

## Gov't to give first reading to debt rescheduling ordinance Thursday

**The government on Thursday will give the first reading to an emergency ordinance regarding the rescheduling of debts amassed during the state of emergency, Finance Minister Florin Citu said on Monday.**

"I know that there were concerns over October 25 and a lot of companies have contacted us and told us that they might have problems with debt payments and then I told you that we will have an emergency ordinance in the first reading on Thursday for the rescheduling of debts that were amassed during the state of emergency, from the beginning of the state of emergency until October 25. The version we are working on says such debts will be deferred for a period of 12 months and their rescheduling will be granted within 5 days, at the latest, based on a request to which a proposal for a new schedule is attached without the need to provide guarantees, so I would like to note two very important things: rescheduling in no more than 5 days, it is not necessary to set up guarantees. We continue to support the Romanian companies. We want to make sure that everyone weather well this difficult period," Citu said in an online statement.

He noted that the rescheduling applications could be submitted throughout December 15.

"Also at the government meeting on Thursday, we will come up with the same ordinance, we will have a first reading for the specific tax exemption for the HORECA sector, an exemption that will last until the end of the year. I have to say once again because many people do not know, the sector has already had a specific tax exemption, for the payment of the specific tax for a period of 150 days. We will extend this exemption until the end of the year. So this means that in 2020 the entire HORECA sector is exempted from paying the specific tax for the whole year," said Citu.

He specified that the HORECA sector is one of the "champions of the SME Invest programme," ranking among the first four employment codes that have accessed the SME Invest programme.

He also commented on data released on Monday by the National Institute of Statistics on the turnover in the retail trade.

"Today [Monday] the National Institute of Statistics presented the turnover for the retail companies, what we call sales in the economy, and the volume of sales, this turnover is higher than last year in the same period. We are back, we have recovered what we lost in the second quarter and we are on an upward trend, we have a higher turnover than last year in a period of economic growth. The economy has responded positively to what we have done so far," added Citu.

According to a press statement released on Sunday by the Finance Ministry, companies may submit the requests for rescheduling throughout December 15 for all the debts amassed between March 16 and the date of submitting the application.

In the case of companies that are or will be subject to fiscal oversight, any additional payment amounts will also be included in the rescheduling.

The companies benefitting from debt rescheduling will be under an obligation to pay up to date all the taxes and duties that will be incurred and due after the receipt of the rescheduling.

The simplified procedure will involve the submission of an application, with an attached schedule of equal or different instalments, depending on taxpayer's assessment.

As for the specific tax, it was introduced under Law 170/2016 (HoReCa Law), which entered into force in 2017, and it applies to hotel, restaurant, bar & cafe and catering activities.

The specific tax is calculated according to several variables, such as the rank of the place where the company operates, its surface, seasonality, etc. It is paid semi-annually, until the 25 of the month following the semester, with each payment representing half of the annual tax due.