

Tax & Legal Alert

ROMANIA 5 March 2009

Banks: inflation adjustment for quarterly advance corporate income tax payments

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This Tax & Legal Alert is produced by
PricewaterhouseCoopers' tax department

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The Order of Ministry of Public Finance no.297/2009 regarding the inflation index used for adjustment of quarterly advance payments on account of annual profit tax ("Order") has been published.

According to the Fiscal code, Romanian banks and Romanian branches of foreign banks have the obligation to make quarterly corporate income tax advance payments calculated as a quarter of the annual taxable profit declared for the preceding year, adjusted by the inflation index for the prior calendar year.

According to the Order, for fiscal year 2009 the inflation index to be used for adjustment of advance payments on account of the profit tax is 5%.

This is an increase of 1,2 percentage compared to the 2008 value of 3,8%.

[Source: Official Gazette no. 127 dated 2 March 2009]

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