

Emergency Ordinance No. 59 of 23 June 2005
on some financial and tax measures
for enforcement of Law No. 348/2004 on domestic currency redenomination

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The proper enforcement of the provisions of Law No. 348/2004 on domestic currency redenomination, as subsequently amended and supplemented, requires a legal framework that should unitarily regulate the determining of taxes, charges, contributions and other amounts owed to the consolidated general budget, as well as the conversion procedure for the value of assets in the public and private domain of the state. Since domestic currency redenomination is scheduled to start on 1 July 2005, the settlement of this situation within the shortest delay is required.

Article 1

(1) As of 1 July 2005, any taxes, charges, contributions and other amounts owed to the consolidated general budget shall be determined and recognised in the accounting records in RON, by rounding off the amounts to RON 1, i.e. values equal to or higher than RON 0.5 shall be rounded upwards, while values lower than RON 0.5 shall be ignored. The provisions of Art. 82 of Government Ordinance No. 92/2003 on the Tax Procedure Code, as republished, as subsequently amended and supplemented, shall apply accordingly.

(2) The rule set forth under para. (1) shall also apply to any payment obligation arising from taxes, charges, contributions and other amounts owed to the consolidated general budget, established and outstanding by 30 June 2005.

(3) Annual taxes on incomes earned until 1 January 2005 shall be determined in ROL, based on the income statements duly filled in and submitted by individual taxpayers. Any tax differences arising from annual adjustment operations, notified to taxpayers after 1 July 2005, shall be expressed in RON.

(4) In case of amounts representing taxes, charges, contributions and other amounts owed to the consolidated general budget, withheld from the June 2005 salary earnings and duly recognised in the accounting records, the rule set forth under para. (1) shall apply after redenomination, according to the law.

(5) The amounts concerning wage income and retained monthly taxes, as shown in the January-June 2005 tax forms shall, according to the law, be expressed and reported in ROL.

Supplemented by Emergency Ordinance No. 181 of 14 December 2005 Art. 1 on 23 December 2005

Amended by Law No. 15 of 11 January 2006 Art. 1 on 23 January 2006

Article 2

(1) Starting on 1 July 2005, economic agents with payment inducements in progress consisting of deferred payments, according to the law, shall pay the instalments in RON, consistent with the legal provisions on redenomination and pursuant to Art. 1 para. (1). Taxpayers or any representatives thereof shall be fully liable for the accuracy of the rounding off procedure.

(2) Any extra amounts paid or outstanding amounts, as applicable, related to the total payment obligations concerning the deferred payments and arising from redenomination and the rounding off according to para. (1), shall be settled together with the final instalment.

(3) The provisions of paras. (1) and (2) shall also apply accordingly to the amounts set forth in early payment decisions for 2005, as well as to instalments, in case of disposal of fixed assets by auction with payment in instalments, according to Government Ordinance No. 92/2003, as republished, as subsequently amended and supplemented.

Article 3

Starting on 1 July 2005, value added tax and excise duties shall be expressed in RON on the tax invoices and any other supporting documents for delivery of goods and provision of services by using two decimals. The decimals of any such amounts shall be rounded off as follows: any fractions equal to or higher than 0.5 *ban* shall be rounded off to 1 *ban*, while any fractions lower than 0.5 *ban* shall be ignored.

Article 4

(1) Users of electronic cash registers that fail to comply with the requirements of Law No. 348/2004 on domestic currency redenomination, as subsequently amended and supplemented, shall be bound – by 30 June 2005 – to order any software changes to authorised dealers, as required by domestic currency redenomination.

(2) Authorised dealers shall, either directly or through licensed service units, adjust the electronic cash registers within 5 business days from 1 July 2005. Electronic cash registers may not be used in between 1 July 2005 and the date of completing the adjustment process.

(3) Throughout the period when electronic cash registers may not be used, the economic agents specified under para. (1) shall record any transactions performed in special registers, according to Art. 6 para. (2) and Art. 7 of the Methodological Norms for enforcing Emergency Ordinance No. 28/1999 on the obligation of economic agents to use electronic cash registers, as approved by Government Decision No. 479/2003, as republished.

(4) Failure to comply with the provisions of this article shall be deemed an infringement and shall be punished by fine ranging from ROL 50 million to ROL 100 million. The competent institutions to find the infringement and enforce the sanctions are those listed under Art. 12 para. (1) of Emergency Ordinance No. 28/1999 on the obligation of economic agents to use electronic cash registers, as republished.

Article 5

Public institutions holding tangible assets with unit prices of up to ROL 49 on 30 June 2005 shall proceed to their redenomination according to the law, while the resulting amounts may be increased to RON 0.01.

Article 6

The differences resulting from the conversion operations mentioned under Art. 5 shall increase the book value of assets, namely of assets making up the public and private domain of the state and of administrative-territorial units, inventory items, budget financing in previous years and other sources, income from previous years and other sources, funds for special purposes and the like, according to the manner in which public institutions are financed.

Article 7

The intermediate calculation items used in determining local taxes and charges shall be converted without rounding off the decimals to hundreds. The relevant tax body shall perform conversion by rounding off the decimals to hundreds for any resulting values.

Article 8

In order to adjust computer applications accordingly, public service in the subordinated units of the Ministry of Public Finance and in the dedicated departments of local public administration authorities shall be suspended on 30 June and 1 July 2005. The provisions of Art. 101 para. 5 of the Civil Procedure Code shall apply accordingly.

Article 9

The Ministry of Public Finance shall issue specifications – duly approved by order of the Minister of Public Finance – for the enforcement of this Emergency Ordinance within 10 days from the effective date hereof.