

**TAX FLASH**  
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**Amendments to Fiscal Procedure Code “FPC” (Government Ordinance no. 47/2007, published in the Official Gazette no. 603/ 31st of August 2007)**

Main changes and new provisions that were made to the Fiscal Procedure Cod via **Government Ordinance no. 47/2007**:

1. Creation of the Commission of Fiscal Procedures which has the competence of elaborating decisions regarding the application of the Fiscal Procedure Code. This Commission will function according to a Regulation approved by the President of NAFA. This is regulated by amended article 4 of the FPC;
2. Corporate annual tax returns will have to be certified by a tax consultant with the exception of annual tax returns for which an audit is mandatory (regulated by art. 83 (5) from the FPC). These legal provisions will enter into force beginning the 1st of January 2008 and will apply to the annual tax returns submitted for 2007;
3. Fiscal inspectors of NAFA (central Unit) have competence of fiscal inspection on the entire Romanian territory. This is regulated by the amended article 99 (2) from the FPC.
4. Tax decisions comprising the tax differences established after a tax inspection will be communicated to the taxpayers within 7 days counted from the date when the tax inspection has been completed and the Tax Inspection Report (RIF) has been issued. This is regulated by the amended article 109 (3) from FPC;
5. Beginning 1st of January 2008, the anticipated tax withheld, according to art. 52 (1) d) from the Fiscal Code (income obtained for activities performed based on an Agreement

regulated by the Civil Law – “Conventii Civile”), by the income payer will be wired to the tax authorities as follows:

- a. if the income payer is a micro-company, association without juridical personality between individuals and freelancers this must be paid on a quarterly basis - until the 25th of month following the last month of the quarter;
- b. if the income payer is an association, a foundation or any other entity without patrimonial purpose this must be paid on a bi-annually basis – until the 25th of the month following the last month of the semester;

Beginning 1st of January 2008, the payment of taxes established by the National Agency for Fiscal Administration (through an Order that will be issued by the President of NAFA) will be paid into a Sole Account, using a single payment document. This provisions is comprised in the amended article 114 from the FPC;

6. Beginning the 1st of October 2007 the disputes made by taxpayers will be analyzed as follows:
  - a. if the disputed amount is lower than 1.000.000 RON the dispute will be analyzed by the General Directorate of Public Finance established at the level of the county where the taxpayer has his fiscal domicile;
  - b. if the disputed amount is higher than 1.000.000 RON the dispute will be analyzed by a General Directorate from NAFA (central body). Also all disputes regarding acts issued by the central bodies or disputes made by large taxpayers will be analyzed by the same General Directorate;

This is regulated by the amended article 209 from the Fiscal Procedure Code.

7. Beginning 30th of September 2007 not submitting in time a Summary Return for VAT purposes will be subject to a fine between 12.000 RON and 14.000 RON. This is regulated by the adjusted article 219 (1) b1) from FPC.

Beginning 30th of September 2007 almost all the fines regulated by the FPC will suffer a significant increase. The increase of the lower level of the fines, which can be given for a fiscal contravention, will be between 100% to 1900

All the above mentioned provisions, for which the date since when they are applicable is not mentioned, came into force beginning 3rd of September 2007.