

Taxation (F6)

ROMANIA (ROM)

June & December 2014

This syllabus and study guide is designed to help with planning study and to provide detailed information on what could be assessed in any examination session.

THE STRUCTURE OF THE SYLLABUS AND STUDY GUIDE

Relational diagram of paper with other papers

This diagram shows direct and indirect links between this paper and other papers preceding or following it. Some papers are directly underpinned by other papers such as Advanced Performance Management by Performance Management. These links are shown as solid line arrows. Other papers only have indirect relationships with each other such as links existing between the accounting and auditing papers. The links between these are shown as dotted line arrows. This diagram indicates where you are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.

Overall aim of the syllabus

This explains briefly the overall objective of the paper and indicates in the broadest sense the capabilities to be developed within the paper.

Main capabilities

This paper's aim is broken down into several main capabilities which divide the syllabus and study guide into discrete sections.

Relational diagram of the main capabilities

This diagram illustrates the flows and links between the main capabilities (sections) of the syllabus and should be used as an aid to planning teaching and learning in a structured way.

Syllabus rationale

This is a narrative explaining how the syllabus is structured and how the main capabilities are linked. The rationale also explains in further detail what the examination intends to assess and why.

Detailed syllabus

This shows the breakdown of the main capabilities (sections) of the syllabus into subject areas. This is the blueprint for the detailed study guide.

Approach to examining the syllabus

This section briefly explains the structure of the examination and how it is assessed.

Study Guide

This is the main document that students, tuition providers and publishers should use as the basis of their studies, instruction and materials.

Examinations will be based on the detail of the study guide which comprehensively identifies what could be assessed in any examination session.

The study guide is a precise reflection and breakdown of the syllabus. It is divided into sections based on the main capabilities identified in the syllabus. These sections are divided into subject areas which relate to the sub-capabilities included in the detailed syllabus. Subject areas are broken down into sub-headings which describe the detailed outcomes that could be assessed in examinations. These outcomes are described using verbs indicating what exams may require students to demonstrate, and the broad intellectual level at which these may need to be demonstrated (*see intellectual levels below).

Learning Materials

ACCA's Approved Learning Partner - content (ALP-c) is the programme through which ACCA approves learning materials from high quality content providers designed to support study towards ACCA's qualifications.

ACCA has one Platinum Approved Learning Partner content which is BPP Learning Media. In addition,

there are a number of Gold Approved Learning Partners - content.

For information about ACCA's Approved Learning Partners - content, please go to ACCA's Content Provider Directory.

The Directory also lists materials by Subscribers, these materials have not been quality assured by ACCA but may be helpful if used in conjunction with approved learning materials. You will also find details of Examiner suggested Additional Reading which may be a useful supplement to approved learning materials.

ACCA's Content Provider Directory can be found here—

http://www.accaglobal.com/learningproviders/alpc/content_provider_directory/search/.

Relevant articles will also be published in Student Accountant.

INTELLECTUAL LEVELS

The syllabus is designed to progressively broaden and deepen the knowledge, skills and professional values demonstrated by the student on their way through the qualification.

The specific capabilities within the detailed syllabuses and study guides are assessed at one of three intellectual or cognitive levels:

Level 1: Knowledge and comprehension

Level 2: Application and analysis

Level 3: Synthesis and evaluation

Very broadly, these intellectual levels relate to the three cognitive levels at which the Knowledge module, the Skills module and the Professional level are assessed.

Each subject area in the detailed study guide included in this document is given a 1, 2, or 3 superscript, denoting intellectual level, marked at the end of each relevant line. This gives an indication of the intellectual depth at which an area could be assessed within the examination. However, while level 1 broadly equates with the Knowledge module, level 2 equates to the Skills module and level 3 to the Professional level, some lower level

skills can continue to be assessed as the student progresses through each module and level. This reflects that at each stage of study there will be a requirement to broaden, as well as deepen capabilities. It is also possible that occasionally some higher level capabilities may be assessed at lower levels.

LEARNING HOURS AND EDUCATION RECOGNITION

The ACCA qualification does not prescribe or recommend any particular number of learning hours for examinations because study and learning patterns and styles vary greatly between people and organisations. This also recognises the wide diversity of personal, professional and educational circumstances in which ACCA students find themselves.

