

Calendar of transfer pricing obligations in 2018

Obligation	Date	Description	Subject	Penalties
Preparation / update of the transfer pricing file (TPF)	25 March 2018*	<p>Large taxpayers who carry out intra-group transactions with a total annual value higher than any of the thresholds mentioned for this category of taxpayers, have the obligation to prepare the TPF on an annual basis up to 25 March for the transactions of the previous year;</p> <p>The tax authorities may request the TPF either during a fiscal inspection or outside such process and the taxpayers have the obligation to present the TPF in 10 days from the request.</p> <p>These provisions are applicable to large taxpayers starting 1 January 2016.</p>	<p>The provisions are applicable to the large taxpayers (published by Order of ANAF on an annual basis) who carry out intra-group transactions with a total annual value higher than:</p> <ul style="list-style-type: none"> • EUR 250.000 for services received / rendered; • EUR 350.000 for acquisitions / sales of goods; • EUR 200.000 for interest received / paid for financial services. 	<ul style="list-style-type: none"> • RON 12.000 – 14.000 for failure to present the TPF or the incomplete presentation of the TPF; plus • adjustment of the revenue or expense based on the market interval (16% income tax plus late payments interests 0,02% and penalties 0,01% per day)
Preparation of the DPT	Between 30 and 60 days from the date of the request	<p>Small and medium taxpayers who carry out transactions with a total annual value higher than any of the thresholds mentioned for this category as well as large taxpayers who carry out intra-group transactions with a total annual value inferior to the thresholds for their category but higher than the thresholds for small and medium taxpayers, have the obligation to prepare the TPF only at the request of the tax inspectors and only during a tax inspection.</p> <p>These provisions are applicable to fiscal years starting 1 January 2016.</p>	<p>The provisions are applicable to the small and medium taxpayers who carry out transactions with a total annual value higher than</p> <ul style="list-style-type: none"> • EUR 50.000 for services received / rendered; • EUR 100.000 for acquisitions / sales of goods; • EUR 50.000 for interest received / paid for financial services 	<ul style="list-style-type: none"> • RON 2.000 – 3.500 Lei for failure to present the TPF or the incomplete presentation of the TPF; plus • adjustment of the revenue or expense based on the market interval (16% income tax plus late payments interests 0,02% and penalties 0,01% per day)
Country-by-country (CbC) reporting for multinational companies (MNE)	12 months of the last day of the MNE group's reporting fiscal year	<p>The Romanian tax-resident entities that are ultimate parents of an MNE group with consolidated revenues of EUR 750 million or more and are required to prepare consolidated financial statements of the group have to file a CbC report with the Romanian tax authorities. These provisions are also applicable to other entities of the group, even if they are not ultimate parents of the group, provided certain conditions are</p>	<p>The provisions are applicable to Romanian tax residents with consolidated revenues of EUR 750 million or more, having the obligation to prepare consolidated financial statements.</p> <p>These provisions are also applicable to entities fiscal residents in Romania if one of the criteria below is met</p>	<ul style="list-style-type: none"> • RON 70.000 – 100.000 for failure to file the CbC report; • RON 30.000 – 50.000 for late filing of the CbC report, for incomplete / incorrect data in the CbC report.

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		<p>met.</p> <p>These provisions are applicable to fiscal years starting 1 January 2016.</p>	<ol style="list-style-type: none"> 1. the ultimate parent entity of the group does not have the obligation to file a CbC report in its own jurisdiction of tax residence; 2. the jurisdiction in which the ultimate parent entity is resident for tax purposes has a current international agreement to which Romania is a party but does not have a qualifying competent authority agreement in effect to which Romania is a party; 3. there is a persistent failure in the automatic exchange procedure with the competent authority of the ultimate parent company required to file CbC reporting. <ul style="list-style-type: none"> • The provisions also allow that the CbC reporting is done by an entity called surrogate – tax resident in Romania, appointed by the MNE group as sole substitute for the ultimate parent. 	
Notification on the CbC reporting and the quality of the reporting entity	Last day of the MNE's group reporting fiscal year, but no later than the legal deadline for the filling of the annual corporate income tax return (of the reporting entity), for the transactions of the previous year.	<p>The Romanian tax resident entities that are part of a MNE must notify the Romanian tax authorities whether they are ultimate parents, surrogate or any other type of Romanian resident that have the obligation to submit the CbC reporting.</p> <p>Also, the Romanian tax resident must notify the Romanian tax authorities on the identity of the MNE reporting entity and its residency.</p> <p>These provisions are applicable to fiscal years starting 1 January 2016.</p>	To all constituent entities**, as defined in Emergency Ordinance 42/2017.	<p>Failure to submit the notification is subject to fines:</p> <ul style="list-style-type: none"> • RON 500 – 1.000 for small taxpayers; • RON 1.000 – 5.000 for medium and large taxpayers.

**The deadline of 25 March is applicable to taxpayers for which the fiscal year is equivalent to the calendar year. Taxpayers who use a fiscal year that is different than the calendar year, must prepare the annual TPF by the date of submission of the annual corporate income tax return.*

***The term „constituent entity” means any of the following: any separate business unit of an MNE Group, that is included in the Consolidated Financial Statements of the MNE Group for financial reporting purposes; any business unit excluded from the MNE Group’s Consolidated Financial Statement solely on size or materiality grounds; any permanent established of any separate business unit of the MNE Group, provided the business unit prepares a separate financial statement for such PE for financial reporting and other type of reporting.*