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COVID-19 Legal Alert



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Business stimulus measures taken by Romania in the context of the COVID-19 crisis

In the context of the global health crisis, the Romanian State took several measures dealing with the economic, financial and social consequences of the spread of COVID-19, including a series of stimulus measures, mostly temporary, to protect the business environment.

Of particular interest was Decree No. 195/2020 of the President of Romania, which declared the state of emergency and created the framework for the Government to approve measures of support for the economic operators affected by the COVID-19 crisis. After expiry of the state of emergency (i.e., on 15 May 2020), the Government declared the state of alert which was successively extended until 15 October 2020.

In this context, the Government adopted a number of regulations in the commercial, banking, social security and taxation fields. We note, for instance, that a “technical unemployment” indemnity for the employees whose employment contracts were temporarily suspended against the background of the COVID-19 crisis will be paid from the State budget; that payment of instalments for bank loans, including financial leasing contracts, may be suspended upon request; that no interest and penalties will accrue or be charged for the late payment of certain tax obligations. The Government also enacted several measures applicable to the SMEs badly hit by the crisis.

This material is meant to offer you a synthetic view on the most important regulations establishing stimulus measures relevant for the business environment, recently issued in Romania.

Many of these regulations have already been amended and may be further amended or supplemented. This material is an update of the prior versions, published on 9 April, 24 April and 10 June 2020. We will keep updating it with any significant amendments.

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Commercial & Corporate

STIMULUS MEASURES	ENACTMENT	BENEFICIARIES	PERIOD/TERM	REQUIREMENTS (INCLUDING RELEVANT DETAILS)	ȚUCA ZBÂRCEA & ASOCIAȚII NEWS AND REVIEWS (LINK)
State of emergency certificates (SEC) issued for the renegotiation of contractual relationships/ applying for certain stimulus measures	Order 791/2020 of the Ministry of Economy, as amended by Order 1730/2020 of the same and Order 2673/2020 of the Ministry of Economy	Economic operators affected by the COVID-19 epidemic	<ul style="list-style-type: none"> Until 15 September 2020 	<ul style="list-style-type: none"> SEC1 (blue) - economic operators affected by the measures taken by the competent authorities in the context of the state of emergency, which suspended their operations in full or in part as a result of such measures. SEC2 (yellow) - economic operators whose revenues or receipts dropped in March 2020 by at least 25% compared to the average of the months January and February 2020. <p>The “economic operators” which may apply for a SEC also include:</p> <ul style="list-style-type: none"> Applicants that are not registered with the Trade Registry; <p>NGOs performing economic activities which are subject to taxation.</p>	See Țuca Zbârcea & Asociații's newsletter of 26 March 2020 - here
Possibility to submit to the Trade Registry Office the affidavits and the signature specimen under the form of an act under private signature	GEO 70/2020	Natural and legal persons	6 months after cessation of the state of emergency (i.e., 15 May 2020)	The documents may be sent to the Trade Registry Office with no other formality, by electronic means, with electronic signature or by mail and courier services.	
Extension of the term for the submission of the statement on the beneficial owner	GEO 29/2020 as amended by GEO 70/2020	Companies registered with the Trade Registry	1 November 2020	<p>Under the money laundering laws, legal persons which are subject to the obligation to register with the Trade Registry must submit upon registration and whenever a change occurs, a statement on the beneficial owner of the legal person, in view of registration in the Register of companies' beneficial owners. According to the law, the submission term is 15 days as of the occurrence of a change.</p> <p>The statement on the beneficial owner may take the form of an act under private signature (see above).</p>	