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualifications are recognized and valued by governments, regulatory authorities and employers across all sectors. To this end, ACCA qualifications are currently recognized on the education frameworks in several countries. Please refer to your national education framework regulator for further information.

Each syllabus contains between 23 and 35 main subject area headings depending on the nature of the subject and how these areas have been broken down.

GUIDE TO EXAM STRUCTURE

The structure of examinations varies within and between modules and levels.

The Fundamentals level examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus.

The Knowledge module is assessed by equivalent two-hour paper based and computer based examinations.

The Skills module examinations are all paper based three-hour papers. The structure of papers varies from ten questions in the *Corporate and Business Law* (F4) paper to four 25 mark questions in *Financial Management* (F9). Individual questions within all Skills module papers will attract between 10 and 30 marks.

The Professional level papers are all three-hour paper based examinations, all containing two sections. Section A is compulsory, but there will be some choice offered in Section B.

For all three hour examination papers, ACCA has introduced 15 minutes reading and planning time.

This additional time is allowed at the beginning of each three-hour examination to allow candidates to read the questions and to begin planning their answers before they start writing in their answer books. This time should be used to ensure that all the information and exam requirements are properly read and understood.

During reading and planning time candidates may only annotate their question paper. They may not write anything in their answer booklets until told to do so by the invigilator.

The Essentials module papers all have a Section A containing a major case study question with all requirements totalling 50 marks relating to this case. Section B gives students a choice of two from three 25 mark questions.

Section A of both the P4 and P5 Options papers contain one 50 mark compulsory question, and Section B will offer a choice of two from three questions each worth 25 marks each.

Section A of each of the P6 and P7 Options papers contains 60 compulsory marks from two questions; question 1 attracting 35 marks, and question 2 attracting 25 marks. Section B of both these Options papers will offer a choice of two from three questions, with each question attracting 20 marks.

All Professional level exams contain four professional marks.

The pass mark for all ACCA Qualification examination papers is 50%.

GUIDE TO EXAMINATION ASSESSMENT

ACCA reserves the right to examine anything contained within the study guide at any examination session. This includes knowledge, techniques, principles, theories, and concepts as specified.

For the financial accounting, audit and assurance, law and tax papers except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions..

For paper based examinations regulation *issued* or legislation *passed* on or before 30th September annually, will be assessed from June 1st of the following year to May 31st of the year after. Please refer to the examinable documents for the paper (where relevant) for further information.

Regulation issued or legislation passed in accordance with the above dates may be examinable even if the *effective* date is in the future.

The term issued or passed relates to when regulation or legislation has been formally approved.

The term effective relates to when regulation or legislation must be applied to an entity transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list.

Syllabus

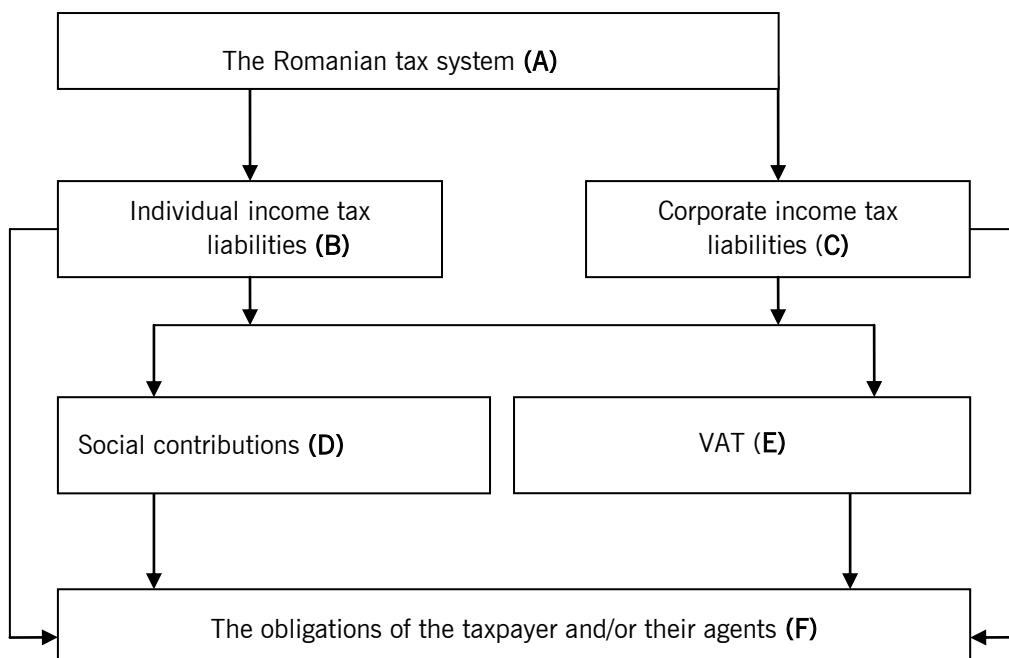
(F6) (ROM)

