



NEWSLETTER August 2019

1. Restructuring of outstanding debts towards the state budget

Taxpayers (i.e. legal entities, with certain exceptions) may benefit from a restructuring of their debts towards the state budget (both principal amounts and late payment interest and penalties) outstanding as of 31 December 2018, where these were not paid by the date of issue of the tax certificate and where they amount to RON 1 million or more.

Taxpayers must inform the authorities of their intention to restructure their debts by 30 September 2019.

Consequently, taxpayers must submit a request for restructuring within 6 months of the date of entry into force of the ordinance. This request must also include a restructuring plan and a private creditor test (the latter being a document drawn up by an independent expert from which it results that the state acts as a private creditor).

The restructuring plan may involve operational, financial or corporate restructuring, etc. In addition, other measures, such as extending the payment terms or a debt/equity swap, may also be proposed.

Source: Ordinance no. 6/2019 on the implementation of tax incentives, as published in the Official Gazette of Romania, Part I, no. 648, on August 2019

2. Mutual agreement procedure for avoiding double taxation

Taxpayers are entitled to use one of the following procedures in order to avoid double taxation:

- Council Directive (EU) 2017/1852 on tax dispute resolution mechanisms in the European Union
- The double tax treaties concluded by Romania
- Convention 90/436/EEC on the elimination of double taxation in connection with the adjustment of profits of associated enterprises

Upon receiving an unfavourable decision relating to double taxation, the taxpayer has three years in which to lodge a complaint with the Romanian tax authorities that should include various relevant information and supporting documents. A similar complaint must also be lodged with the tax authorities of the other member state.

If the complaint is accepted by both Romanian tax authorities and the authorities of the other member state, the necessary diligences will be performed in order to settle the dispute.

Source: Ordinance no. 19/2019 to amend and supplement Law no. 207/2015 regarding the Fiscal Procedure Code, as published in the Official Gazette of Romania, Part I, no. 694, on 22 August 2019.

3. Country-by-Country Reports

Country-by-Country Reports are to be submitted online to the Romanian tax authorities within 12 months of the last day of a group's fiscal year.

Taxpayers will have to notify the authorities online about the fact that they belong to a multinational group (if the case). The deadline is the last day of the group's fiscal year, but no later than the submission deadline for the corporate tax returns of the Romanian taxpayers in question.

Source: Order amending Order of the President of the National Agency for Fiscal Administration no. 3,049/2017 on the approval of the format and content of the "Country-by-Country Report" form, as published in the Official Gazette of Romania, Part I, no. 700, on 26 August 2019



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This newsletter is a service of the TPA Group.

Kind regards,

Your TPA Group Team

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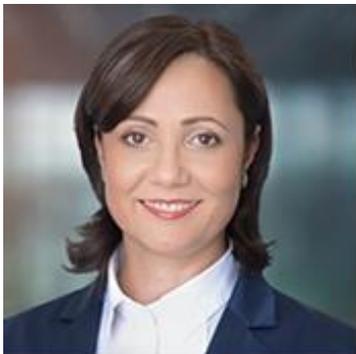
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