Banking

STIMULUS MEASURES	ENACTMENT	BENEFICIARIES	PERIOD/TERM	REQUIREMENTS (INCLUDING RELEVANT DETAILS)	ȚUCA ZBÂRCEA & ASOCIAȚII NEWS AND REVIEWS (LINK)
Guarantee of investment loans and working capital loans by the State, through the Ministry of Public Finance	GEO 110/2017, as amended by GEO 29/2020, GEO 89/2020 and GEO 143/2002 (GD 282/2020 - Methodological Rules)	SMEs	<ul style="list-style-type: none"> By 31 March 2021 It may be extended by 2 years if the forecasted economic growth is lower than in 2020 	<p>The eligible SMEs are those meeting the criteria on the IMM INVEST ROMÂNIA Program for the support of small and medium enterprises, provided by GEO 110/2017 as modified by GEO 29/2020.</p> <p>Limits of the guarantee:</p> <ul style="list-style-type: none"> Guarantees of 80% or 90% of the funding; The aggregate maximum value of the funding cannot exceed RON 10,000,000; The maximum duration of the funding is 72 months for investment loans and 36 months for working capital loans (an extension by no more than 36 months is available); For these guarantees, risk fees are owed to the Ministry of Public Finance. <p>Requirements for being granted the guarantees:</p> <ul style="list-style-type: none"> No decisions have been issued against the SMEs for the recovery of a state aid or no enforcement proceedings have already been applied against the SMEs; The SMEs has not applied for other types of state aid for the same eligible costs; The SMEs were not in distress on 31 December 2019; The SMEs commit not to lay off their existing staff until 31 December 2020. <p>For year 2020, the aggregate ceiling of guarantees which may be granted within the program is RON 20 billion.</p>	See Țuca Zbârcea & Asociații's newsletter of 25 March 2020 - here
Guarantee of financial lease funding for the acquisition of new or used movable assets which are necessary for SMEs' operations, granted by the State through the Ministry of Public Finance	GEO 118/2020, as amended by GEO 132/2020	<ul style="list-style-type: none"> SMEs; Affiliated undertakings with 250 employees or more 	72 months; periods of grace may be granted for 3 to 12 months	<p>Limits of the guarantee:</p> <ul style="list-style-type: none"> 80% of the funding, exclusive of interest rates, fees and other expenses related to the guaranteed funding, for the acquisition of IT equipment and Information Technology within a financial lease operation; 60% of the funding, exclusive of interest rates, fees and other expenses related to the guaranteed funding, for the acquisition of technological equipment and machinery, vehicles for the transport of freight and persons, used for commercial purpose within a financial lease operation. <p>The maximum cumulated value of the funding guaranteed by the State which may be granted to a beneficiary within this stimulus measure is RON 5,000,000.</p>	
Suspension of instalment payment for loans granted by	GEO 37/2020, as amended by GEO 70/2020	<ul style="list-style-type: none"> Debtors - natural persons; Debtors - legal persons, authorized natural 	At least 1 month and no more than 9 months (but	General requirements:	See Țuca Zbârcea & Asociații's newsletter of 31 March 2020 - here

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credit institutions and non-bank financial institutions	Law 141/2020 (GD 270/2020 - Rules of Implementation)	persons, individual businesses and family businesses, except for credit institutions.	no later than 31 December 2020)	<ul style="list-style-type: none"> Debtor's revenues have been directly or indirectly affected by the serious situation generated by the COVID-19 pandemic; The loan was granted before GEO 37/2020 came into force, it did not reach maturity and the creditor has not initiated the acceleration of the loan; The debtor owes no overdue payments for these loans until 16 March 2020 (<i>i.e.</i>, the date when the state of emergency was declared in Romania) or, if it does, it pays such overdue amounts before applying for suspension; The debtor should apply for suspension until 15 June 2020. <p>Specific requirements for corporate debtors:</p> <ul style="list-style-type: none"> They have the state of emergency certificate certifying that (1) they suspended their operations in full or in part as an effect of the decisions issued by the competent public authorities (SEC1), or (2) their revenue dropped by at least 25% in March and/or April 2020 compared to their average revenue in January and February 2020 (SEC2), and They are not in insolvency when applying for the suspension of the loan repayment. 	See Țuca Zbârcea & Asociații newsletter of 8 April 2020 - here
Granting of financial support from external non-repayable funds related to the 2014-2020 Competitiveness Operational Programme	GEO 130/2020 Order 1060/2857/2020	<ul style="list-style-type: none"> SMEs; Authorized persons; Individual practices; NGOs. <p>natural medical</p>	31 December 2020	<p>Forms of support from external non-repayable funds:</p> <ul style="list-style-type: none"> Micro-grants from external non-repayable funds granted as a lump sum; Grants for working capital granted as a lump sum and as a percentage of the turnover; Grants for productive investments granted from external non-repayable funds based on the assessment of the submitted investment project. <p>The working capital grant is allotted as a percentage from the turnover, and it is intended for the SMEs which were affected by the spread of SARS-CoV-2 virus or the activity of which was prohibited or reduced by military ordinances during the state of emergency and/or the state of alert.</p> <p>The value of the support from external non-repayable funds for working capital is determined as follows:</p> <ul style="list-style-type: none"> For the SMEs with a 2019 turnover ranging from EUR 5,000 to EUR 13,500, the value of the grant is EUR 2,000; For the SMEs with a 2019 turnover ranging from EUR 13,501 to EUR 1,000,000, the value of the grant is determined as 15% of the turnover and it cannot exceed EUR 150,000. For the SMEs with a turnover equivalent in EUR in excess of EUR 1 million, the grant is capped at EUR 150,000. 	

