



ROMANIA

CONTINUOUS TRANSACTION CONTROLS (CTC)

OVERVIEW

In March 2020, Romania's tax authority, the ANAF, launched its pilot program for e-invoicing. After a voluntary phase for B2G transactions and then a short voluntary phase for B2B suppliers of high-fiscal risk products, these same B2B suppliers and B2G suppliers will be affected by a CTC e-invoicing mandate from 1 July 2022.

This focus on high-fiscal risk products and B2G transactions is just the beginning. The ultimate goal for the ANAF is to achieve higher visibility of high-fiscal risk data to close the VAT gap by setting a system that 'clears' each supplier invoice prior to it being sent to a buyer. Additionally, from 1 July 2022, the Ministry of Finance announced the introduction of a mandatory e-transport system for monitoring specific goods within the national territory.

WHEN DO I NEED TO COMPLY?



Voluntary B2G participation begins



Voluntary B2B participation begins for transactions of high-fiscal risk products



Mandatory CTC e-invoicing for B2G transactions and B2B suppliers of high-fiscal risk products begins. It is important to note that suppliers must still use the RO e-Factura system even when their buyers are not registered with the system.

Mandatory e-transport system to monitor the transportation of certain goods in the national territory. The initiative will operate in parallel with the CTC system.



Once Romania secures its derogation from the EU VAT Directive, we expect a broader mandate with timelines that affect other types of supplies.

WHAT DO I NEED TO DO?

Before using e-invoices, businesses must first register at the Spatiul Privat Virtual (SPV), then register with the RO e-Factura Register.

E-invoices must be in structured XML format and can be submitted through applications from the Ministry of Finance, via an SPV webpage or through API. Taxpayers or their delegates must authenticate individually on the system using a qualified certificate or implementing an OAuth-based protocol to automate the submission process

Once mandatory, e-invoices must be issued for the following high-fiscal risk products:

- Vegetables, fruit, roots and edible tubers and edible plants
- Alcoholic beverages
- New constructions
- Mineral products, including mineral water, sand and gravel
- Clothing and footwear

The RO e-Transport system is established to monitor the transportation of high-risk goods on the national territory. The list of high-risk goods varies slightly from the e-invoicing system – new constructions are not included and there is an addition of cast iron, iron and steel.

OUTSOURCING

Businesses can use third-party service providers to issue structured invoices and e-transport documents, if these service providers are registered with both the SPV, as the authorised or designated representative of the customer, and the RO e-Factura System.

ARCHIVING

Original invoices as well as any subsequent error messages from Romania's e-Factura system will be available for download for 60 days. Subsequently, they'll be archived electronically with legal provisions and released upon request. Companies should consider how this could impact handling of future audits.

HOW CAN SOVOS HELP?

As Romania's CTC reform matures, Sovos' software enables businesses to keep up with the changing requirements to meet VAT compliance demands in the country.

Our experts monitor, interpret and codify these legal changes and requirements into our software solutions, taking care of your indirect tax compliance letting you focus on your core business.

[CONTACT US TODAY](#)

SOVOS

www.sovos.com/contact / emeainfo@sovos.com

Argentina / Brazil / Chile / Colombia / Ecuador / Germany / Mexico / Netherlands
Peru / Portugal / Sweden / Turkey / United Kingdom / United States

[in](#) Sovos Europe [@SovosEurope](#)