

Tax Flash

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ACCOUNTING REGULATIONS

Order 1.775/2004 regarding certain accounting regulations

(Official Gazette 27 / 10 January 2005)

The Order provides for clarifications regarding the accounting regulations applicable starting 1 January 2005. For 2005, the simplified accounting regulations harmonised with the European Directives (Order 306/2002) and accounting regulations harmonised with the EU IV-th Directive and International Accounting Standards (Order 94/2001) will be applicable.

In order to ensure full compliance with the European Accounting Regulations, starting 1 January 2006, companies not bound to apply IFRS must apply the EU IV-th Directive regarding annual accounts and EU VII-th Directive regarding consolidated accounts. The text of the above mentioned directives is presented in the Appendix to the Order.

According to the discussed Order, financial statements for year 2004 should be submitted to the fiscal authorities as follows:

- Legal entities applying Order 94/2001 - within 150 days from the closing of the financial year;
- Legal entities applying Order 306/2002 - within 120 days from the closing of the financial year;
- Entities which did not carry out economical activities starting their set-up should submit a statement in this respect within 60 days from the closing of the financial year.

The present Order repels articles 6, 7 and 8 of Order 1827/2003 regarding applications of IFRS starting 2005 and consolidated accounts.

This update is correct to the best of our knowledge and belief at the time of issue. It is, however, written as a general guide so it is recommended that specific professional advice is sought before any action is taken.

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FORMS TO BE USED IN ACCOUNTING

Order 1.850/2004 regarding registries and forms to be used for accounting purposes

(Official Gazette 23 / 7 January 2005)

The Order approves the templates and instructions for registries and forms with no special regime to be used in bookkeeping and details the norms for filling in and use of the respective forms.

The present Order repels Order 495/1998.

CLASSIFICATION OF FIXED ASSETS FOR DEPRECIATION PURPOSES

Government Decision 2.139/2004 approving the Catalogue regarding the classification and normal life duration of fixed assets

(Official Gazette 46 / 13 January 2005)

The Catalog regarding the classification and normal life duration of fixed assets is included in the Appendix to the Order.

According to the current regulations, for newly acquired fixed assets the depreciation period can be set within certain thresholds as provided in the Catalogue.

For fixed assets held as of 31 December 2004 depreciation periods can be reassessed in accordance with a specific procedure detailed in the new regulations.

The present Government Decision is applicable starting 1 January 2005 and repels Government Decision 964/1998.

REPUBLISHING

Law 82/1991 - Accounting Law was republished

(Official Gazette 48 / 14 January 2005)