In this issue:

The draft law on establishing measures for the recovery and efficiency of public resources and for amending and supplementing some normative acts, amended and supplemented as a result of the inclusion of amendments formulated by senators and deputies, *accepted by the Government*.

On September 3, 2025, a draft law with an impact in the field of taxation was published on the website of the Chamber of Deputies. It introduces amendments to the previously circulated versions and is currently under public debate; it has not yet been published in the Official Gazette. Among other things, **it amends and supplements Law no. 227/2015 on the Fiscal Code, Companies Law no. 31/1990**.

The Draft Law on the Ratification of the Convention between Romania and the United Kingdom of Great Britain and Northern Ireland

The Chamber of Deputies approved a draft law on the Ratification of the Convention between Romania and the United Kingdom of Great Britain and Northern Ireland, as decision-making Chamber.

Order no. 2131/2025 approving the new VAT Return form

The order published in Official Gazette no. 826 and approves the new VAT Return form, in line with the legislative provisions that entered into force on August 1, 2025.

A. The Draft Law on establishing measures for the recovery and streamlining of public resources and on the amendment and supplementation of certain normative acts, as amended and supplemented following the inclusion of amendments proposed by senators and deputies and accepted by the Government.

I. Amendments and additions regarding Law no. 227/2015 on the Fiscal Code

With respect to the **corporate income tax**, the following points have been modified:

1. The minimum turnover tax ("**IMCA**") will continue to be applicable to taxpayers whose turnover exceeds EUR 50 million. At the same time, such taxpayers will not be subject to the newly introduced mechanism for limiting expenses recorded in relation to affiliated entities that are not established/incorporated and do not have the place of effective management in Romania ("**non-resident related parties**");

2. Further, taxpayers (*other than those mentioned in Article 15 of the Tax Code and those with a turnover of more than EUR 50 million, as defined in Article 18*[1]), which incur expenses with (i) intellectual property rights, (ii) management services and/or (iii) consultancy services, in relation to non-resident related parties, can **deduct** these expenses within the limit of 1% of the total expenses recorded in the fiscal year of calculation according to accounting regulations.

   For 2026, the first year in which the 1% limitation applies, the calculation of the limitation shall be based on the information in the profit and loss account, the statement of income and expenses or the informative data for the year 2024 or for the modified financial year starting in 2024.

   Exceptions to the application of the limitation:
   - expenses representing intellectual property rights, management, consultancy, incurred in obtaining trademarks, industrial designs, copyrights and the like, registered in Romania;
   - expenses that are capitalized in the value of tangible and intangible assets, according to the applicable accounting regulations;
   - taxpayers that have an advance price agreement or, starting with the 2027 tax year, request the issuance of an advance price agreement concerning transactions carried out with non-resident related parties that generate the recording of expenses presented in tax returns, with a validity period starting this year, will not be subject to the above. However, in case of rejection of the advance price agreement, the corporate income tax is recalculated.

   Furthermore, no amendments or supplements have been proposed regarding the following aspects:

   - The definitions of the terms or the way of framing the expenses within the scope of these categories that fall under the 1% limitation are not clarified;
   - Starting with 2027, the 1% share will be applied to the expenses recorded in the tax return that will issued by the authorities, as well as by referring to the definition of related parties from the Fiscal Code;
   - This mechanism does not apply to credit institutions;
   - Taxpayers who apply the new limitation do not apply the provisions of art. 25 of the Fiscal Code for these expenses.

3. The amendments proposed in the Draft dated August 28, 2025, regarding Article 40[2], paragraph (4), on the deduction of excess borrowing costs up to the deductible threshold equivalent to EUR 1,000,000 in RON, are taken out.

