

## Financing adult learning database

<b>Name of the instrument - Local language</b>	Bursă privată
<b>Name of the instrument - English translation</b>	Private scholarships
<b>Scheme ID</b>	187
<b>Country</b>	 Romania
<b>Reporting year</b>	2020
<b>Type of instrument</b>	Tax incentive for companies
<b>Sub-type of instrument</b>	Incentive for promoting training
<b>Type of entry</b>	Single instrument

<b>Short description</b>	<p>This tax incentive allows companies to receive a public contribution to the costs of providing a student trainee with a voluntary payment, while the student is expected to work for the company at a later stage. As a student is not currently employed, the payment would not constitute operational costs without this special regulation/scheme. All companies paying tax on profit are eligible for the scheme, which allows companies to deduct costs of scholarships provided to students. Companies can deduct up to 20% of the calculated tax on profit (and up to 3% of yearly turnover). The monthly amount of the private scholarship must cover at least accommodation and subsistence. The minimum amount to be paid monthly to a student is equal to the level of the minimum wage per economy, which is currently RON 2 300 per month (approx. EUR 4 185). There is no maximum amount set to be paid to the students. The eligible education and training activities refer to university/post-university studies only.</p>
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<b>Level of operation</b>	National
<b>Name of a part of the country</b>	Not applicable
<b>Name of the region (for regional instruments)</b>	Not applicable
<b>Name of the sector (for sectoral instruments)</b>	Not applicable

<b>Relevance</b>	Further instrument
<b>Legal basis</b>	Law no. 376/2004 on private scholarships, with further regulation. Law no. 571/2003 - Fiscal Code, with further modifications - art. 21 alin (4) lit.p -
<b>Objective(s) and target(s)</b>	To improve investment in raising human capital, encouraging enterprises in an active human resource management.
<b>Year of implementation</b>	2004
<b>Operation/management</b>	Companies conclude contracts under the law 376 with students during their secondary education or during university/postgraduate studies and pay scholarships. Companies can be reimbursed for the paid scholarships up to 20% of the tax on their profits (and up to 3% of yearly turnover) upon presenting the documents to the fiscal authorities with the yearly balance. Ministry of Finances - through National Agency for Fiscal Administration and its local agencies - supervises yearly calculation of companies and approves reimbursement of the expenses upon verification of documentation.
<b>Eligible group(s)</b>	All companies paying tax on the profit
<b>Group(s) with preferential treatment</b>	No preferential treatment
<b>Education and training eligible</b>	All types of education and training programmes at ISCED 3-8 levels are eligible.
<b>Source of financing and collection mechanism</b>	State (loss of tax revenue)
<b>Financing formula and allocation mechanisms</b>	Deduction up to 20% of the calculated tax on profits, but less than 3% of the yearly turnover. The monthly amount of the private scholarship must cover at least accomodation and subsistence. The minimum amount to be paid monthly to a student is equal with the level of the minimum wage per economy, which is currently of 2 300 RON/month. There is no maximum amount to be paid to the studens, but according to the law taxpayers who grant private scholarships may deduct the related amounts from the profit tax due at the level of the minimum value between the following:- the value calculated by applying 0.75% to turnover - the value representing 20% of the due profit tax.
<b>Eligible costs</b>	The monthly amount of the private scholarship must cover at least accomodation and subsistence.
<b>Volumes of funding</b>	Not available
<b>Beneficiaries/take up</b>	Not available
<b>Organisation responsible for monitoring/evaluation</b>	Consiliul Fiscal (Fiscal Council) has the responsibility of monitoring the implementation of fiscal policy and elaborates yearly reports.

<b>Monitoring/evaluation reports available</b>	Not available
<b>Most relevant webpage - in English</b>	Not available
<b>Most relevant webpage - local language</b>	<a href="http://www.consiliulfiscal.ro">www.consiliulfiscal.ro</a>
<b>Recent changes</b>	<p>The amount of the scholarship is decided on an individual basis by the company, but it must cover at least accomodation and subsistence. The minimum amount to be paid monthly to a student is equal with the level of the minimum wage per economy, which is RON 2 300 /month. There is no maximum amount to be paid to the students, but according to the law taxpayers who grant private scholarships may deduct the related amounts from the profit tax due at the level of the minimum value between the following: - the value calculated by applying 0.75% to turnover; - the value representing 20% of the due profit tax. It was considered that the initial version of Article 4: "The monthly amount of the private scholarship must cover at least food, accommodation and living expenses, without being below the level of the minimum wage in the economy" was unclear</p> <p>Recent changes in response to COVID-19</p> <p>No changes</p>
<b>Sources</b>	<p>National Agency for Fiscal Administration: Legea 376/2004 privind bursele private (Law no. 376/2004 on private scholarships) - <a href="http://static.anaf.ro/static/10/Anaf/legislatie/L_376_2004.htm">http://static.anaf.ro/static/10/Anaf/legislatie/L_376_2004.htm</a></p> <p>National Agency for Fiscal Administration: Legea 571/2003 coroborata cu HG 44/2004 privind CODUL FISCAL CU NORMELE METODOLOGICE DE APLICARE Text valabil pentru anul 2015, actualizat prin mijloace informatice (Law 571/2003 corroborated to Government Decision 44/2004 on FISCAL CODE WITH APPLICATION REGULATION. Text valid for 2015, updted by electronic means): <a href="http://static.anaf.ro/static/10/Anaf/Legislatie_R/Cod_fiscal_norme_2015...">http://static.anaf.ro/static/10/Anaf/Legislatie_R/Cod_fiscal_norme_2015...</a></p> <p>Fiscal Council: Raport anual 2013 (Yearly Report 2013): <a href="http://www.consiliulfiscal.ro/ra-2013.pdf">http://www.consiliulfiscal.ro/ra-2013.pdf</a></p> <p>National Institute for Statistics: Statistical yearbook 2013 - <a href="http://www.insse.ro/cms/en/content/statistical-yearbook-2013">http://www.insse.ro/cms/en/content/statistical-yearbook-2013</a></p>