



EMERGENCY LEGAL KIT FOR BUSINESS SERIES

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VAT REGISTRATION MADE EASIER

Form no. 088 eliminated

On January 13, 2017, the Romanian National Agency for Fiscal Administration (“RNAFA”) repealed the obligation to fill in and submit form no. 88 to the relevant fiscal authorities as of February 1, 2017.

For this purpose, the RNAFA Order no. 3.841/2015 regarding the form and content of form no. 088, was abolished by RNAFA Order no. 210/2017 published in the Official Gazette on January 13, 2017.

Initially introduced by the RNAFA through an order issued by the head of such authority, respectively Order no. 112/2015, and subsequently amended by Order no. 1.966/2015 and Order no. 3.841/2015, form no. 088 was considered to be the nightmare for all Romanian companies applying for a VAT registration or performing an operation that would lead to a change in the existing VAT registration.

Although the intention was to fight tax evasion and money laundering as the form was used by the fiscal authorities to evaluate both the intention and capacity of legal persons to perform business implying VAT, the practical result was a complete disaster.

The applicable regulations contained no subjective evaluation criteria, as well as no transparent analysis procedures to be applied or followed by the fiscal authorities.

Additionally, the obligation to submit this form brought increased administrative costs to companies already under the burden of an ever-changing fiscal legal frame.

In many cases, the RNAFA VAT registration procedures lead to complete shutdowns of legitimate businesses and raised many complaints from the business environment claiming the excessive bureaucracy generated by the use of form no. 088, as well as the abuses performed by the representatives of the fiscal authorities.

It is only fair to state that application of form no. 88 failed to serve its initial scope, that is to fight tax fraud, and the decision to eliminate it could only be perceived as beneficial for the Romanian business environment.

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