



Tax & Legal Newsletter April 2019

1. Draft Law: companies to be obliged to take out professional liability insurance

According to a Draft Law currently under public debate, companies would be obliged to take out annual professional liability insurance to cover at least the expenses incurred during any legal insolvency, dissolution, liquidation and deregistration procedures.

This professional liability insurance policy is to be submitted annually for registration with the Trade Registry Office.

Companies will be obliged to conclude professional liability insurance in keeping with the aforementioned conditions no later than 6 months after the law comes into force. Failure to do so may see the National Trade Registry Office declare ex officio the dissolution of the company in question.

The Draft Law also stipulates that newly registered companies, as well as companies already in operation for which there has been a change in the identity of the holder of the share capital, must submit an affidavit stating the identity of the ultimate beneficial owner.

Source: Draft Law on the Trade Registry drawn up by the National Trade Registry Office, awaiting publication in the Official Gazette of Romania.

2. Draft Law: streamlining of administrative procedures

A proposal to amend Law no. 554/2004 on administrative procedures has been submitted to the Chamber of Deputies. The amended law would introduce significant changes regarding the settlement of disputes between citizens or companies and general government.

Under the proposed changes, if the administration fails to respond to a request for revocation of an individual administrative provision within the legal timeframe (30 days), the provision will automatically be suspended with no request in this respect being necessary.

A further significant proposal would replace the remedy of an appeal on the points of law with that of a conventional appeal, thus allowing the courts to exercise jurisdiction over the merits of the case and not just the related procedural issues, as is currently the case.

Other proposed amendments include the introduction of a simplified procedure for the annulment of administrative provisions and the ability also to challenge the lawfulness of normative administrative provisions by way of exception.

Source: Law to amend and supplement Law no. 554/2004 on administrative procedures, awaiting publication in the Official Gazette of Romania.



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3. VAT treatment of value coupons

On 20 April 2019, the provisions of European Union Directive 2016/1065 as regards the VAT treatment of value coupons were transposed into Romanian legislation.

The main legislative amendments include:

- Definition of "value coupons" (payment instruments known previously as "vouchers" under the Methodological Norms for the application of the Fiscal Code):

A value coupon is defined as a payment instrument which presupposes the obligation that it be accepted as full or partial payment for the supply of goods / provision of services and which requires the indication of the goods / services to be delivered / rendered or the identity of the intended suppliers / providers.

- Introduction of the concept of single-use value coupons and multiple-use value coupons:

A single-use value coupon is defined as a value coupon in respect of which the place of delivery of goods or the provision of services to which the coupon relates and the VAT due for those goods or services are known at the moment the value coupon is issued.

A multiple-use value coupon is defined as any value coupon that is not a single-use value coupon.

- Determination of the VAT treatment of value coupons depending on type of use (single or multiple):

The transfer of a single-use value coupon is classified as a supply of goods or provision of services, whereas the transfer of multiple-use value coupons falls outside the scope of VAT and is not classified as a delivery of goods / provision of services until the goods / services are actually dispatched / rendered.

Source: Law no. 60/2019 regarding the amendment and supplementation of Law no. 227/2015 on the Fiscal Code, published in the Official Gazette no. 296 on 17.04.2019.

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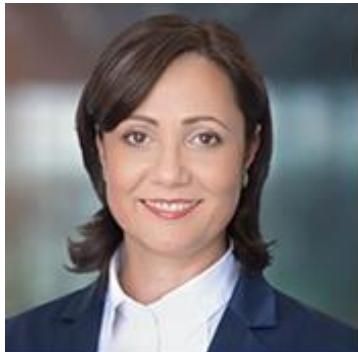
Kind regards
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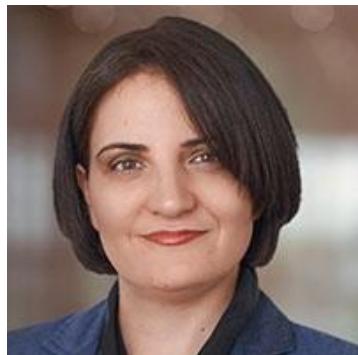
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