

# Tax & Legal Alert

ROMANIA 20 January 2009

## VAT and excise duties payment exemption amendments

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The Romanian government issued Order No. 3424 dated 27 November 2008, amending the following orders:

1. *Order No. 2.218/2006 approving the Norms implementing value added tax (VAT) exemptions for the international traffic of goods, referred to in Article 144, paragraph (1) of Law No. 571/2003 on the Fiscal Code*

Some of the most important provisions are:

- Excisable products produced in tax warehouses are to be deemed goods in VAT warehouses;
- If goods previously placed in a VAT warehouse upon import leave it without a commercial transaction, the VAT is to be adjusted by showing the collected VAT and the deductible VAT in the VAT return related to goods and services acquired, within the limits and conditions established by the Fiscal Code;
- From 1 January 2009 the records required for excisable products by the Excise Duties law will also be deemed valid reports for operations performed in the VAT warehouse with excisable products.

2. *Order of the Minister of Public Finance No. 2220 of 22 December 2006 for the approval of the Norms regarding the VAT and excise duties exemption on certain final imports of goods, referred to in Article 142, paragraph (1), letter d) and Article*

*199, paragraph (3) of Law No. 571/2003 on the Fiscal Code*

- The quantitative limits for the application of VAT and excise duties exemption upon the import of the following goods brought into Romania by passengers in their personal luggage have changed: tobacco products (e.g. cigarettes, cigars) and alcoholic beverages (e.g. alcohol, still wines, beer).

3. *Order of the Minister of Public Finance No. 2.222/2006 for the approval of Instructions for the application of a VAT exemption for the operations provided in Article 143, paragraph (1), letters a) - i), Article 143, paragraph (2) and Article 144 ^ 1 of Law No. 571/2003 on the Fiscal Code*

- New clarifications regarding documents to justify the VAT exemption were introduced. For example, for auto transport directly linked to the import, export or international traffic of goods these documents were introduced: the Convention on the international transport of goods by road (CMR) and a copy of the Community customs transit document T1.
- Clarifications to the provisions on supplies of goods and services on airline company aircraft used mainly for international passenger and / or goods transport, including:
  - Airline companies not established in Romania are deemed to always carry out international passenger and / or goods transport;

- Airline companies established in Romania have to ask the Ministry of Transport General Division of Civil Aviation to issue a certificate attesting that they perform mainly international passenger and / or goods transport.

*4. Order of the Minister of Public Finance No. 500/2007 for the approval of the Norms regarding the procedure for granting the certificate of deferment from payment of VAT in customs and for the release of security for imports of goods*

- The validity period of the VAT deferment certificate has been extended to 31 December 2011.

These provisions came into force on 1 January 2009, except for those in point 2 (amendments brought to Order 2220/2006), which came into force on 1 December 2008.

[Source: Official Gazette, Part I, no. 795/27 November 2008]

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