

# Compliance with the New SAF-T Rules in Romania

## Background

From 1 January 2022, large Romanian-resident companies and certain foreign-resident companies with Romanian VAT registrations will need to file Standard Audit File for Tax (SAF-T) returns to the Romanian tax authority. SAF-T was first introduced by the Organisation for Economic Co-operation and Development (OECD) in 2005 as a standard structure for tax and accounting data to enable easier benchmarking and auditing by tax authorities. It was first adopted in 2008 by Portugal and has since been adopted by a number of other European jurisdictions, with more to come.

## SAF-T Reporting Requirements in Romania

Each country has adopted its own version of the requirements. For Romania, the reporting burden is significant and involves submission of considerable amounts of data. SAF-T returns need to be submitted in both electronic [Extensible Markup Language (XML), so the tax authorities' systems can immediately understand the data] and PDF formats with specific requirements (or "schemas"). Based on our current understanding, three SAF-T returns, each containing different types of transaction data will need to be submitted, including:

- ▶ VAT return submission (D406 statement) to include general ledger, accounts receivable (AR), and accounts payable (AP) data
- ▶ Annual return to include fixed asset data
- ▶ "On-demand" return to include inventory data

If you submit monthly VAT returns, your first SAF-T filing will be as early as February 2022.

## Issues

At the time of writing, the precise details of the regulations are yet to be finalised. In our experience, requirements evolve quickly as the first submission deadlines approach and taxpayers attempt their first test submissions.

The volume of data required for each of the above submissions will be significant. Regardless of the precise requirements, every taxpayer impacted should think about how they will achieve compliance. In our experience, substantial work will be required to source the correct data, prepare it, map it to the SAF-T schemas, and submit it successfully. The sheer volume of data involved will make this process more cumbersome.

Equally important is your ability to understand what you are sharing before you share it with the authorities. This not only helps in identifying issues with your data but also helps create a more proactive approach, giving you advance visibility on questions the authorities may raise once the submission has been made.

Some enterprise resource planning (ERP)/accounting systems have developed their own solutions, but these are only viable if the data is already within the system in question. Other "off the shelf" options are in development. These solutions can be cumbersome to use, inflexible in how they accept and prepare the data (i.e., based on your existing system configuration), and expensive to implement and use. Finally, they represent a specific "point solution" to address SAF-T in Romania, not a cost-effective longer-term scalable solution.



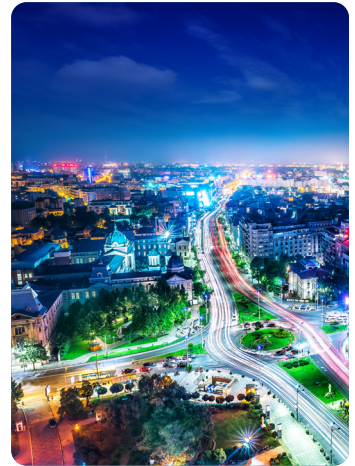
## How Ryan Can Help

Our unique, hands-on approach to delivery and proactive problem-solving abilities will help you achieve SAF-T compliance irrespective of your source system or data.

- **Data Driven** – Instead of forcing you to map your data into a rigid system, we work with your data using our expertise to build a bespoke solution to map and transform your data into the required format.
- **Existing Systems** – We work with existing systems wherever possible. If you have an existing solution that we believe can be used to produce SAF-T filings, we will liaise with your tax, finance, and IT teams to make it happen. Our team of experts work within and alongside all the common ERP and accounting systems to source the data. We will work with a range of technologies to build a solution for you, including Robotic Process Automation, Alteryx, Microsoft technologies, and more.
- **Expertise** – Data experts from Ryan help you build bespoke and insightful analytics based on your data, so you can clearly see the story your data is telling and identify inconsistencies or incomplete elements before you share it with the tax authorities, making you better positioned to proactively respond to queries.
- **Flexible** – We have a highly flexible approach to “business as usual.” We can build and manage an end-to-end cloud-based solution for you, build and hand over a bespoke solution for you to manage, and work with you to find an operating model that works.
- **Scalable** – We work globally with clients across all areas of tax, finance, and treasury to help them transform their functions. Whether your requirements are just SAF-T for Romania, SAF-T for a broad range of countries, or a broader transformation of your tax function, Ryan’s tax transformation experts can help you realise your vision.

## Next Steps

Contact Ryan’s experts today to hear more about our unique approach or to discuss your specific requirements for SAF-T compliance in Romania and learn how we can help you successfully meet these new and onerous reporting requirements.



**Andrew Burman**

*Principal, Tax Technology*

[andrew.burman@ryan.com](mailto:andrew.burman@ryan.com)

+44 (0) 20 8176 8349



**Phill Peachman**

*Director, Tax Technology*

[phill.peachman@ryan.com](mailto:phill.peachman@ryan.com)

+44 (0) 20 8176 8350

### Award-Winning Tax Services

For additional information

**Amsterdam:** +31 (0) 20 570 3520

**Braga:** +351 253 30 50 20

**London:** +44 (0) 20 7257 8510

**Paris:** +33 (0)1 55 42 75 20

[ryan.com/europe](http://ryan.com/europe)

© 2021 All rights reserved.