

Reduction in the guarantee for obtaining an end-user authorization

Services

- Industry focused business VAT review and planning aimed at enhancing the VAT cashflow;
- VAT reviews and health checks aimed at identifying exposure to VAT risks and potential penalties;
- Advice on VAT treatment of specific transactions;
- VAT audits conducted by the tax authorities;
- Advice on VAT planning strategies;
- VAT implications arising on business restructuring (e.g. mergers and acquisitions, transfer pricing policies, commissionaire structures);
- VAT registration in Romania and other EU countries, as well as compliance services;
- Preparation and filing of VAT refund claims.

The guarantee required for obtaining an end-user authorization for energy products has been reduced

Government Decision no. 192/09.03.2009 reduces the guarantee required for obtaining an end-user authorization for energy products.

The guarantee has been reduced from 100% to 50% of the excise duties payable for those energy products for which it is necessary to obtain an end-user authorization.

For other energy products which are subject to excise duty if they are meant to be used, sold or used as fuel for heating or motor fuel, the level of guarantee required will be 50% of the excise duty for the same quantity of diesel fuel (for which the excise duty payable at present is EUR 336/ tonne).

These new provisions generate a double reduction:

- The reduction of the basis for calculation: from EUR 547/tonne (for leaded petrol equivalent) to EUR 336/ tonne (for diesel fuel equivalent).
- The reduction of the percentage applied on the excise duty from 100% to 50%.

In the case of economic operators which already hold an end-user authorization, the guarantee may be reduced by up to 75% (up to 100% for large taxpayers) if they have complied with fiscal legislation and have tracked the end use of products during a defined period of up to three years.

Economic operators which hold an end-user authorization are required to submit a proof of the compulsory guarantee no later than 30 April 2009.

About us

Our team consists of more than 100 Romanian and international consultants, with command of local and international legislation, organized to be able to react at short notice to requests for tax assistance covering a wide range of issues.

Contact details

Patrick Leonard
Partner Taxation Services
patrickleonard@kpmg.com

Niculae Done
Partner Taxation Services
ndone@kpmg.com

Ramona Jurubiță
Senior Manager Taxation Services
rjurubita@kpmg.com

Mihai Petre
Manager Taxation Services
mpetre@kpmg.com

Vincenzo Sălăgean
Customs and Trade Adviser
vsalagean@kpmg.com

KPMG Romania S.R.L.
Victoria Business Park,
DN1 Bucuresti Ploiesti
nr. 69-71 Sector 1,
Bucuresti 013685,
Romania
P.O. Box 18 – 191

Tel: +40 741 800 800
Fax: +40 741 800 700

E-mail: kpmgro@kpmg.ro
Internet: www.kpmg.ro

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.
KPMG and the KPMG logo are registered trademarks of KPMG International, a Swiss cooperative.

© 2009 KPMG Romania S.R.L., a Romanian limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative. All rights reserved. Printed in Romania.