



## Tax & Legal Newsletter December 2022

### New amendments to the Fiscal Code and the single industrial licence

The authorities have recently introduced a number of legislative changes as follows:

#### 1. Amendment of the Fiscal Code

We present below the most important amendments to the Fiscal Code:

##### Corporate income tax

- The application of tax facilities in the area of corporate tax for early education is suspended until 31 December 2023 inclusive.
- During the suspension period, expenses for the proper functioning of nurseries and kindergartens run by taxpayers are deducted up to the 5% limit applicable to social expenses.
- If, after the submission of the form for the redirection of corporate income tax for sponsorships, the amount of corporate income tax due for that year is adjusted downwards and the amount available for redirection is higher than the amount that could have been redirected, the taxpayer owes the difference of the corporate income tax due to the state budget.

##### Microenterprise tax

- Clarifications on the additional amounts redirected for sponsorship also apply in the area of micro-enterprise tax.

##### Salary related taxes and social contributions

- The deferral of tax incentives for early education is also extended to income tax and social security contributions.
- During 2023, a fixed amount of 200 lei/month of income from salaries and assimilated to salaries received by employees working on the basis of a full-time individual employment contract, at the place where the basic function is located, represents non-taxable income for the calculation of income tax and mandatory social contributions, if the following conditions are met cumulatively:
  - a. the level of the gross monthly basic salary established in accordance with the individual employment contract, excluding bonuses and other allowances, shall be equal to the level of the gross minimum wage per country guaranteed in payment established by Government decision, in force in the month to which the income relates
  - b. the gross income from wages and salaries under the same individual employment contract for the same month does not exceed RON 4,000 inclusive.
- The condition laid down under point a. shall not be deemed to be fulfilled if, between 9 December 2022 and 31 December 2023, the gross monthly basic salary established in accordance with the individual employment contract is reduced.

## Tax & Legal Newsletter December 2022

- The tax measure also extends to employees in the agricultural and food industry sectors who do not benefit from the tax incentives available to these categories. The measure may also be applied to income from wages and salaries and similar income obtained on the basis of a service relationship.
- The tax measure applies to income incurred during January - December 2023.

### VAT

- The deadline for suspending the submission of notifications 392A, 392B and 393 is extended until 31 December 2023.
- From 1 January 2023, the VAT simplification measures are also extended to the taxable trader who becomes a single buyer under the mechanism for the centralised purchase of electricity.

*Source: Emergency Ordinance No 168/2022 issued by the Romanian Government on several fiscal-budgetary measures, extension of some deadlines, as well as for the amendment and completion of some normative acts, as published on 8 December 2022*

### 2. Cash registers

- The deadline for equipping commercial vending machines with electronic fiscal cash registers is extended until 31 December 2023.

*Source: Emergency Ordinance No 168/2022 issued by the Romanian Government on several fiscal-budgetary measures, extension of some deadlines, as well as for the amendment and completion of some normative acts, as published on 8 December 2022*

### 3. Amendments to Ordinance 16/2022 on the Fiscal Code

On 20 December 2022, the tax authorities published Law no. 370/2022 amending Government Ordinance no. 16/2022. The version published in the Official Gazette does not include amendments compared to the draft Law published during November 2022.

*Source: Law no. 370/2022 issued by the Romanian Parliament on the approval of Government Ordinance no. 16/2022 amending and supplementing Law no. 227/2015 on the Fiscal Code, revoking some normative acts and other financial-fiscal measures, in the form published on 8 December 2022*

### 4. International tax updates

The OECD/G20 published on 20 December 2022 a set of rules for the application of the Global Rules to Combat Base Erosion (GloBE Rules), as part of the set of amendments introduced by Pillar Two. The set of documents provides a coordinated system to ensure the implementation of an effective minimum 15% tax on

## Tax & Legal Newsletter December 2022

profits incurred in each jurisdiction by multinational enterprises with global revenues above EUR 750 million. The documentation also includes a set of transitional provisions designed to ease the administrative burden on multinational groups in the first years of application of the new rules.

Work on the subject to tax rule and the implementation of the multilateral instrument is under preparation and is expected to be published during 2023.

