

Romania

Romania has met all aspects of the terms of reference (OECD, 2021^[3]) (ToR) for the calendar year 2020 (year in review), and no recommendations are made.

In the prior year report, as well as in the 2017 and 2018 peer reviews, Romania had received one recommendation. Romania has resolved this issue, and the recommendation has been removed.

Romania can legally issue two types of rulings within the scope of the transparency framework.

In practice, Romania issued rulings within the scope of the transparency framework as follows:

Type of ruling	Number of rulings
Past rulings	16
Future rulings in the period 1 April 2017 – 31 December 2017	5
Future rulings in the calendar year 2018	1
Future rulings in the calendar year 2019	4
Future rulings in the year in review	5

No peer input was received in respect of the exchanges of information on rulings received from Romania.

A. The information gathering process (ToR I.A)

930. Romania can legally issue the following two types of rulings within the scope of the transparency framework: (i) cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles and (ii) permanent establishment rulings.

931. For Romania, past rulings are any tax rulings within scope that are issued either: (i) on or after 1 January 2015 but before 1 April 2017; or (ii) on or after 1 January 2012 but before 1 January 2015, provided they were still in effect as at 1 January 2015. Future rulings are any tax rulings within scope that are issued on or after 1 April 2017.

932. In the prior years' peer review reports, it was determined that Romania's undertakings to identify past and future rulings and all potential exchange jurisdictions were sufficient to meet the minimum standard. In addition, it was determined that Romania's review and supervision mechanism was sufficient to meet the minimum standard. Romania's implementation remains unchanged, and therefore continues to meet the minimum standard.

933. Romania has met all of the ToR for the information gathering process and no recommendations are made.

B. The exchange of information (ToR II.B)

Legal basis for spontaneous exchange of information (ToR II.B.1, II.B.2)

934. Romania has the necessary domestic legal basis to exchange information spontaneously. Romania notes that there are no legal or practical impediments that prevent the spontaneous exchange of information on rulings as contemplated in the Action 5 minimum standard.

935. Romania has international agreements permitting spontaneous exchange of information, including being a party to (i) the *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011^[4]) ("the Convention"), (ii) the Directive 2011/16/EU with all other European Union Member States and (iii) bilateral agreements in force with 88 jurisdictions.¹

Completion and exchange of templates (ToR II.B.3, II.B.4, II.B.5, II.B.6, II.B.7)

936. In the prior year peer review report, it was determined that Romania's process for the completion and exchange of templates was sufficient to meet the minimum standard except for the timely exchange of information on future rulings (ToR II.B.6).

937. During the year in review, Romania addressed this issue by creating a new unit within the National Agency for Fiscal Administration (NAFA) as the result of an internal reorganisation. This unit is specifically dedicated to the exchange of information on cross-border tax rulings. Romania confirms that information on these rulings will be exchanged on a quarterly basis. In addition, Romania confirms that all rulings within the scope of the transparency framework that were issued until the end of 2020 have now been exchanged. Therefore, the prior year recommendation is now removed.

938. For the year in review, the timeliness of exchanges is as follows:

Future rulings within the scope of the transparency framework	Number of exchanges transmitted within three months of the information becoming available to the competent authority or immediately after legal impediments have been lifted	Delayed exchanges		
		Number of exchanges transmitted later than three months of the information on rulings becoming available to the competent authority	Reasons for the delays	Any other comments
	5 ²	0	N/A	N/A

Follow up requests received for exchange of the ruling	Number	Average time to provide response	Number of requests not answered
	0	N/A	N/A

939. It is noted that Romania issued two rulings in the second semester of 2020, which were exchanged in February 2021 with a delay, because Romania used the EU DAC3 timelines. From 1 January 2021, Romania changed its procedure and now applies the Action 5 timelines for rulings issued within the scope of the transparency framework. As the information on the two rulings is exchanged with a relatively short delay, and this is not a recurring issue, no recommendation is made. This will be also reflected in next year's peer review report.

Conclusion on Section B

940. Romania has the necessary legal basis for spontaneous exchange of information, a process for completing the templates in a timely way and has completed all exchanges. Romania has met all of the ToR for the exchange of information process and no recommendations are made.

C. Statistics (ToR IV)

941. The statistics for the year in review are as follows:

Category of ruling	Number of exchanges	Jurisdictions exchanged with
Cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles	5	Austria, Korea, Luxembourg, Netherlands
Permanent establishment rulings	0	N/A
Total	5	

D. Matters related to intellectual property regimes (ToR I.A.1.3)

942. Romania does not offer an intellectual property regime for which transparency requirements under the Action 5 Report (OECD, 2015^[1]) were imposed.

Summary of recommendations on implementation of the transparency framework

Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
	No recommendations are made.

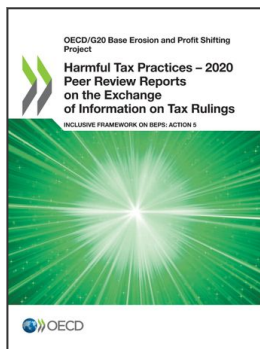
References

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- OECD (ed.) (2017b), *Harmful Tax Practices - 2017 Progress Report on Preferential Regimes*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264283954-en>. [2]
- OECD/Council of Europe (2011), *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264115606-en>. [4]

Notes

¹ Participating jurisdictions to the Convention are available here: www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm. Romania also has bilateral agreements with Albania, Algeria, Armenia, Australia, Austria, Azerbaijan, Bangladesh, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, China (People's Republic of), Croatia, Cyprus, Czech Republic, Democratic People's Republic of Korea, Denmark, Ecuador, Egypt, Estonia, Ethiopia, Finland, France, Georgia, Germany, Greece, Hong Kong (China), Hungary, Iceland, India, Indonesia, Iran, Ireland, Israel, Italy, Japan, Jordan, Kazakhstan, Korea, Kuwait, Latvia, Lebanon, Lithuania, Luxembourg, Malaysia, Malta, Mexico, Moldova, Montenegro, Morocco, Namibia, Netherlands, Nigeria, North Macedonia, Norway, Pakistan, Philippines, Poland, Portugal, Qatar, Russia, San Marino, Saudi Arabia, Serbia, Montenegro, Singapore, Slovenia, Slovak Republic, South Africa, Spain, Sri Lanka, Sudan, Sweden, Switzerland, Syrian Arab Republic, Tajikistan, Thailand, Tunisia, Turkey, Turkmenistan, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay, Uzbekistan, Viet Nam and Zambia.

² Out of these five exchanges, two exchanges relate to rulings issued in 2019 and three exchanges relate to rulings issued in 2020. In 2021, two additional exchanges of rulings issued in 2020 took place as described in the report.



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