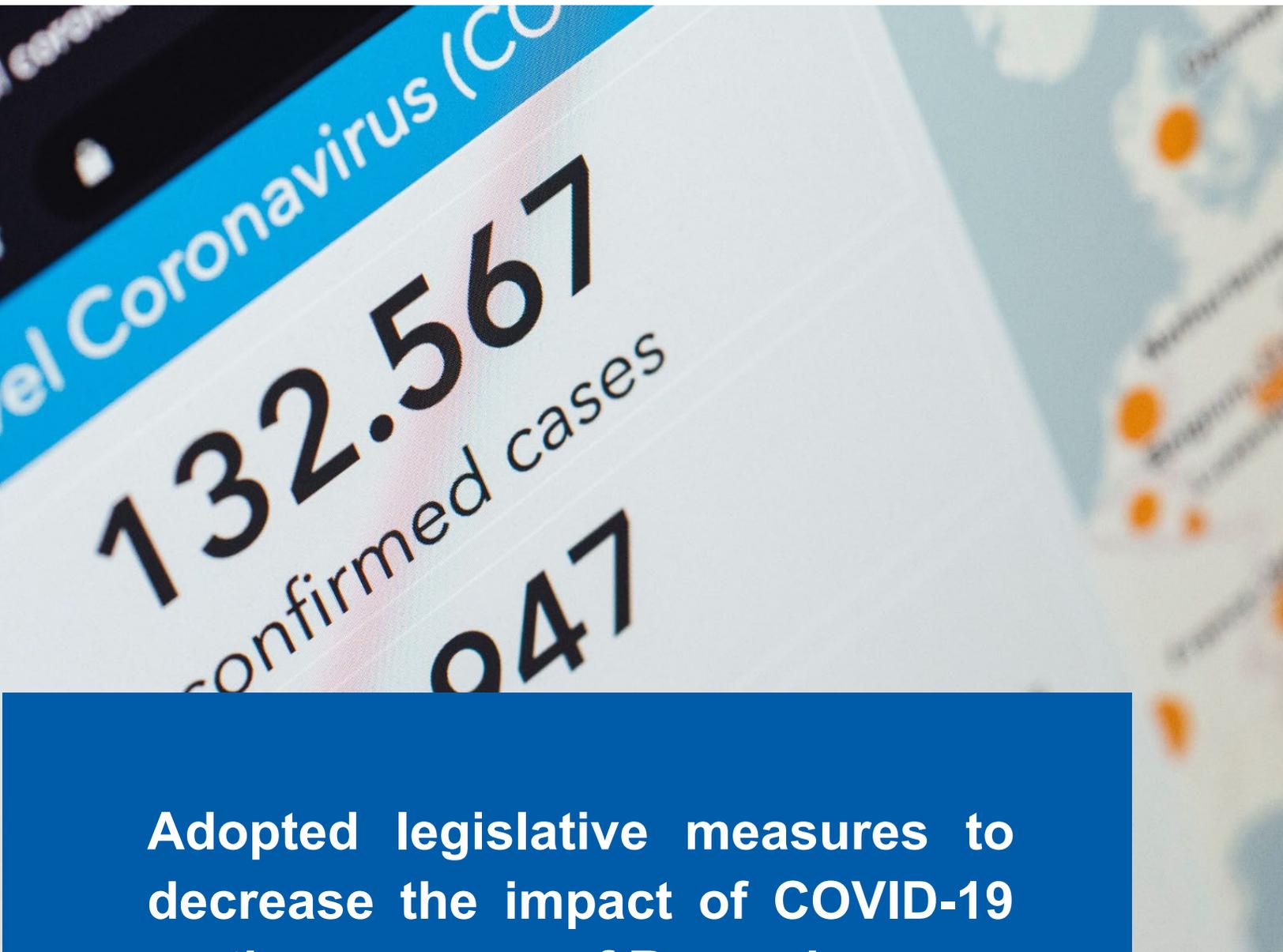


News Flash

March 24, 2020



Adopted legislative measures to decrease the impact of COVID-19 on the economy of Romania

Adopted legislative measures to decrease the impact of COVID-19 on the economy of Romania

In the context of the COVID-19 pandemic, the Romanian authorities have published a series of measures with impact in the tax, legal and payroll area.

Tax measures

1. Prolongation of the term for the payment of the local taxes (tax on buildings, cars and lands) from March 31 to June 30, 2020.

Also, the taxpayers who pay the full tax in advance, for the entire year, benefit from the 10% incentive.

