be transferred to another account of the titleholder only subject to ANAF's consent.
- Taxpayers who opt for the application of the VAT split payment mechanism for the period 01.10.2017 - 31.12.2017 may benefit from specific tax facilities.

- There is a remedy period of 7 business days is provided for the remedy of errors.
- If errors are not remedied within the 7 business days, a penalty of 0.06% per day of the VAT shall be applied, not to exceed 30 days.
- After the 30 days deadline, depending on the situation, a fine ranging from 10% to 50% of the VAT amount, shall be applicable.

For more information, please consult the Fiscal Bulletin regarding the VAT split payment and other new developments in the tax field, sent on 23.08.2017.

## Other tax amendments

---

Separately, following the Draft amending the Fiscal Code published on 07.08.2017 on the website of the Ministry of Finance, the Ordinance No. 25/2017 for the amendment of the Fiscal Code was published in the Official Gazette No. 706/31.08.2017. Compared to the provisions of the Draft, the Ordinance amends the following:

- The deductibility of expenses representing the value of the transferred receivables is limited to 30% of their value, without adding the value of the income obtained from the transfer thereof;
- The tax exemption for dividend income is eliminated;

Also, similar to the Draft amending the Fiscal Code, Ordinance No. 25/2017 refers to the two-stage gradual increase of excise duties for gasoline and diesel, respectively of RON 0.16/litre for gasoline starting with September 15 and another RON 0.16/litre for diesel starting October 1st.

*[alexandru.cristea@tuca.ro](mailto:alexandru.cristea@tuca.ro)*

## Editors

**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 seven 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 Tax S.R.L. is a proud member of A.R.S.I.T. - Asociația pentru Reformarea Sistemului de Impozite și Taxe - a nonprofit organisation created in an effort to represent the voice of the Romanian taxpayer in relation to state authorities.



Alexandru Cristea  
Tax Partner  
+4 037 413 61 15  
alexandru.cristea@tuca.ro

**TZ/A** CONSULTANȚĂ  
FISCALĂ

TAX ENTITY OF ȚUCA ZBÂRCEA & ASOCIAȚII

Șos. Nicolae Titulescu nr. 4-8  
America House, Aripa de Vest, et. 8  
Sector 1, 011141, București, România  
T + 4 021 204 88 90  
F + 4 021 204 88 99  
E office@tuca.ro  
www.tuca.ro/tax