

# Indirect Taxnewsflash

KPMG IN ROMANIA

## Government makes modifications to the legal provisions regarding the application of VAT exemptions for export operations and intra-community deliveries

### Services

- General training
- Industry focused training
- Client customized training
- Revision of the implementation of the new rules regarding VAT and customs duties
- Advisory services on specific issues

### VAT exemptions for export operations and intra-community supplies

Proof of eligibility for VAT exemptions for exports, intra-community deliveries and for international and intra-community transportation (or other similar exemptions), is to be provided, in general, at the point when an invoice is issued for the operation in question.

- However, the new provisions stipulate that the necessary documentation for the VAT exemption may be presented within 90 calendar days of the date of issue of the invoice, or, if the invoice is not issued within the deadline specified by law, the documentation may be delivered within 90 days of the date when the tax-generating event for that particular operation took place.
- In cases when, at the date of the tax audit, the documents needed to prove the right to exemption are not provided to the fiscal inspectors, the inspectors have the right to suspend the inspection until they receive the documents. The

suspension of the fiscal inspection cannot exceed 90 calendar days.

- In a situation in which an economic operator receives the documents needed to justify the VAT exemption after the fiscal inspection, but without having exceeded the legal time limit for providing it, the operator is entitled to request a recheck of the period in question.
- The customs export declaration may be replaced by the export accompanying document (EAD) certified by the customs exit office and/or the customs release issued and certified by the customs authorities, or the electronic confirmation of exit from Community territory (sent by the customs office).
- With regard to the international transportation of people, meaning from non-EU states to Romania and from Romania to non-EU states, the documents needed for as proof of eligibility for VAT exemption are: the transport sheet or any other document from which the date of entry/exit to/from Romania

can be established, stamped by the customs authorities. If there is no stamp, an affidavit from the legal representative of the transporter or sender is accepted.

- The delivery of goods and provision of services related to the construction of ships and aircraft may be VAT exempt only if they are included within the simplification measures regarding work performed on tangible fixed assets.
- In the case of mixed compensating products which result from an inward processing regime on the territory of Romania which began before January 1 2007 and that are transported to another Member State after this date, this transport is not regarded as an intra-community delivery but as a closure of the inward processing regime, and therefore is VAT exempt.

## About us

KPMG Romania's Tax Department consists of more than 85 Romanian and international consultants, having command of local and international legislation, organized to be able to react at short notice to any request for tax assistance you may require.

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