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Mind the Gap 2026: Country fiche – Romania

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Mind the Gap 2026: Boosting public finances through joint efforts to reduce tax gaps and improve compliance

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Country fiche: Romania

Summary box: Areas of Strength and Areas for Improvement

Areas of Strength

- **Romania's digital tax system strengthens compliance, with recent advances in the roll-out of its digital tools.** Romania's digital tax administration integrates e-invoicing, e-VAT, e-Transport, standardised digital tax reporting for businesses (SAF-T), alongside additional digital tools. These measures support more efficient tax reporting and improved data availability, while pre-filled PIT and VAT returns simplify compliance. VAT gap analysis further supports targeted enforcement, focusing on insolvency-related risks and fraud.

Areas for Improvement

- **Romania's VAT compliance gap was the highest in the EU in 2023, at 30% of the VAT Total Tax Liability (VTTL).** Important measures have been already taken to strengthen VAT compliance, including mandatory e-invoicing for most business-to-business (B2B) and business-to-consumer (B2C) transactions and the ongoing implementation of an early detection mechanism for VAT fraud. However, further efforts are needed to lower the VAT compliance gap.

- **Romania's CIT compliance gap remains high.** Commission estimates put the CIT compliance gap at around 38% of collected CIT revenues, well above the EU average of 9.2%. While Romania estimates CIT and PIT gaps using national top-down methods, the results are not publicly disclosed. Ongoing efforts to strengthen compliance risk management and greater transparency could help identify and address the main drivers of the gap.

- **Romania's reporting of tax expenditures provides limited information and there is no systematic evaluation framework.** Romania regularly reports on tax expenditures in its broader report on the macroeconomic situation. The reporting covers CIT, PIT, VAT, social contributions, and local taxes. However, the level of detail is limited, with minimal information on policy objectives, duration, legal references and evaluation of these tax expenditures.

- **Tax recovery lacks strategy and data**. No recovery rate tracking currently exists, and write-offs proceed without performance metrics. A formal recovery plan could further improve collections.

1. Introduction and policy context

1.1. Snapshot of the tax system

Romania had one of the lowest tax-to-GDP ratios in the EU in 2024. Tax revenue (including social contributions) reached 27.9% of GDP, well below the EU average (39.4%) ([1]). Revenues from labour (45.4% of total and 12.7% of GDP) and capital (17.2% of total and 4.8% of GDP) taxes are particularly low (EU: 20.3% and 8.5% of GDP, respectively). In the area of labour taxation, revenue from social contributions has increased noticeably in recent years, but a 10% flat rate remains as the main feature of the personal income tax (PIT) system. In the area of capital taxation, revenues from property taxes were particularly low, in a context of a very high corporate income tax (CIT) compliance gap (see section 2.4). Romania performs better regarding consumption taxes, which account for 37.3% of total tax revenue and 10.4% of GDP, the latter very close to the EU average of 10.6%. VAT revenues amount to 6.8% of GDP, only slightly below the EU average (7.1%), despite having one of the highest VAT compliance gaps in the EU (see section 2.2). In order to increase tax revenues, Romania has enacted several tax reforms since mid-2025, including the removal of social contributions exemptions for certain categories of workers, increases in excise duties, gambling taxes, property taxes, a supplementary turnover tax, rises in the standard and reduced VAT rates, as well as the redesign of income taxes on short-term rentals.

Labour taxation is subject to a flat rate in Romania, which limits the ability of the tax-benefit system to reduce income inequality. Romania applies generally a PIT flat rate of 10% and a 35% uncapped rate for social contributions. This results in a very high tax wedge ([2]) for low-income earners, namely the highest of all Member States at 41.7% for a single person earning 50% of the average wage (vs. an EU average of 31.6%) ([3]). The difference in the tax wedge between high-income (167% of average wage) and low-income earners (50% of average wage) is only 1.1 percentage points (pps), with the EU average at 12.5 pps. The effect of the tax and benefit system on reducing the Gini coefficient represented 6.6 pps in 2024, compared to 7.8 pps EU-wide ([4]). The at-risk-of-poverty and social exclusion (AROPE) rate ([5]) is among the highest in the EU (27.4% vs. 20.9% in the EU). By contrast, the income quintile share ratio (S80/S20), as a measure of income

[1] Data on tax revenues are based on European Commission: Data on Taxation Trends, edition 2026 (reference year 2024), which are produced by DG Taxation and Customs from ESA table 9 and National Tax List data, as collected and validated by Eurostat. The 2027 edition (reference year 2025) will be published in the first quarter of 2027. Recent Eurostat release shows a tax-to-GDP ratio of 28.5% in 2025, compared to an EU average of 39.7% (data of 30/10/2026 on [GOV_10A_TAXAG]).

[2] The tax wedge is an indicator of the tax burden on labour that can be assessed at different earnings levels. It is calculated as the sum of personal income tax, employee social-security contributions, employer social-security contributions and other mandatory contributions, net of cash family benefits where relevant, expressed as a percentage of total labour costs (composed of the gross wage plus employer social-security contributions). Data are based on the EUROMOD model, calculated by the Joint Research Centre of the European Commission. Unless indicated differently, values indicated in this country fiche refer to single earners.

[3] For earners of 67% of the average wage and above, the tax wedge is constant at 42.8%. This results in comparatively low tax wedges for high-income earners (e.g., 1.3 pps below the EU average for earners of 167% of the average wage).

[4] European Commission, DG ECFIN calculations based on EU-SILC survey data. A Gini coefficient of 0 expresses perfect equality where everyone has the same income, while a coefficient of 100 expresses full inequality where only one person has all the income. The difference between the "gross" (excluding pensions from social transfers) and the "net" Gini coefficient, i.e. before and after application of the tax-benefit system, reflects the difference between market income and disposable income.

[5] Share of people living in households experiencing at least one of the three poverty and social exclusion risks: risk of poverty, severe material and social deprivation, and/or living in a household with very low work intensity.

inequality ([6]), remains constrained at 4.37 (compared to an EU average of 4.62 in income reference year 2024), after a significant decline in recent years.

In 2026, Romania has received the following country-specific recommendations (CSRs) in the area of taxation ([7]):

- *Increase the overall tax collection as a share of GDP, by focusing on closing the VAT and CIT gaps.*

Romania is under the Excessive Deficit Procedure (EDP) since April 2020, with a Council recommendation to put end to it by 2030 ([8]). Romania had a government deficit of 7.9% of GDP in 2025 (down from 9.3% in 2024) and a government debt level of 59.3% (up from 54.8% in 2024).

Romania is among the Member States with an extended adjustment period in its Medium-Term Fiscal Sustainability Plan (MTFSP). The set of reforms and investments underpinning the extended adjustment period include a comprehensive tax administration reform, a review of the tax framework and a reform of the microenterprise tax, with the last two already implemented ([9]).

1.2. Tax complexity and simplification measures

1.2.1. Measures of tax complexity

Romania's tax system appears complex, particularly from the perspective of taxpayers' compliance burden. Regarding the complexity of Romania's CIT system as experienced by MNEs, survey-based evidence from the Tax Complexity Index (TCI) places Romania in the lower half of the EU distribution, ranking 23rd among Member States. The underlying components of the TCI suggest that complexity arises more from the tax code than from administrative procedures ([10]). Citizen perceptions are not positive either: only 30% of respondents report that completing their tax return is easy, significantly below the EU average of 49%, although reliance on professional assistance remains very low at 2% ([11]).

