



Tax Flash GEO no. 29/2011

Emergency Ordinance no. 29/2011 regarding approval of respite for outstanding tax obligations

No. 6 / 2011

March 24th 2011

Emergency Ordinance no. 29/2011 issued by the Romanian Government outlines conditions and granting of respite for overdue tax obligations, up to a maximum 5 year period.

Payment respite will be granted for all tax obligations managed by NAFA, listed on the tax certificate on demand date.

The taxpayer has to meet the following conditions in order to be granted a payment respite:

- All tax returns to be submitted up to date according to the tax vector.
- To find itself in impossibility of payment due to temporary lack of cash availabilities.
- To have a warrant as provided by the present EO.
- Not to find itself in insolvency or dissolution.

Payment respite will not be granted for:

- a. Tax obligations less than 500 lei for individuals and 1500 lei for legal entities;
- b. Tax obligations subject to payment re-scheduling granted as per the present EO, that has lost its validity;
- c. Tax obligations managed by NAFA with due term after the issuance date of the tax certificate.
- d. Tax obligations that fall under art. 116 from the Tax Procedure Code regarding the compensation of receivables.
- e. Tax obligations by whose payment depends granting or maintaining a license, agreement or other similar administrative document;
- f. Fines and penalties considered income to the state budget.

Within 30 days from issuing the payment re-scheduling decision, the taxpayers have to make a warrant toward the State Budget as follows:

- a. Consigning a lump sum to the State Treasury, toward the Tax Authorities;
- b. A letter of bank warranty;
- c. Seizure of owned assets towards the Tax Authorities;
- d. Establishing a mortgage or warranty towards the Tax Authorities;

The warrants will cover up to 40% of the payment respite.

In case of late payments of respite quotas a penalty of 10% will apply on:

- a. the scheduled quota;

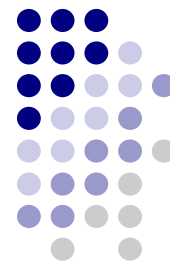
Our areas of practice:

- Tax Advisory Services
- Accountancy & Payroll
- Audit & Assurance
- Legal Services
- Financial Advisory
- International Executive Services & Immigration
- HR Services

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- b. exceeding tax obligations marked and extinguished upon settling the VAT returns with reimbursement option;

The payment respite keeps its validity as long as the taxpayer clears the tax obligations until 25th of the following date of payment month. The payment re-scheduling keeps its validity if the tax obligations are cleared not later than 90 days from the respite decision date.

The payment respite loses its validity if the taxpayer breaches the conditions of granting.

The taxpayer could pay in advance partially or in full the amounts comprised in the re-scheduling chart. The request for payment respite will be submitted to the relevant Tax Authority and will be resolved within 60 days from submission

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