

# TAX HOT TOPICS

04 January 2021

## EMERGENCY ORDINANCE no. 226/2020

regarding certain fiscal-budgetary measures, the amendment and completion of certain normative acts and extension of certain deadlines

*Official Gazette no. 1332 of 31 December 2020*

This Emergency Ordinance brings a series of amendments and completions with impact from a fiscal perspective, the most significant ones referring to the following:

### *Amendments regarding VAT*

- ❖ In context of the European regulations, a **VAT exemption with right of deduction** is granted for the supply of in vitro diagnostic medical devices for COVID-19, as well as for the supply of vaccines (authorized by the European Commission or the Member States) and services related to vaccination and testing, performed until **31 December 2022**. A VAT exemption is granted also for the intra-Community acquisitions of Remdesivir (treatment for COVID-19), performed until 31 December, 2022.
- ❖ The deadline for the entry into force of the provisions regarding the increase of the threshold of **EUR 140,000 for the supply of buildings** for which the reduced VAT rate of 5% is applicable, is postponed from 1 January 2021 to 1 **January 2022**.
- ❖ VAT requested for reimbursement through returns with negative VAT amounts with reimbursement option is reimbursed by the central fiscal body with subsequent tax inspection until **31 March 2021**.
- ❖ Waste is eliminated from the category of goods subject to the national reverse charge measures for which, taxable persons registered for VAT purposes, are not required to perform the payment of the related VAT in customs for imports made in Romania.

### *Measures regarding electronic fiscal cash registers*

- ❖ The application of contraventions for the non-compliance of the obligation to connect the fiscal electronic cash registers with the National Agency for Fiscal Administration data base is suspended until **31 March 2020**.
- ❖ The deadline for the equipment of commercial vending machines that operate with card payments, cash or coin payments, with fiscal electronic cash registers, is extended until **31 December, 2021**.

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***Measures regarding fiscal amnesty, simplified rescheduled payment and restructuring of budgetary obligations***

- ❖ The request for cancellation of ancillary payment obligations may be submitted until **31 March 2021**, under the conditions of GEO no. 69/2020.
- ❖ Taxpayers may submit a request for the application of the simplified procedure for granting payment rescheduling (under the conditions of GEO no. 181/2020) also **during 1 January 2021 – 31 March 2021**.
- ❖ Taxpayers can submit the notification regarding the restructuring of the budgetary liabilities, as regulated by the Government Ordinance no. 6/2019, also in case of principal and ancillary fiscal liabilities **outstanding as of December 31, 2020** and not paid until the date the fiscal registration certificate is issued. Such provisions are applicable also for the fiscal liabilities established as per decisions issued after 1 January 2021, but related to fiscal periods until 31 December 2020.

***Other important provisions***

- ❖ Enforcement measures by means of garnishments are suspended or shall not begin until **31 March 2021**.
- ❖ Postponement of the possibility to **fully deduct adjustments for impairment of receivables**, by eliminating the 30% deductibility threshold, from **1 January 2021 to 1 January 2022**.
- ❖ Taxpayers in the **HoReCa** industry **do not owe specific tax** for a period of 90 days starting with 01.01.2021.
- ❖ A series of clarifications are introduced regarding the fiscal regime applicable to the indemnities granted based on the following normative acts: GEO no. 30/2020, GEO no. 132/2020, GEO no. 147/2020, GEO no. 120/2020, Law no. 19/2020.

This Emergency Ordinance enters into force, with certain exceptions, on 31 December 2020.

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