Tax-related legislative activity appears moderate in recent years. Romania recorded 10 tax changes entering into force or adopted in 2025, below the EU average of around 14 ([12]). This follows 5 tax changes in 2024, 13 in 2023 and 10 in 2022, with the number of tax changes

[6] The income quintile ratio (S80/S20) is a headline indicator in the EU Social Scoreboard used to monitor income inequality. It measures the ratio between the total equivalised disposable income received by the top 20% of the population and the bottom 20%.
[7] See the full report at https://data.consilium.europa.eu/doc/document/ST-11135-2026-INIT/en/pdf.
[8] See the full report at https://data.consilium.europa.eu/doc/document/ST-10349-2025-INIT/en/pdf.
[9] See Council Recommendation of 21 January 2025, https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:C_202500647.
[10] The Tax Complexity Index (TCI), developed under the Global MNC Tax Complexity Project, measures the complexity of countries' corporate income tax systems as faced by multinational firms. Based on survey data from tax professionals, it captures both the complexity of tax rules (tax code) and administrative procedures (tax framework), with values ranging from zero (not complex) to one (extremely complex).
[11] European Commission (2025), Flash Eurobarometer 562: Citizens' attitudes towards taxation, fieldwork conducted between 9 and 17 April 2025. Available at: https://europa.eu/eurobarometer/.
[12] The information is based on the tax measures reported by national administrations in the Joint OECD-European Commission Annual Tax Policy Reform Questionnaire, by aggregating and processing the responses received to the 2026 questionnaire. Responses to the 2026 questionnaire are relative to tax policy measures self-reported by the Member States that were implemented, legislated, or announced in each country between 1 January and 31 December 2025. While comprehensive, the list of tax measures is non-exhaustive.

remaining below the corresponding EU average in each year. Several tax changes adopted in 2025 were introduced to meet EU-related commitments, including those in the Recovery and Resilience Plan (RRP). The reforms are primarily aimed at fiscal consolidation and revenue mobilisation, including an increase in the standard VAT rate from 19% to 21%, higher excise duties, changes to social security contributions (SSC), revisions to property taxation and higher taxation of the banking sector. Some measures also affect corporate taxation, such as the introduction of a fiscal credit for investments through the Investment and Development Bank. While the number of reforms is not unusually high, the breadth of the measures (covering a wide range of taxes and contributions), many of which affect multiple categories of taxpayers simultaneously, requires businesses and households to adapt to a changing tax environment and may increase short-term compliance costs.

Demand-side indicators provide additional supporting evidence. The accounting, bookkeeping and tax consultancy sector accounts for around 0.5% of gross operating surplus, well below the EU average of 0.9% ([13]). While this indicator is influenced by several factors, it does not point to a particularly sizeable professional services sector or unusually strong demand for specialised tax and accounting expertise ([14]). Taken together, the evidence suggests that Romania's tax system combines relatively elevated structural complexity with practical compliance burdens for taxpayers.

1.2.2. National simplification efforts

Regarding direct taxes, to streamline the PIT filing, the Romanian authorities published the procedure (guide) for submitting a pre-filled single tax return for individuals (Form 212) to be made available by 30 March of the tax year. The e-filing provides for automated importing of relevant tax data and information from the National Agency for Fiscal Administration (ANAF) systems, or by way of third-party declarations directly into the electronic form. The taxpayer retains the possibility to verify and/or modify and complete, before final submission of the tax return. Early return submission and payment of PIT is rewarded by a 3% bonification. For some income categories, a paper declaration may still be submitted on request.

Regarding indirect taxes, the harmonisation of reduced VAT rates and an increase of VAT exemption thresholds further simplify the Romanian VAT system. In the VAT area, Romania applies since August 2025 a single reduced rate of 11%, which replaced the previous reduced rates of 5% and 9%. In September 2025, Romania increased the VAT exemption threshold for small and medium-sized enterprises (SMEs) from RON 300 000 (equivalent to around EUR 56 200) to RON 395 000 (around EUR 74 000), meaning that a higher number of operators will be exempt from VAT registration and filing requirements. Furthermore, the Romanian tax administration makes available pre-filled VAT returns for registered operators.

Romania also took additional measures to simplify taxation and to foster innovation and investment. These included the introduction of a single 1% microenterprise tax rate and a 10%

[13] A higher share of gross operating surplus indicates that the accounting, bookkeeping and tax consultancy sector generates a relatively larger share of operating profits and value added in the economy. While not a direct measure of tax complexity, it may point to a comparatively important professional services sector and, indirectly, to greater demand for specialised tax and accounting expertise.

[14] While some cross-border provision of accounting, tax consultancy and related services may be captured through imports and exports of services, available evidence suggests that such flows are relatively limited. In particular, data from the Eurostat's EU inter-country supply table at basic prices (reference year 2023) indicate that cross-national transactions in these services represent only a small share of overall activity, if any, suggesting that their impact on the interpretation of domestic sector size is likely to be limited.

R&D tax credit, the gradual phase-out of the minimum turnover tax (IMCA), and the introduction of investment-related tax incentives, alongside the transposition of DAC8 to enhance tax transparency. The Romanian tax administration also continued its digitalisation efforts to simplify interactions with taxpayers, reduce paperwork and administrative costs, with the aim to create a more accessible, efficient and taxpayer-oriented fiscal environment, in particular through digital solutions (see Chapter 4 for more details).

1.3. Measures of the non-observed economy and the shadow economy

Estimates of economic activities outside the formal economy are relevant for gauging tax gaps. The non-observed economy (NOE) is an official figure provided by national statistical authorities estimating all economic activities that may not be captured in the basic data sources used for compiling national accounts. It includes underground, informal, illegal, and household self-use production, as well as activities missed due to imperfect data collection ([15]). The shadow economy is an analogous but narrower concept – used in the economic literature and measured via macroeconomic models – that usually encompasses only legal, market-based productive activities deliberately concealed from public authorities to evade taxes or regulations. Due to limitations and methodological differences between the two approaches, model-based estimates of the shadow economy paradoxically often turn out to be considerably higher than NOE-based estimates.

Specifically, recent data from official sources ([16]) allow to estimate the size of the NOE in Romania at 25% of GDP for 2021. The NOE comprises the underground economy (15.8%), informal economy (4.9%) and statistical deficiencies (4.1%), while illegal economy represents 0.2% of GDP. Romania thus records the largest NOE in the EU, which is more than three times the EU average (7.4% of GDP) ([17]). The largest part of the NOE is concentrated in 'Wholesale and retail trade' (7.7% of total GVA) and 'Manufacturing' (6.4%). At the industry level, the highest shares of NOE are presented by 'Wholesale and retail trade' (54.5% of its GVA), 'Construction' (42.1%), 'Professional, scientific and technical activities' (40.1%), 'Other service activities' (39.9%) and 'Manufacturing' (24%).

