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New law on internships

According to Law no. 176/2018 (in force since 18 August), young people of 16 years of age and older are to be allowed to work for companies as part of paid internship programmes lasting up to 6 months.
Participants in such internship programmes will receive an allowance equivalent to at least 50% of the gross minimum wage in Romania commensurate with the amount of hours worked.
An employer that concludes an individual labour agreement with a former intern within 60 days of the termination of his/her internship programme, shall, upon request, receive a bonus of 4,586 lei for each such new employee subsequent to fulfilment of the obligation to maintain this contractual relationship with the new employee for at least 24 months.

Source: *Law no. 176 on 17 July 2018 on internship, published in the Official Gazette, Part I, no. 626 on 19 July 2018.*

Draft law to supplement and amend the Fiscal Code – provisions relating to vouchers

A draft law supplementing and amending the Fiscal Code to include a definition of the concept of vouchers and harmonise the corresponding VAT treatment was published on 27 August 2018.

The most important new provisions to be included in the Fiscal Code are as follows:

- **The definition of vouchers and their VAT treatment**

A voucher is defined as an instrument that must be accepted as the counterpart, or a portion thereof, to a supply of goods or provision of services, by indicating the goods / services to be delivered and the identities of the corresponding suppliers / providers.

A voucher can be one of two kinds:

a) Single-purpose voucher – a voucher in which the place of the delivery of goods or provision of services covered by the voucher and the VAT due for the supply of goods / services in question are known at the moment the voucher is issued. The transfer of a single-purpose voucher is considered to be a delivery of goods or a supply of services;

b) Multiple-purpose voucher – a voucher other than a single-purpose voucher. The transfer of a multiple-purpose voucher does not fall within the scope of VAT until the effective delivery of the goods / supply of services.

- **Taxable base**

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The taxable base for the supply of goods or services for which a multiple-purpose voucher is accepted as a counterpart is given by the counter-value paid for the voucher or, in the absence of information regarding the counter-value, the monetary value indicated on the voucher from which the amount of related VAT for the delivered goods / rendered services is deducted.

These provisions only apply to vouchers issued after 31 December 2018.

- **Other VAT amendments**

The place of the supply of telecommunications, broadcasting and television services, as well as services provided electronically to a non-taxable person, is no longer deemed to be that at which the beneficiary is established, provided the following conditions are cumulatively met:

- the provider is established or, where this is not the case, his / her place of residence is in a single member state;
- the services are provided to non-taxable persons who are established and have their domicile or place of residence in any member state other than the member state of the provider;
- the total value, excluding VAT, of the stipulated supply of services does not exceed EUR 10,000 or the equivalent amount in the national currency during the current calendar year and also did not exceed this amount during the previous calendar year.

The aforementioned providers established in Romania have the right to decide if the place of supply should be considered to be at the beneficiary. This decision will apply for at least two calendar years.

Source: http://www.mfinante.gov.ro

This newsletter is a service of TPA

Kind regards
Your TPA Team

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