

ROMANIAN TAX HIGHLIGHTS

VAT refunds to EU companies

EU companies that are not registered and that are not required to register for VAT purposes in Romania, have the possibility to claim refund of the Romanian VAT paid in respect of goods or services supplied by Romanian VAT taxable persons or in respect of imports made in Romania. Such EU companies "that are not required to register for VAT purposes in Romania" are basically the companies that have not supplied goods or rendered services taxable in Romania.

The VAT claimed for refund needs to be incurred in relation with supplies of goods / services or to imports which were carried out during a period of at least three months and at most a calendar year, with the exception of cases where there are less than 3 months to elapse until the end of the year.

The amount of VAT requested for refund should not be lower than RON 200 (if the period is between three months and a calendar year) or RON 25 for all the other cases.

The application form is submitted to the General Direction of the Public Finances Bucharest, directly at the registration office, or by post, within six months of the end of the calendar year in which the VAT became chargeable (i.e. by 30 June 2008 for VAT became chargeable during 2007). The application form can be submitted either by the EU company itself or via an empowered person that acts in the name and on behalf of the relevant EU company.

The documentation required to be presented for VAT refund purposes comprises:

- originals of invoices and / or import documents, disclosing the VAT amounts requested for refund;
- a certificate of status of taxable person issued by the official authority of the Member State where the EU company resides;
- a declaration that the EU company has not supplied goods or rendered services in Romania.

A VAT reimbursement decision will be issued by the Romanian tax authorities within six months from the submission of the application. The refunds are made in Romanian currency in either a Romanian or a Member State bank account, as per the instructions of the relevant EU company.

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The information contained in this material is of a general nature, so it is recommended that specific professional advice is sought before any action is taken.