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## **TMF Group Romania**

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## Law no. 70/2015 to enforce the financial discipline regarding the receipts and payments in cash and amending and complementing the Government Emergency Ordinance no. 193/2002 concerning the introduction of modern payment systems

In the Official Gazette no. 242/9.04.2015, has been published the Law no. 70/2015 to enforce the financial discipline regarding the receipts and payments in cash and amending and complementing the Government Emergency Ordinance no. 193/2002 concerning the introduction of modern payment systems.

Law no. 70/2015 stipulates provisions regarding the **cash transactions settlement** in local currency as well as in foreign currencies, performed by and between legal entities, freelancers, individual companies, family businesses, individuals who operate independently, associations and other entities that have or do not have legal personality.

Thus, the receipts and payments transactions should be carried out only in non-cash instruments. As an exception receipts and payments transactions can be carried out in cash as long as the following conditions are fulfilled:

### Receipts

- Receipts from the entities mentioned above having a **daily threshold of RON 5,000 per person**;
- Receipts by the **cash and carry** entities from the entities above mentioned within a **daily threshold of RON 10,000 from a person**.

### Payments

- Payments to the entities above mentioned within a **daily threshold of RON 5,000 per person** but no more than a **total of RON 10,000 per day**;
- Payments made to the **cash and carry** entities within a **daily threshold of RON 10,000 per person**.

### Cash advances

- Payments representing cash advances within a **daily threshold of RON 5,000 per person**. The **daily threshold** for all cash advances **amounts to RON 10.000**.

According to the law **it is forbidden to fragment cash collection or payment** for the transactions that exceed the value of RON 5,000, respectively RON 10,000 in the case of cash and carry entities.

The invoices that amount to more than RON 5.000 issued by a services or goods supplier (RON 10.000, in the case of cash and carry entities) can be settled by the entities in cash within the threshold of RON 5.000 (RON 10.000 in the case of cash and carry entities) and **the difference can be settled only by non-cash instruments.**

The threshold does not apply for the following transactions:

- The cash deposits in the credit institutions or institutions providing payment services authorized by the National Bank of Romania, including the cash collecting machines;
- The payment of the business purposes travel expenses for the amount due for transportation payment, daily allowance, accommodation during travel and for the unforeseen expenses incurred in this regard;
- The cash payment of the taxes, contributions, fines and other obligations owed to the state budget;
- The cash withdrawing from the accounts opened within the credit institutions for salary payment and for other employee rights according to the law;
- The transferring of funds through institutions providing payment services authorised by the National Bank of Romania or authorised in another Member State of the European Union and notified to the National Bank of Romania, according to the law;
- The cash depositing in the cash machines running on bills or coins.

The above mentioned regulations enter in force after 30 days from the publishing date in the Official Gazette, starting with 9 May 2015.

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*The information presented is meant as a general guide and is not intended to address particular situations, specific to an individual or entity. This alert comes with the recommendation that professional advice be sought in order to assess all the risks and particularities related to your specific situation.*