

The logo consists of the letters 'd' and 'p' in a stylized, lowercase, gold-colored font. The 'd' is on the left and the 'p' is on the right, both with a slightly cursive, elegant feel. They are positioned in the upper left corner of the image, set against a black background.

dp

De Hoon &
Partners

The background of the entire advertisement is a photograph of the Romanian Parliament Building in Bucharest. The building is a grand, neoclassical structure with a large central dome and a portico supported by tall columns. The facade is light-colored, and the dome is topped with a decorative finial. The sky is clear and blue. In the foreground, there are blurred, colorful flowers in shades of purple, pink, and yellow, adding a decorative touch to the scene.

ROMANIA MICRO-COMPANIES!

Only 1 or 3% corporation tax!!

Edition 2020

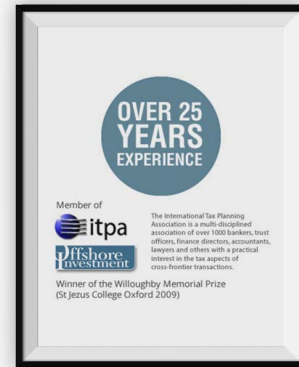
Who are we?



Iven De Hoon

Iven De Hoon is trained as a lawyer (Antwerp, Belgium), and is also Master in tax and accounting at the acclaimed Vlerick Institute (Ghent, Belgium). He has published many articles and books on different tax topics and has more than 25 years of experience.

He is also a winner of the Willoughby Memorial Prize (St Jesus College Oxford, 2009).



Read more about us on:

www.nomoretax.eu



Introduction

Compared to other countries in Eastern Europe the corporation tax is not that attractive. The Romanian corporation tax is 16%, so higher than in neighbouring countries like Bulgaria (10%), Macedonia (10%), Montenegro (9%)...

But recently the micro-companies were introduced in Romania. The tax rates of a micro - company is 1% or 3%. Here are the details!



How it works?

Usually a company has some revenues and you can deduct business expenses, after that you pay taxes on the profit. I have for example in my LTD 100 income and 25 expenses, so the company will pay tax on 75.

Turnover. In a Romanian micro - company it is not like that. You will pay 1% or 3% on your 'turnover'!, not on your revenue. So no hassle with proofing expenses, no discussions with the tax inspector. No! Just pay 1 or 3% on your turnover, easy and relaxing. You know in advance the taxbill and there is no discussion!

Maximum 1.000.000 EUR. This system works until a turnover of 1.000.000 EUR. If your turnover is higher than 1.000.000 EUR, the normal Romanian corporation tax rate of 16% will be applicable.

In the event of exceeding the above mentioned turnover threshold during the fiscal year, the company will switch to the regular corporate income tax regime (16% tax on profits). This starting with the quarter in which the threshold

has been exceeded, by taking into account the revenues and expenses from that quarter.

Example. You have 1.200.000 EUR turnover. So in our example, the company pays (1 or 3% on 1.000.000 EUR) and 16% on 200.000 EUR.

The 1.000.000 EUR must be the total amount of the invoices issued during one year.

3%. The tax rate of a micro - company is 3% if the company has no employees.

1%. If the company has at least one 'full time' employee by the end of the fiscal period, the tax rate is 1%. Full time means 8 hours or 40 hours a week.

The actual minimum salary in Romania is net 1.346, ROM plus taxes (934 RON), so the total costs is 2.280 RON (470 EUR of 510 USD).

All type of business. Before there was a rule that only 20% of the income could come from consultancy. This rule is abolished.

5% dividend tax. If the shareholder takes out a dividend from a micro - company there is a withholding tax of 5%. You can structure things in a smart way. For example Romania has a very interesting double tax treaty with the UAE. In this treaty there is no withholding tax foreseen. It means that the UAE-holding company can receive dividends after 1 or 3% Romanian tax. And in the UAE there is no corporation tax, so...

VAT. Until the company reach 80.000 EUR income per year, she is not a VAT - payer. The company can become on request, in certain circumstances.





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