2. No late payment interests and penalties would apply for the due and unpaid tax obligations, starting with March 21, 2020 up to a term of 30 days after the end of the state of emergency.

At this stage, the state of emergency has been set for the period March 16-April 16, but it may be prolonged. However, this would not exclude the normal obligation of declaring.

3. The above unpaid tax liabilities would not be considered overdue ("restante" in Romanian).

4. The forced execution measures by way of seizure are suspended/will not start during the above-mentioned period (March 21-30 days after the end of the state of emergency).

5. Taxpayers applying the annual corporate income tax with advanced quarterly payments may use as reference the amount resulted from the corporate income tax computed for the first quarter of 2020.

Legal & payroll measures

6. Technical unemployment provisions: during the state of emergency, for the period of temporary suspension of the individual employment contract, at the initiative of the employer, the indemnity granted to the employees is at least 75% of the gross basic

salary, but not more than 75% of the gross average salary per economy in amount of RON 5.429 (75% is RON 4.072 gross, respectively RON 2.382 net).

During the period of suspension of the contract, the employee will not perform work, but will be available for his employer. The indemnity will be supported from the unemployment insurance budget.

Of the above-mentioned measure will benefit the employers who are in the following situations:

- **They stop the activity in whole or in part during the period of emergency state and hold the certificate for emergency situations issued by the Ministry of Economy.**

The certificate will be obtained online from the Ministry of Energy, Economy and Business Environment.

- **They reduce the activity due to epidemic context and do not have the financial capacity to ensure the payment of all salaries.**

The payment will be made based on the affidavit given on their own responsibility, mentioning the 25% decrease of turnover compared to the January-February 2020 figures and that they do not have the financial capacity to pay all their employees. **These employers will only benefit of technical unemployment for up to 75% of their employees.**

The indemnity is subject to taxation for income tax, health insurance contribution and social insurance contribution and is made by the employer from the collected indemnities.

The application for granting the indemnity is submitted electronically to the unemployment agencies, accompanied by the list of beneficiaries, a request signed and assumed by the legal representative. The payment will be made within 30 days from the submission of the application.

It is a criminal offence to use the received funds for other purposes other than paying the indemnities.

7. The procedure for obtaining the certificate related to the state of emergency is not yet official, but the below procedure is mentioned within a draft Order of the Ministry of Economy, Energy and Business Environment, therefore it may suffer alterations.

Thus, at first glance, we have a limitation of the sectors; the certificate can be requested only by the economic operators which perform their main activity in one of the following sectors:

- Transport;
- Tourism;
- HoReCa;
- Event organizers;
- Advertising;
- Private education and adjacent activities;
- Clothing, footwear and leather goods industry;
- Services for the population.

In order to apply for this certificate, the company will have to fit in one of the below situations:

1. The company had revenues with at least 40% less compared to the same period last year, supported by the accounting balance. In this case, the certificate will be issued within 5 days from the submission of the application.
2. The company is in a difficulty state, but the revenues had a decrease of less than 40% compared to the same period of the previous year, in which case it will provide additional supporting documents in this regard. The certificate will be issued within 20 days from the submission of the application.

The application will be submitted online through the www.prevenire.gov.ro platform, having attached the following documents:

- Certificate of registration;
- ID of the director or legal representative;
- Certified accounting balance for the month in which the significant decrease of the revenues was observed;
- Accounting balance for the same period of the previous year;
- Own responsibility affidavit;
- Certificate issued by the Trade Register;
- Empowerment.

The application will be signed using electronic signature.

Giving the current context, we consider that in the next period, these certificates may be used also for the renegotiation of clauses for agreements in force.

Disclaimer

Please note that our publications have been prepared for general guidance on the matter and do not represent a customized professional advice. Furthermore, because the legislation is changing continuously, some of the information may have been modified after the publication has been released. Accace does not take any responsibility and is not liable for any potential risks or damages caused by taking actions based on the information provided herein.

Want more news like this?

Subscribe!

Contact

E-Mail: romania.office@accace.com

Phone: + 40 314 050 440



About Accace

Originally established in Central and Eastern Europe in 2006, Accace ranks among the leading outsourcing and consultancy providers in this region. We have vast experience with handling small to large scale, multi-country outsourcing projects and providing comprehensive range of services to over 2 000 customers.

Accace operates internationally as Accace Circle, a business community of Accace branches and our reliable partners, that provides unified, expert services and streamlined processes under one account management and shared online platform.

Please visit www.accace.com and www.circle.accace.com for more information.

