

Tax & Legal Alert

ROMANIA 4 December 2007

Changes to the VAT simplification measures applicable to work on movable assets

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The Minister of Economy and Finance has issued Order no. 1.823/29.10.2007 cancelling Order no. 2.221/22.12.2006 regarding the VAT simplification measures applicable to work on movable assets.

The VAT simplification measures are designed to limit the VAT registration liability in Romania for non-resident companies established in the EU, involved mainly in the processing of movable goods.

The simplification measures are applicable regardless of the VAT treatment applicable by the member states in which these companies are registered for VAT purposes.

The Order also brings new instructions for VAT simplification measures applicable to specific cases of goods returned to their initial supplier in the EU and also regarding movement of goods for repair or replacement within the warranty and post-warranty period. These specific scenarios include, but are not limited to:

- Goods replacing other goods which have not been sent to the supplier for repair or replacement.

[Source: Official Gazette of Romania no. 770/14.11.2007]

For more information, please contact Peter de Ruiter, Mihaela Mitroi or Ionut Simion.

- Goods refused and returned to their supplier;
- Goods refused by the initial client and re-dispatched by the supplier to another client;
- Goods accepted by the client, but subsequently returned to the supplier due to the cancellation of the transaction;
- Goods accepted by the initial client, but further re-dispatched by the supplier to a second client due to the cancellation of the first transaction;
- Goods sent for repair or replacement during or after the warranty period;