



**We inform you that in the Official Gazette No. 706 was published Government Ordinance No. 25/31.08.2017 for amending and completing the Law 227/2015 on Fiscal Code**

The amendments and additions made by the present Ordinance refer to:

**I. Profit tax**

Expenditure on the value of the alienated receivables, according to the law, will be deductible within a limit of 30% from the value of the alienated receivables.

**II. Income Tax**

**1 Income from independent activities** carried out in Romania, according to the law, with the exception of intellectual property rights, are considered as obtained from Romania, regardless of whether they are received from Romania or from abroad.

**Income from intellectual property rights** is considered to be obtained from Romania only if it is received from an income payer in Romania or from a non-resident via a permanent headquarter established in Romania.

**2. Not taxable income** will include the amounts or advantages obtained by individuals from dependent activities carried out on board ships and aircrafts operated in the international traffic.

**3. The rules on income tax determined on the basis of the annual income tax and the annual net income tax determined in the real system** will also apply to situations of temporary cessation or suspension of activity occurring during the year with the obligation to notify the fiscal authorities, within 30 days of the occurrence of the cessation or suspension, in order to recalculate the payments established in the annual tax due, respectively the recalculation of the anticipated tax payments established in the due annual tax account .

**4. Will be considered as income from other sources, taxed and declared as such** income from other sources for which the tax can't be withheld at source and also those obtained as a result of the assignment of both the assignor and the transferee ( for income obtained as a result of the assignment) Are also included the rights of wage claims obtained on the basis of court judgments remaining final and irrevocable / judicial decisions final and enforceable, of personal patrimony.



**5. In the category of income from salaries and wages assimilated from salaries not included in the monthly basis of calculating the social insurance contributions** were also included the health insurance subscriptions paid by the employer for own employees (e.g the voluntary health insurance premiums, as well as the medical services provided), with a maximum of 400 euros per year.

### **III. Tax on representative**

1. The tax rate on a representative for a fiscal year is modified from 4.000 euros to 18.000 lei. The representation of the legal entity that is set up or abolished during a fiscal year will be taxed only for the number of months of existence in the fiscal year respectively .

2. If setting up in Romania during a month of the tax year, the representation of the legal entity has the obligation, within 30 days from the date of setting up, to calculate, to submit the tax return and to pay the tax for the tax year.

3. In case of abolition from Romania during a month of the tax year, the representation of the legal entity has the obligation, within 30 days from the abolition, to recalculate the related tax and submit the tax return until the last day of February inclusive of the tax year

### **IV. Excises and other special taxes**

Excise duty on diesel and gas are increased by 32 bani per liter, in two stages, on the 15<sup>th</sup> September and the 1<sup>st</sup> of October 2017.

Amendments to Law 227/2015 on the Fiscal Code will enter into force on the 1<sup>st</sup> of January 2018, with the exceptions below.

The provisions of the employer's health subscriptions (point II-5 as above) have been in effect since September the 4<sup>th</sup>, 2017.

Contact:

**Maria Popa**

Tax Manager

[maria.popa@pkffinconta.ro](mailto:maria.popa@pkffinconta.ro)

8 Albesti Street, District 2, Bucharest, Romania  
Tel.: +4021.317.31.96, e-mail: [office@pkffinconta.ro](mailto:office@pkffinconta.ro)

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