

Tax & Legal Alert

ROMANIA 23 January 2008

Amendments to the instructions for applying VAT exemptions for exports, similar operations and intra-community supplies of goods

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The Minister of Economy and Finance has issued Order no. 2421/18 December 2007 amending the instructions for applying VAT exemptions for exports, similar operations and intra-community supplies of goods.

The most important amendments are:

- Clarification of the types of supplies of goods and services on board of ships and aircraft exempt from VAT, such as :
 - Supply of equipment incorporated in or used on board of ships and aircraft;
 - Modernisation, renovation, maintenance and repair of ships and aircraft including the expert services carried out during repair work;
 - Services for the direct needs of passengers and crew;
 - Services regarding transported goods (e.g. handling, protecting or preserving goods);
 - Services necessary to exploit ships, aircraft and cargo.
- The new Order defines the concept of an airline company for the purpose of applying the VAT exemption for supplies of goods and services on board of aircraft.

[Source: Official Gazette of Romania no.887/27.12.2007]

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