

BUSINESS AND INVESTOR'S GUIDE

NEAMȚ COUNTY



Words from the President of Neamț County Council



Neamț County has great potential in terms of investment opportunities.

The role of the BUSINESS AND INVESTOR'S GUIDE IN NEAMȚ is to highlight the strengths of our county, to animate the investors' interest in our area, and to provide them with all the necessary information, from both demographic, cultural, economic and legislative point of view.

The Romanian and foreign entrepreneurs have my full support for the implementation of their investment projects, in Neamț County. I hope we will be able to build together strong and sustainable partnerships, based on trust, collaboration and common interests, with the purpose of economic development of our county.

So, I invite you to discover Neamț County!

Yours sincerely,
Ionel ARSENE - President of
Neamț County Council





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NEAMȚ COUNTY DESERVES THE INVESTORS' ATTENTION!

Your advantages as an investor in Neamț County:

- the existence of a young and qualified workforce (with a good command of foreign languages);
- the interest and availability of local public administration authorities to support potential investors;
- the recent fiscal relaxation measures – social insurance (CAS) reduction, non-taxation of reinvested earnings and the elimination of 102 taxes;
- competitive costs for real estate and utilities;
- traditional industries in the region;
- high tourism potential of the area, with various capitalization opportunities, with emphasis on balneary tourism component, including wellness / spa preventive treatments;
- the variety and complementarity of ground and soil natural resources: mineral, therapeutic, carbonated and flat mineral waters, building materials (gravel, limestone, sands, clay), petroleum and natural gas, bituminous shales, agricultural land, forests, natural pastures and meadows, flora and fauna;
- good quality of life.









Presentation of Neamț County

Location and Accessibility

- Neamț County is located in the Central-Eastern part of Romania, along the Bistrița and Siret rivers, with an area of 589,614 ha, which represents approximately 2.5% of Romania's surface.
- Neamț County's neighbours: to the North - Suceava County, to the West - Harghita County, to the South - Bacău County, and to the East - Vaslui and Iași Counties. Neamț County is part of the North - East Development Region, which is the eastern border of the European Union.
- Neamț County is accessible:

- by road, being crossed by the European road E85 (Bucharest-Bacău-Roman-Suceava-Siret) and by the European road E583 (Roman-Târgu Frumos), which branches to Botoșani and Iași via the European road E58;

- by air, via the airports of Bacău, Iași and Suceava.





Natural Environment

• The county's landform is arranged in steps, including mountains, hills, plateaus, plains. From the East to the West, the lowest altitude is 169 m along the Siret River valley, and the highest elevation is the Ocolașu Mare Peak, in the Ceahlău Massif (1907 m).



• The climate - in the county as a whole, records the features of the temperate continental climate. The differences are determined by both the altitude and the large aquatic areas that emerged from the Bistrița River hydro-energetic development.

• Soils - about 45% are sylvan soils (262,733 ha). The area of the agricultural land is 281,520 ha and it represents 47% of the county's surface.

• The hydrographic network – the water resources in the county are one of the elements that favoured the economic and social development of this region. Neamț County has significant resources for surface and underground water.

The total length of the rivers in Neamț County is about 2,000 km.







Natural Resources

- Neamț County has numerous mineral reserves - uranium minerals, gem-salt, potassium salts, copper sulphides, useful rocks - limestone, sand and gravel, clay, sand, oil and natural gas, mineral and carbonated mineral waters and mineralized waters with therapeutic properties.
- Another valuable asset of the county is the forest, which supports the wood processing industry; pastures and meadows, which give a special charm to the landscape, are a source for animal feed, but also for the medicinal plant industry.
- Rich and varied fauna is another richness of the area, giving it a legendary renown in the hunting field.



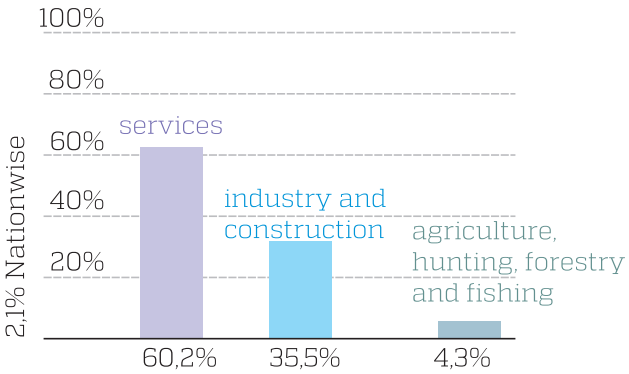




Human Resources

• On January 1st, 2018, the resident population of Neamț County was 446,809 inhabitants, of which 220,484 were men (49.35%) and 226,325 were women (50.65%).

• The civil active population of the county (180,500 persons) represents 2.1% of the national total. The number of employees in the county economy at the end of June 2019 was 87,559 persons. Of the total number of employees, 60.2% work in the services sector, 35.5% work in industry and construction fields and 4.3% are active in the agriculture, hunting and related services, forestry and fishing field.



From a total of 180,500 persons, 87,559 are active workers, as follows:

• Gross nominal average wage, achieved on the national economy as a whole, in June 2019, was 5,127 RON (approx. 1,080 euro/employee), and the net amount of 3,142 RON (approx. 660 euro/employee). In Neamț County, gross nominal average wage was 4,229 RON (approx. 890 euro/employee), and the net salary was 2,592 RON (approx. 540 euro/employee).