MAIN CAPABILITIES

After completing this examination paper students should be able to:

- A** Explain the operation and scope of the Romanian tax system
- B** Explain and compute the income tax liabilities of individuals
- C** Explain and compute the corporate income tax liabilities of companies
- D** Explain and compute the effect of national social security, unemployment, health care and other similar contributions on employees, employers and the self employed
- E** Explain and compute the effects of value added tax on incorporated and unincorporated businesses
- F** Identify and explain the obligations of tax payers and/or their agents and the implications of non-compliance.

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The syllabus for Paper F6, *Taxation*, introduces candidates to the subject of taxation and provides the core knowledge of the underlying principles and major technical areas of taxation, as they affect the activities of individuals and businesses.

In this syllabus, candidates are introduced to the rationale behind and the functions of the tax system. The syllabus then considers the separate taxes that an accountant would need to have a detailed knowledge of, such as income tax from self employment, employment, investments and other activities; the corporate income tax liabilities of companies; the social security, unemployment, health care and other similar contributions liabilities of both employed and self employed persons, the value added tax liability of businesses and the obligation of tax payers. No knowledge on excise duties is required for this paper.

Having covered the core areas of the basic taxes, candidates should be able to compute tax liabilities, explain the basis of their calculations, apply tax planning techniques for individuals and companies and identify the compliance issues for each major tax through a variety of business and personal scenarios and situations.

DETAILED SYLLABUS

A The Romanian tax system

1. The overall function and purpose of taxation in a modern economy
2. Different types of taxes
3. The tax regulatory framework
4. Tax avoidance and tax evasion

B Income tax liabilities

1. The scope of individual income tax
2. Income from employment
3. Income from self-employment
4. Property, investment, pension, prize and other income

5. The comprehensive computation of taxable income and income tax liability

6. The use of exemptions and reliefs in deferring and minimising income tax liabilities

C Corporate income tax liabilities

1. The scope of corporate income tax
2. Profits chargeable to corporate income tax
3. The comprehensive computation of corporate income tax liability
4. International aspects
5. The use of exemptions and reliefs in deferring and minimising corporate income tax liabilities

D Social security, unemployment, health care and other similar contributions

1. The scope of social security, unemployment, health care and other similar contributions
2. Contributions for employed persons, liabilities of employees and employers
3. Contributions for self-employed persons
4. Contributions for other persons

E Value added tax

1. The scope of value added tax (VAT)
2. The VAT registration requirements
3. The computation of VAT liabilities
4. Documentation requirements and compliance

F The obligations of tax payers and/or their agents

1. The systems for self-assessment and the making of returns
2. The time limits for the submission of information, claims and payment of tax, including payments on account

3. The procedures relating to enquiries, rulings, appeals and disputes
4. Interests and penalties for non-compliance

APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a three-hour paper-based examination.

Assessment: Taxation (ROM)

The paper will be mainly computational and will have five questions, all of which will be compulsory.

- Questions one and two will be for a total of 55 marks with one of the questions being for 30 marks and the other being for 25 marks. One of these two questions will focus on individual income tax and the other question will focus on corporate income tax
- Question three will be for 15 marks, and will focus on value added tax
- Questions four and five will be on any area of the syllabus and will be for 15 marks each.