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Guaranteeing of short-term loans for the funding of commercial credit, by the State	GEO 146/2020	SMEs	12 months with the possibility of extension	<p>Granted for recourse factoring funding, against invoices, within a revolving funding ceiling, guaranteed by the State, through the Ministry of Public Finance, as follows:</p> <ul style="list-style-type: none"> No more than 50% of the factoring funding, exclusive of interest rates, fees and other expenses related to the guaranteed funding, with the possibility of extending the funding no more than 3 times, for periods of up to 12 months; The ceiling of the guarantee cannot exceed RON 5,000,000 per beneficiary, while the maximum amount of a guarantee for a factoring facility, granted to the beneficiary for an assigned debtor, cannot exceed RON 750,000. 	

Social Protection

STIMULUS MEASURES	ENACTMENT	BENEFICIARIES	PERIOD/TERM	REQUIREMENTS (INCLUDING RELEVANT DETAILS)	ȚUCA ZBÂRCEA & ASOCIAȚII NEWS AND REVIEWS (LINK)
Payment of “technical unemployment” indemnity from the unemployment insurance budget/state budget	GEO 30/2020, as amended by GEO 32/2020, GEO 53/2020, GEO 70/2020 and GEO 92/2020	<ul style="list-style-type: none"> Employers (/employees); Other professionals (as defined at Article 3(2) of the Civil Code); Lawyers; Individuals earning income only from copyrights and related rights; Persons who entered into individual employment conventions under Law 1/2005; Sportspersons, trainers, physicians, medical assistants, masseurs, physical therapists and researchers in the sports sector. 	<p>31 May 2020</p> <p>Until the end of the restrictions (for employers active in the sectors for which the restrictions are maintained) but not later than 31 December 2020</p>	<p>For employers - if employment contracts are suspended due to temporary business interruption/slowdown (i.e., technical unemployment).</p> <p>Requirements:</p> <ul style="list-style-type: none"> Full or partial business interruption during the state of emergency; Business slowdown (i.e., reduction of activity) due to the COVID-19 epidemic. <p>For the other categories of beneficiaries - the requirement is that the business would be interrupted / suspended as an effect of the COVID-19 epidemic (except for lawyers, for whom the following requirements are applicable: (i) business slowdown due to the COVID-19 epidemic, and (ii) the receipts for the month for which they request the indemnity are at least 25% lower than the monthly average for year 2019) and do not exceed the gross average salary provided by Law No. 6/2020).</p> <p>Indemnities are not subject to enforcement by garnishment during the time period when they are granted.</p>	See Țuca Zbârcea & Asociații's newsletter of 1 April 2020 - here
Granting of meal tickets to the employees whose employment contracts have been suspended	Law 59/2020	Employees	During the period when the contract is suspended, but not later than 31 December 2020	Employers may also grant meal tickets to the employees whose employment contracts have been suspended, by derogation from the relevant legal provisions.	
Relief from the payment of social security contributions and income tax for the advantages in kind granted to certain categories of persons	Law 227/2015 on the Tax Code, as amended by GEO 48/2020	Employers (/employees)	For a term established by the employer/employee, if the state of siege or emergency is declared, under the law	<p>The relief is granted to individuals earning income from salaries and income considered similar to salaries, who:</p> <ul style="list-style-type: none"> Are deemed by the employer/payer to be key employees for the performance of the operations; and Are in preventive isolation at the workplace or in designated areas to which no outsiders have access, for a period determined by the employer/payer. 	
Reimbursement of a part of the gross base salary from the	GEO 92/2020	Employers (/employees)	June to August 2020	The stimulus measure is granted to the employers whose employees benefited from the provisions of Article XI(1) of GEO 30/2020, and to the employers whose employees had their	See Țuca Zbârcea & Asociații's newsletter of 4 June 2020 - here

