



PRESS RELEASE

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Sorana Cernea, TPA Romania, at the TaxEU Forum:

Ro e-Transport System generates inefficiencies and additional costs for businesses

Cluj-Napoca, 29 February 2024: *The process of accelerated digitalisation of the tax administration, begun last year, puts Romanian companies at risk of losing business, says Sorana Cernea, Managing Partner of TPA Romania, a leading company in Central and Eastern Europe specialised in accounting, tax consultancy and audit services.*

While attending the TaxEU Forum, the most important event dedicated to taxation in Romania, the TPA Romania expert explained why, in its current form, the changes to the RO e-Transport system (the national system for monitoring the road transport of goods on Romanian territory) are an obstacle to business development in the country. TPA Romania has already requested clarifications from the National Agency for Fiscal Administration (ANAF) regarding the RO e-Transport system, given the fines that companies may be subject to as a result of ambiguities in the new regulations.

"Everyone is focused on the RO e-Invoice system, but they are yet to think about RO e-Transport. It needs to be made clear that the recent changes make it mandatory to report all purchases of goods from abroad through the system, regardless of whether or not they are classified as a high fiscal risk. This may result in lost business, a situation we have, in fact, already seen: an online clothing company from Germany which needed to implement verification services for returned goods in Romania and intended to do so from a location in Romania, simply gave up and turned to another country after learning they would have to declare detailed information through the RO e-Transport system. Their explanation was this: how can we be expected to declare what is inside the packages when the reason we are bringing them to Romania in the first place is to find out what they contain?" explained Sorana Cernea.

The RO e-Transport system, along with the RO e-Invoice and SAF-T platforms, forms part of the process of accelerated digitalisation of the tax administration initiated and supported by the Romanian Government with the aim of combating tax evasion. Prior to publication of Government Emergency Ordinance no. 115/2023, the RO e-Transport system only targeted the road transport on Romanian territory of goods with a high fiscal risk. Under the current legislation, goods considered to have a high fiscal risk include clothing, footwear, vegetables, plant-based food, edible fruits, non-alcoholic beverages, alcoholic beverages, vinegar, salts, sulphur, soil, stone, gypsum, lime, cement, cast iron, iron and steel. As of 15 December 2023, however, the scope of the RO e-Transport system was expanded to include the obligation to report the international road transport of goods (regardless of the nature of the goods). It therefore became obligatory to report through the RO e-Transport system the following data regarding the international road transport of goods: **the consignee**, as listed in the import customs declaration, or **the sender**, as listed in the export customs declaration; **the beneficiary** in Romania, in the case of intra-community acquisitions of goods; **the supplier** in Romania, in the case of intra-community deliveries of goods; **the depository**, in the case of goods subject to intra-community transactions in transit, both for goods unloaded in Romania for storage or the formation of a new shipment and for goods loaded after storage or after the formation of a new shipment within Romanian national territory.



"In most cases, the party declaring the data through the RO e-Transport system is the company in Romania. If you are a small customer of a large company, the latter will not have the openness to provide you with all this data and you will therefore be forced to choose another provider, most likely at a higher cost. The RO e-Transport system has been in operation in Romania since 2022, but as of this year the system also involves very high fines in event of non-compliance with its provisions. For example, as of 1 July 2024, depending on the nature of the non-compliance identified by the authorities, companies operating in Romania risk fines of up to 100,000 lei, including the confiscation of the value of undeclared goods", the TPA Romania representative said.

She went on to say that the RO e-Transport system still presents a series of ambiguities and issues when it comes to recording data via the Private Virtual Space platform and data confidentiality (given the ability to have access to all fiscal data), establishing the flow of information between partners, taking into account the delivery conditions established between parties, monitoring and updating information about the vehicle involved in a transport, transmitting the Unique Transport Code (UIT) to interested parties, applying mass/value criteria also for the international road transport of goods and transports carried out via courier companies. TPA Romania representatives recently sent a letter to the ANAF describing these ambiguities and requesting specific answers to help address the issues they have encountered to date.

According to TPA Romania, in order for the accelerated process of digitalisation to have the expected positive effects, there is first and foremost a need for clarification of the types of transport to be reported as well as real assistance from the tax authorities.

"The business environment in Romania has identified several measures that could be adopted rapidly to support the digitalisation process, including: a reporting platform separate from the Private Virtual Space system and making improvements to the ANAF's IT infrastructure, and the possibility to adapt the data to be reported according to the specificity of a given transaction (for example, Incoterms conditions, level of detail regarding transported goods). Moreover, if the system does not lead to a clear reduction in tax evasion by the end of the year, it will even become necessary to consider the elimination of the RO e-Transport system", Sorana Cernea concluded.

About TPA Romania:

TPA Romania, one of the top eight professional service firms in Romania, posted a turnover of 7.5 million euros in 2023, an increase of 15% compared with the previous year. Romania, the company has two offices, in Bucharest and Cluj-Napoca, and over 150 employees. As of 2024, the company has a new management team in place, led by the two Managing Partners Cristina Petrescu and Sorana Cernea. TPA Romania is part of Austria's TPA Group, which is present in 12 countries in the region with a total of 1,800 employees.

Learn more on the website: www.tpa-group.ro

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