Value added tax will be examined in question three, but might also be included as part of another question(s) for no more than a further 8 marks in total.

Social security, unemployment, health care and other similar contributions will not be examined as a separate question, but may be examined in any question involving income tax or corporate income tax.

Any of the five questions might include the consideration of issues relating to:

- the minimisation or deferral of tax liabilities; and/or
- the obligations of tax-payers and/or their agents.

Study Guide

A THE ROMANIAN TAX SYSTEM

1. The overall function and purpose of taxation in a modern economy

a) Describe the purpose (economic, social etc) of taxation in a modern economy.^[2]

2. Different types of taxes

a) Identify the different types of taxes.^[1]

b) Explain the difference between direct and indirect taxation.^[2]

3. The tax regulatory framework

a) Describe the overall structure of the Romanian tax system.^[2]

b) State the different sources of fiscal revenue law.^[2]

c) Explain and apply the basic principles of tax procedure.^[2]

d) Explain and apply the rules on the determination of competent authority.^[2]

e) Appreciate the interaction of the Romanian tax system with that of other tax jurisdictions.^[2]

4. Tax avoidance and tax evasion

a) Explain the difference between tax avoidance and tax evasion.^[1]

b) Explain the need for an ethical and professional approach.^[2]

Excluded topics

- *Anti-avoidance legislation except as specifically referred to in the study guide.*

B INCOME TAX LIABILITIES

1. The scope of individual income tax

a) Describe the scope of individual income tax.

i) Identify the taxpayers of individual income tax.^[2]

ii) Identify the types of income that fall within the individual income tax.^[2]

b) Define when the tax year starts and finishes.^[2]

c) Explain how the tax residence of an individual is determined.^[2]

d) Recognise the income which is taxable in the case of a tax resident and in the case of a tax non-resident.^[2]

e) Identify the types of income for which tax paid during the year is final and for which it represents only prepayments.^[2]

2. Income from employment

a) Identify the income which falls within the category employment.^[2]

b) Explain how the tax base is computed, including where the individual has more than one employment contract.^[2]

c) Recognise the allowable deductions.^[2]

d) Distinguish between the benefits in kind which have to be taken into account and those which are exempt.^[2]

e) Explain how taxable benefits in kind are assessed and calculate relevant amounts.^[2]

f) Explain the tax treatment and basis of assessment of employment income derived in Romania by non-residents.^[2]

g) Explain the obligations of employers as regards income tax on employment income.^[2]

3. Income from self-employment (business, professional and copyright income)

a) Identify the income which falls within this category (including agent, commissioner and mandate income).^[2]

- b) Identify when the self-employed income may be reclassified as employment income by tax authorities.^[3]
- c) Explain the system of prepayments for income tax on self-employment income.^[2]
- d) The tax base used for prepayments of tax.
 - i) Explain and determine the tax base when the real system is used.^[2]
 - ii) Explain how the tax base is determined using the income "quotas".^[1]
 - iii) Explain and determine the tax base for copyright income and other income.^[2]
- e) The tax base used for final income tax.
 - i) Explain and determine the tax base when the real system is used.^[2]
 - ii) Explain how the tax base is determined using the income "quotas".^[1]
 - iii) Explain and determine the tax base for copyright income and other income.^[2]
- f) Recognise the taxable income used in computing the tax base when the real system is used.^[2]
- g) Recognise the expenditures that are allowable in computing the tax base when the real system is used.^[2]
- h) Depreciation allowances when the real system is used.
 - i) Define depreciable tangible and intangible assets.^[1]
 - ii) Compute depreciation allowances using the straight line and accelerated methods.^[2]
- i) Relief for losses
 - i) Explain how losses can be claimed on a current year basis and calculate relevant amounts.^[2]
 - ii) Explain how losses can be carried forward.^[2]
- j) Partnerships between individuals.

