

Tax & Legal Newsletter May 2024

1. Amendments to the legal framework for combating tax evasion

The Romanian authorities have introduced new measures aimed at combating tax evasion. Out of the main amendments, we outline, for exemplification purposes the introduction of new acts constituting tax evasion and an increase in the sanctions for certain acts.

The list of criminal offences that qualify as tax evasion has thus been supplemented with the following:

- the use in bad faith of the RO e-Invoice system to create the appearance of legality for fictitious transactions or to conceal the actual flow of transactions involving goods and services
- the use of electronic cash registers not connected to the national tax monitoring system or the alteration of electronic cash registers resulting in the non-transmission of data or transmission of fictitious data
- failure to withhold taxes and/or social security and health insurance contributions.

Some examples of cases where failure to withhold taxes can occur are:

- payments for services rendered on the territory of Romania, payments for consultancy and management services, or interest and royalty payments – if, at the moment of payment, the taxpayer is not in possession of the required documents, allowing it to benefit from exemption (or, as the case may be, from the application of a reduced rate, in the case of interest and royalties)
- payments of rent, lease payments, payments of other income to resident individuals – if the taxpayer does not withhold the related tax.

In addition, the amendments to the law introduce stricter sanctions for acts of tax evasion (in terms of fines and imprisonment), with the severity thereof in certain circumstances being decided based on the amount of prejudice caused.

If the amount of the prejudice caused and the interest and penalties applied are paid, then the criminal offense will either not be punished or the severity of punishment will be reduced.

Source: Law no. 126 on measures to strengthen the capacity to combat tax evasion and to amend and supplement certain normative acts, as published on 13 May 2024.

2. Combating Shrinkflation

On 15 May 2025, the National Authority for Consumer Protection (ANPC) initiated a public debate of a Draft Order of the President of the ANPC aimed at providing consumers with better information about the quantity and price of products.

The phenomenon known as 'shrinkflation', a combination of the words 'shrink' and 'inflation', is a practice whereby manufacturers reduce the quantity of a product without changing the price, to the disadvantage of consumers.

The draft regulation now subject to public debate establishes the obligation on economic operators to inform consumers fully, correctly and accurately about any changes in the quantities of products with identical

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presentations, packaging and shapes, even if the price remains the same, as well as the obligation to inform consumers of any changes to the unit price.

The informing of consumers to this end must occur by the placing of a poster in the same field of view as the product in question, in a visible, legible and equally sized format and through the use by traders of the following phrases: 'for the entire period of sale of products with a modified quantity' or 'the sale is valid within the limits of available stock'.

The ANPC Order applies to all food and non-food products, the weight or volume indicated on the product packaging must correspond to the actual quantity inside and economic operators must also declare the period for which they intend to offer the lower quantity products for sale.

Source: ANPC press release on the submission to public debate of an Order on the fight against shrinkflation

3. Deepfake content reporting

Order no. 20721/2024 on the establishment of a single contact point for handling complaints about deepfake content was published in the Official Journal Part I No. 455 of 17 May 2024.

A single point of contact is to be set up within the Ministry of Research, Innovation and Digitalisation with the purpose of receiving and assigning with a view to resolution complaints about the distribution of audio/video content that has been digitally manipulated for malicious purposes, such as the manipulation of public opinion, blackmail, fraud or as part of propaganda and disinformation campaigns with the potential to impact the integrity of electoral processes.

The Information Technology and Digital Transformation Directorate within the Ministry of Research, Innovation and Digitalisation is, through its IT department, responsible for:

- the creation of a contact form on the website of the Ministry of Research, Innovation and Digitalisation, where complaints can be uploaded about audio/video content that has been digitally manipulated for malicious purposes and shared via online social media platforms, streaming sites and search engines
- receiving and evaluating complaints regarding the existence of audio/video content for which there exists a reasonable suspicion of digital manipulation for malicious purposes

The evaluation and transmission of data received from the population for reporting purposes by the Information Technology and Digital Transformation Directorate, via its IT department, and the Communication, Transparency and Social Dialogue Directorate will take place within a maximum of one hour during the hours of 08.00-22.00, or within a maximum of 12 hours outside of this period, throughout the pre-election and election period.

Source: Order no. 20721/2024 on the establishment of a single contact point for handling complaints about deepfake content

4. Updating the Classification of Economic Activities in the National Economy

The National Institute of Statistics (INS) has, through Order no. 377 of 17.04.2024, formalised the third revision of the Classification of Economic Activities in the National Economy (CAEN), due to enter into force on 1 January 2025.

Under the order, alignment with the new legal provisions on CAEN codes will cease to be optional and become obligatory for all company directors, with the first step in this process, which can already be carried out now,

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being to check the existing CAEN codes specified in the memorandum of association as well as those submitted to the Trade Register.

Moreover, for those activities that require specific authorisations, licences and permits in order to be carried out, it is recommended that these be checked in advance, so that the issuing authority can be notified within the given time limits and according to the procedures laid down by law, in order to avoid the invalidation of any such documents.

In terms of the activities a company in effect carries out, it will be necessary to verify their conformity with the new CAEN codes according to the new classification due to enter into force in 2025, thereby creating a mapping of any new object of activity according to CAEN rev. 3.

After obtaining this mapping, the necessary steps should be taken to update the articles of association and submit any changes to the Trade Register.

Source: Order no. 377 of 17 April 2024 on the updating of the Classification of Economic Activities in the National Economy (CAEN)

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