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**FISCAL PROCEDURE
CODE****Government Ordinance no. 20/2005
amending and completing the Government
Ordinance no. 92/2003 on the Fiscal
Procedure Code**

The Government Ordinance no. 20/2005, published in the Official Gazette no. 101 of January 31st, 2005, sets forth a series of amendments to the Fiscal Procedure Code, establishing, among others, the order in which fiscal debts to the State or local budgets shall be paid off, as well the possibility to submit tax statements by means of electronic communication.

Order of fiscal debts pay-off

As main novelty, the Government Ordinance no. 20/2005 sets forth the order in which fiscal debts shall be paid off if the amount paid to the State budget is not sufficient to reimburse all debts and the taxpayer fails to indicate the fiscal debt to be paid off.

Thus, the said enactment provides the following order: (i) amounts due as instalments listed in the fiscal debts payment schedules, in connection to which staggered and/or deferred payments have been approved, as well as the interests due for the stagger and/or deferment period and computed according to the law; (ii) main fiscal debts falling due within the current year, as well as all related payments, as per their due date order; (iii) fiscal debts due and unpaid as of December 31st of the

previous year, in their due date order, until their complete pay off; (iv) interests, delay penalties related to the fiscal debts mentioned at point (iii) above; (v) fiscal debts falling due in the future, upon the debtor's request.

With respect to the taxpayers' debts to the local budgets, the said ordinance provides that the debts set following fiscal inspection shall be paid off first and foremost.

New possibilities for submitting fiscal statements

According to the new enactment, it is deemed that a fiscal statement is signed if it is sent using the electronic payment system, the taxpayers' account being debited on the date of submission of the fiscal statement.

The obligation to sign the fiscal statement is also deemed fulfilled if it is sent using the long distance transmission electronic systems.

Amendments with respect to misdemeanours

The Government Ordinance no. 20/2005 no longer deems as a misdemeanour manufacture of excisable products subject to the fiscal repository system beyond the authorised fiscal repositories as provided by the Fiscal Procedure Code.

It also excludes incrimination for practicing retail prices smaller than the minimum prices for excisable products, according to title VIII of the Fiscal Code, plus VAT.

The new enactment also eliminates the sanction of revoking the fiscal repository authorisation and replaces it in certain cases by a suspension thereof.

New procedural provisions

The new enactment sets forth procedural provisions regarding the fiscal registration of undertakings that intend to wholesale and market alcoholic drinks and tobacco products.

Pursuant to the new regulation, such activity carried out without a permit issued by the fiscal authorities is incriminated as a misdemeanour and is sanctioned with fines ranging from ROL 200,000,000 to ROL 1,000,000,000 as well as with suspension of marketing the excisable products for a period of 1 to 3 months.