- i) Explain how a partnership is assessed to tax.^[2]
- ii) Allocate assessable profits among the partners.^[2]

Excluded topics:

- *Income from the sale of consignment stock*
- *The tax treatment of partnerships between individuals and companies*
- *The tax treatment of trust contracts*

4. Property, investment, pension, prize and other income

- a) Income from renting.
 - i) Identify the income that falls within the category income from renting.^[2]
 - ii) Explain the system of prepayments for income tax on income from renting (including when the prepayments become final tax).^[2]
 - iii) Explain how the tax base is computed.^[2]
 - iv) Explain the option available for the use of the real system for income from renting.^[2]
 - v) Explain when the use of the real system is compulsory^[2]
- b) Explain the tax treatment of revenue from the sale of immovable property owned by an individual.^[2]
- c) Interest income.
 - i) Identify the income that falls within the category interest income.
 - ii) Explain how the tax base is computed.^[2]
- d) Explain the tax treatment of dividends received by individuals.^[2]
- e) Explain the treatment of the sale of shares, units trusts and other securities.^[2]
- f) Explain the tax treatment of transactions in derivatives and speculative buy and sell currency forward transactions.^[2]
- g) Explain the treatment of capital losses.^[2]

- h) Explain the tax treatment of pension related income.^[2]
- i) Explain the tax treatment of the income from prizes and gambling.^[2]
- j) Identify the income that falls within the category of other income and compute the tax for it.^[2]
- k) Explain the tax treatment and assessment of interest income and capital gains derived from Romania by non-residents.^[2]

Excluded topics

- *Income from agriculture activities.*
- *The capital gains of non-residents resulting from bonds, unit trusts and real estate transactions.*

- 5. The comprehensive computation of taxable income and income tax liability**
- a) Prepare a basic income tax computation involving different categories of income.^[2]
- b) Explain how charitable giving can be made from an individuals' annual income tax liability.^[1]
- c) Identify the income subject to final withholding, and calculate the tax liability.^[2]
- d) Identify the income subject to withholding as a prepayment and calculate the tax withheld.^[2]
- e) Identify the income subject to self-assessed prepayments and calculate the tax prepaid.^[2]
- f) Compute the final income tax and differences of tax to be paid/refunded at end-of-year settlement against prepayments
- g) Compute the amount of monthly payroll deductions in the case of employees.^[2]
- h) Calculate the Romanian income tax on foreign income, together with any available double taxation relief.^[2]

6. The use of exemptions and reliefs in deferring and minimising income tax liabilities

- a) State which income is exempt from income tax.^[2]
- b) Explain and compute the relief for contributions to pension schemes, voluntary health care insurance and building societies.^[2]
- c) Compare the tax position of a shareholder/owner of a company with that of a sole trader.^[2]
- d) Compare the tax position of an employee with that of a self-employed person^[2]

C CORPORATE INCOME TAX LIABILITIES

1. The scope of corporate income tax

- a) Describe the scope of corporate income tax.
 - i) Identify the taxpayers of corporate income tax.^[2]
 - ii) Identify the sources of income that fall within the corporate income tax.^[2]
- b) Define when the tax year starts and finishes.^[2]
- c) Explain how the tax residence of a company is determined.^[2]
- d) Explain the factors that should be considered when incorporating a business.^[2]

Excluded topics

- *Reorganisations, mergers and spin-offs*
- *Companies in liquidation*
- *Non-profit organisations*
- *Exempt entities*
- *Joint ventures*

2. Profits chargeable to corporate income tax

- a) Recognise the adjustments made to the accounting profit for the purpose of calculating the corporate tax base.^[2]

- b) Identify the taxable revenues and the elements assimilated to taxable revenues.^[2]
- c) Identify the non-taxable revenues.^[2]
- d) Identify the expenditure which is generally allowable in calculating the tax-adjusted profit.^[2]
- e) Identify the items which are not tax deductible or only partially deductible.^[2]
- f) Explain the tax treatment of provisions and reserves.^[2]
- g) Depreciation allowances.
 - i) Define depreciable tangible and intangible assets for tax purposes.^[1]
 - ii) Explain the difference between accounting and tax depreciation allowances.^[1]
 - iii) Compute depreciation allowances using the straight line and accelerated methods.^[2]
 - iv) Explain the tax treatment of asset revaluations made on or before 31 December 2003, between 1 January 2004 and 31 December 2006, and after 1 January 2007.^[2]
 - v) Explain the tax treatment of the asset revaluations which decrease the value of the asset made before and after 1 January 2008^[2]
- h) State the basic principles that apply to transactions between related parties.^[2]
- i) Explain and apply the transfer pricing rules and prepare relevant calculations.^[2]
- j) Explain the thin capitalisation rules (the tax treatment of interest expenses and exchange rate differences expenses relating to long term loans) and prepare relevant calculations.^[2]
- k) Relief for losses.
 - i) Explain how losses can be relieved against total income and calculate relevant amounts.^[2]
 - ii) Explain how losses can be carried forward.^[2]