• In Neamț County, at the end of June 2019, the registered unemployment rate, calculated in relation to the total active civil population, marks a downward trend of 4.03%.

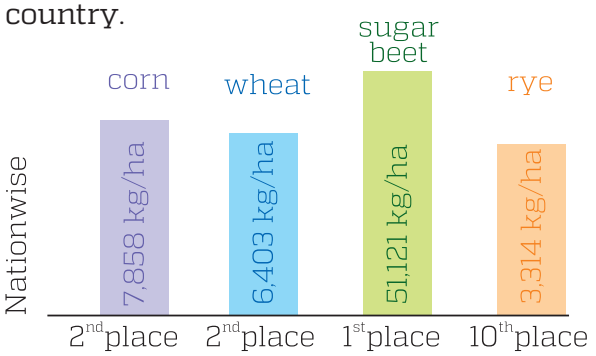
• Regarding the education and professional qualification of the labour force, in Neamț County there are 3 branches of university education (economical profile), 41 state and private high schools, of which 27 with technological profile, 6 post-secondary schools state and private, an European Studies Centre, 3 school centres for inclusive education and a technological profile high school for children with special needs.

• Regarding the health system, it was intended to decentralize it and stimulate the development of the private health sector. The network of sanitary units at county level comprises: 5 hospitals, 37 general medical offices, 260 family medical offices, 339 dental offices, 355 specialized medical offices, 161 pharmacies and pharmaceutical points. In Piatra-Neamț, a new public hospital is going to be built by Neamț County Council, which will include various medical and surgical offices, a Radiotherapy and Medical Oncology Centre and a heliport for emergency services.



County's Economy. Industry. Agriculture and Forestry. Commerce. Tourism.

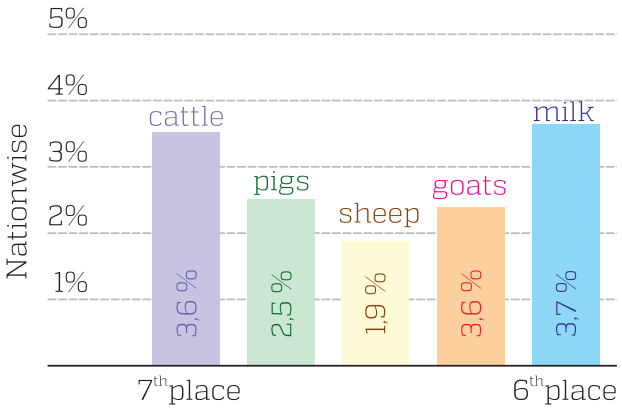
- There are over 8,800 active enterprises in Neamț County (over 7,800 micro-enterprises, 954 small and medium enterprises and 19 large enterprises). Compared with other counties, Neamț County ranks 21st in the number of active enterprises. Most of them are active in the wholesale and retail trade industry or reparation of motor vehicles and motorcycles, followed by the manufacturing industry.
- The local active enterprises in Neamț County have a total turnover of over 13.6 billion RON (over 2.9 billion Euro), representing 1% of the national turnover and placing the county on the 26th place in the top of the counties. The highest turnover is recorded in commerce (45.5%) and industry (31.8%). The staff of active local enterprises (over 56.000 people) places Neamț on the 23rd place in the hierarchy of counties. Most employees work in manufacturing (over 21,000 people) and commerce field (over 14,000 people).
- Compared to June 2018, the industrial output (gross series) achieved in June 2019 was 20.78% higher, driven by higher outputs in most industrial groups, with a significant contribution of the energy industry (+51.87 %).
- Having a total area of 589,717 ha, representing 2,5% of Romania's surface area (ranking 18th in counties hierarchy) - Neamț County holds 1,9% of the national agricultural area (281,870 ha). At the same time, the surface occupied with forests and forest vegetation (3.9% of the national total) places the county on the 9th place in the country.



Neamt County is in the first 10 counties ranking, regarding the average vegetal production (kg/ha)

- According to the types of crops in question, Neamț County has an important share in sugar beet, rye, root crops for fodder surface. Regarding the average vegetal production (kg/ha), Neamț County is in the first 10 counties ranking: corn (7,858 kg/ha – 2nd place in the country), wheat (6,403 kg/ha – 2nd place in the country), sugar beet (51,121 kg/ha - 1st place in the country), rye (3,314 kg/ha - 10th place in the country).
- In terms of livestock farming, Neamț County has: 3.6% of the total number of

cattle (7th in the top of the counties); 2.5% of the total pigs stock; 1.9% of the total sheep stock; 2.3% of goats stock. The agricultural animal production places Neamț County among the first counties in Romania (6th place) for cow's milk and buffalo milk (in Neamț 1,487 thousand hl, representing 3.7% of the national production, were produced).



- The total value of county agricultural production represents 2.2% of the total value of the national agricultural production and places Neamț County on the 23rd position in the country rankings.
- Neamț County holds 4% of the national forestry area and is the second county in Romania by the volume of harvested timber (6.7% of the national total was exploited in Neamț).
- In terms of international trade, between 1st of January and 31st of October 2018, FOB exports amounted to 372,162 million Euro, 1.7% higher than the same period of the previous year, while CIF imports amounted to 364,484 million Euro, 5.5% higher than between 1st of January and 31st of October 2017. Neamț County is among the 25 counties with a trade surplus of FOB / CIF (worth 7,678 thousand Euro, for the period January 1 to October 31, 2018), considering the national trade deficit level of FOB / CIF.

