

Tax Agenda Romania

January 2022



No.	Fact	Action	
1	<p>Tax amnesty applicable up to 30 June 2022</p> <p>As a result of the tax amnesty program implemented in May 2020, taxpayers which have outstanding tax liabilities due on or before 31 March 2020 and which pay them by 30 June 2022, are eligible for cancellation of all late payment interest and penalties. This is also applicable for additional taxes declared through rectifying tax returns or assessed by the tax authorities further to tax audits in progress or started by 30 June 2022.</p>	Check if this benefit is applicable to you, plan payment of outstanding tax liabilities by 30 June 2022. Action to request the tax amnesty can be taken only by 30 June 2022.	● ● ●
2	<p>Tax cuts up to 15% applicable for years starting from 2021</p> <p>Tax cuts up to 15% of the corporate income tax, microenterprise income tax or specific tax, applicable depending on the level and movement of equity throughout the relevant period, were introduced for the period 2021-2025</p>	Analyze the equity position and impact of new rules.	● ●
3	<p>SAF-T reporting starting in 2022</p> <p>SAF-T was implemented starting from 2022 for large taxpayers. First SAF-T report is due in February 2022, with an extension permitted by the authorities by July 2022. This will enable electronic exchange of accounting data from organizations to the tax authorities.</p>	Get up to speed with the technical requirements, to be able to timely update your ERP systems so as to export the accounting data into the required standardized xml format.	● ●



● Compliance ● Risk management ● Cash-flow / ETR impact

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4	<p>Tax consolidation for CIT is applicable starting from 2022</p> <p>Tax consolidation for profits tax purposes is applicable starting from 2022. This permits the offset between taxable profits and tax losses incurred by different group companies.</p>	<p>Check if it is possible to benefit the tax consolidation. Preparation work might be necessary to be able to apply, application should be done with more than two months before the start of the tax year for which the implementation is intended.</p>	●	●
5	<p>DAC 6 reporting due within 30 days</p> <p>DAC6 reporting deadlines in Romania started in 2021. All reportable transactions carried out starting from 1 January 2021 should be reported within 30 days.</p>	<p>Analyze and identify DAC6 obligations in Romania. Make sure appropriate procedures have been implemented and persons responsible for DAC6 appointed. If needed, report by applicable deadlines.</p>	●	●
6	<p>MLI ratified by Romania</p> <p>In January 2022, Romania ratified the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI). Therefore, the MLI will soon enter into force and start to produce effects. The MLI will impact most of the double tax treaties entered into by Romania.</p>	<p>Analyze the impact of MLI over the relevant double tax treaties, in order to assess the Romanian tax consequences this might have on the transactions carried out by the group.</p>	●	● ●
7	<p>New list of large taxpayers</p> <p>The Romanian tax authorities published an amended list of large taxpayers in force starting from 2022, including almost 2,000 new companies qualified as large taxpayers. Large taxpayers are managed by a dedicated tax body and have specific obligations as compared to non-large taxpayers (e.g. in terms of transfer pricing documentation and timing, SAF-T reporting obligations timeframe, specific rules as regards tax inspections they are subject to, etc.).</p>	<p>Check if there is any Romanian group company which became a large taxpayer or does not qualify as a large taxpayer anymore starting from 1 January 2022, in order to assess and comply with the newly applicable tax obligations.</p>	●	●
8	<p>Gift voucher can only be offered to employees starting from December 2021</p> <p>Gift vouchers offered to the employees of business partners and other third parties was a frequent practice in Romania. This subject was scrutinized by the tax authorities and targeted by the anti-fraud audits, with implications from legal, income tax, social security and VAT perspectives. Starting from 18 December 2021, it is not permitted anymore to grant gift vouchers to other categories of persons other than own employees.</p>	<p>Identify the potential risk for the past and perform corresponding corrective actions, if the case.</p>	●	●

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9	<p>Application of available tax incentives in order to reduce ETR</p> <p>Romania offers tax incentives (e.g., R&D-related tax incentives, tax exemption for reinvested profits in various categories of assets), which have broad applicability and may be available in various circumstances.</p>	Check if all incentives available were identified and applied (possible also with respect to previous periods, up to five years back).	● ● ●
10	<p>Cash flow improvement possibilities</p> <p>Cash flow improvement possibilities exist, such as recovery of receivables from tax office which are not applied for or are refunded with delay (e.g. excess input VAT, contribution for sick leave and medical leave benefits to be refunded by the National Health Insurance House), as well as late payment interest (i.e., 7-8% per annum) to be requested.</p>	Identify any outstanding receivables from the tax authorities and apply for refund/take action for delayed refunds to get completed and late payment interest be claimed.	● ●
11	<p>e-Invoice system mandatory for supplies of certain goods</p> <p>Starting 1 July 2022, companies which perform supplies of certain types of goods (e.g., vegetables, fruits, alcoholic beverages, new constructions, mineral products, footwear and clothing) are required to issue the invoices through e-Invoice system. This is optional for the period April-June 2022.</p>	Adapt the invoicing flows and systems so as to observe the new requirements of the law to issue the invoices for the impacted supplies of goods.	● ●

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