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unemployment insurance budget				<p>individual employment contracts suspended under Article 52(1)(c) of Law 53/2003 - the Labour Code, and did not benefit of Article XI of GEO 30/2020.</p> <p>Requirements:</p> <ul style="list-style-type: none"> • Employment contracts were suspended at least 15 days during the state of emergency or the state of alert, and the employees benefited from the technical unemployment indemnity either under Article XI of GEO 30/2020 or under Article 53 of the Labour Code; • Employers keep the relevant staff employed until 31 December 2020, except for the contracts of seasonal workers and the employment contracts terminated for reasons which are not attributable to the employer. <p>Employers with several objects of activity, of which at least one falls within the scope of the restrictions imposed by acts of the competent authorities, shall opt either for reimbursement of part of the employees' salary or for the unemployment indemnity set out in Article XI of GEO 30/2020, the application of which is extended beyond 31 May 2020, until such restrictions are lifted (see above).</p>	
Granting of an indemnity representing 50% of the salary, but not more than RON 2,500 for hiring staff	GEO 92/2020	Employers	12 months	<p>This stimulus measure is granted to employers that, from 1 June to 31 December 2020, hire full-time and for an indefinite period:</p> <ul style="list-style-type: none"> • Persons aged over 50 whose employment was terminated for reasons that were not attributable to them, during the state of emergency or the state of alert, and who are registered as unemployed; • Persons aged 16 to 29 registered as unemployed; and/or • Romanian citizens whose employment with their foreign employers on the territory of other States was terminated by dismissal due to reasons not attributable to such employees. <p>Employers shall maintain employment relationships for at least 12 months from the expiry of the 12-month period for which the indemnity is granted.</p>	See Țuca Zbârcea & Asociații's newsletter of 4 June 2020 - here
Granting of an indemnity to the employees of the employers the activity of which was suspended as a result of the epidemiological investigation made by the public health departments	GEO 120/2020	Employers (/employees)	During the period when the activity is suspended, but not later than 31 December 2020	<p>The indemnity is calculated for the number of days when the activity was suspended.</p> <p>The stimulus measure is not granted to the employees who are on medical leave and receive the appropriate social indemnity.</p>	

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Possibility to reduce employees' work time by no more than 50% of the duration provided in the Individual Employment Contract	GEO 132/2020 GEO 719/2020 on the procedure for settlement and payment	Employers	During the period when the activity is temporarily reduced due to the establishment of the state of emergency/alert/siege, under the law	<p>The reduction of work time is determined by decision of the employer, for a period of at least 5 consecutive working days, the employer having the obligation to set the work schedule for the entire month.</p> <p>The decision shall be communicated to the employee at least 5 days before the measure is applied and it is submitted to the general register of employees' record no later than on the day preceding the occurrence thereof.</p> <p>During the work time reduction, the employees affected by this measure shall benefit from an indemnity of 75% of the balance between the gross base salary provided in the individual employment contract and the gross base salary for the work hours actually performed further to the work time reduction, in addition to the salary rights owed to such employee, calculated by reference to the time which was actually worked.</p> <p>The employer may reduce the work time and may apply for the settlement of the indemnity if the following requirements are cumulatively met:</p> <ul style="list-style-type: none"> • The measure affects at least 10% of the undertaking's employees; • The reduction of the activity is justified by a decrease of the turnover in the month before the measure or at least in the month preceding such month before the measure, by at least 10% compared to the similar month of the previous year. <p>For certain employers (e.g., non-governmental organizations, authorized natural persons, etc.) the reduction is calculated by reference to their revenues.</p>	
Payment of medical services and medicinal products for treating COVID-19 from the budget of the Sole National Fund of Health Social Insurance	GEO 70/2020	Natural and legal persons		The stimulus is granted to all the persons who are in Romania, without being necessary to use the national health insurance card or the replacement documents.	
Granting of days off to one of the parents for child supervision, and settlement of the related allowance from the Fund guaranteeing the payment of salary claims	GEO 147/2020 Order No. 1375/2020	Employers (/employees)		<p>If educational activities involving children's presence in the educational institutions where they are enrolled are limited or suspended, as a result of the epidemiological investigation determined by the outbreak of SARS-CoV-2, days off are granted to the parents who:</p> <ul style="list-style-type: none"> • Have children up to 12 years of age or disabled children up to the age of 26, enrolled in an educational institution; • The other parent does not benefit from days off. <p>The law also provides for certain exemptions.</p>	