Different models produce substantially different estimates for the shadow economy, reflecting the complexity of such estimation. As in most EU Member States, model-based estimates of the shadow economy for Romania are higher than the NOE estimate discussed above**.** In 2022, the shadow economy in Romania represented 29% of GDP, according to estimates by Schneider and Asllani for the European Parliament ([18]). This ratio is 11.4 pps above the EU-27 average and it has decreased compared to 2003 (33.6% of GDP). The report indicates that indirect taxes and self-employment are the main drivers of the shadow economy in Romania. Several other

[15] Statistical deficiencies (N7) are related to incomplete, not collected or not directly collectable data. See Fernandes, A. (2025), The non-observed economy in the national accounts: New evidence for EU and EFTA Member States - available at https://www.sciencedirect.com/science/article/pii/S0313592625000712 -for the definitions of the other components of NOE: Producers deliberately not registering (N1); Illegal economy (N2); Producers not required to register (N3); Registered legal persons not surveyed (N4); Registered entrepreneurs not surveyed (N5); Producers deliberately misreporting (N6). Informal economy = N3 + N4 + N5. Underground economy = N1 + N6. In other words, the informal economy specifically covers unregistered or small-scale unincorporated enterprises run by households.

[16] For data and documents used for calculations by TAXUD, see Section 1.3 "Measures of the non-observed economy and the shadow economy" in Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches).

[17] The (unweighted) EU average does not include Luxembourg.

[18] This study uses a MIMIC approach (Multiple Indicator Multiple Cause). European Parliament (2022), Taxation of the informal economy in the EU. Study available at: https://www.europarl.europa.eu/RegData/etudes/STUD/2022/734007/IPOL_STU(2022)734007_EN.pdf.

studies provide estimates of similar magnitude for the size of the shadow economy ([19]). However, using a currency demand approach (CDA), a recent study by EY ([20]) reports lower estimates for the Romanian shadow economy at 13.1% of GDP in 2023 (EU average 7.9%), down from 31.4% in 2000 (EU average 13.2%).

2. Compliance tax gaps

2.1 Overview

Romania has a programme in place to estimate the size of its tax gap, with a dedicated tax gap team since 2015 ([21]). Romania does not publish the estimation results and it does not have a legal requirement to do so ([22]). It employs a third party to support the tax gap analysis. The Romanian tax administration uses a top-down approach, with calculations based on national accounting methods. In line with Romania's revised RRP, the Romanian tax administration will publish the estimated structure and level of the VAT gap on a biannual basis, validated with the National Institute of Statistics and the Ministry of Finance and with World Bank support ([23]). The first publication is expected in 2026.

Romania participates in the TADEUS/Fiscalis project on estimating tax gaps. The Fiscalis Project Group on Tax Gap Estimation, a collaborative initiative launched with the support of the European Commission, aims to develop a harmonised approach to estimating tax gaps across EU Member States. Romania participated in the first cycle, which concluded in 2025 ([24]), and continues to participate in the current cycle, launched in 2026.

2.2 Compliance tax gaps in VAT

For 2023, the VAT compliance gap ([25]) in Romania was estimated at around 30% of the VAT Total Tax Liability (VTTL) ([26]), or approximately RON 45 billion (EUR 9 billion). After slightly decreasing from around 31% in 2019 to 27% in 2022, it increased again in 2023; however, it remained just below the 2019 level ([27]). Romania's VAT compliance gap was well above the EU average of 9.5% in 2023. This rise was linked to an increase in the share of services in GDP as well as an increase in the growth of bankruptcy declarations.

With the aim to increase VAT compliance and in line with its RRP, Romania has implemented several measures. These include the introduction of mandatory electronic invoicing for almost all business-to-business (B2B) since July 1, 2024, and business-to-customer (B2C) domestic transactions between established operators since January 1, 2025. Furthermore, as part of the reforms and investments underpinning the extended adjustment period for Romania's medium-term fiscal-structural plan, the implementation of an early detection mechanism for VAT

[19] See Fernandes op. cit. (2025) for an overview of various studies.
[20] The report is available at https://www.ey.com/content/dam/ey-unified-site/ey-com/en-gl/insights/tax/documents/ey-gl-shadow-economy-report-02-2025.pdf.
[21] OECD 2024: Tax Administration 2024 (EN), OECD 2025: Tax Administration 2025 (EN).
[22] Annual Report on Taxation 2025.
[23] For details, please see https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%253A52026PC0378.
[24] For details, please refer to the TADEUS website, the FISCALIS programme website and the Final Report of the Project.
[25] The VAT compliance gap is an estimate of revenues lost due to VAT fraud, evasion and avoidance, bankruptcies and financial insolvencies, or miscalculations.
[26] The VAT Total Tax Liability (VTTL) is the theoretical tax revenue that would be collected in a situation of perfect taxpayer compliance, assuming an unchanged net VAT base.
[27] See European Commission, Syntesia, Poniatowski, G., Bonch-Osmolovsky, M., Śmietanka, A. et al., VAT gap in Europe – Report 2025, Publications Office of the European Union, Luxembourg, 2025, https://data.europa.eu/doi/10.2778/7868422.

fraud related to intra-Community acquisitions, transits, and domestic transactions is ongoing. However, the Annual report for year 2025 of the Fiscal Council does not indicate an improvement in the VAT collection ([28]).

Romania is taking steps to improve the quality and use of data reported under the Standard Audit File for Tax (SAF-T). At the level of the tax administration a pilot project was carried out to assess the consistency of SAF-T reporting. As a result, two applications were made available on ANAF's website to all taxpayers subject to SAF-T reporting obligations: one to assess the accuracy of reported data and another to reconstruct VAT returns based on SAF-T information. Both applications are undergoing testing until the end of November 2026. Following the testing phase, the algorithms will be evaluated against the full SAF-T database to identify discrepancies with VAT returns submitted by taxpayers. This exercise is expected to support data quality assessments and inform the decision on the potential pre-filling of VAT returns using SAF-T data ([29]).

Romania has taken steps to improve the methodology and data quality underlying VAT compliance gap estimates through enhanced institutional cooperation. This involves collaboration between the national tax administration, statistical authorities, academic experts and international institutions, with a focus on improving the accuracy and consistency of the data used to estimate the VAT compliance gap. Particular attention is being given to the statistical treatment of transactions outside the scope of VAT and VAT-exempt activities, with a view to ensuring that the estimates better reflect underlying economic activity. These efforts complement the broader reforms undertaken under Romania's Recovery and Resilience Plan (RRP), which aim to strengthen tax administration, improve tax compliance and reduce the VAT gap ([30]).

2.3 Compliance tax gaps in corporate and personal income tax

The Romanian tax administration estimates the CIT and PIT compliance gap using a top-down approach; however, estimation results are not publicly disclosed. The Romanian tax administration estimates the overall CIT compliance gap using a top-down approach with national accounting methods as the base for their estimates ([31]), covering the CIT reporting gap, payment gap and gross tax gap. Authorities do not estimate registration, filing or the net tax gap. Similar to their CIT tax gap estimation, the Romanian tax administration uses a top-down approach based on national accounting methods for their PIT tax estimates, and they cover reporting gap, payment gap and gross tax gap. They do not provide estimates for the registration, filing or net PIT tax gap ([32]).

