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Fiscal Bulletin



Content:

1. **Proposal for a Council Implementing decision authorising Romania to introduce a special measure derogating from Articles 218 and 232 of Directive 2006/112/EC on the common system of value added tax (VAT)**

Derogation proposal regarding the generalisation of electronic invoicing

The European Commission published on 23 June 2023 a proposal allowing Romania to introduce generalised electronic invoicing starting with 1 January 2024. This procedure is necessary to allow Romania to derogate from Articles 218 and 232 of the EU VAT Directive, regarding electronic invoicing.

Thus, starting from 1 January 2024 until at the latest 31 December 2026, Romania is authorised to accept invoices issued by taxable persons established in Romania in the form of documents or messages only if those documents or messages are transferred in electronic format. The procedure will no longer depend on the acceptance of these invoices by the recipient.

Although Romania had considered the generalised implementation of this system, it will not be applicable for invoices issued by taxable persons not established in Romania. Thus, for intra-community acquisitions of goods or services, for local supplies of goods made by non-residents, this obligation will not exist.

Electronic invoicing will be carried out through a pre-validation system managed by the tax administration. Thus, each electronic invoice will be automatically checked by the RO e-Invoice system, similar to the current situation of invoices issued for products with high fiscal risk or in relation to public authorities.

As for taxable persons, they will have to bear the costs generated by adapting their invoicing systems to enable compliance with the new obligations. For specific situations, the software made available free of charge by the tax authorities can also be used.

The applicability of this electronic invoicing system will not exceed December 31st, 2026, after this date Romania will most likely be obliged to align with the proposal regarding EU VAT rules for the digital age. Within these rules, the generalised electronic invoicing at the EU level

envisages a unique system that does not require a pre-authorisation of these invoices by the tax authorities.

Editors

Țuca Zbârcea & Asociații Tax S.R.L. is the specialised tax consultancy entity of Țuca Zbârcea & Asociații, offering a full range of advisory and compliance services. Țuca Zbârcea & Asociații Tax S.R.L. covers transaction planning, operational tax advice, tax efficiency structures, tax reviews and due diligence, tax authorities' audits and dispute resolution (including mitigating the risks and the potential impact of time-consuming disputes with local fiscal authorities), tax compliance and representation, as well as transfer pricing. Our team comprises tax consultants previously working in management positions with Big Four companies and the Ministry of Finance. The group cooperates closely with the firm's lawyers specialising in administrative law, as well as contentious-administrative disputes.

Țuca Zbârcea & Asociații and Țuca Zbârcea & Asociații Tax S.R.L. are collaborating with **Andersen Global** in Romania.



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