Excluded topics

- *The option for taxing the revenues from instalment payment contracts as they occur, available until 30 April 2005*
- *The 20% additional capital allowance for industrial parks investments, available until 31 December 2006*
- *The 20% first-year capital allowance for investments in fixed assets and innovations, available until 30 April 2005*
- *The calculation of depreciation allowances on a per product unit basis*
- *Specific provisions relating to oil companies.*
- *The air traffic ROMATSA specific rules*
- *The tax treatment of mergers, divisions, transfers of assets and exchanges of shares concerning companies of different EU Member States*
- *Transitional measures*
- *The tax treatment of trust contracts*

3. The comprehensive computation of corporate income tax liability

- a) Prepare a comprehensive computation of profits chargeable to corporation tax.^[2]
- b) Recognise the allowances and credits available to corporations and calculate relevant amounts.^[2]
- c) Identify the income subject to final tax and calculate relevant amounts.^[2]
- d) Calculate the Romanian tax liability on foreign income, together with any available double tax relief.^[2]
- e) Understand the system by which companies must withhold tax on dividends and compute the dividend tax liability.^[2]
- f) The payment of corporate income tax:
 - i) Explain how the banks and other financial institutions should make payments of corporate income tax.^[2]

ii) Explain how taxpayers, other than banks and other financial institutions, should make payments of corporate income tax for 2013.^[2]

Excluded topics

- *Calculation of minimum tax introduced on 1 May 2009*
- *Split year treatment for 2010. 2010 should be treated as one period in calculations and when recovering the tax loss*
- *The rules for finalising corporate income tax for 2012 and before*
- *Tax payable by companies operating in the field of night bars and clubs, discotheques, casinos and gambling*

4. The special scheme of corporate tax for very small companies.

- Identify the companies that are liable to apply the special scheme of corporate tax for very small companies.^[2]
- Compute the tax base under the special scheme of corporate tax for very small companies.^[2]
- Compute the corporate tax payable for a very small company.^[2]
- Explain when and how a company which applies the corporate tax for very small companies should switch to the corporate income tax.^[2]

5. International aspects.

- Explain how a permanent establishment is defined.^[2]
- Explain the Romanian tax treatment of the income generated by a foreign company's permanent establishment in Romania.^[2]
- Compute the taxable base and income tax liability of a permanent establishment in Romania.^[2]
- Explain the mechanism for computing the income tax in case of foreign companies having multiple permanent establishments in Romania

- Compute the taxable base and income tax for a foreign company with multiple permanent establishments in Romania
- Explain the tax relief mechanism for Romanian companies that have permanent establishments abroad and compute relevant amounts.^[2]
- Explain the tax treatment of losses registered by the permanent establishments of Romanian companies.^[2]
- Explain the tax treatment of dividends received by Romanian companies from other EU companies.^[2]
- Explain the obligation of Romanian companies to withhold tax from payments made to non-residents.^[2]

Excluded topics

- *The revenues received by foreign companies from selling immovable property and shares*
- 6. **The use of exemptions and reliefs in deferring and minimising corporate income tax liabilities**
(The use of such exemptions and reliefs is implicit within all of the above sections 1 to 5 of part C of the syllabus, concerning corporate income tax)

D SOCIAL SECURITY, UNEMPLOYMENT, HEALTH CARE AND OTHER SIMILAR CONTRIBUTIONS

- The scope of social security, unemployment, health care and other similar contributions**
- Explain who and in what circumstances is liable to pay social security, unemployment, health care and other similar contributions.^[2]