The Commission estimates suggest that the CIT compliance gap in Romania remains high. Based on a methodology developed by the Joint Research Centre which relies on a top-down approach using national accounts data and estimates of the non-observed economy produced by national statistical offices, the CIT compliance gap of Romania is estimated at around 38.3% of collected CIT revenues based on 2021 data ([33]). Based on the same methodology, the (non-

[28] RA 2025.pdf - Raportul anual al Consiliului Fiscal, 2025, page 49.
[29] Information provided directly by the Romanian tax administration (ANAF).
[30] Ibidem.
[31] Taxation Paper No 73 - The concept of tax gaps Report II: Corporate Income Tax Gap estimation methodologies.
[32] OECD Tax Administration Report 2024.
[33] European Commission estimates are based on a top-down methodology for approximating CIT compliance gaps using national accounts data. The approach relies on exhaustiveness adjustments made by national statistical offices to Gross Operating Surplus, Gross Value Added and Gross Domestic Product in order to account for non-observed economic activity

weighted) average CIT compliance gap is 9.2% of collected CIT revenues across all Member States. Compared to an earlier estimate of around 43.6% in 2019, this indicates a decline of more than five percentage points over time. Nevertheless, it remains significantly above the EU average. The used methodology does not capture CIT gaps associated with tax avoidance and tax optimisation (through profit shifting), which would require other estimation methods.

Romania has taken steps to strengthen CIT compliance monitoring and address related risks, in particular by strengthening transfer pricing oversight, improving risk-based compliance monitoring and placing greater emphasis on the economic substance of transactions. The revised advance pricing arrangement (APA) framework also represents an important development in enhancing tax certainty and preventing transfer pricing disputes.

As national estimates of the PIT compliance gap are not publicly available, the Commission is not aware at the time of writing the document of the overall size of the former. The Romanian authorities, namely the Labour Inspection ([34]), do publish a yearly activity report covering the outcome of labour inspections, which contains information on the extent of undeclared and under-declared work identified following such targeted controls, but it does not reflect the overall size. The identified patterns of undeclared or under-declared work also contribute to the PIT gap and SSC gap. Data regarding the latter show a stable or increasing trend in the past years (in 2025, more than 3 000 employers were sanctioned for hiring around 15 000 employees without proper documentation; an increase from 2024 both as regard the number of sanctioned employers and the relevant employees). Furthermore, since July 2024 ([35]), individuals are subject to a tax at a rate of 70% on any income non-declared and identified by ANAF.

2.4 Other compliance tax gaps

The Commission continues its work on excise gap estimation, developing and scrutinising methodologies with experts from over 20 Member States, with the aim of delivering more robust estimates that better support policy and operational work. This work also illustrates Member States' growing engagement in the field.

While Romania does not currently estimate excise tax gaps, it devotes resources to strengthening EU cooperation on excise matters through its participation in the Fiscalis project group on Excise Gap and Risk.

Romania does not publish information on other compliance tax gaps. There are no official programmes or published figures for compliance gaps related to other tax measures.

in the compilation of GNI. The method provides a harmonised proxy for domestic underreporting of corporate income, but does not capture all sources of CIT revenue losses, in particular those related to international profit shifting or other forms of legal tax optimisation. For further information on the data sources, underlying assumptions and methodological caveats, see Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches).

[34] For the full report from 2025, see Raport anual al activității Inspecției Muncii.

[35] LEGE nr. 296 din 26 octombrie 2023 privind unele măsuri fiscal-bugetare pentru asigurarea sustenabilității financiare a României pe termen lung.

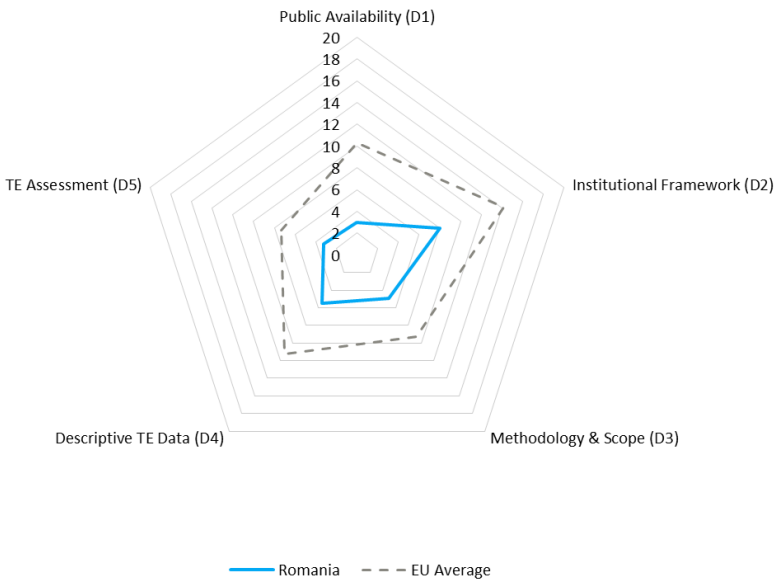
3. Policy Tax Gaps

3.1 Tax expenditure reporting and evaluation

Romania has regular reporting on tax expenditures. Information are published through a specific chapter introduced by Law 69/2010 (Fiscal Responsibility Law), in the report which accompanies the annual draft budget law ([36]), submitted to Parliament under Law 69/2010 (*Legea responsabilității fiscal-bugetare*). The tax expenditures, defined under Law 69/2010, are estimated by the "forgone income" method. This implies the estimation of the impact on the budgetary revenues by comparing exemptions, deductions and tax incentives, reduced tax rates, etc., to the standard tax rules defined in a general manner, the so-called benchmark tax system.

Forgone revenues from tax expenditures are forecast to remain below 4% of GDP. The 2026 report estimates tax expenditures of RON 75.4 billion (ca. EUR 14.9 billion, 3.9% GDP) in 2025, and of RON 74.6 billion (ca. EUR 14 billion, 3.6% of GDP) in 2026. After an estimated drop of an additional 0.2 pps in 2027, the tax expenditures for 2028 are estimated to rise again to 3.6% of GDP, in view of the impact of the evolution of the tax expenditures regarding social contributions. Aggregated amounts per category of taxes are provided. There are no indicators regarding the beneficiary numbers, nor the effect per-provision leading to tax expenditures. Five categories of taxes are covered: CIT, PIT, VAT, social contributions, and local taxes, but the depth of information and level of analysis is limited. Romania is among the few EU countries to include relief on social contributions in tax expenditure reporting. Regarding local taxes, certain exemptions from building taxes are covered ([37]).

Figure 1: Romania vs. EU average — GTETI v2.1 dimension scores (max 20 per dimension)



Source: GTETI v.2.1.

[36] REPORT ON THE MACROECONOMIC SITUATION FOR THE YEAR 2026 AND ITS PROJECTION FOR 2027-2029: raportproiectlegeabugetuluidestat2026.

[37] Law 239/2025 on establishing some measures for the recovery and efficiency of public resources and for amending and supplementing certain normative acts, as well as Emergency Ordinance no. 9/2026 for amending and supplementing certain normative acts.