The highest weights in exports are recorded in textiles and textile products, means and materials of transport, plastics, rubber and rubber articles, cast iron, iron and steel products. The main markets are: Italy, Holland, France, Germany, Belgium, Spain, Saudi Arabia and Russia. In terms of import, large weights are recorded in: textiles and textile articles, iron and steel products, transport means and materials, plastics, rubber and rubber articles, imported both from Europe and from Asia.

- As far as tourism development is concerned, there are more than 222 tourist accommodation units in Neamț County, representing 3.4% of the national total and placing the county in the top 11 in the country. At the end of June 2019, the tourist accommodation capacity in operation was 171,030 beds-days. Regarding the number of accommodated tourists, Neamț County is ranked 13th in the national ranking, out of 41 counties plus Bucharest – the Capital, with a total number of tourists of 238,783 persons (2017), and almost 10% more in 2018. At territorial level, the highest tourist accommodation capacity was recorded in Ceahlău Commune, where Durău Resort is located, at the foothills of Ceahlău Massif (over 1,500 beds) and the most numerous arrivals of tourists were registered in Piatra-Neamț (over 54,000 people).









Infrastructure

Transportation

• Neamț County is crossed through the Roman Municipality by the Pan-European Corridor IX (railway and road branch), linking Northern Europe to Eastern Europe.

• The most important road arteries crossing Neamț County are: European road E85: (Lithuania, Belarus, Ukraine) - Siret - Suceava - Fălticeni - Roman - Bacău - Buzău - Urziceni - Bucharest - Giurgiu - (Bulgaria, Greece); European road E583: Săbăoani - Iași – Sculeni – Republic of Moldova.

• Neamț County is crossed by two TEN-T core roadways (Transilvania-Iași and Bucharest-Siret) and 1 TEN-T railway core (artery 500 connecting Romania to the South of the Balkan Peninsula and Istanbul to Ukraine). This structure of pan-European corridors represents a major potential for the economic development of the county in a first stage, from transit as a logistic and transport hub perspective.

• At the railway level, Neamț County has a good connection with Bucharest: Roman City has direct connection (artery 500), and Piatra-Neamț has an indirect connection, by transfer in Bacau. The same characteristics are encountered in connection with Iași.

• The national road network that crosses the urban areas of the county consists of:

- DN12C: Gheorgheni - Lacu Roșu - Bicaz;

- DN15: Turda - Luduș - Târgu Mureș - Toplița - Poiana Largului – Piatra-Neamț - Bacău; DN15B: Poiana Largului - Târgu Neamț - Cristești; DN15C: Piatra-Neamț - Bălțăteşti - Târgu Neamț - Fălticeni; DN15D: Piatra-Neamț - Girov - Roman - Vaslui;



- DN28: Roman - Târgu Frumos - Iași – Albita

• Regarding the accessibility by air, near Neamț County there are 3 international airports: Iași International Airport, George Enescu International Airport (Bacău) and Ştefan cel Mare International Airport (Suceava). The domestic and international destinations from the three airports are:

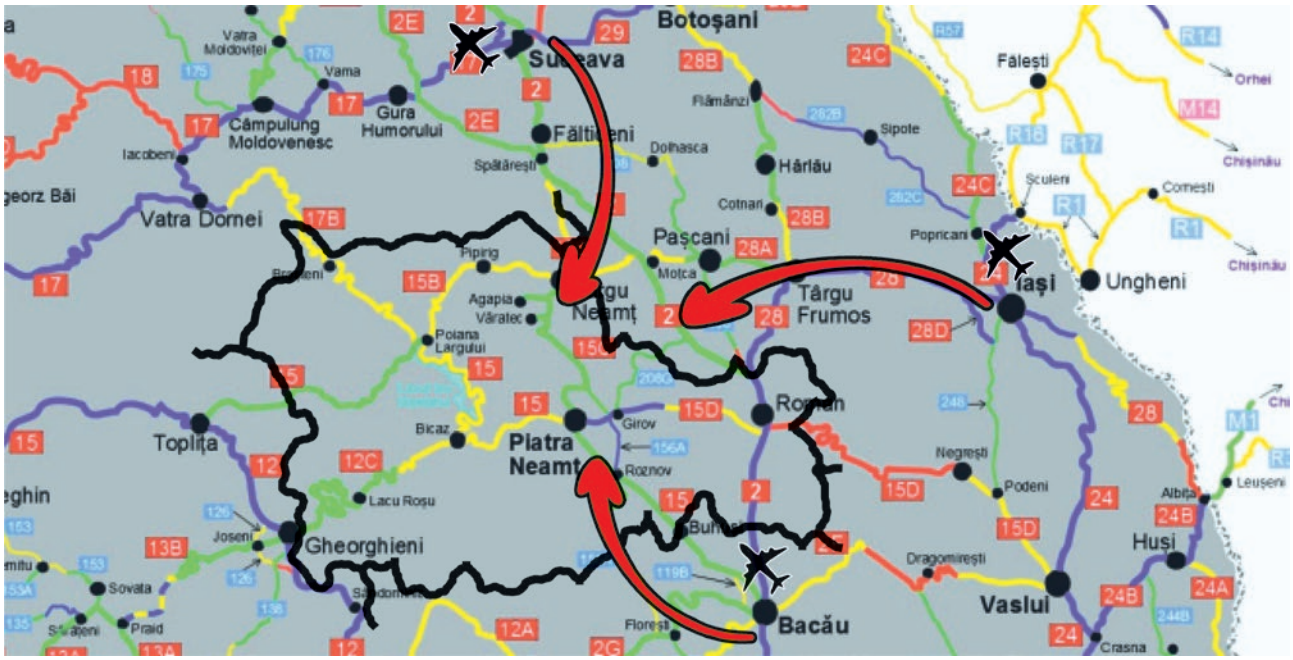
- Iași: Domestic: Bucharest, Cluj-Napoca, Timișoara

