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Amendments to the Local Sales and Purchases List return “Informative declaration regarding the deliveries / services and acquisitions made on the national territory by the persons identified for VAT purposes”

On August 21, 2020, the Order of the President of NAFTA no. 3281/2020 amending the Order of the President of NAFTA no. 3769/2015 was published in the Official Gazette of Romania no. 764, Part I.

Amendments to LSPL return “Informative declaration regarding the deliveries / services and acquisitions made on the national territory by the persons identified for VAT purposes”

The proposed change involves the introduction of a new box that taxpayers will tick accordingly whether or not they performed transactions with affiliates during the reporting period.

We mention that in accordance with Article 7 of Law no. 227/2015 on the Fiscal Code, at least one of the following cases defines an affiliated person:

a) a natural person is affiliated with another natural person if they are spouses or relatives up to and including the third degree;

b) a natural person is affiliated with a legal person if the natural person holds, directly or indirectly, including the holdings of affiliated persons, at least 25% of the value / number of participation titles or voting rights of a legal person or if it controls in effectively the legal person;

c) a legal person is affiliated with another legal person if at least it holds, directly or indirectly, including the holdings of affiliated persons, at least 25% of the value / number of participation titles or voting rights in the other legal person or if it controls effectively that legal person;

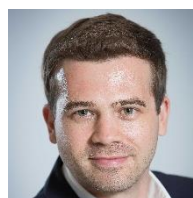
d) a legal person is affiliated with another legal person if a person holds, directly or indirectly, including the holdings of affiliated persons, at least 25% of the value / number of participation titles or voting rights in the other legal person or if it controls in effectively that legal person.

The amendment provided by this Order aims to prevent and fight against tax evasion, given the progressive expansion of the number of transactions with affiliated persons. The explanatory memorandum to the Draft Order states that for some of these transactions, tax inspectors identified the use of lower market prices, thus affecting the state budget.

For further questions regarding the aspects mentioned in this alert, please contact us.



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