

First set of economic and tax-budgetary measures in context of COVID-19 epidemic

The Romanian Government has adopted the first set of measures to support entities and individuals affected by COVID-19. The Government Emergency Ordinance no. 29/2020 on certain economic and tax-budgetary measures, as published in the Official Gazette no. 230/21.03.2020 ("GEO 29/2020") provides for certain types of direct or indirect aid for small and medium-sized companies, professionals and/or individuals.

Please find below, a brief summary enclosing the measures:

- **Postponement of the first deadline for the payment of local taxes** (i.e., tax on land, buildings and means of transportation)

For 2020, the deadline of March 31 has been extended to June 30 (until when the 10% bonus for payments in advance will be applicable).

- **Postponement of deadlines for benefiting of fiscal restructuring**

A debtor intending to restructure its fiscal obligations has to notify the competent fiscal body on its intention by July 31, 2020, under the revocation of its right to benefit from the restructuring of the budgetary obligations.

The request for restructuring can be submitted until October 30, 2020, under the sanction of revocation.

- **Exemption to pay interest/suspension of enforcement**

No interest and penalties shall be calculated, or become due, for the fiscal obligations due starting with the date of the entry into force of GEO 29/2020 and unpaid until the passing of 30 days as of the end of the state of emergency. The above tax obligations are not considered as outstanding fiscal obligations.

In addition, the enforcement measures applied for the recovery of budgetary debts have been suspended or not started, except for the enforcement applied for the recovery of those budgetary debts established by court decisions in criminal matters. The enforcement shall be suspended by credit institutions or third parties, through the effect of the law, without any other formalities from the tax authorities.

- **Facilities for profit tax payers applying quarterly prepayments**

Taxpayers applying the system of declaration and payment of the annual profit tax with quarterly prepayments can make quarterly prepayments for the year 2020, at the level resulting from the calculation of the current quarterly profit tax. The calculation method is maintained for all quarters of the fiscal year 2020.

- **Other facilities for small and medium-sized companies ("SME")**

Among the facilities granted to SME, the following may be noted: deferred payment for utilities (electricity, natural gas, water, telephone and internet services, as well as the rent for buildings for social headquarters and secondary offices), non-applicability of delay penalties for SME under the contracts with the public authorities for the duration of the state of emergency, and the possibility to obtain loans secured by the state with subsidized related interest.

➤ **Postponement/suspension of submission of UBO statements for companies, associations and foundations**

The deadline for the submission of the **UBO statement** with the Trade Registry for companies, and with the Ministry of Justice for associations and foundations (i.e., 21 July 2020), **has been prolonged by 3 (three) months** to the end of the state of emergency. At the same time, during the state of emergency, the submission of the UBO statements for companies/associations/foundations has been suspended.

For any further information and assistance with respect to the above and any other COVID-19 related legal matters, please do not hesitate to contact us at covidhelpdesk@peterkapartners.com.