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				<p>The indemnity amounts to 75% of the base salary for a working day, but not more than the equivalent per day of 75% of the gross average salary which is used for the substantiation of the state social insurance budget.</p> <p>The indemnity is in a gross amount and is subject to taxation and payment of social insurance, health insurance and work insurance contributions, under the conditions provided by the Tax Code.</p>	
Granting of financial support amounting to RON 2,500 for each teleworker	GEO 132/2020 Order No. 1376/2020	Employers (/employees)	31 December 2020	<p>The stimulus is granted from the unemployment insurance budget for the acquisition of packages of technological goods and services which are necessary for telework.</p> <p>It is granted to the employees who did at least 15 working days of telework during the state of emergency.</p> <p>For the amount to be granted, employers shall submit, by electronic means, i.e. by upload on the gov.ro platform, to the county or Bucharest employment agencies on the range of which they are located, the following documents:</p> <ul style="list-style-type: none"> • A request signed and dated by the legal representative; • An affidavit given through the legal representative; • The list of teleworkers for whom the amount is requested. 	

Tax

STIMULUS MEASURES	ENACTMENT	BENEFICIARIES	PERIOD/TERM	REQUIREMENTS (INCLUDING RELEVANT DETAILS)	ȚUCA ZBÂRCEA & ASOCIAȚII NEWS AND REVIEWS (LINK)
Stimulus measures for taxpayers applying the advance payments system for corporate income tax	GEO 29/2020	Legal persons	Year 2020	Taxpayers which are subject to corporate income tax and which apply the annual declaration and payment system, with quarterly advance payments, may pay the corporate income tax for the first quarter of 2020 at the level resulting from the calculation of the current quarterly income tax. The same calculation method will be applicable for all quarters of year 2020.	See Țuca Zbârcea & Asociații's newsletter of 21 March 2020 - here
No interest and penalties to accrue or be charged for the late payment of certain tax obligations	GEO 29/2020, as amended by GEO 99/2020	Natural and legal persons	25 October 2020	Tax obligations due and unpaid as of 21 March 2020.	See Țuca Zbârcea & Asociații's newsletter of 21 March 2020 - here
Extension of deadline for submitting the request for the restructuring of tax obligations	GEO 29/2020	Legal persons	30 October 2020 (formerly, 31 July 2020)		See Țuca Zbârcea & Asociații's newsletter of 21 March 2020 - here
10% bonuses for taxpayers paying on time the tax due for the 2 nd and 3 rd quarters	Law 54/2020 GEO 99/2020	<ul style="list-style-type: none"> Taxpayers subject to corporate income tax (irrespective of the declaration and payment system); Companies falling within the scope of Law 170/2016; Taxpayers subject to micro-enterprise income tax. 		This stimulus measure is granted to taxpayers paying the tax owed by the due dates, i.e. 25 July 2020 inclusively, for the 2 nd quarter, and 25 October 2020 inclusively, for the 3 rd quarter.	See Țuca Zbârcea & Asociații's newsletter of 18 May 2020 - here See Țuca Zbârcea & Asociații's newsletter of 29 June 2020 - here
Cancellation of ancillary obligations for certain categories of main budgetary obligations	GEO 69/2020	Natural and legal persons		<p>Taxpayers (i.e., natural persons, legal persons, natural persons performing economic activities or liberal professions, entities without legal personality, public institutions, etc.) having outstanding debts as at 31 March 2020, including tax obligations, may benefit from the cancellation of interest, penalties and all ancillary obligations related to the main budgetary obligations, if they meet the following requirements:</p> <ul style="list-style-type: none"> They pay the outstanding main budgetary obligations as at 31 March 2020; They pay in full their current obligations (born after 31 March 2020); They submit all tax returns and the application for cancellation of ancillary obligations until 15 December 2020. 	See Țuca Zbârcea & Asociații's newsletter of 18 May 2020 - here

