

Approval of the unified tax return for payroll taxes

13 November 2017

In brief

The Ministry of Finance of the Republic of Moldova recently approved the Tax return on withholding tax, health insurance contributions and calculated social security contributions (Form IPC18), as well as the instructions for its filing.

In detail

As of 1 January 2018, taxpayers will report withholding tax, social security contributions and health insurance contributions using a new tax return. Form IPC18 will replace the following tax returns: IRV14, MED08, BASS, REV5 and Form 2-03/1.

The tax return will have to be submitted monthly to the State Tax Service by the twenty-fifth day of the month following the reporting month.

The first reporting period using the IPC18 tax return is January 2018.

Adjusted tax returns, as well as the primary tax returns presented later for the previous periods (up to December 2017) will be

prepared using the forms available for that period.

Residents of IT parks will apply specific rules when completing the IPC18 form.

The approval of Form IPC 18 leads to the following essential amendments:

- Income exempted from the preliminary withholding of income tax has to be declared;
- Payments made to the benefit of individuals (with some exceptions) for selling goods through consignment trade will have to be reported separately;
- New codes have been introduced for non-resident taxable income in

the form of royalties, interest and capital gains.

Non-residents' income exempted from taxation according to international double tax treaties will also have to be reported.

There is no longer an obligation to split withholding tax by taxpayer subdivisions, except for personal income tax.

[Source: The order of the Ministry of Finance no. 126 dated 4 October 2017, Official Monitor no. 383-388 (6306-6311) dated 3 November 2017]

The takeaway

The unified tax return on withholding tax, social security and health insurance contributions comes into force on 1 January 2018.

Let's talk

For a deeper discussion of how this new legislation might affect your business, please contact:



Mihaela Mitroi
Partner
mihaela.mitroi@ro.pwc.com



Ionut Sas
Partner
ionut.sas@ro.pwc.com



Tatiana Stavinschi
Senior Manager
tatiana.stavinschi@ro.pwc.com

PricewaterhouseCoopers Moldova
37, Maria Cibotari Street
Chisinau, Republic of Moldova
Tel:+ (373 22) 25 17 00
Fax:+ (373 22) 23 81 20

This Tax & Legal Alert is produced by PwC Moldova Tax and Legal Department.

Legal Disclaimer: The material contained in this alert is provided for general information purposes only and does not contain a comprehensive analysis of each item described. Before taking (or not taking) any action, readers should seek professional advice specific to their situation. No liability is accepted for acts or omissions taken in reliance upon the contents of this alert.

© 2017 PwC. All rights reserved. "PricewaterhouseCoopers" and "PwC" refer to the network of member firms of PricewaterhouseCoopers International Limited (PwCIL). Each member firm is a separate legal entity and does not act as agent of PwCIL or any other member firm. PwCIL does not provide any services to clients. PwCIL is not responsible or liable for the acts or omissions of any of its member firms nor can it control the exercise of their professional judgment or bind them in any way. No member firm is responsible or liable for the acts or omissions of any other member firm nor can it control the exercise of another member firm's professional judgment or bind another member firm or PwCIL in any way.