International: UK (London, Liverpool), Israel (Tel Aviv), France (Paris), Italy (Rome, Milan, Turin, Venice, Bologna, Catania), Spain (Barcelona), Belgium (Brussels), Germany (Cologne, Munich, Dortmund), Cyprus (Larnaca), Greece (Thessaloniki), Netherlands (Eindhoven), Denmark (Billund), Austria (Vienna)

- Bacău: Domestic: Bucharest; International: Italy (Rome, Turin, Bergamo, Bologna), UK (London, Liverpool), Spain (Madrid), Ireland (Dublin), Belgium (Brussels)

- Suceava: Domestic: Bucharest; International: Italy (Rome, Milan, Bologna), UK (London), Germany (Munich)

• There is also the possibility of car rental, both in Iași, Bacău and Suceava (the North-East cities that have airports), and in the cities of Piatra-Neamț and Roman. The reservations can also be made online.



Business Support Infrastructure

The business support infrastructure is represented by the following institutions:

- Neamț County Council - is the authority of the local public administration, established at county level, to coordinate the activity of the municipal and town councils, in order to achieve the public services of county interest. It is a guarantor of the efficient use of public resources.
- Neamț County Prefect Institution - the Prefect is the Government representative at local level, ensuring the verification of the legality of the documents issued by the local public administration authorities and coordinating the activity of the deconcentrated public services of the ministries and other central public administration bodies, organized at county level.
- Neamț Trade Register Office - is the institution authorized by law to carry out the registration of companies in Neamț County. It also provides counselling services for setting up a business, the preparation of necessary documents and representation before the competent courts, to authorize the seting up of the enterprise and to obtain the necessary permits to carry out the business.
- Neamț County Administration of Public Finance (ANAF)
- Municipalities (78 communes and 5 cities)
- North East Regional Development Agency - an agency that develops and promotes strategies, attracts resources, identifies and implements funding programs and provides services to foster sustainable economic growth, partnerships and entrepreneurship.
- The County Employment Agency - the institution offers services such as: professional counselling, vocational training courses, pre-vacancy services, work mediation, business start-up consultancy, subsidizing jobs for disadvantaged categories of people, the granting of favourable financing tools for the creation of new jobs.
- The Chamber of Commerce and Industry of Neamț County - is an independent, non-governmental and non-profit organization that supports the business establishment and development in Neamț County, providing a wide range of specialized services to those interested.
- Piatra-Neamț Customs Office
- Local Action Groups (GALs) that represent public-private partnerships, in which the public share holds 49% at decision-making level, and 51% is owned by the private party. They contribute to the development of the area where they were established, being local development structures. These entities are non-governmental organizations, actively involving the local actors, who have the role of identifying the major development direction of the territorial area on which the respective GAL is located.





General Investment Climate

Areas of interest for potential investors - given the economic profile of Neamț County, at local level, there are several economic sectors with high potential for investors:

Traditional industries in the region such as the textile industry, the woodworking industry, the furniture industry, the construction materials industry, the metallurgical industry, the chemical industry, the metallic and metal products industry, the machinery industry, machinery and equipment, clothing industry, food industry;

Tourism - Neamț County has a high tourist potential, both natural and anthropic, enhanced by a well-developed accommodation and leisure infrastructure. The tourist objectives and accommodation units are concentrated in five tourist areas – Piatra-Neamț, Bicaz, Ceahlău Massif, Târgu Neamț and Roman. Tourism in Neamț County is developed on five levels: mountain tourism, cultural-ecumenical tourism, rural tourism and agritourism, ecotourism and balneary tourism.

- The Ceahlău Massif - the highest mountain of Moldavia, at the foot of which lies Durău Resort - and Bicaz area with Bicaz Gorges, represents locations of intense tourist influx. The mountain area of Neamț County, which includes the City of Bicaz, 11 neighbouring communes, 9 localities in the Târgu Neamț area and 2 other localities in Piatra-Neamț area, covers about 42% of the county's area. The mountain specificity offers great potential in the area for adventure tourism - climbing, paragliding, caving, etc.

• Neamț County has 537 historical monuments, registered by the Ministry of Culture and National Patrimony. The rich historical heritage, highlighted by museums, memorial houses, medieval fortresses, archaeological sites, cathedrals and especially monasteries, offers numerous opportunities for recreation and for having an insight of the local traditions. Neamț Monastery was included in 1991 on the tentative list, being considered suitable for nomination on the UNESCO World Heritage list.

• Areas with high potential for rural tourism and agritourism are: Bistrița Valley, Bicaz Valley, Red Lake, Tarcău Valley, Ozana Valley. They offer great potential in the area for adventure tourism - river rafting, canoeing, sailing, etc.

• Ecotourism, highlighted by tourist destinations with an unspoilt natural environment, is represented by numerous natural reservations: Ceahlău National Park, Vânători Neamț Nature Reservation, Bicaz Gorges, Polița cu Crini (Lilies Shelf), Pădurea de Aramă (Copper Woods), Pădurea de Argint (Silver Woods), where flora and fauna are declared natural monuments.

