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**Amendment of Law 227/2015 regarding the fiscal code and of
certain regulations regarding financial discipline**



Amendment of Law 227/2015 regarding the fiscal code and of certain regulations regarding financial discipline

In the Official Gazette 488/30 June 2016 it was published Government Emergency Ordinance 32/2016 amending Law 227/2015 regarding the fiscal code and regulation of certain financial - tax measures ("GEO 32/2016").

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The main changes to the Law 227/2015 regarding the fiscal code, aimed at:

1. The exemption from income tax of income from wages and salaries for research and development activities and / or technological development activities. Minister of National Education, Ministry of Economy and Trade, Minister of Finance, Minister of Labour, Family and Social Protection and the Minister of Agriculture will jointly issue an order establishing the conditions in order to benefit from this facility. This exemption applies starting with the revenues related to the month of August 2016.
2. The exemption from tax on income from the transfer of ownership of real estate from personal patrimony as a result of the application of Law 77/2016 on giving in payment. This exemption enters into force on its publication in the Official Gazette.

The debtors and co-debtors, co-payers, personal or mortgage guarantees, if in the process of giving in payment transfer ownership of their real estate assets,

can benefit from this tax exemption. Individuals who already gave in payment until the entry into force of this GEO can also benefit from this exemption.

The Individuals can benefit from the tax exemption only for the first operation of giving in payment, as resulting from the National Notarial Register for evidencing the acts of giving in payment ("NNREAGP"). This register is set up at the level of the National Union of Public Notaries and it will be administered by the National Center for Administration of Notarial Registers ("NCANR").

The income tax due after the entry into force of GEO 32/2016 and paid by any means, in the period between the date of entering into force and date of delivery of the final court ruling in accordance with Art. 8 para. (5) of Law no. 77/2016 shall be reimbursed at the request of the individual.

3. GEO 32/2016 also includes the procedure to apply in order to benefit of the tax exemption on income from the transfer of ownership.



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4. The revenue obtained by statistic operators from the collection of data for the production of official statistics, other than those obtained under an employment contract or a service report, are income from other sources, being subject to income tax and social contributions accordingly. These provisions come into force on its publication in the Official Gazette.
5. Starting from 1 August 2016, the VAT rate decreases to 9% for deliveries of fertilizers and pesticides used in agriculture, seeds and other agricultural products for sowing or planting and agricultural services, as detailed in an order to be issued jointly by Minister of Finance and the Minister of Agriculture.

The main changes to financial – tax measures, take effect from 1 August 2016, and amend Law no. 70/2015 to strengthen the financial discipline on the cash receipts and cash payments and for amending and supplementing

Government Emergency Ordinance no. 193/2002 regarding the introduction of modern payment systems, are as follows:

1. The organizers of weddings and christenings events receiving cash from individuals for whom the services were provided may require the central fiscal body amend the cash ceiling of 10,000 lei / day for cash collection operations. The tax authorities will decide the new ceiling, based on information provided by these organizers proving the limit is exceeded.
2. The ceilings for cash transactions do not apply for cash withdrawals from accounts opened with credit institutions or with institutions providing payment services in order to pay salaries / other personnel rights and other payment operations to individuals.

Note: This publication should be used as an initial source of general information only. It is not intended to give a definitive statement of the law. For the specific applications of the law, professional advice should be sought.

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