

TAX HOT TOPICS

17.07.2018

Quarterly distribution of dividends

Law no. 163/2018 published in the Official Gazette no. 595 of 12 July 2018

- ❖ The present Law brings amendments and/or completions to the Accounting Law no. 82/1991, the Companies Law no. 31/1990, as well as to Law no. 1/2005 on the organisation and functioning of the cooperative companies.
- ❖ Thus, starting with 15 July 2018, companies can distribute dividends quarterly, having, where they have chosen this option, the obligation to prepare interim financial statements.
- ❖ The amounts related to the interim allocation of dividends are reflected in the interim financial statements as receivables against the shareholders/associates.
- ❖ The quarterly allocation of profit to shareholders or associates is performed by option, during the financial year, based on the interim financial statements approved by the general meeting of shareholders or associates, as the case may be.
- ❖ At the same time, the quarterly allocation of profit is performed within the limit of the quarterly net accounting profit, plus any potential retained earnings and amounts withdrawn to this purpose from available reserves, minus any carried forward losses and reserves set up in accordance with the legal or statutory requirements.
- ❖ Such amounts allocated during the financial year are regularized upon the approval of the annual financial statements and any surplus of dividends distributed and paid during the financial year is repaid within 60 days from the approval of the annual financial statements. Failure to make the required restitution will result in penalising interest owed by the shareholders or the associates.
- ❖ These interim financial statements need to be audited in case the respective companies have the statutory obligation to audit the annual financial statements or choose to audit them.
- ❖ Is punished by imprisonment up to five years the founder, administrator, general manager, director, member of the supervisory board or of the management board or the legal representative of the company who receives or pays dividends, in any form, from fictitious profits or that could have not been distributed during the financial year based on the interim financial statement and annually, based on the annual financial statement, or in a manner contrary to those resulting from such statements.

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Deadline extension for the submission of the Sole Tax Return

GEO no. 63/2018 published in the Official Gazette no. 602 of 13 July 2018

- ❖ In order to avoid the taxpayers' risk of non-compliance to the new legal provisions, the deadline for the submission of the Sole Tax Return is extended to 31 July 2018.

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For details you can contact any member of TaxHouse team or you can send us a message at the email address office@taxhouse.ro.