• Balneal tourism has a high treatment potential, Bălțăteşti and Oglinzi Resorts being appreciated by many Romanian and foreign tourists, for the curative qualities of mineral waters and mud. Bălțăteşti balneary-climatic resort is famous for its chlorosodic, sulphate, bicarbonate, magnesium and ferrous waters, and the Oglinzi Resort is famous by chlorinated, sodic and brominated mineral waters.

Agriculture, pomiculture, zootechnics and forestry

• The modernization of the county's agriculture, through the transition from subsistence agriculture to a modern, high-performance agriculture (with high productivity and value-added generating), is the main stake of the competent public authorities.

• From an economic perspective, organic farming can be a good option for potential investors, as it is a more value-added agricultural production with a much shorter supply chain, ensuring a less-mediated transfer of benefits to farmers. Good quality of the soil and environment, preservation of "mild" agricultural practices - without, or with low chemistry - allow organic products with high biological value to be obtained.

• Although the pedoclimatic specificity of Neamț County is favourable for the fruit





culture, the area of orchards and fruit tree nurseries is extremely small (it provides only 1.8% of the national production) - hence the high growth potential of this sector. The development of fruit tree nurseries and processing lines could lead to the marketing of higher added value products (jams, compotes, natural fruit juices, etc.).

- The vast pastureland and hayfields in Neamț County are favourable for zootechnics - a traditional activity of the inhabitants. The high number of cattle and sheep has big potential as raw material for the food industry - the production of meat, milk and derivative products, as well as secondary materials for the development of crafts: skins, fur and wool.
- Forestry is one of the very important branches of the primary sector in Neamț County, especially due to the geographic profile of the county (the western mountainous part with large forested areas) and the important presence of an industrial sector of furniture production which has a development potential that can't be neglected. The exploited and processed wood can be utilized in finite products with a high degree of processing/finishing: industrial furniture, rustic furniture, hand-made sculpture - gates/doors, traditional furniture, objects of worship, etc.. Wood waste can also be exploited by producing fuel – wood briquettes.

Exploitable underground resources - Neamț County has several exploitable mineral reserves such as:

- carbonated and flat mineral waters that can be consumed as such (Toşorog, Bicazu Ardelean, Pipirig, Izvorul Muntelui, Tazlău) and mineralized waters with therapeutic properties (Durău, Bălțăţeşti, Oglinzi, Piatra Șoimului);
- useful rocks (Bicaz Chei and Dămuc) used in the cement and chalk industry; sand and gravel (Moldavia, Bistrita and Siret rivers' basins and in Girov, Căciulesti, Crăcăoani, Târgu Neamț, Vânători); clay used in the production of bricks, tiles and ceramic tiles (Ciritei - Piatra-Neamț, Sagna, Răuceşti, Gădinți, Taşca, Roman, Vânători Neamț, Tarcău); sandstone (Tarcău);
- uranium ores (Grințieş), rock-salt (Târgu Neamț, Dobreni, Piatra-Neamț, Borleşti), potassium salt deposits (Crăcăoani, Negreşti, Gârcina, Dumbrava Roşie, Borleşti, Bălțăţeşti, Tazlău);
- oil and natural gas (Roman, Tazlău, Pipirig).

Legislative Framework



Steps in Setting up a Company:

• Choosing the sector of activity - setting up a company implies choosing a sector of activity, which will be done according to the NACE code, which allows the choice of a single main sector of activity and of an unlimited number of other secondary activities.

• Establishing the legal form of the company - the main forms of establishment of the trading companies in Romania are:

- The Limited Liability Company (S.R.L.) - statistically speaking, is the most used legal form of commercial activity in Romania. Within this type of company, the shareholders are liable for any debts of the company only within the limits of their contributions; the establishment of a S.R.L. requires an initial capital of at least 200 RON; the number of associates may be reduced to one, as long as that person is not associated with any other company.
- Joint Stock Company (S.A.) - is a more and more common legal form in Romania; this type of company involves a number of at least two shareholders and the capital is formed by shares issued by the company.

• The selection and reservation of the company name and obtaining the certificate from the National Trade Register Office, which proves the availability of the selected name for the company. The availability of the chosen name can also be checked at http://recom.onrc.ro.

• Establishing the registered office of the company and registering it with the Neamț County Public Finance Administration - for

the registered office it is necessary a lease or lending contract, agreed between the owner of the estate and the company. In addition, a copy of the ownership document from the person who provides the space to be company's registered office will be required; the contract of sale, joint venture, real estate leasing or heir certificate is also accepted. Another important element is the agreement of the edifice owners' association, which is obtained in the form of a signboard table.

• The deposit of funds corresponding to capital quotas - this can be done at any bank in the country.

• Editing the company's statutory documents and registering them at the National Trade Register Office - constitutive act / statute / company contract.

• Filling in the documents for registration with the Trade Register and submission of the file.

• Obtaining the company documents - these are: the registration certificate, the decision of the court of law attached to the National Trade Register Office and the certificate of attestation.

• Operating notices and authorizations - these vary according to company's sector of activity and must be requested from the competent public institutions and authorities from the company's area of activity; these documents are essential for the legal functioning of the business.