Compared to other Member States, transparency and comprehensiveness of tax expenditure reporting in Romania are lacking (overall ranked 26th according to the Global Tax Expenditures Transparency Index score). According to the GTETI analysis, transparency in tax expenditure reporting in Romania is below the EU average overall. Figure 1 depicts the GTETI results for the five dimensions analysed in comparison to EU averages ([38]). The maximum value for each dimension is 20. However, 'Public Availability' is below the EU average (3.00 vs. 10.26), 'Institutional Framework' is below the EU average (8.00 vs. 14.19), 'Methodology and Scope' is below the EU average (4.93 vs. 9.28), 'Descriptive Tax Expenditure Data' is below the EU average (5.47 vs. 11.28), and 'Tax Expenditure Assessment' is below the EU average (3.20 vs. 7.34), indicating lack of timely data for recent fiscal years, no promotion or visibility efforts by authorities, poor online accessibility and no machine-readable data. There also seems to be limited information on policy objectives, no information on legal duration or sunset clauses, missing legal references, indicating no treatment of structural provisions, no data source disclosure, indicating limited granularity of revenue forgone data, no backward estimates, no evaluation framework and no ex-post evaluations.

Romania does not have a systematic ex-post evaluation of tax expenditures. Neither the Fiscal Council (an independent body) nor the Court of auditors conduct systematic effectiveness evaluation. Certain RRP milestones ([39]) commit Romania to reviewing and phasing out selected incentives, but they mandate legislative change more than the publication on the effectiveness of tax studies ([40]).

3.2 Policy tax gaps in VAT

Romania's standard VAT rate is 21% and it applies a single reduced VAT rate of 11%. A transitional 9% rate applies to certain qualifying residential housing until 30 September 2026. The reduced VAT rate no longer applies to the supply and installation of photovoltaic and solar panels, heat pumps and installation kits, as well as to the supply of new dwellings of maximum 120 m^2 with a maximum value (excl. VAT) of RON 600 000 (ca. EUR 112 000). Furthermore, the supplies of medical devices made to non-profit entities and to companies held by non-profit entities to be used by hospitals are no longer exempt since August 2025.

The VAT policy gaps in Romania (national policy-driven VAT exemption gap and VAT rate gap) were roughly in line with the EU average in 2023. Revenues forgone due to the application of reduced rates and national policy-driven exemptions reached over RON 55 billion (ca.

[38] See the Global Tax Expenditures Transparency Index (GTETI) companion paper (2026) and Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches) for details. The GTETI summarises information in five dimensions. These are (1) Public availability — whether a TE report exists and is accessible; (2) Institutional framework — its legal mandate, periodicity, and integration into the budget process; (3) Methodology and scope — the benchmark definition, estimation method, and coverage of taxes; (4) Descriptive tax expenditure data — the granularity and classification of reported provisions; and (5) Tax expenditure assessment — the quality of revenue-forgone estimates and whether TEs are evaluated for effectiveness.

[39] References to public spending analyses were included in the RRP, in milestones 201 (completion and publication of the public spending analysis in the health and education sectors), 202 (adoption of a multi-year strategy and a timetable for a systematic spending review across all sectors), and 203 (the 2024 budget bill includes the recommendations from the spending analysis in the health and education sectors). Additionally, milestone 204 also provided for a periodic ex-post evaluation of the public spending analyses and milestone 207, which required the gradual phasing-out of tax incentives for employees in the construction sector.

[40] On another note, as of budget year 2024, by way of an amendment brought to the Law of fiscal responsibility, the Fiscal Council is tasked with an ex-post evaluation of public spending reviews done by Ministry of Finance and other main credit authorities. First analysis undertaken covered public spending in education and health area in year 2023. Tax expenditure however is not covered.

EUR 11 billion) in 2023 ([41]). The national policy-driven VAT exemption gap ([42]) was estimated at around RON 30 billion (ca. EUR 6 billion) in 2023, or 12% of the notional ideal revenue ([43]), while the EU average was 11%. The VAT rate gap ([44]) was estimated at over RON 26 billion (ca. EUR 5 billion) in 2023, or 11% of the notional ideal revenue, lower than the EU average of 12%.

Tax-simulations indicate that Romania's reduced VAT rates in 2025 are concentrated in a small number of categories, led by 'food and beverages' ([45]). 'Food and beverages' accounts for the largest share of forgone revenues at 71.5%, well above the EU mean share of 39.8%. 'Health' comes second at 14.8%, well above the EU average share of 10.4%. The category 'Restaurants and accommodation' ranks third at 6.0%, well below the EU mean share of 20.4%. These three categories account for 92.3% of Romania's total forgone revenue.

Romania's reduced VAT rates lower inequality as measured by the Gini coefficient by 0.89 pps, above the EU average reduction of 0.50 pps. The category 'Food and beverages' contributes 0.85 pps (96.4% of the total), above the EU mean contribution of 0.32 pps.

3.3 Policy tax gaps in corporate income tax

Romania's regular reporting on tax expenditures covers CIT related provisions only in an aggregated manner. The report identifies as the main provisions leading to tax expenditures in the area of CIT: the tax exemption for reinvested profit in production and/or the acquisition of technological equipment; additional deduction of 50% for eligible R&D costs; sponsorships and donations by legal entities; as well as private scholarships which reduce the CIT yield; the incentive to maintain/increase (positive) own equity and the introduction of the tax credit for R&D activities and for financing certain investments.

3.4 Policy tax gaps in personal income tax

The reporting on tax expenditure estimates also covers PIT and SSC in an aggregated manner. The report identifies as the main provisions leading to the PIT policy gap: the personal tax deduction from salary income; the exemption from PIT of pension income below RON 3 000 (ca. EUR 562) for pensions and the exemption from PIT of certain income represented by certain categories of social or assistance allowances. The amount of tax expenditure with SSC was impacted by the

[41] See European Commission, Syntesia, Poniatowski, G., Bonch-Osmolovsky, M., Śmietanka, A. et al., VAT gap in Europe – Report 2025, Publications Office of the European Union, Luxembourg, 2025, https://data.europa.eu/doi/10.2778/7868422.
[42] The national policy-driven VAT exemption gap represents the part of the VAT policy gap that can in principle be influenced by national policies on VAT exemptions. In practice, it consists of revenue forgone from services falling under Article 137 (such as real estate and certain financial services), from the SME scheme, and from national exemptions applied under standstill clauses or derogations. The VAT policy gap refers to the revenue lost due to the application of VAT exemptions and reduced, super-reduced, and zero VAT rates on selected products.
[43] The notional ideal revenue is the benchmark VAT revenue that assumes perfect taxpayer compliance in a situation where the current standard VAT rate is applied to all final consumption and household, government, and NPISH investment.
[44] The VAT rate gap refers to the portion of the VAT policy gap resulting from revenues lost due to the application of reduced, super-reduced, and zero VAT rates on selected products.
[45] The VAT rate gap is analysed here using EUROMOD's household consumption tool. No behavioural adaptation is considered. Note that VAT rates are mostly not an efficient tool for redistributive policies, in part due to incomplete pass-through to consumer prices, in part due to limited targeting of reduced rates. For more details on assessing the impacts of reduced VAT rates with EUROMOD, see Turrini et al. (2024), Tax Expenditures in the EU: Recent Trends and New Policy Challenges, European Commission, European Economy Discussion Paper 212; Ricci et al. (2026), Fiscal Costs and Redistributive Effects of Reduced VAT Rates in the EU, European Commission, European Economy Discussion Paper 244; Trzcinski and Amores (2026), The VAT Policy Gap and Redistribution in the European Union 2025, European Commission, Seville, JRC14876; and Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches).