Excluded topics

- *The EU rules for social coordination and seconded employees*

2. Contributions for employed persons, liabilities of employees and employers

- a) Determine the taxable base for social security contributions due by the taxpayer (employer and employee).^[2]
- b) Calculate the employer's and the employee's share of social security, unemployment and health care contributions.^[2]
- c) Calculate the employer's contribution for health insurance indemnities and the fund for guaranteeing salary payments and other similar contributions.^[2]
- d) State the procedures and deadlines for the payment of such contributions.^[1]

3. Contributions for self-employed persons (business, professional and copyright income)

- a) Determine the taxable base for social security contributions due by self-employed persons.^[2]
- b) Calculate the social security, unemployment and health care contributions due by self-employed persons.^[2]
- c) State the procedures and deadlines for the payment of such contributions.^[1]

4. Contributions for other persons

- a) Calculate the health care contribution for persons obtaining rent income.^[2]
- b) State the procedures and deadlines for the payment of health care contribution.^[1]

Excluded topics

- *Social contributions due by persons having incomes other than rent.*

E. VALUE ADDED TAX

1. The scope of value added tax (VAT)

- a) Describe the scope of VAT.^[2]

- b) Explain how VAT functions when goods and/or services are supplied and/or received to/from Romania, to/from EU member states and to/from other non-EU countries.^[2]

- c) List the principal reduced rate, zero-rated and exempt supplies.^[2]

Excluded topics

- *Triangle transactions within the EU*
- *Transactions with products subject to excise*

2. The VAT registration requirements

- a) Recognise the circumstances in which a person (individual or legal entity) must register for VAT.^[2]
- b) Explain the advantages of voluntary VAT registration.^[2]
- c) Explain the VAT registration procedure including relevant deadlines.^[2]
- d) Identify the consequences of not registering for VAT.^[2]
- e) Explain how a person can voluntary deregister for VAT.^[2]
- f) Explain when a person may be registered or deregistered for VAT ex officio by tax authorities.^[2]

Excluded topics

- *Fiscal groups for VAT purposes*

3. The computation of VAT liabilities

- a) Explain how VAT is accounted for and administered.^[2]
- b) Explain how the place of supply of goods or services is determined.^[2]
- c) Explain how the chargeable event of VAT for the supply of goods or services is determined.^[2]

d) Explain rules on chargeability of VAT ^[2]

e) Explain and apply the principles regarding the valuation of supplies^[2]

- i) for deliveries of goods and services within Romania;
- ii) for imports, exports and intra-community supplies and acquisitions.

f) Explain the self-supplies mechanism.^[2]

g) Explain the difference between transfers and non-transfers.^[2]

h) Recognise the circumstances in which the right to deduct VAT arises and in which input VAT is non-deductible.^[2]

i) The computation of input VAT when the partial deduction right is applicable

j) Explain how the calculation of the VAT liability is affected where a VAT payer makes zero rated and/or exempt supplies.^[2]

k) Explain and apply the reverse charge regime.^[2]

l) Calculate the VAT due to/from the tax authorities.^[2]

m) Explain the adjustment of input VAT for capital goods and non-capital goods.^[2]

n) Recognise the difference between mandate structure and commission structure.^[2]

Excluded topics

- *EU transitional rules*
- *In respect of property and land: leases, do-it-yourself builders, and a landlord's option to tax*

4. Special schemes of VAT

a) Describe the cash accounting scheme ^[2]:

- i) Conditions to enter to/exit from the scheme
- ii) Rules for VAT chargeability and right of deduction
- iii) Calculation of VAT

- iv) Impact on persons who do not apply the scheme but make acquisitions from persons who apply the scheme
- v) Special reporting requirements

b) Describe the special regime which allows small companies not to register for VAT ^[2]

Excluded topics:

- *The special regime for second-hand, art, collection pieces and antiquities goods*
- *The special regime for investment gold*
- *The special regime for tourism agencies*
- *The special regime for taxable persons not established in the EU who provide IT services to non taxable persons*

