



## No. 11/28 June 2010

Order of the Government no. 58/2010 to modify Law no. 571/2003 regarding the Fiscal Code for other financial and fiscal measures was published in the Official Gazette no. 431/28.06.2010.

The main provisions are:

1. Any activity may be reclassified as dependent activity if at least one of the following conditions are filled: the income receiver is subordinate to the client similar to relation between employee-employer, the income receiver uses the tools owed by the client in order to perform the services, the income receiver uses only physical activity or intellectual skills only and not elements such as capital; the income payer is responsible to pay for travel expenses or similar; the income payer is reliable to pay the fee during the holiday, other relevant elements.
2. The definition of the copyright for fiscal purposes is detailed;
3. Brings changes to the conditions to use the fiscal credit for taxes paid by Romanian companies abroad;
4. The deductible expenses for the income obtained from copyright is decreased from 40% to 20%;
5. Lunch, kindergarten, gift and holiday vouchers and compensation in collective end of labor contract case are no longer tax exempted. Social securities will not be applicable to lunch and holiday tickets;
6. The personal income obtained from interest is taxable both for current accounts and deposits;
7. The personal tax for income obtained from transfer of shares is taxable with 16% regardless the nature of shares or period of ownership;
8. The income from gambling or lottery will be taxable with 25%, regardless the amount;
9. The VAT standard quota is modified from 19% to 24%. The reduced quotas are not modified;
10. For income obtained by individuals from professional activities, social securities will be applicable, but only the individual quota (not the payer's contribution);
11. The document enters into force starting with July 1<sup>st</sup> 2010;
12. The application Norms will be drafted in the following 30 days.