4. The additional clarification brought for taxpayers who have deducted the value of assets in progress/assets according to indicators I and A when computing the supplemental tax on turnover in the oil and natural gas sectors, in force until December 31, 2025/last day of the amended fiscal year ending in 2026, are maintained. In case of non-compliance with the condition of keeping the respective assets in the patrimony for at least a period equal to half of the economic useful life or at least 5 years, the tax due is recalculated for the respective amounts and, as the case may be, ancillary tax receivables are charged, with the obligation to submit the corrective tax return. However, there are also several exceptions.

With respect to the **local taxes**, the following changes have been proposed:

1. The list of buildings exempt from the building tax has been updated, with certain categories removed. By way of example, buildings intended for the apostille and super-legalization service, those used for the storage and management of archives, as well as buildings related to the operation of the National Center for the Administration of the Notarial National Registers, are no longer exempt.
2. New buildings used in the manufacturing, storage, and logistics sectors will be exempt from the building tax for a period of two years. The exemption applies from January 1 of the year following the reception of the works, according to the acceptance report, and is conditional upon compliance with the state aid legislation.
3. The list of land exempt from the land tax has been updated, with certain categories being removed. For example, land owned or used by social insertion enterprises is no longer exempt;
4. The list of vehicles exempted from the tax on means of transport is updated, as different types of means of transport are no longer subject to exemption, such as electrically powered vehicles. Also, the amounts corresponding to the calculation of the tax are modified, depending on the groups in which the means of transport falls;
5. With respect to the increase of local taxes by local or county councils, the deliberative authority of the local public administration, at the proposal of the executive authority, may set additional rates to local taxes according to the following criteria: economic, social, geographical, urban, as well as local budgetary needs, but which may not be higher than 100% compared to the maximum levels established.
6. The "RO e-property" system is established, a system that represents a set of principles, rules and information systems, which centralizes information about real estate and collects information for tax purposes. The procedure is established by order of the minister, within three months of the entry into force of the law.

The **special tax for high-value immovable and movable property** owed by individuals increases from 0.3% to **0.9%.** The computation basis will remain as the difference between:

- the taxable value of the building (communicated by the local tax authority) and the ceiling of 2,500,000 lei, in the case of real estate; respectively
- the purchase value and the ceiling of 375,000 lei, in the case of cars.

II. Amendments and additions with regard to the Companies Law no. 31/1991 ("Companies Law") as well as other amendments with an impact from the perspective of the company law

1. The amendment of the Companies Law by:
    - the introduction of the prohibition for companies that distribute dividends quarterly, to grant to shareholders/other related parties, in accordance with applicable accounting regulations loans, until the differences resulting from the distribution of dividends during the year are regularized;
    - the introduction of a prohibition for companies which, based on their annual financial statements, have net assets amounting to less than half of the subscribed share capital, from repaying to shareholders or to other related parties, as defined under the applicable accounting regulations, the loans granted by them;