removal of certain exemptions from SSC, for pension income above RON 3 000 (ca. EUR 562) for pensioners, as well as certain aid and allowances granted under the law. Exemptions from SSC that continue to apply include meal tickets, holiday vouchers, and the limited exemption from SSC until end of 2026 of a monthly amount of RON 300 (ca. EUR 56) (RON 200 (ca. EUR 37.50) second half of 2026) representing salary income for certain employee categories. As of 2028, tax expenditure with SSC is estimated to increase as all pension income will be exempt from SSC as the provisions set out in Law 141/2025 regarding taxation of pension income stop applying.

Tax-simulations suggest that PIT-related tax expenditures in Romania in 2025 have a progressive effect ([46]). PIT-related tax expenditures imply revenue forgone equivalent to 27.8% of actual PIT revenues, well above the EU average of 19.1% ([47]). The largest share of revenue forgone arises from pensions-related tax expenditures (24.6% of PIT revenue). PIT-related tax expenditures were estimated to reduce the Gini coefficient by 0.62 pps, more than the EU average reduction of 0.46 pps. The relatively high revenue forgone is associated with a correspondingly large reduction in income inequality.

4. Effectiveness of tax administration

4.1 Registration/identification of taxpayers

Romania ([48]) applies a partially integrated tax identification framework. ANAF assigns distinct tax identification numbers to individuals and businesses, including VAT numbers for registered entities. While not fully unified, the system links personal and business identifiers under ANAF's centralised platform, with automatic VAT assignment available upon Trade Registry registration if requested.

Romania operates a relatively digitalised tax registration and database system. It enables online enrolment through the "Spațiul Privat Virtual" (SPV) portal, VAT status verification, and integration with filing, payment, and audit functions. While direct VAT data modifications require formal requests, the system includes automated facilitation, such as electronic One Stop Shop (OSS)/ Import One Stop Shop (IOSS) and SME regime enrolment ([49]).

Romania's e-commerce oversight lacks a dedicated system but instead relies on multiple data sources which, despite recent progress, still faces data quality and interoperability challenges. In addition to information reported under DAC7 ([50]) Romania has introduced mandatory reporting through Form 395 for courier operators on cash-on-delivery shipments. This allows

[46] Simulations are based on EUROMOD and do not account for behavioural changes. For more details on assessing the impacts of tax expenditures in the PIT with EUROMOD, see Turrini et al. (2024), Tax Expenditures in the EU: Recent Trends and New Policy Challenges, European Commission, European Economy Discussion Paper 212; Leventi et al. (2026), Personal Income Tax Expenditures in the EU, European Commission, Seville, 2026, JRC148748; and Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches).

[47] According to the European Commission's taxation trends data, PIT revenues in Romania amounted to approximately EUR 10.2 billion (ca. RON 50.8 billion) in 2024. This would imply revenue forgone of approximately EUR 2.8 billion (ca. RON 13.9 billion) due to PIT tax expenditures according to the microsimulation (27.8% of EUR 10.2 billion equivalent to ca. RON 50.8 billion).

[48] Romania participated in a 2023–2024 TADAT assessment under the EU's Technical Support Instrument, which supported strategic reforms in tax administration. Enhance strategic tax administration reforms through Tax Administration Diagnostic Assessment Tool in Bulgaria, Greece, and Romania - Reforms and Investments.

[49] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection.

[50] Council Directive (EU) 2021/514 of 22 March 2021 amending Directive 2011/16/EU on administrative cooperation in the field of taxation: automatic exchange of information on income from digital platforms.

capturing traders possibly left outside DAC7's scope, such as cash-based sellers or those operating on independent websites. OSS/IOSS compliance is monitored through ANAF's online services (e.g. declaration/payment checks), but Central Electronic System of Payment Information (CESOP) ([51]), DAC6 ([52]), and customs data cross-referencing remains manual. Customs collaboration aids fraud detection, though full e-commerce oversight integration is still evolving ([53]).

Romania's risk-based registration focuses primarily on special regimes, while broader proactive measures remain limited. Romania conducts preliminary registration checks for special regimes (e.g. OSS) cross-referencing VAT data with external sources to detect inconsistencies. While OSS participants face systematic monitoring (e.g. non-filing notifications, exclusions, and penalties), broader risk assessment – such as compliance history analysis or sector-specific targeting – remains limited ([54]).

Romania's qualification and invalidation of VAT numbers seem rather lengthy. However, given the very limited volume of received Eurofisc risk alerts and the insufficient procedural information regarding how Eurofisc fraud alerts or signals are systematically integrated into these processes, no reliable overall conclusions can be drawn on the practical operation of these processes at this stage.

4.2 Tax filing and assessment

Romania's digitalised tax filing system integrates online services with mandatory e-platforms and compliance monitoring. Romania's tax administration offers digital filing processes for PIT, CIT, and VAT through the SPV portal. Taxpayers can submit documents, file returns and access payment obligations, declaration history, and tax decisions via the Virtual Private Space. The system integrates e-invoicing, e-VAT, and e-Transport services, supporting streamlined digital reporting ([55]).

Romania has expanded pre-filling PIT and VAT, marking progress in digital tax compliance. Since 2026, taxpayers can use the SPV Single Tax Return app for pre-filled PIT returns. For businesses, VAT returns (RO e-TVA) come pre-populated with data the tax authority already holds, generated from e-Factura, e-Transport and other digital reporting systems. The RO e-VAT return does not replace the taxpayer's standard VAT return but operates in addition to the normal VAT return filing obligations.

E-filing rates exceed EU averages for VAT and CIT but trail significantly for PIT. Romania's e-filing rates show high compliance for VAT (99.8% in 2024, vs. EU avg. 99.2%) and CIT (99.2%, vs.

[51] The Central Electronic System of Payment Information (CESOP) is an EU-wide system established under Directive (EU) 2020/284 to support the fight against VAT fraud in e-commerce. It requires payment service providers to report cross-border payment data on a quarterly basis to national tax authorities, which then transmit the information to CESOP. The system centralises and analyses this data, enabling Member States to detect undeclared online sales, identify fraudulent traders, and enhance administrative cooperation in combating cross-border VAT fraud.

[52] Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements.: automatic exchange of information on potentially tax-harmful cross-border arrangements.

[53] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection.

[54] Ibidem.

[55] For more information, see anaf.ro/anaf/internet/ANAF/acasa.

EU avg. 97.3%), but lag for PIT (66.2%, vs. EU avg. 88.4%), indicating room for improvement in individual taxpayer digital engagement ([56]).

