

Romania

1. Romania was first reviewed during the 2017/2018 peer review. This report is supplementary to Romania's 2017/2018 peer review report (OECD, 2018^[1]). The first filing obligation for a CbC report in Romania commences in respect of fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Romania's implementation of the Action 13 minimum standard meets all the applicable terms of reference (OECD, 2017^[2]) relating to the domestic legal and administrative framework, with the exception of:

- Romania has introduced a local filing requirement for the reporting periods starting on or after 1 January 2017. This requirement implements local filing in circumstances which are not in line with those allowed for local filing under the terms of reference. It is recommended that Romania take steps to align its local filing implementation with that required by the Action 13 minimum standard.

3. It is recommended that Romania take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

4. It is recommended that Romania take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

5. In its 2017/2018 peer review it was recommended that Romania have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites. Within the context of its international exchange of information agreements that allow automatic exchange of information, Romania has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. This recommendation is removed.

Part A: The domestic legal and administrative framework

6. Romania has primary and secondary laws in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations.

(a) Parent entity filing obligation

7. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

8. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

9. No changes were identified with respect to the limitation on local filing. It is recommended that Romania take steps to align its local filing implementation with that required by the Action 13 minimum standard.

(d) Limitation on local filing in case of surrogate filing

10. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

11. No changes were identified with respect to the effective implementation.

Conclusion

12. There is no change in relation to the domestic legal and administration framework for Romania since the previous peer review. Romania meets all the terms of reference relating to the domestic legal and administrative framework with the exception of the requirement for local filing. It is recommended that Romania take steps to align its local filing implementation with that required by the Action 13 minimum standard.

Part B: The exchange of information framework***(a) Exchange of information framework***

13. In its 2017/2018 peer review it was recommended that Romania have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites. Romania has now signed and activated the MCAA as a non-reciprocal jurisdiction. The recommendation is therefore removed.

14. As at 31 May 2019 Romania has 58 bilateral relationships activated under the MCAA and the EU Directive on exchange of Information (EU Directive 2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of tax information, Romania has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that currently meet the confidentiality, consistency and appropriate use conditions. Regarding Romania's exchange of information framework, no inconsistencies with the terms of reference were identified.¹

(b) Content of information exchanged

15. Romania does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

16. Romania does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

17. Romania does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

18. No information has been received as to the number and timeliness of Romania's exchanges.

(e) Temporary suspension of exchange or termination of QCAA

19. Romania does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

20. Romania does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

21. Romania confirms that it uses the OECD XML Schema and User Guide (OECD, 2017^[3]) for the international exchange of CbC reports.

(h) Method for transmission

22. Romania does not have processes or written procedures in place that are intended to ensure that an appropriate encryption method and method for electronic data transmission are in place.

Conclusion

23. The recommendation in the 2017/2018 peer review for Romania to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites is removed.

24. It is recommended that Romania take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework as soon as possible.

Part C: Appropriate use

25. Romania has notified under the CbC MCAA as a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions. but does have a legislative requirement for local filing. It is therefore recommended that Romania take steps to ensure that requirements under the terms of reference in respect of appropriate use are met

Conclusion

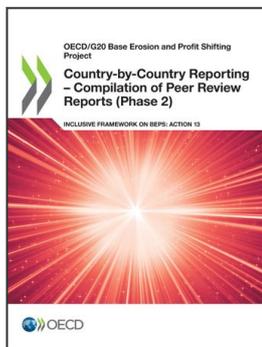
26. It is recommended that Romania take steps to ensure that the appropriate use condition is met as soon as possible.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Romania take steps to align its local filing implementation with that required by the Action 13 minimum standard.
Part B	Exchange of information framework	It is recommended that Romania take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Romania take steps to ensure that the appropriate use condition is met as soon as possible.

Notes

¹ No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.



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