5. Documentation requirements and compliance

a) List the information that must be given on a VAT invoice.^[2]

b) Explain how an invoice may be issued by electronic means or may be issued by a third party on behalf of the vendor.^[2]

c) List the supportive documents for justifying the deduction of input VAT.^[2]

d) Explain the VAT returns and statements that must be filed with the Romanian tax authorities.^[2]

e) Determine the VAT tax period.^[2]

f) State the deadlines for the filing of VAT returns, statements and payment of VAT.^[2]

g) Explain the notification obligations and procedures of VAT payers.^[2]

h) Explain the solidarity of both vendor and client in paying VAT to the state authorities and also the obligation to verify the VAT code.^[1]

i) Explain the self-invoicing mechanism.^[2]

F. THE OBLIGATIONS OF TAX PAYERS AND/OR THEIR AGENTS

1. **The systems for self-assessment and the making of returns**

- a) Describe the tax registration procedure.^[2]
- b) Explain and apply the features of the self-assessment system and the tax returns filing procedures for individuals.^[2]
- c) Explain and apply the features of the self-assessment system and the tax returns filing procedures for companies.^[2]

2. The time limits for the submission of information, claims and payment of tax, including payments on account

- a) Recognise the time limits that apply to the filing of returns and the making of claims.^[1]
- b) Recognise the due dates for the payment of tax and explain how taxes are paid.^[2]
- c) State the due dates for making tax prepayments.^[2]
- d) Explain the system of year-end (annual) clearing of tax and calculate the year clearing tax payable.^[2]
- e) Explain the payroll tax system as applied to employees.^[2]
- f) Explain the relevant procedures for tax collection by final withholding and of withholding as a prepayment of tax due, including relevant deadlines and competent authorities.^[2]
- g) List the information and records that taxpayers need to retain for tax purposes.^[2]

Excluded topics

- *Procedure for the recovery of tax claims*
- *The internal organisation and functions determination of the tax administration bodies*

3. The procedures relating to enquiries, rulings, appeals and disputes

- a) Explain the available remedial instruments and relevant procedures, including deadlines and competent authorities.^[2]

- b) Explain the application of the statute of limitation.^[2]

4. Interests and penalties for non-compliance

- a) State the circumstances in which interest and penalties can be charged.^[2]
- b) Calculate the interest and penalties that can be charged on overdue tax.^[2]

Excluded topics

- *The cancelling/discount of penalties for taxes in arrears on 31 August 2011 if they are paid until 31.12.2011/30.06.2012*

SUMMARY OF CHANGES TO F6 (ROM)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and learning providers.

The main areas that have been added to the syllabus are shown in Table 1 below:

Table 1 – Additions to F6 (ROM)

Section and subject area	Syllabus content
B5 The comprehensive computation of taxable income and income tax liability	A new point f) was introduced to make clear that computation of final tax and difference to be paid at end-of-year settlement is required for incomes for which pre-payments of tax are made.
C4. The special scheme of corporate tax for very small companies.	At point a) the requirement is to identify the companies that are liable to apply this tax, as the system is not optional anymore, but compulsory.
C5. International aspects	Two new points d) and e) were introduced to explain the rules and compute the corporate income tax for non-residents having more than one permanent establishment
D. SOCIAL SECURITY, UNEMPLOYMENT, HEALTH CARE AND OTHER SIMILAR CONTRIBUTIONS	A new point 4 was introduced to include the obligation to pay social contribution by the individuals who obtain rent income. It was clearly specified that social contributions that might be due by persons obtaining other revenues than income shall not be examined under this point.
E5. Documentation requirements and compliance	A new point e) was introduced to clarify that the rules for determining the VAT tax period are examinable.

The main areas that have been deleted from the syllabus are shown in Table 2 below:

Table 2 – Deletions to F6 (ROM)

Section and subject area	Syllabus content
C3 The comprehensive computation of corporate income tax liability	The computation of the minimum tax payable by companies operating in the field of night bars and clubs, discotheques, casinos and gambling has been deleted.
D1 The scope of social security, unemployment, health care and other similar contributions	Point b) regarding the EU rules for social coordination and seconded employees has been deleted.
E2 The VAT registration requirements	Point g) regarding the conditions that must be met for companies to be treated as a group for VAT purposes and the consequences has been deleted.