- failure to comply with the prohibitions regarding the granting or repayment of loans from shareholders/other related parties entails the joint liability of both the director and the shareholder who benefited from the payment of interim dividends without proper adjustment, as well as the imposition of a fine on the company ranging from Lei 10,000 to Lei 200,000. The company, together with its shareholders, is jointly and severally liable for the outstanding budgetary obligations owed by the company and administered by the central tax authority, up to the amounts that were the subject of the loan granted or, as the case may be, repaid;
- conditioning the possibility of distributing dividends, for companies which at the end of the financial year record a profit but cumulatively record a deferred accounting loss, upon the establishment of legal reserves, the coverage of the carried forward accounting loss, as well as the creation of reserves in accordance with statutory requirements;
- conditioning the possibility of distributing dividends from the profit of the current financial year, for companies that, based on the annual financial statements approved according to the law, have a net asset value below half of the value of the subscribed share capital, to the replenishment of the net assets at the minimum value provided by law;
- the introduction of the obligation to convert into equity the receivables arising from loans or other financing granted by shareholders to companies which, according to the annual financial statements approved in accordance with the law, have net assets below half of the subscribed share capital and which have not restored their net assets within the term provided by the Companies Law (i.e., 2 years from the end of the financial year following that in which the losses were recorded).
- in the case of companies in which the state or a local authority is a shareholder, debts to shareholders do not include debts to the general consolidated budget and loans that companies receive, in compliance with competition law, from privatization revenues. In this case, the conversion of claims shall be determined by a decision of the Government or by a decision of the General/Local Council, as the case may be;
- Failure to comply with the obligation to replenish the net assets to the extent that they have fallen below half of the value of the subscribed share capital constitutes a contravention and is punishable by a fine of between Lei 10,000 and Lei 200,000;
- Failure to comply with the obligation to convert receivables resulting from loans or other financing and to increase the share capital, under the above conditions, constitutes a contravention and is punishable by a fine ranging from Lei 40,000 to Lei 300,000.
- The finding of the above-mentioned contraventions and the application of penalties are the responsibility of the authorized persons within the National Agency for Fiscal Administration. The limitation period for the application of penalties is 12 months from the date of the contravention. The provisions regarding these contraventions do not apply to companies declared inactive during their period of inactivity.
- The obligations to replenish net assets and convert receivables, as mentioned above, do not apply to shareholders/associates who:
  - have as their purpose or object of activity the making of investments or the management of eligible alternative investment funds or venture capital funds and are entities belonging to groups of alternative investment funds, eligible venture capital funds, or are managers of such funds;
  - have as their purpose or main activity the making of investments, the holding of participations in companies or the professional financing of companies in which they hold shares/stocks (NACE 64);
  - are professional investors, as defined in Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014, on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU;
  - are investors in a crowdfunding project within the meaning of Regulation (EU) 2020/1503 of the European Parliament and of the Council of October 7, 2020 on European business crowdfunding service providers and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937, either directly or indirectly through an entity that directly holds a stake in such a project; or

- are natural persons who have invested between EUR 2,500 and EUR 200,000, equivalent in lei at the exchange rate of the National Bank of Romania on the day of the investment, in a micro or small enterprise, as defined by Law No. 346/2004 on stimulating the establishment and development of small and medium-sized enterprises, as amended and supplemented, and do not hold, directly or indirectly, more than 25% of the share capital of the company in question, provided that, in any of the situations listed above, the loans are not repaid to the shareholders/associates within 4 years from the date of granting the loans.

2. The legislative project proposes the introduction of new conditions for the implementation of share transfer operations:
   - the condition of the enforceability against the tax authority of the assignment of the shares of the shareholder of a limited liability company that holds the control of the company, within the meaning of art. 25 para. (4) of the Fiscal Procedure Code, by the fulfilment of additional formalities -i.e., the notification of the tax authority, the granting of guarantees by the company and/or the new shareholder, if the company registers outstanding tax obligations and other budgetary claims individualized in enforceable titles issued in accordance with the law and existing in the records of the central tax authority for recovery purposes;
   - if the company registers outstanding tax obligations and other budgetary claims individualized in enforceable titles issued in accordance with the law and existing in the records of the central tax authority for recovery purposes, the registration of the assignment in the Trade Register is subject to the presentation of proof of the tax authority's agreement regarding the provision of guarantees;
   - in order to verify the fulfilment of the new conditions for the assignment, when registering the assignment of the shares, the National Trade Register Office will request the tax certificate for the limited liability company whose shares are subject to transfer;
   - if the payment obligations recorded in the tax certificate are not settled within 60 days from the date of registration of the assignment in the Trade Register, the guarantees constituted will be enforced by the central tax body.
3. Also having an impact in the corporate filed, the introduction of new conditions regarding the share capital of limited liability companies are proposed, as follows:
   - Depending on the net turnover reported in the annual financial statements for the previous financial year, the minimum share capital of a limited liability company shall be:
     - Lei 5,000 for companies that recorded a net turnover above Lei 400,000;
     - Lei 500 for newly established companies.;
   - limited liability companies already established will have a period of two years from the date of entry into force of the law to increase the share capital accordingly;
   - if the initial net turnover below the threshold of Lei 400,000 increases above this level, limited liability companies have until the end of the financial year following the one in which the increase in net turnover reported in the annual financial statements for the previous financial year is recorded to increase their share capital accordingly;
   - if the turnover level, initially above the threshold of Lei 400,000, falls below this level, the share capital of the limited liability company remains unchanged;
   - limited liability companies that increase their share capital accordingly by December 31, 2026, will benefit from a 50% reduction in the publication fee in the Official Gazette of Romania,
   - if the company does not comply, at the request of any interested person, as well as of the National Trade Register Office, the court will pronounce the dissolution of the company;
   - however, the company will not be dissolved if, by the time the court decision on dissolution becomes final, the share capital is brought up to the minimum amount required by law.
4. Also, the draft law also aims to amend:
   - Law No. 70/2015 on strengthening financial discipline regarding cash receipts and payments and amending and supplementing Government Emergency Ordinance No. 193/2002 on the introduction of modern payment systems, by introducing the obligation for Romanian legal entities to hold an account with a credit institution in Romania or with a State Treasury unit. Newly established legal entities have 30 working days from the date of establishment to open an account.