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				Taxpayers will benefit from the cancellation of related ancillary obligations and the following categories of main budgetary obligations: (i) the main budgetary obligations declared by the debtor under a rectifying tax return, falling due prior to 31 March 2020 inclusively; (ii) the main budgetary obligations falling due before 31 March 2020 inclusively, if on such date the taxpayer owes only ancillary obligations, and the main budgetary obligations have been discharged; (iii) the obligations additionally established by the tax authorities during ongoing tax inspections, if taxpayers settle such obligations by the payment deadline provided in the tax decision and if they submit the request for the cancellation of ancillary obligations within 90 days from the date of the decision.	
Extension of applicability for reverse taxation (VAT) for imports for the prevention and fight against COVID-19	GEO 33/2020, as amended by GEO 48/2020 and GEO 99/2020	Importers	25 October 2020	The stimulus measure is available for imports of medicines, protection equipment, machines for manufacturing protection masks, other devices or medical equipment and sanitary materials which can be used for the prevention, limitation, treatment and fight against COVID-19.	See Țuca Zbârcea & Asociații's newsletter of 31 March 2020 - here See Țuca Zbârcea & Asociații's newsletter of 29 June 2020 - here
Extension of applicability for reverse taxation (VAT) for imports of completely denatured ethyl alcohol which is used for producing sanitizers	GEO 33/2020, as amended by GEO 48/2020 and GEO 99/2020	Importers, titleholders of an end user authorisation (under GD 1/20016 for the approval of the Methodological Rules for the application of the Tax Code)	25 October 2020		See Țuca Zbârcea & Asociații's newsletter of 23 April 2020 - here See Țuca Zbârcea & Asociații's newsletter of 29 June 2020 - here
Possibility of deducting, from the income tax, the sponsorships granted to institutions and public authorities, including the specialized bodies of the public administration	Law 227/2015 on the Tax Code, as amended by GEO 48/2020	Micro-enterprises		The deduction is applicable for up to 20% of the micro-enterprise income tax owed for the quarter when such expenses were registered. The deduction is applied on the basis of the sponsorship agreement, and there is no obligation to enter the beneficiaries in the Register of entities/places of worship for which tax deductions are granted.	See Țuca Zbârcea & Asociații's newsletter of 23 April 2020 - here
Suspension of enforcement measures of budgetary claims, by summons and capitalization of the goods by auction	GEO 48/2020, as amended by GEO 90/2020 and GEO 99/2020	Natural and legal persons	25 October 2020	Enforcements for the recovery of budgetary claims established by final judgments rendered on criminal matters, arising from the perpetration of criminal offenses, shall not be suspended.	

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Suspension of requirements for maintaining the validity of payment schedules granted under the law	GEO 48/2020, as amended by GEO 90/2020 and GEO 99/2020	Natural and legal persons	25 October 2020		
Relief from the payment of interest and penalties for the late payment of instalments under the unpaid payment schedules	GEO 48/2020, as amended by GEO 99/2020	Natural and legal persons	25 October 2020	Until the first payment term after expiry of the period for the granting of the stimulus, the competent fiscal body, <i>ex officio</i> , modifies the payment schedule in line with the approved payment schedule period. The new payment schedule is communicated to the debtor under a decision of the fiscal body.	See Țuca Zbârcea & Asociații's newsletter of 29 June 2020 - here
Relief from the payment of the tax specific to certain activities (as defined at Article 2 of Law 170/2016)	GEO 99/2020	Romanian legal persons performing activities under the following NACE codes: 5510, 5520, 5530, 5590, 5610, 5621, 5629, 5630	For 90 days after the coming into force of GEO 99/2020 (i.e. until 25 September 2020)	Taxpayers that benefited of relief from the payment of the specific tax under GEO 48/2020 on certain financial-fiscal measures, for the recalculation of the specific annual tax, shall also deduct the period when they interrupted their activity, in full or in part, as a result of the state of emergency.	See Țuca Zbârcea & Asociații's newsletter of 29 June 2020 - here
Possibility of restructuring the budgetary obligations and of extending the term for the submission of the notification until 30 September 2020	GEO 90/2020 Amended by Law 114/2020	Legal persons	31 December 2020	The stimulus measure is granted for the main budgetary obligations which are outstanding as at 31 March 2020, and for: <ul style="list-style-type: none"> The budgetary obligations declared by the debtor or established by decision of the competent tax authority after 1 August 2020 in relation to the tax periods of up to 31 July 2020, as well as the main tax obligations falling due within the period commencing on the effective date of GEO 29/2020 on certain economic and tax-budgetary measures and the date of 31 July 2020 inclusively; The main and accessory budgetary obligations established by other authorities than the tax authorities, as well as any fines whatsoever, sent for recovery to the central tax authorities after 1 August 2020 until the date when the tax certificate is released. 	
Taxation in a percentage of only 80% of income earned from assigning the use of immovable assets under lease / sub-lease or usufruct agreements	Law 62/2020	<ul style="list-style-type: none"> Taxpayers subject to corporate income tax; Taxpayers subject to micro-enterprise income tax. 	Period for which the decrease in the consideration for the use of the immovable asset was negotiated, but not later than 31 December 2020	The stimulus measure is granted to the persons that decrease, for year 2020, the consideration for the use of the immovable asset, established in cash and/or in kind, according to the parties' contract, by at least 20% compared to the consideration for the use of the immovable asset for February 2020.	
Relief from the payment of the tax for the income	Law 62/2020	Natural and legal persons subject to income tax	Period for which the decrease in the	The stimulus measure is granted to the persons that decrease, for year 2020, the consideration for the use of the immovable asset, established in cash and/or in kind, according to the parties'	

