



6 Maior Gheorghe Sontu Street, 2nd floor, 1st District,
Bucharest, Romania

Telephone: (+40-21) 326 60 53 Fax : (+40-21) 326 60 60

e-mail: office@bbnalaw.com, admin@bbnalaw.com

NEWSLETTER

THIS NEWSLETTER AIMS TO PRESENT THE RECENT LEGISLATIVE CHANGES THAT MAY IMPACT YOUR BUSINESS.

THIS PUBLICATION DOES NOT CONTAIN LEGAL ADVICE AND / OR FISCAL, SOLELY GENERAL INFORMATION. WE RECOMMEND REQUESTING PROFESSIONAL LEGAL ADVICE PRIOR TO IMPLEMENTING ANY DECISION BASED ON THIS NEWSLETTER.

SUMMARY

- 1. GOVERNMENT EMERGENCY ORDINANCE NO. 8/2018 REGARDING MEASURES ADOPTED IN HEALTH MATTERS _____ 2**
- 2. LAW NO. 64/2018 FOR THE COMPLETION OF THE LAW NO. 253/2003 – THE LABOR CODE _____ 2**
- 3. LAW NO. 72/2018 FOR THE APPROVAL OF THE GOVERNMENT EMERGENCY ORDINANCE NO. 25/2017 REGARDING THE MODIFICATION AND COMPLETION OF THE LAW NO. 227/2015 REGARDING THE FISCAL CODE _____ 3**
- 4. GOVERNMENT EMERGENCY ORDINANCE NO. 18/2018 ON FISCAL-BUDGETARY MEASURES AND FOR AMENDING CERTAIN NORMATIVE ACTS _____ 4**

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BOGARU, BRAUN NOVIELLO & ASSOCIATES



6 Maior Gheorghe Sontu Street, 2nd floor, 1st District,
Bucharest, Romania
Telephone: (+40-21) 326 60 53 Fax: (+40-21) 326 60 60
E-mail: office@bbnalaw.com, admin@bbnalaw.com

GOVERNMENT EMERGENCY ORDINANCE NO. 8/2018 REGARDING SOME MEASURES ADOPTED IN HEALTH MATTERS

On Thursday, the 1st of March 2018, the Romanian Government adopted the Government Emergency Ordinance no. 8/2018 (hereinafter the "GEO") concerning some fiscal budgetary measures, published in the Official Gazette no. 190/01.03.2018.

The provisions of the GEO regards the new calculation of social health insurance leaves and indemnities.

The GEO act introduces minimum insurance period (applicable until the 1st of July 2018) of one month of the last 12 months prior to the month when the medical leave is taken, for granting the following rights: medical leaves and indemnities for temporary work inability, caused by ordinary illnesses or accidents unrelated to work; medical leaves and indemnities for illness prevention and work capacity recovery, exclusively for situations occurred as result of work accidents or professional illnesses; maternity leaves and indemnities; childcare leaves and indemnities (in case of an ill child).

LAW NO. 64/2018 FOR THE COMPLETION OF THE LAW NO. 253/2003 – THE LABOR CODE

On Tuesday, the 13 of March 2018, the Romanian Parliament adopted the Law no. 64/2018 (hereinafter the "Law") for completing the Law no. 53/2003 – the Labor Code, published in the Official Gazette no. 226/13.03.2018.

The Law brings a new legal holiday, starting from this year, during which work shall not be performed, namely the Good Friday (the last day of Friday before Easter).

LAW NO. 72/2018 FOR THE APPROVAL OF THE GOVERNMENT EMERGENCY ORDINANCE NO. 25/2017 REGARDING THE MODIFICATION AND COMPLETION OF THE LAW NO. 227/2015 REGARDING THE FISCAL CODE

On Friday, the 23 of March 2018, the Romanian Parliament adopted the Law no. 72/2018 for the approval of the government emergency ordinance no. 25/2017 regarding the modification and completion of the law no. 227/2015 regarding the fiscal code, published in the Official Gazette no. 260/23.03.2018.

The minimum cap of the annual turnover from which the companies can registry for VAT purposes has been increased from 220,000 RON to 300,000 RON (the equivalent of 88.500 EURO, calculated at the exchange rate used at the date of Romania's accession to the European Union) starting with 1 April 2018.

Transitory rules have been established as follows:

The VAT registration as taxable persons will be made depending on the turnover as follows:

1. The companies established before 2018 must registry for VAT purposes if they exceeds the cap of 220,000 RON in the period 1 January – 1 April 2018 (hereinafter “the reference period”).
2. The companies established in the period reference period must registry in VAT purposes if they exceeds in the reference period 220,000 RON.

By exception, from the points 1 and 2, the companies which have the obligation to registry in VAT purposes from 1 April, will have this obligation if they exceeds the cap of 300,000 RON on 31 December 2018.

3. The companies established starting with 1 April 2018 have the obligation to registry in VAT purposes if they exceeds the cap of 300,000 RON from establish to 31 December 2018.

The VAT deregistration request will be made as follows:

1. For the companies registered in VAT purposes in the reference period if at the date of the request for deregistration they don't exceed 300,000 RON;

2. In the case of the companies registered in VAT purposes before 2018 if after 1 April 2018 they didn't exceed the maximum cap established for 2017, respectively 220,000 RON, and at the request's date they didn't exceeds the new maximum cap of 300,000 RON.

Taxable persons can opt to maintain the VAT registration, even if the threshold of LEI 300,000 achieved will not be exceeded.

GOVERNMENT EMERGENCY ORDINANCE NO. 18/2018 ON FISCAL-BUDGETARY MEASURES AND FOR AMENDING CERTAIN NORMATIVE ACTS

On Friday, the 23 of March 2018, the Romanian Government adopted the Government Emergency Ordinance no. 18/2018 on fiscal-budgetary measures and for amending certain normative acts (hereinafter the "GEO no. 18/2018"), published in the Official Gazette no. 260/23.03.2018.

- The GEO no. 18/2018 introduces a single statement regarding the income tax and social contributions which will replace the following statements: 200/201, 220/221, 600.

The submission deadline for the single statement is 15 July for the current fiscal year 2018 and March 15 of the current year beginning with the fiscal year 2019.

For the early payment of income tax and social contributions, certain gratifications are granted.

- The GEO no. 18/2018 regulates the revenues from intellectual property as a distinct category from income from independent activities.

The tax on the revenues from intellectual property shall be calculated by applying the rate of 10% on the net income and it is retained at source by the income payers at the time of the payment of the income tax.

For further information, do not hesitate to contact:

Christian Bogaru, Partner

Tel: +0213266053

Fax: +0213266060

Email: office@bbnalaw.com