

Transfer Pricing Alert

28 September 2017

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Order to approve the model and content of the form for Country-by-Country reporting

On 20 September 2017, the National Agency for Fiscal Administration („NAFA”) released the draft Order of the NAFA president to approve the model and content of the form for Country-by-Country reporting.

The main provisions refer to:

- The model and content of the form for Country-by-Country reporting;
- Guidance regarding the completion and submission of the Country-by-Country reporting form;
- The model of the notification to be submitted by each constituent entity, with the fiscal residence in Romania, part of a multinational group of enterprises;
- Printing features, ways of submission, use and storage of the form for Country-by-Country report.



Provisions of the draft Order to approve the model and content of the form for Country-by-Country reporting

The draft order aims to fully transpose the 2016/881/EU Directive in light of the provisions of Art. 291³ and art. 303 paragraph (8) of the Law no. 207/2015 on the Fiscal Procedure Code, as subsequently amended and supplemented. In this respect, the main instruments foreseen by the draft Order are:

- The model of the notification; and
- The model of the form for Country-by-Country reporting;

The model of the notification

The notification shall be submitted both on paper and in electronic format. The notification includes information regarding the company's quality within the group and regarding the entity responsible to prepare the Country-by-Country report: fiscal residence jurisdiction, which is its fiscal year, as well as the reporting year of the notifying entity.

The draft Order does not provide additional clarifications regarding the deadline for submitting the notification, maintaining the conditions established according to the provisions of points 7 and 8 of Section II, Annex 3 of the Law no. 207/2015 on the Fiscal Procedure Code, as subsequently amended and supplemented.

The model of the form for Country-by-Country reporting and completion guidance

The form shall be submitted starting with fiscal year 2016.

The country-by-country report includes aggregate information regarding the amount of revenues, profit/loss, declared capital, undistributed profit, number of employees and tangible assets other than cash or cash equivalent etc., as well as information regarding all the constituent entities of the group and their jurisdiction, indicating the main areas of economic activity.

The reporting multinational entity can complete the form based on data from its consolidated reporting packages, or from:

- The statutory financial statements of an entity;
- Regulatory financial statements; or from
- Internal Management Accounts, etc.

If the statutory financial statements are used as a basis for reporting, all amounts shall be converted into the functional currency declared by the reporting multinational entity at the average exchange rate for the year declared.

Adjustments considering the differences between the accounting standards applied in each fiscal jurisdiction are not necessary.

The country-by-country report shall be prepared in duplicate (one retained by the taxpayer) in A4 / t1 format (variable number of pages depending on the amount of information entered), printed on one side and filed with the tax authority competent to handle receivables, in PDF format, with attached XML file on CD, accompanied by the paper size, signed according to the law.

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