Romania's digital taxpayer support combines practical tools with accessible guidance. The ANAF website features a fiscal obligations calendar with clear filing deadlines, while the "Ana" chatbot covers tax obligations (including rental/self-employment income), forms, payments, and e-services such as videoconferencing with taxpayers. The SPV enables online document submission, payment tracking and e-invoice retrieval, with RRP-funded upgrades expected by 2027, while social media channels offer additional guidance and real-time updates.

Romania makes thorough use of data obtained through automatic exchange of information (AEOI), under the Directive on administrative cooperation in the field of taxation (DAC) ([57]). Specifically, DAC1 ([58]), DAC2 ([59]), and DAC7, for the purposes of PIT and CIT, as well as SSC and VAT, where relevant. The identification of taxpayers concerned in Romania is very efficient and above the EU average: in 2025, the matching rate measuring success in identifying registered taxpayers with DAC data ([60]) is 94% for the main categories of DAC1 ([61]), 97% for DAC2, and 94% for DAC7, the EU average being, 84%; 92% and 86%, respectively. The TIN validation tool envisaged in the DAC recast proposal will further support the matching process with a view to approaching a 100% automatic matching rate, ultimately allowing Romania to deploy resources even more efficiently and in a more targeted manner. In Romania, the use of DAC data is not only relevant for PIT, but also to detect undeclared professional activities, as tax authorities use the most recent exchange of information on income from digital platforms (DAC7). Once the taxpayers have been identified, Romanian tax authorities use the available data for various activities: voluntary compliance programs, tax risk assessment to detect possible undeclared income, notification to generate disclosure and, if relevant, tax assessments or audits limited to specific categories of income or capital. This leads to significant increases in the tax base and tax assessed, as resulting from the monitoring system put in place by Romania to measure the benefits stemming from the use of DAC data. More particularly, the use of DAC7 information has supported targeted compliance activities in the e-commerce sector. Data reported by digital platforms have enabled ANAF to identify traders, assess potential tax discrepancies and issue compliance notices. According to information provided by the Romanian authorities, approximately 40% of the taxpayers receiving such notices subsequently complied voluntarily. However, significant data quality issues have been identified in DAC7 reporting, requiring manual corrections before the information could be used in tax assessment procedures.

[56] Ibidem.
[57] Source: Yearly Assessment 2026.
[58] Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC: automatic exchange of information on income from employment, pensions, director's fees, immovable properties, life insurance products, royalties.
[59] Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation: automatic exchange of information on financial accounts.
[60] The matching rate indicates to what extent a Member State has been able to identify their taxpayers in their national tax databases with information received from other Member States under the DAC. Such matching is necessary to ensure that the data can be used for tax compliance purposes. The matching rates mentioned in this report are based on the metrics approved by the tax authorities in the TADEUS meeting of December 2024.
[61] Income from employment, pensions, director's fees, immovable properties.

Romania has been relatively active in VAT administrative cooperation ([62]). In 2024, Romania sent 935 requests for information and received 776 requests ([63]). Based on a standardised measure, taking into account the relative size of the Romanian economy, Romania is above the EU weighted average on both the number of requests sent and on the number of requests received ([64]).

Romania has not recorded results in automatic exchange of VAT information. In 2024, Romania has not reported any VAT identification numbers allocated to taxable persons not established in the Member State. It has not forwarded any information on new means of transport.

4.3 Compliance risk management

Romania's compliance risk management (CRM) system applies data-driven processes. ANAF uses a Big Data platform to analyse large datasets such as stemming from the e-Invoice, e-TVA, SAF-T or e-Transport systems. This infrastructure targets under-declaration, non-declaration, and late payments of taxes, fees, and contributions. A formal CRM framework is now in place, including a Risk Management Committee, defined risk criteria, and digital risk registers. This integrates Eurofisc data with dedicated risk indicators for intra-Community transactions, strengthening VAT fraud detection. An integrated IT system enables centralised risk analysis, supported by IMF technical assistance (2026) to develop a Tax Non-Compliance Strategy, enhancing risk targeting, voluntary compliance and anti-fraud measures. The authority also has in place an application for verifying fiscal receipts and reporting irregularities ('iBon'), a tool for cross-checking VAT return data against SAF-T reporting and an online platform for auctions of seized assets (e-Licitații).

Romania is developing the use of AI, including machine learning and robotic process automation in tax administration. Risk-based compliance activities are increasingly supported by integrated digital tools, including an electronic risk register, an analytics platform and an early-warning tool for VAT fraud.

Romania's CRM system relies on digital tools to reduce burdens but lacks documented behavioural insights. While Romania provides proactive digital services (e.g. e-VAT services), these seem to focus on simplifying processes rather than applying structured behavioural interventions (e.g. nudges, tailored messaging).

Romania's use of CESOP data for compliance remains manual but has helped identify cross-border risks despite technical limits. Due to legal restrictions and the absence of national legislation, ANAF has not yet developed an automated system to process CESOP data. Instead, officials analyse reported beneficiaries on a case-by-case basis, cross-referencing CESOP information with existing national databases ([65]). Despite technical challenges, Romania reported in

[62] Based on Council Regulation (EU) No 904/2010 of 7 October 2010 on administrative cooperation and combating fraud in the field of value added tax (VAT), as subsequently amended, the EU and Member States' national tax authorities cooperate to help ensure the correct application of VAT rules on cross-border transactions.
[63] The data is assessed based on the annual statistics, provided pursuant to Commission Implementing Regulation 79/2012 (Annex IV) and presented to the Standing Committee on Administrative Cooperation (SCAC).
[64] The standardised measure normalises the number of requests per EUR 1 billion of GDP, allowing for comparison relative to the size of the economy. In 2024, Romania sent 2.64 requests per EUR 1 billion of GDP compared to an EU weighted average of 1.60 requests sent per EUR 1 billion of GDP; and received 2.19 requests per EUR 1 billion of GDP compared to an EU weighted average of 1.59 requests received per EUR 1 billion of GDP.
[65] Ibidem.

October 2026 having been able to identify approximately 630 companies linked to the same sellers on large EU online marketplaces, for estimated sales of EUR 500 million (2024–2026).

Romania also uses reports exchanged automatically under the DAC, i.e. DAC3 ([66]), DAC4 ([67]) and DAC6 ([68]), for risk-analysis purposes in the field of CIT. The Romanian tax authorities identified successfully 100% of the taxpayers concerned by DAC3 and 100% of the entities concerned by DAC4 (the EU average being 98% and 94%, respectively). Concerning DAC6, Romania was not able to provide the percentage of taxpayers successfully identified in 2025 due to technical issues ([69]).

DAC3, DAC4 and DAC6 are used for risk-assessment. Specifically, to identify risks related to transfer pricing, base erosion and profit shifting, risk of non-compliance by members of the MNE Group with applicable transfer pricing rules, harmful tax practices and arrangements, and possible follow-up actions, such as tax audits. Moreover, Romania uses DAC4 for economic and statistical analysis. DAC6 is also used to generate disclosure of information (within tax return or not). This attempt for a comprehensive approach is complemented by the participation to the EU Technical Support Instrument (TSI) to improve data quality and the use of DAC6 information. This should support Romania to improve the identification of taxpayers and therefore make a better and more systematic use of DAC6 information. Moreover, DAC6 data could be used to detect legal loopholes.