The Tax System

• **VAT** - according to Romanian Fiscal Code, taxpayers owe VAT when their annual turnover, declared or accomplished, exceeds 300,000 RON. The standard VAT rate is 19%. In addition to the general rate, the Fiscal Code also provides for two reduced VAT rates:

- 9% applicable to: delivery of prosthesis and their accessories, with the exception of dental prosthesis exempted from tax paying; delivery of orthopaedic products; delivery of medicinal products for human and veterinary use; the supply of the following goods: food, including beverages, excluding alcoholic beverages, intended for human and animal consumption, livestock and poultry of domestic species, seeds, plants and ingredients used in the preparation of foodstuffs, products used to supplement or replace food; water supply for irrigation in agriculture; the supply of fertilizers and pesticides used in agriculture, seeds and other agricultural products intended for sowing or planting, as well as the provision of services of a specific type used in the agricultural sector; water supply and sewerage services.

- 5% applicable to: traditional and organic food products, textbooks, books, newspapers and magazines, except those intended exclusively or mainly for advertising; access to castles, museums, memorial houses, historical monuments, architectural and archaeological monuments, zoological and botanical gardens, fairs, amusement parks and recreational parks whose activities are classified under 9321 and 9329 NACE codes, fairs, exhibitions and cultural events, sporting events, cinemas other than those exempted; delivery of housing as part of a social policy, including the land on which it is built; accommodation in the hotel sector or similar sectors, including rental of camping grounds; restaurant and catering services, excluding alcoholic beverages other than beer; the right to use sports facilities whose activities are under 9311 and 9313 NACE codes for the purpose of practicing sport and physical education other than those exempted.

Beside this, as of 1st of November 2018, the application of the reduced VAT rate of 5% was extended also to tourism activities, as follows:

- accommodation in the hotel sector or similar-function sectors, including rental of camping grounds;
- restaurant and catering services, excluding alcoholic beverages other than beer;
- the use of sports facilities for the purpose of practicing sport and physical education, other than those exempt by legislation, access to amusement parks and recreational parks;
- the transport of persons by means of animal traction vehicles used for tourist or leisure purposes;
- water transport of persons with boats used for tourist or leisure purposes;
- the transport of persons with trains or historic vehicles with steam traction on narrow tracks for tourist or leisure purposes;
- transport of persons using cableway installations - cable car, cable gondola, chair lift, teleski - for tourist or leisure purposes.

The measure was taken to promote tourism, reduce tax evasion, increase domestic consumption and stimulate economic growth.

The same newly introduced law refers also to balneary tourism, the royalty for geothermal water and natural mineral waters used for the consumption of the population at public puffs, namely mineral water for consumption, is eliminated.

Regarding the VAT rate for the imported goods, this is the applicable rate in Romania for the delivery of the goods. Also, for intra-Community acquisitions of goods, the applicable VAT rate is the one applicable in Romania for the delivery of those goods and is valid on the date on which the chargeability of the tax occurs.

VAT reimbursement can be claimed by companies registered for VAT purposes and represents the reimbursement of negative amounts given by the tax authority to taxable companies. In particular, if the tax on purchases made by the taxable company is greater than the amount of tax collected by the tax authority, then there is a surplus, called a negative amount, which will be reimbursed to the taxable company following the completion of the claim for reimbursement procedure. The VAT reimbursement is regulated by Law no. 227/2015 of the Fiscal Code, updated by the Emergency Ordinance no. 3/2018 of February 8, 2018.

VAT reimbursement is usually taking place within 45 days or 90 days, if the settlement of the VAT return also involves an anticipated documents control. The initial time limit may be extended by a period of two to six months if, in order to resolve the request, further additional evidence is required to make a decision.

VAT on international trade within the EU can be recovered in the case of import of goods operations for which VAT is paid in another Member State and in the case of purchases of goods or services on the territory of another Member State and the payment of VAT at the time of purchase. The request for reimbursement of intra-Community VAT shall be made by issuing a request for reimbursement by electronic means to the Member State in which import or purchase operations were made. The application must be submitted to the competent fiscal authority in Romania through the “Online Statements” service. This application is represented by Form 318.

According to the Tax Code, any taxable person (company) registered for VAT purposes has the right to deduct from the total value of the collected tax for a taxation period, the total amount of the tax for which the right to deduct was incurred during the same period. Information on the right to deduct VAT and its scope are contained in Articles 297 to 301 of the Fiscal Code.

• **Labour costs** - according to the Romanian legislation, both the employer and the employee pay taxes to the state budget. Employee taxes are retained and transferred by the employer to the state.

The contributions paid by the employer are:

Labour Insurer Contribution (CAM) – 2.25% applied to the gross income paid by the employer

The contributions paid by the employee are:

- Social insurance (CAS) - 25% for normal working conditions; additional CAS is due by employers in case of special/different working conditions (4% or 8%, according to the law); the percentage is applied to gross income;
- Health Insurance (CASS) - 10% of gross income;
- Income tax - 10% applies to the gross income minus the CAS and CASS contributions.

• **Corporate Income Tax**

The following entities are required to pay corporate income tax:

- Romanian legal entity;
- foreign legal entities carrying out activity through a permanent establishment/ several permanent establishments in Romania;
- foreign legal entities having the place of effective management in Romania;
- foreign legal entities who earn income from real estate properties situated in Romania, and/or income from the ownership right transfer over immovable property situated in Romania;
- legal entities having their registered office in Romania, established according to the European legislation.

Corporate income tax rate

- Standard rate of corporate income tax is 16%;
- Taxpayers who run night bars, nightclubs, discotheques or casinos, including legal entities that earn these incomes on the basis of an association agreement and for which the corporation tax due for the activities listed above is less than 5 % of those earnings are required to pay the 5% tax on that revenue.