- Emergency Ordinance No. 193/2002 on the introduction of modern payment systems by extending the scope of the obligation to accept debit, credit, or prepaid cards as a means of payment through a POS terminal and/or other modern acceptance solutions, including applications that facilitate the acceptance of electronic payments to all natural or legal persons subject to registration in the Trade Register.

B. Draft Law on the ratification of the Convention between Romania ("DTT") and the United Kingdom of Great Britain and Northern Ireland for the elimination of double taxation

I. Amendments and additions to the DTT between Romania and the United Kingdom of Great Britain and Northern Ireland

1. With respect to the DTT concluded between Romania and the United Kingdom of Great Britain and Northern Ireland, a number of amendments are envisaged, including:
   - Additions have been made to the section on relevant definitions for the purpose of applying the DTT.
   - A number of amendments have been made regarding the definition of permanent establishment.
   - The withholding tax rates applicable to dividends are changed to 0% / 5% / 15%, under certain conditions.
     - **5%** of the gross amount of dividends, in general;
     - **0%** for holdings of more than 10% held for an uninterrupted period of at least 1 year or for holdings of pension funds resident in a contracting state in the capital of companies in the other contracting state for an uninterrupted period of at least 1 year;
     - **15%** of the gross amount of dividends if these dividends are paid out of income (including gains) derived directly or indirectly from immovable property by an investment vehicle that distributes most of this income annually and whose income from such immovable property is exempt from tax.
   - For **interest**, the withholding tax is limited to a maximum of 3% of the gross amount of income, as opposed to 10% as provided for in the previous DTT.
   - For **royalties**, the withholding tax is limited to a maximum of 3% of their gross value, as opposed to the 15% and 10% rates provided for in the previous DTT.
   - Interest and royalties paid between related parties *are taxable only in the country of residence of the income recipient*, where there is a direct shareholding of at least 25% between the two companies for a period of at least two years at the time of payment, or where the same parent company directly holds at least 25% of the shares in both entities for a period of at least two years.
   - As regards the taxation of income from **dependent activities:**
     - The presence of individuals in a contracting state, which is relevant for determining taxation rights, will be considered against a threshold of 183 days in any interval of 12 consecutive months that begins or ends in the tax year concerned. In the previous version, the 183-day period was calculated within the fiscal year.
     - The remuneration obtained by a resident of a Contracting State for the activity carried out as a member of the crew of a ship or aircraft engaged in international transport will be taxed exclusively in the State of residence, except in situations where the activity is carried out on ships or aircraft used only for transport in the other Contracting State.
   - With respect to **capital gains** obtained by a resident of a Contracting State from the sale of shares or comparable interests (for example, in a limited partnership or trust), where more than 50% of their value derives from immovable property situated in the other Contracting State, the new version of the DTT stipulates that this income may now be taxed in that other State.