Romania uses VAT gap analysis to guide compliance actions, focusing on key risks. Insolvencies and fraud, especially carousel schemes, drive most of the gap, with smaller shares from evasion, optimization, and the hidden economy. In response, Romania updated insolvency laws (2025), implemented early warning indicators for insolvency risk (2026), and built an IT tool to flag VAT fraud, turning gap insights into concrete measures ([70]).

4.4 Audits

Romania's audit system combines a full spectrum of interventions with digital tools. The administration conducts desk audits, limited-scope audits, single-issue audits, comprehensive audits, and avoidance/evasion investigations, covering all major compliance risks. VAT refund audits receive particular attention, with advance reviews required for high-risk taxpayers filing returns with negative balances. The system is supported by digital tools like the SAF-T fiscal control file (for consistent financial data collection) and RO e-Factura (business-to-government (B2G)/B2B e-invoicing), which enhance fraud detection and VAT collection under Romania's National Recovery and Resilience Plan (NRRP) commitments ([71]).

[66] Council Directive (EU) 2015/2376 of 8 December 2015 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation: automatic exchange of information on rulings and advanced pricing arrangements.
[67] Council Directive (EU) 2016/881 of 25 May 2016 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation: automatic exchange of information on country-by-country reports of multinational entities.
[68] Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements.: automatic exchange of information on potentially tax-harmful cross-border arrangements.
[69] Yearly Assessment 2026 on data 2025.
[70] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection).
[71] See https://static.anaf.ro/static/10/Anaf/Informatii_R/240917_%20Plan_%20StrategicANAF2025-2028.pdf.

Romania's Large Taxpayer Office (LTO) accounts for a substantial share of tax revenues and audit revenues. The LTO accounts for 1.9% of total tax staff, while collecting 42.1% of total revenue and accounting for 34.3% of all audit revenue ([72]). The High-Net-Worth Individuals (HNWIs) are managed under Romania's dedicated compliance risk management framework. The tax administration applies a distinct risk-based approach, combining measures to encourage voluntary compliance with targeted tax audits for high-risk non-compliance.

Romania makes limited use of advanced instruments of cooperation provided for in the Directive on administrative cooperation in the field of taxation and Regulation 904/2010 to facilitate cooperation on specific cross-border issues. Such instruments entail multilateral controls (MLCs) such as simultaneous controls, joint audits and presence in administrative offices and administrative enquiries (PAOEs). The synergies between participating Member States derived from these coordinated activities usually lead to an increase in the tax assessed and, therefore, contribute to reducing the compliance tax gap. Between 2023 and 2025, Romania has participated in 4 MLC and 2 PAOE, representing respectively 1.4% and 1.6% of the total of these operations in the EU ([73]). However, Romania has not initiated any MLC or PAOE.

4.5 Payment and collection

Romania has made clear progress in electronic payments but faces challenges with on-time payment compliance. In 2024, 82% of tax payments were made electronically, marking a substantial improvement from 47.2% in 2018, although it remains below the EU average of 94.9%. For on-time payment in 2024, Romania records 83.12% for CIT (EU average of 89.8%), 69.9% (EU average of 79%) for PIT and 83.9% for VAT (EU average of 83.7%) ([74]). Romania allows taxes to be paid in cash under Government Emergency Ordinance No. 146/2002.

Romania has also put in place a structured and transparent system for VAT refunds. The system permanently monitors VAT returns with a refund option and maintains a national list of returns with approved refund decisions. Where the refund is offset, in full or in part, against other outstanding budget obligations, compensation is processed immediately. Priority is also given to claims covered by final and enforceable court decisions. Romania has in place a penalty system for failure to submit VAT returns and failure to make payments on time ([75]).

4.6 Tax debt recovery

Romania could further strengthen its tax debt recovery framework. While tax claims can be written off under certain circumstances, the tax administration does not currently have a formal recovery strategy or systematically monitor recovery rates.

Romania applies the same recovery rules for all taxes but currently lacks transparency on its recovery activities. The same recovery rules apply across VAT, income tax, excise and other national taxes, all under ANAF's competence. However, Romania does not have a formal national tax recovery strategy, instead defines recovery aims based on the general strategy of the

[72] International Survey on Revenue Administration data. https://data.imf.org/en/datasets/ISORA:ISORA_LATEST_DATA_PUB.
[73] EU AIAC Statistics -2023-2025.
[74] International Survey on Revenue Administration data. https://data.imf.org/en/datasets/ISORA:ISORA_LATEST_DATA_PUB.
[75] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection).

fiscal authority. Under the revised Romanian Recovery and Resilience Plan ([76]) in October 2025, ANAF committed to publish semi-annual statistics on inspections, recovered amounts and criminal referrals.

Romania continues its positive trend of gradually reducing tax arrears while improving the collectability rate. The closing stock of arrears as a percentage of total revenue collected has decreased from 31.7% in 2023 to 27.1% in 2024, below the EU average of 30.7%. Meanwhile, the closing stock of collectable arrears as a percentage of total arrears has also slightly increased, at 29% in 2024 ([77]).

Romania has introduced additional safeguards in preventive restructuring and tax debt management. New amendments introduced in 2025–2026 establish clearer eligibility requirements for preventive composition proceedings and clarify their relationship with tax payment instalment arrangements, providing additional safeguards for the management and recovery of outstanding tax liabilities. Romania cooperates well with insolvency administrators (exchange of asset information).

Regarding cross-border recovery assistance within the EU, Romania submits compliant requests to other Member States. Romania's recovery requests to other Member States generally comply with requirements ([78]), focusing on well-established claims. In 2025, 414 requests for recovery were sent to other Member States, and only 11 requests for recovery were suspended due to contested claims in the same year ([79]).

Data on tax dispute resolution remains incomplete but precautionary measures are allowed at an early stage of the administrative process. No data are available on average time to settle tax (VAT, income tax, excise) disputes, but the Romanian legislation allows the authorities to take precautionary measures before there is an assessment/title, without the need to have a court order before the precautionary measures are launched ([80]).

Romania also uses the information from AEOI, namely DAC1 ([81]) and DAC2 ([82]) for tax recovery purposes, and this produces a measurable yearly increase in the adjusted tax base. This is best practice, which could be extended to DAC7 data (income derived from the use of digital platforms), where appropriate.

[76] Proposal for a Council Implementing Decision amending Implementing Decision (EU) (ST 12319/21 INIT; ST 12319/21 ADD 1).
[77] International Survey on Revenue Administration data 2025. ISORADATA.ORG.
[78] Statistics on rejections of requests, reported by Romania as applicant State, relating to recovery assistance in 2025.
[79] Statistics on the suspension of recovery requests, sent by Romania as applicant State, following contestation of the claim, for 2025.
[80] Romanian reply to Questions 13-16 of the 2025 Commission's Survey on Article 27 of the Recovery Directive.
[81] AEOI on income from employment, director's fees, pensions, life insurance products, royalties.
[82] AEOI on financial accounts and assets.