*Source: Pillar Two implementation package, published by OECD on 20 December 2022*

### 5. The single industrial licence – the simplification of administrative procedures

Entrepreneurs wishing to undertake industrial activities on Romanian territory have more reasons to plan an investment. GEO 140/2022 establishes the general, institutional and regulatory framework for the granting of single industrial licences and will become operational as soon as the implementation of new mechanisms and procedures involving some 38 institutions is complete. To facilitate investor access to the Romanian market, GEO 140/2022 calls for the digitisation of the single industrial licensing process, thereby removing administrative obstacles and accelerating the pace of new investment development.

GEO 140/2022 regulates various industrial activities expressly regulated for in Annex 1 of the ordinance, such as: activities in the extractive industries, activities in the manufacturing industry (food, the manufacture of clothing and paper, printing, the manufacture of pharmaceuticals, activities in the metallurgical industry, the manufacture of electric goods, the manufacture of electrical equipment, etc.), as well as in the production and supply of electricity and heat, gas, hot water etc.).

Moreover, a new institution, the Industrial Licensing Office, is being set up to manage the Electronic Single Contact Point for Industrial Licensing ("PCUEL"), an integrated part of the e-government system managed by the Authority for the Digitisation of Romania. The PCUEL provides applicants with a more accessible, electronic procedure for obtaining all the necessary information and submitting applications and documents for licensing or renewing existing licences, including the possibility to do so remotely.

GEO 140/2022 eliminates double checks and prohibits – to the benefit of applicants who meet the legal conditions in Romania for the granting of a single industrial licence – the imposition of licensing conditions that duplicate requirements.

There are three classes of single industrial licences, depending on the risk a given industrial activity poses to the health of the population, its environmental impact, the safety of employees in the workplace and the energy consumption involved in the production of goods, namely: (i) a single industrial licence for high-risk industrial activities; (ii) a single industrial licence for medium-risk industrial activities; (iii) a single industrial licence for low-risk industrial activities. These three risk classes determine the duration of the validity of the industrial licence granted, with the minimum duration provided by law being only 1 year.

According to GEO 140/2022, if a foreign legal entity from outside the EU or EEA applies for a single industrial licence, in accordance with the provisions of Law no. 31/1990 (Company Law), it must first set up a company or branch office in Romania.



## Tax & Legal Newsletter December 2022

In conclusion, it is still too early to tell whether the effects of GEO 140/2022 in terms of the introduction of a new mechanism aimed at simplifying the process of obtaining various administrative documents (licences, authorisations, approvals, permits, etc.) represents progress for the various fields of industrial activity in question. The practical impact of GEO 140/2022 regarding the procedure for obtaining a single industrial licence remains to be seen.

*Source: Emergency Ordinance no. 140 of 19 October 2022 on the single industrial licence.*

This newsletter is a service of TPA.

Kind regards,  
**Your TPA Team**

### Contact:

#### TPA Romania

Str. Grigore Cobălcescu 46, 010196 Bucharest

Tel.: +40 21 310 06-69

Fax: +40 21 310 06-68

<http://www.tpa-group.ro>

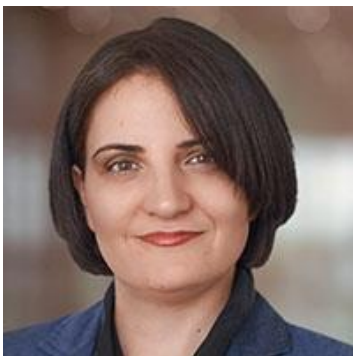
<http://www.tpa-group.com>

To receive regular updates from TPA Romania, please sign up for our [newsletter](#).

#### Cristina Gheorghită

Legal Partner

[cristina.gheorghita@tpa-group.ro](mailto:cristina.gheorghita@tpa-group.ro)



#### Daniela Zar, FCCA

Tax Partner

[daniela.zar@tpa-group.ro](mailto:daniela.zar@tpa-group.ro)



**IMPRINT** Information update: 27th December 2022. This information has been simplified and is not a substitute for individual advice. Responsibility for the content lies with [Cristina Gheorghită, Legal Partner](#), of TPA Romania, Str. Grigore Cobălcescu 46, 010196 Bucharest, Romania. TPA Romania is an independent member of the Baker Tilly Europe Alliance. Tel: +40 21 3100669. Homepage: [www.tpa-group.ro](http://www.tpa-group.ro); Concept and design: TPA Romania  
Copyright ©2022 TPA Romania, Str. Grigore Cobălcescu 46, 010196 Bucharest, Romania