• **Local Taxes and Fees**

According to the Tax Code, local taxes and duties are as follows:

- building tax and building duty;
- land tax and land duty;
- tax on means of transport;
- fees for issuing certificates, permits and authorizations;
- fee for using the means of advertising and advertising;
- tax on shows;
- special taxes;

• **Income Tax for Micro-enterprises**

Tax rates on micro-enterprise income are:

- 1% for micro-enterprises with one or more employees; by way of exception, for newly established Romanian legal entities, who have at least one employee and are constituted for more than 48 months, and their shareholders/associates did not hold shares in other legal entities, the tax rate is 1% for the first 24 months from the date of registration of the Romanian legal entity, according to the law; the tax rate is applied until the end of the quarter in which the 24-month period ends;
- 3% for micro-enterprises without employees.

According to Romanian Fiscal Code, if during a fiscal year a micro-enterprise earns more than € 1,000,000, it owes corporate income tax, starting with the quarter in which this limit was exceeded.

• **Dividend Tax**

A Romanian legal entity, irrespective of the system of taxation, namely corporate income tax or income tax on micro-enterprises, which pays dividends to a



Romanian legal entity, has the obligation to withhold, declare and pay the dividend tax withheld to the state budget. The tax on dividends is established by applying a 5% tax rate on the gross dividend paid to a Romanian legal entity.

- **Facilities for Business**

- Tax depreciation - according to the Fiscal Code, the expenses related to the acquisition, production, construction of the depreciable fixed assets, as well as the investments made to them, are recovered from the fiscal point of view by deducting the depreciation;
- Tax relief of the reinvested profit - according to the Fiscal Code, the profit invested in technological equipment, electronic computers and peripheral equipment, cash machines and devices, control and billing, in software programs, as well as the right to use the software, products and/or purchased, including under financial leasing contracts, and put into service, used for the purpose of carrying on business, is exempt from tax.
- Tax exemption for taxpayers performing exclusively innovation, research and development activity - according to the Fiscal Code, taxpayers carrying out exclusively innovation, research and development activity, as well as related activities, are exempted from the profit tax in the first 10 years of activity.
- Tax incentives for employment by special categories - new graduates, unemployed people, people with disabilities, etc.
- The aid was granted, including subsidies granted in the agricultural field.
- EU funds through the 2014-2020 operational programs:
  - POR - Operational Program for Regional Development
  - POCU - Human Capital Operational Program
  - POC - Competitiveness Operational Program
  - POIM - Large Infrastructure Operational Program
  - POAT - Operational Technical Assistance Program
  - POCA - Administrative Capacity Operational Program
- The Start-Up Nation Program - small and medium-sized firms and micro-enterprises established after January 30, 2017 can receive non-reimbursable funds of up to 200,000 RON each with this program, under certain conditions.

- **Rights of Foreign Investors**

- Equal national treatment for foreign investors;
- Foreign investments are allowed in all economic sectors;
- Possibility to freely manage the full-fledged property company;
- Full repatriation of capital and profits;
- Total protection against expatriates and nationalizations;
- Access to incentives and funds provided by EU and Romanian legislation;





USEFUL CONTACTS

- **Neamț County Council**

Address: 27 Alexandu cel Bun Street, Piatra-Neamț
Phone no.: + 4 0233 212 890
Web: www.cjneamt.ro

- **Neamț County Prefect Institution**

Address: 27 Alexandu cel Bun Street, Piatra-Neamț
Phone no.: + 4 0233 211 568
Web: https://nt.prefectura.mai.gov.ro/

- **Neamț Trade Register Office**

Address: 19 Traian Blv., Piatra-Neamț
Phone no.: + 4 0233 232 020
Web: www.onrc.ro

- **Neamț County Administration of Public Finance (ANAF)**

Address: 19 bis Traian Blv., Piatra-Neamț
Phone no.: + 4 0233 207 630
Web: www.anaf.ro

- **North East Regional Development Agency**

Address: 13 Mihai Eminescu Blv, Piatra-Neamț
Phone no.: + 4 0233 218 075
Web: www.adrnordest.ro

- **The County Employment Agency**

Address: 21 Castanilor Street, Piatra-Neamț
Phone no.: + 4 0233 215 914
Web: www.anofm.ro

- **Chamber of Commerce and Industry of Neamț County**

Address: 33 Decebal Blv., Piatra-Neamț
Phone no.: + 4 0233 216 663
Web: www.ccint.ro

- **Piatra-Neamț Customs Office**

Address: No. 300 on National Road D.N. 15, Alexandru cel Bun Commune
Phone no.: + 4 0233 222 160
Web: www.customs.ro

Local Action Groups (GALs) in Neamț County:

- **"Ceahlău" Association Local Action Group**

Address: Hangu Town Hall, Hangu Village, Hangu Village
Cell no.: + 4 0754 643 936
Web: www.gal-ceahlau.ro

- **"Nicolae Roznovanu" Association Local Action Group**

Address: 1285 Principală Street, Zăneşti
Phone no.: + 4 0233 283 471
Web: www.galnicolaeroznovanu.ro

- **"Elena Doamna" Association Local Action Group**

Address: 1 Pietrei Street, Horia Commune
Cell no.: + 4 0769 672297
Web: www.agaled.ro

- **"Bistrita Roads" Association Local Action Group**

Address: 1 Aleea Parcului, Săvineşti Commune
Cell no.: + 4 0747 665 555
Web: www.drumurilebistritei.ro

