

Tax & Legal Alert

ROMANIA 3 September 2007

New procedures regarding VAT exemptions for diplomatic missions, international organisations and military forces

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The Ministry of Economy and Finance has issued Order no. 616/29.VI.2007 approving the norms for VAT exemptions for the supply of goods and services to:

- diplomatic missions;
- consular offices;
- agencies of international and intergovernmental organisations;
- USA military forces;
- NATO member state military forces ("entities").

This order introduces new procedures and conditions for applying the VAT exemption the most important of which are:

- Entities established in Romania can benefit from this VAT exemption either directly or by refund, based on a certificate authorised by the relevant authorities. Such certificates should be obtained for each acquisition performed.
- The exemption is applicable for:
 - Domestic acquisitions of goods and services.
 - Intra-community acquisitions.
 - Acquisitions of goods from other member states.
- Entities established outside Romania can also benefit from the VAT exemption for acquisitions made in Romania.

The exemption certificates issued under the provisions of OMFP 2215/2006 and 1898/2004 are no longer valid, as of 1 September 2007.

This order enters into force on 1 September 2007.

[Source: Official Gazette of Romania no. 568 / 17.08.2007]

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