

# New law amendments regarding VAT warehouses

27 January 2014

## In brief

Deputy Prime Minister, Minister of Public Finance Order no. 24/2014 was published on 21 January 2014, approving the Norms regarding the establishment of the procedure and conditions for authorising VAT warehouses provided under art. 144 paragraph (1) letter a) point 8 second indent of Law no. 571/2013 regarding the Fiscal code, as well as the establishment of the Commission for the authorisation of VAT warehouses, its structure and functioning regulations.

The new Order abolishes Order no. 2219/2006 regarding the approval of the Norms regarding the establishment of the procedure and conditions for authorising VAT warehouses provided under art. 144 paragraph (1) letter a) point 8 of Law no. 571/2013 regarding the Fiscal code, as subsequently amended.

## In detail

- The structure of the Commission that will authorise the VAT warehouses has been established;
- The request form and the documentation to be submitted for the purpose of obtaining the VAT warehouse authorisation have been amended;
- The VAT warehouse authorisation is valid for three years. In order to renew it, the necessary documentation must be submitted within 60 days prior to the expiry date;
- New conditions have been introduced for obtaining the VAT warehouse authorisation regarding the location of the VAT warehouse, as well as restrictions on who can obtain this authorisation, such as:
  - must not be in bankruptcy or liquidation,
  - must not record outstanding fiscal liabilities to the general consolidated budget;
  - must be registered for VAT purposes;
- For the purpose of obtaining the authorisation for VAT warehouse, the Commission may request information from other state institutions (MPF, ANAF) and, moreover, the requestor may be subject to inspection by the authorities with such responsibilities or by the Ministry of Internal Affairs;
- Storage spaces for goods which are part of the state reserve and the mobilisation reserve are treated as VAT warehouses;
- The obligation to report to the tax authorities the losses, missing goods and irregularities observed in relation to goods located in a VAT warehouse, as well as to obtain an (integrated) environmental permit, have been eliminated;
- The provisions regarding the annulment of VAT warehouse authorisations have been eliminated.

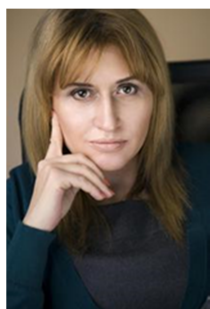
[Source: Romanian Official Gazette no. 47 dated 21 January 2014]

## The takeaway

Companies which commercialise certain types of goods, such as grain, raw sugar, aluminum, grains and oilseeds and mineral oils, can obtain a VAT warehouse authorisation. As a result, they can purchase and sell these products without VAT.

## ***Let's talk***

For a deeper discussion of how this issue might affect your business, please contact:



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