



PRESS RELEASE

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Sorana Cernea, Managing Partner, TPA Romania:

Extension of grace period for the non-application of sanctions relating to the RO e-Invoice system

Bucharest, 4 April 2024: The decision to extend by a further two months the period during which fines will not be issued in the case of non-compliance with the obligation to submit invoices via the RO e-Invoice system gives entrepreneurs time to avoid any significant negative impacts on their businesses, according to **Sorana Cernea, Managing Partner at TPA Romania**, a leading accounting, tax consultancy and audit services company in Central and Eastern Europe. The decision, first announced last month by Finance Minister Marcel Boloş and subsequently approved through GEO no. 30/2024 and published in the Official Gazette on 29 March 2024, will be beneficial for the business environment, explains the tax specialist.

"This decision comes as expected and should have been taken earlier because companies did not have enough time to prepare for the submission of electronic invoices by 1 April, and the pressure placed on taxpayers by the tax authorities as a result has been, and continues to be, very high. There are even some public institutions, all of whom are obliged to submit invoices via the new system, who are also not yet ready for this. The RO e-Invoice system continues to represent a challenge for the business environment because of problems with the way the Private Virtual Space (PVS) operates, which has been plagued by frequent interruptions in service, a shortage of providers of certified digital signatures able to offer services in such a short space of time, issues relating to data confidentiality due to the access of authorised persons to all of the tax data stored in the PVS, and the need to renegotiate contractual terms and conditions with partners (suppliers and customers). In addition to this, there are a number of uncertainties regarding various practical situations for which the RO e-Invoice system does not yet provide the necessary technical functionalities. And intense discussions are also ongoing regarding the granting of the right to deduct VAT and the application of fines of 15% of the invoice value in the absence of an electronic invoice as of 1 July 2024, given that the national legislation is supposed to take into account the European Directive on the common VAT system and the case law of the Court of Justice of the European Union," explains Sorana Cernea.

Under GEO no. 30/2024, as published in the Official Gazette on 29 March 2024, the period during which fines will not be applied in the case of non-compliance with the obligation to submit invoices via the RO e-Invoice system has been extended to 31 May 2024. This means the first sanctions for non-compliance with the obligation to submit invoices via the system are expected to be applied as of 1 June. Failure to submit invoices via the RO e-Invoice system within the legal timeframe will be punishable, as of this date, with fines ranging between 1,000 RON and 10,000 RON.



These fines will be issued monthly for one or more invoices with a submission deadline that falls within the corresponding calendar month. Moreover, as of 1 July, in addition to these fixed fines, further fines equivalent to 15% of the invoice value will also be applied.

According to data published on the Ministry's dedicated RO e-Invoice portal, as of today, 4 April 2024, over 85.5 million electronic invoices have been sent and received.

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 2,050 employees.

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