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earned from assigning the use of immovable assets under lease/sub-lease or usufruct agreements			consideration for the use of the immovable asset was negotiated, but not later than 31 December 2020	contract, by at least 30% compared to the consideration for the use of the immovable asset for February 2020.	
Relief from import duties and VAT exemption under Decision (EU) 2020/491 of 3 April 2020 on relief from import duties and VAT exemption on importation granted for goods needed to combat the effects of the COVID-19 outbreak during 2020	Order 1926/2020 of the Ministry of Public Finance	Importers	Year 2020	<p>It is applicable for all imports made from 30 January 2020 to 31 July 2020, provided that the importer cumulatively meets the following requirements:</p> <ul style="list-style-type: none"> • It is a charitable or philanthropic organization; • It does not have, on the date of the application, outstanding tax obligations under the Tax Procedure Code, and other budgetary claims individualized in writs of enforcement issued in accordance with the law and existing in the records of the central tax authority for recovery purposes; • It represents that it meets the requirements provided in Decision (EU) 2020/491 for the application of the relief. <p>Eligible persons that made imports without benefiting of relief from import duties and VAT exemption before the coming into force of Order 1926/2020 of the Ministry of Public Finance may apply for the reimbursement of import duties and VAT before the competent customs authorities.</p>	
Granting of a reduction to the determination of corporate income tax, micro-enterprise income tax and the tax specific to certain activities, depending on the maintaining/increase of equity	GEO 153/2020	Legal persons	2021 - 2025	<p>Taxpayers having positive equity and those increasing their equity shall benefit from reductions to the payment of corporate income tax, micro-enterprise income tax and the tax specific to certain activities, as follows:</p> <ul style="list-style-type: none"> • 2% of the tax owed, if the accounting equity presented in the annual financial statements and in the annual accounting reports for the permanent establishments of legal entities residing in States from the European Economic Area, is positive for the year when the tax is due; • Gradual further reductions if, in addition to registering a positive equity, the taxpayers also register an annual increase of the equity for the year for which they owe the tax compared to the equity registered in the previous year; • 3% reduction applicable as of 2022 if there is an increase of the equity over a particular percentage compared to the 2020 level (5% in 2022, 10% in 2023, 15% in 2024 and 20% in 2025) and concurrently the requirement provided at the first indent is met (positive equity). 	See Țuca Zbârcea & Asociații's newsletter of 29 June 2020 - here

Editors

COVID-19 - Legal Insights is our response to the COVID-19 outbreak. We shall keep you informed on the various legal challenges posed by the coronavirus, thanks to a dedicated practice group comprising lawyers with different backgrounds, such as compliance/regulatory, corporate and commercial, insurance, labour and employment, litigation and arbitration, insolvency, public procurement, data privacy, tax and customs. In addition, our taskforce offers strategic advice on crisis-specific matters: corporate restructuring, review and (re)negotiation of agreements (including collective bargaining agreements and individual employment contracts), performance of the contracts which are affected by force majeure and hardship, unblocking pre-litigation relationships, etc. To be up to date with the news in these matters, you may access the resources available at the following link: <http://www.tuca.ro/covid-19/>



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