In respect of **pension income**, the new version of theDTT also includes the provision that payments made under the social security legislation of a Contracting State are taxable only in that State.

In contrast to the previous version of the DTT, specific rules for certain categories of income (such as income from independent activities, commissions, income earned by professors and researchers) have been eliminated. Moreover, in the new version, the provisions relating to other income are more comprehensive, covering income received by trustees, fiduciaries or personal representatives administering the estates of deceased persons.

C. Order no. 2131/2025 approving the new VAT Return form

The order published in Official Gazette no. 826 and approves the new VAT Return form, in line with the legislative provisions that entered into force on August 1, 2025.

For more details, please feel free to contact us.

Vlad Boeriu
Tax & Legal Partener-in-Charge
Deloitte Romania
vboeriu@deloittece.com

Alexandra Smedoiu
Partner
Deloitte Tax
asmedoiu@deloittece.com

Dan Bădin
Partner
Deloitte Tax
dbadin@deloittece.com

Raluca Bontaș
Partner
Deloitte Tax
rbontas@deloittece.com

Alin Chitu
Partner
Deloitte Tax
alchitu@deloittece.com

Monica Țariuc
Partner
Deloitte Tax
mtariuc@deloittece.com

Bogdan Barbu
Partner
Deloitte Tax, Transfer Pricing
bbarbu@deloittece.com

Camelia Malahov
Partner
Deloitte Tax
cmalahov@deloittece.com

Raluca Bâldea
Partner
Deloitte Tax
rbaldea@deloittece.com

Georgiana Singurel
Partner
Reff & Asociații | Deloitte Legal
gsingurel@deloittece.com

Diana Fejer
Partner
Reff & Asociații | Deloitte Legal
dfejer@deloittece.com

Alex Slujitoru
Partner
Reff & Asociații | Deloitte Legal
aslujitoru@deloittece.com

Deloitte.

The name Deloitte refers to the organization Deloitte Touche Tohmatsu Limited ("DTTL"), a UK limited liability company, the global network of member firms and their affiliated legal entities. DTTL and its member firms are separate and independent legal entities. DTTL (hereinafter also referred to as "Deloitte Global") does not provide services to clients. To learn more about the global network of member firms, please visit www.deloitte.com/ro/despre.

Deloitte provides public and private sector clients in various industries with audit, consulting, legal, financial and risk management consulting, tax and other related services. Four out of five companies in the Fortune Global 500® are Deloitte clients, through its global network of member firms operating in more than 150 countries and territories, providing international resources, local perspectives and the highest quality services to solve complex business problems. To learn more about how Deloitte's 244,000 professionals are making a visible impact on society, we invite you to follow us on Facebook or LinkedIn.

Reff & Associates SCA is a member law firm of the Bucharest Bar Association, independent in accordance with the regulations applicable to the legal profession, and represents the Deloitte Legal network of law firms in Romania. Deloitte Legal means the legal practices of Deloitte Touche Tohmatsu Limited members and their affiliates who provide legal assistance services. For a description of the legal assistance services offered by Deloitte Legal's member entities, please visit: http://www.deloitte.com/deloittelegal.

This Alert is provided for guidance purposes only and should not be considered as a consulting service. It is good to seek specialized tax/legal advice before taking actions based on the content of this document.

This publication contains general information only and Deloitte Touche Tohmatsu Limited and its member or affiliated firms (collectively referred to as the Deloitte Network) do not provide professional advice or services through this publication. Before making any decisions or acting in a way that could affect your finances or business, you should speak with a professional advisor. No entity of the Deloitte Network shall be liable for any losses of any nature suffered by persons relying on this publication.

© 2025. For more details, contact Deloitte Romania