

TAX HOT TOPICS

20 October 2020

Decision no. 864/2020 regarding the amendment and completion of the Methodological Norms for the application of Law no. 227/2015 regarding the Fiscal Code, approved through Order no.

1/2016

(Official Gazette no. 956 of October 2020)

❖ **The present decision has brought amendments and completions in the field of VAT and refers, mainly, to the following aspects:**

- ❖ Granting of goods free of charge to employees for purposes related to the economic activity of the taxable person, such as protective equipment or sanitary materials used to prevent diseases, shall not be deemed a supply of goods for VAT purposes.
- ❖ Additional provisions are introduced in completion of the legislation regarding food waste, based on which the supply of food for human consumption, close to the expiration date, shall not be deemed a supply of goods for VAT purposes.
- ❖ Certain clarifications are introduced in relation to vouchers. In this respect, the clarifications state that meal vouchers, holiday vouchers, gift vouchers and other similar vouchers for which not all elements necessary to determine the tax due are known, shall be considered multiple purposes vouchers.
- ❖ Certain clarification are introduced in respect to the application of the reduced VAT rate for supply of buildings as part of the social politics, restaurant and catering services, supply of school books and books in general, newspapers and magazines as well as irrigation services.
- ❖ In respect of leasing operations, the provisions state that the advance payment performed in relation with a leasing agreement shall be deemed to be the first leasing rate, for which the VAT chargeable event occurs on the date of the issuing the invoice or on the date when the advance is paid. By way of exception, the VAT chargeable event occurs on the date when the ownership of the good included in the leasing contract is transferred, in cases where the beneficiary pays in advance part of the value of the goods which shall take place at the end of the leasing period.
- ❖ Credit administration and/ or administration of credit guarantees, performed by one of the financial institutions granting the syndicated credit and which is designated by the other participants in the syndicated credit contract for credit administration/ administration of credit guarantees are operations included in the VAT-exempt operations category.

TAX HOT TOPICS

- ❖ In respect of VAT adjustments, new provisions are introduced relevant for taxable persons who have had their VAT number cancelled. Thus, following the re-registration for VAT purposes, taxable persons have the right to make a positive VAT adjustment at the level of the input VAT for capital goods used for carrying out operations with deduction right, other than those consisting in the taxable delivery of such goods.
- ❖ The provisions of the Methodological Norms are correlated to the amendments of the Fiscal Code in respect to VAT registration procedure, namely the VAT registration upon the company's inception or at a later stage, by means of option, is no longer conditioned by the fulfillment of the risk analysis. The risk criteria used for risk analysis purposes are presented in the Methodological Norms.
- ❖ **Additional amendments and completions are made in the field of excise duties. Among others, there are introduced clarification in relation with computation of the excise duties for certain excisable products, authorization of ware housekeepers, as well as in relation with application of excise duties exemptions for delivery of certain energetic products.**

For additional details regarding the above, you can contact any member of the Taxhouse team or you can send us an e-mail at office@taxhouse.ro