- **"Land of Răzeşti" Association Local Action Group**

Address: Girov Commune
Phone no.: + 4 0233 291 090
Web: www.tinutulrazesilor.ro

- **"Land of the Bisons" Association Local Action Group**

Address: Stefan cel Mare Street, Vânători-Neamț Commune, Lunca Village
Cell no.: + 4 0754 018 140
Web: www.gal-tinutulzimbrilor.ro



APPENDIX

Top 20 Companies in Neamț County, by turnover (2017)

1. S.C. RIFIL S.A.
1 Gheorghe Caranfil Street, Săvineşti
Activity field: Preparation of fibers and spinning of textile fibers
Turnover: 350 million RON (EUR 79.5 million)
Employees: 688

2. S.C. ARCELORMITTAL TUBULAR PRODUCTS ROMAN S.A.
Ştefan cel Mare Street, Roman
Activity field: Production of steel tubes, tubular profiles and accessories
Turnover: 342.2 million RON (EUR 77.8 million)
Employees: 745

3. S.C. TRW AIRBAG SYSTEMS S.R.L.
258 Ştefan cel Mare Street, Roman
Activity field: Manufacture of other parts and accessories for motor vehicles and motor vehicles
Turnover: 335.2 million RON (EUR 76.2 million)
Employees: 1158

4. S.C. KOBER S.R.L
2 Gheorghe Caranfil Street, Dumbrava Roşie
Activity field: Manufacture of paints, varnishes, printing inks and mastics
Turnover: 317.7 million RON (EUR 72.2 million)
Employees: 839

5. S.C. DINAMIC 92 DISTRIBUTION S.R.L.
12A General Nicolae Dăscălescu Blv., Piatra-Neamț
Activity field: Wholesale of parts and accessories for motor vehicles
Turnover: 275.2 million RON (EUR 62.5 million)
Employees: 307

6. S.C. YARNEA S.R.L.
5 Gheorghe Caranfil Street, Săvineşti
Activity field: Preparation of fibers and spinning of textile fibers
Turnover: 187.9 million RON (EUR 42.7 million)
Employees: 403

7. S.C. BANESTO S.R.L
16 Privighetorii Street, Piatra-Neamț
Activity field: Wholesale of electronic components and equipment and telecommunication
Turnover: 153.8 million RON (EUR 35 million)
Employees: 41

8. S.C. MARSAT S.A.
268 Ştefan cel Mare Street, Roman
Activity field: Deposits
Turnover: 141.5 million RON (EUR 32.2 million)
Employees: 95

9. S.C. ADRIDAN S.R.L.
64 Mihai Viteazu Street, Piatra-Neamț
Activity field: Non-specialized wholesale of food, beverages and tobacco
Turnover: 118.1 million RON (EUR 26.8 million)
Employees: 150

10. S.C. PETROCART S.A.
171 Decebal Blv., Piatra-Neamț
Activity field: Manufacture of paper and cardboard
Turnover: 111.1 million RON (EUR 25.3 million)
Employees: 226

11. S.C. ROVESE ROMANIA S.R.L
10 Aleea Plopilor, Roman
Activity field: Wholesale of wood and building materials and sanitary equipment
Turnover: 108.5 million RON (EUR 24.7 million)
Employees: 35

12. S.C. AUTONOM SERVICES S.A.
4 Fermelor Street, Piatra-Neamț
Activity field: Renting and leasing of cars and light motor vehicles
Turnover: 100.2 million RON (EUR 22.8 million)
Employees: 252

13. S.C. CERSANIT ROMÂNIA S.A.
10 Aleea Plopilor, Roman
Activity field: Manufacture of ceramic sanitary ware
Turnover: 96 million RON (EUR 21.8 million)
Employees: 527

14. S.C. DANLIN XXL S.R.L
Secuieni
Activity field: Construction of residential and non-residential buildings
Turnover: 88.9 million RON (EUR 20.2 million)
Employees: 140

15. S.C. FORESTAR S.A.
233 Principală Street, Tarcău
Activity field: Cutting and shaping wood
Turnover: 65.4 million RON (EUR 14.9 million)
Employees: 190

16. S.C. FARMACIA ARDEALUL S.R.L
10 Titu Maiorescu Street, Piatra-Neamț
Activity field: Retail of pharmaceuticals in specialized shops
Turnover: 64.1 million RON (EUR 14.6 million)
Employees: 162

17. S.C. MARALEX COM S.R.L
8 Dumbravei Street, Dumbrava Roşie
Activity field: Non-specialized wholesale of food, beverages and tobacco
Turnover: 64 million RON (EUR 14.5 million)
Employees: 44

18. S.C. 10D JIFFY PACKAGING S.A.
10D Dumbravei Street, Piatra-Neamț
Activity field: Manufacture of plastic plates, sheets, tubes and profiles
Turnover: 63.3 million RON (EUR 14.4 million)
Employees: 172

19. S.C. SUINPROD S.A.
336 Stefan cel Mare Street, Roman
Activity field: Growing pigs
Turnover: 63.1 million RON (EUR 14.3 million)
Employees: 206

20. S.C. MEDASIMPEX S.R.L.
182 Dumbravei Street, Dumbrava Roşie
Activity field: Wholesale of meat and meat products
Turnover: 59.2 million RON (EUR 13.5 million)
Employees: 64



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Neamț County Council official page: www.cjneamt.ro
Tourism page: www.visitneamt.com
Facebook pages: https://www.facebook.com/cjneamt and https://www.facebook.com/VisitNeamt
YouTube Channel: VisitNeamt