

01 August 2016

## REDUCED V.A.T. RATE FOR AGRICULTURAL PRODUCTS AND SERVICES

The Ministry of Public Finances and Ministry of Agricultural and Rural Development issued order no. 1155/868/2016 establishing those agricultural products and services for which a reduced V.A.T. rate now applies ("Order 1155/868").

Law no. 227/2015 regarding the Fiscal Code (the "**Fiscal Code**") has been recently amended and supplemented by way of Emergency Ordinance no. 32/2016. As a result, as of 1 August 2016, the reduced V.A.T. rate of 9% shall also apply to:

- the delivery of fertilizers and pesticides used in agriculture, seeds and other agricultural products for sowing or planting; and
- the provision of specific services performed in agriculture.

Order 1155/868 was issued for the purpose of detailing those types of agricultural products and services to which the reduced V.A.T. rate applies as of 1 August 2016. Specifically, the 9% V.A.T. rate applies to the delivery of the following agricultural products:

- fertilizers falling under the Combined Nomenclature codes<sup>1</sup> 3101 00 00, 3105 90 80;
- pesticides falling under the Combined Nomenclature codes 3808 91, 3808 92, 3808 93, 3808 99 10;
- seeds and other agricultural products for sowing or planting falling under the Combined Nomenclature codes 0601, 0602, 0701 10 00, 0703 10 11, 0712 90 11, 0713 10 10, 0713 33 10, 1001 11 00, 1001 91, 1002 10 00, 1003 10 00, 1004 10 00, 1005 10, 1006 10 10, 1007 10, 1008 21 00, 1201 10 00, 1202 30 00, 1204 00 10, 1205 10 10, 1206 00 10, 1207 21 00, 1207 40 10, 1207 50 10, 1207 91 10, 1207 99 20, 1209.

The reduced V.A.T. rate of 9% also applies to a list of 34 specific services performed in the agricultural domain, enclosed as annex to Order 1155/868.

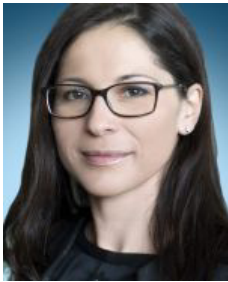
Order 1155/868 was published in the Romanian Official Gazette no. 572 of 28 July 2016 and entered into force on 1 August 2016.

<sup>1</sup> A "**Combined Nomenclature code**" represents the tariff heading, subheading or code, as provided under the Council Regulation (EEC) no. 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff, as amended by the Commission Implementing Regulation (EU) no. 1101/2014 of 16 October 2014.

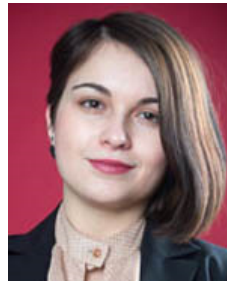
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