

# Clarifications on the application of certain tax provisions and use of the "e-Factura" system

19 June 2015

## In brief

The Parliament of the Republic of Moldova has approved new regulations related to the entry into force of amendments to the Tax Code ("TC") and laws for its implementation. The Ministry of Finance of the Republic of Moldova ("MF") has published an Informative Release regarding the correct application of some recent amendments to the TC. Moreover, the Main State Tax Inspectorate ("MSTI") has amended the Regulation on the automated information system for the issuing and circulation of electronic invoices and tax invoices "e-Factura".

## In detail

### *Entry into force of tax legislation amendments*

Parliament has adopted a completion to the TC with a new provision, according to which all the amendments to the Tax Code and laws for its implementation are applicable 180 calendar days after the amending law and / or completion is published in the Monitorul Oficial.

This provision entered into force as of 12 June 2015.

### *Application of the threshold for taxable income and exemptions for the personal income tax calculation*

The threshold for taxable income and exemptions for individuals entered into force as of 1 January 2015 (see Law No. 108 on amending and supplementing certain legislative acts dated 28 May 2015).

According to the Release, employers have to recalculate personal income tax for the period 1 January – 5 June 2015.

Individuals who ended their labour relationships in that period will need to consider the new exemptions and taxable income threshold when filling in and submitting their Declaration on income tax for 2015.

### *Application of tax rates on roads for the vehicles registered in the Republic of Moldova*

According to the MF Release, vehicles registered in the Republic of Moldova for which technical testing is required once a year, have to calculate and pay the tax rates on roads in full by considering the tax rates applicable at the moment of payment (i.e. by 30 April 2015 and after 1 May 2015, respectively).

For vehicles subject to mandatory technical testing

twice per year, the tax rate is calculated in equal instalments, according to the tax rates applicable at the moment of carrying out each test (i.e. by 30 April 2015 and after 1 May 2015, respectively).

### *New regulations applicable for electronic invoices / tax invoices for supply of services, for which the digital signature of the customer (purchaser) is necessary*

The Regulation on the automated information system for the issuing and circulation of electronic invoices and tax invoices "e-Factura" has been completed by Order of MSTI.

Supplier can opt for the "Small cycle", which will result in assigning the "Finished" status for electronic invoice / tax invoice without applying the digital signature of the customer.

The date of receipt of invoices / tax invoices is considered the date of their reception in the customer's section "Finished".

*[Source: Law No. 109 dated 28 May 2015 on completion of article 7 of the Tax Code No. 1163-XIII dated 24 April 1997; Informative Release of Ministry of Finance No. 14/3-07/170 dated 9 June 2015 on correct application of certain amendments to the Tax Code on amendments operated through Law No. 71 dated 12 April 2015; Order of Main State Tax Inspectorate No. 481 dated 5 June 2015 on completion of the Regulation on the automated information system for the issuing and*

*circulation of electronic invoices and electronic invoices "e-Factura", Monitorul Oficial no. 144 -149 (5186 - 5191) dated 12 June 2015]*

### ***The takeaway***

The MF explains the application of personal income tax and the tax rate on roads, as a result of recently approved amendments.

In order to improve the process of implementation the

changes to tax legislation, as of 12 June 2015, all amendments and completions to tax legislation apply as of 180 calendar days after their publication in the Monitorul Oficial

Moreover, the MSTI has approved an order completing the Regulation on the automated information system for the issuing and circulation of electronic invoices and tax invoices "e-Factura".

**Let's talk**

For a deeper discussion of how this new legislation might affect your business, please contact:



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