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Are you ready for your SAF-T on demand ?

Romania SAF-T

Romania is a southeastern European country known for the forested region of Transylvania, ringed by the Carpathian Mountains. Its preserved medieval towns include Sighişoara, with many beautiful churches and castles, notably clifftop Bran Castle, long associated with the Dracula legend. Bucharest, the country's capital, is the site of the gigantic, Communist-era Palatul Parlamentului government building
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Romania
Highlights of the SAF-T mandate

6 Romanian tax authorities will provide taxpayers **with a three-month grace period**, but returns must be fully submitted by April 2022.

1 **Romania SAF-T** is based on the OECD SAF-T 2-0 mandate

2 **Foreign Entities based in Romania** will also be required to fulfil the requirements

5 **Failure to submit** a valid SAF-T report, will be subject to relevant fines, up to RON 5,000.

3 **SAF-T files need to be sent to tax authorities** by the end of the month, following the reporting period

4 With its large data requirements, is **one of the most complex SAF-T mandates to date**

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Romania SAF-T

Highlights of the mandate

1

SAF-T – or Standard Audit File for Tax – is the international standard for digitally sharing reliable accounting data between organisations and national tax authorities. SAF-T is defined by the Organisation for Economic Cooperation and Development.

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For large taxpayers, reporting is typically completed on a monthly basis. SAF-T files will need to be sent to tax authorities by the end of the month, following the reporting period.

2

While the country already has VAT reporting requirements in place in the form of its D394 form, it is believed to be turning to SAF-T due to the more comprehensive coverage it offers and its ability to include data beyond the realms of VAT transactions.
To reduce the burden following the arrival of SAF-T , Romania is considering abolishing D394 once SAF-T is established

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For an accurate and compliant D406 file to be generated, taxpayers must perform a large number of mappings, taking into consideration that many SAF-T data fields accept only strictly defined values. It is imperative that users ensure data within their ERP is entirely accurate and that it can be mapped effectively.

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The comprehensive nature of SAF-T reporting means businesses will be expected to file incredibly detailed documents with hundreds of fields completed. While some items (including assets) are excluded from regular reporting, issues to document on a monthly basis – such as general ledger entries, sales invoices and purchase invoices – are still vast.

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Yes, one peculiarity of the Romanian SAF-T system is that Romanian authorities will expect the final D406 report to be submitted as a PDF with an XML file attached. The initial Standard Audit File can be submitted in XML format though, as is frequently the case among SAF-T schemes across the world.

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Romania SAF-T

Key Facts

The structure of Romanian D-406 is very much in line with OECD SAF-T standard. There are four main sections of the file: Header, MasterFiles, GeneralLedgerEntries, and SourceDocuments.

Each main section is divided into a number of sub-sections, which are then divided into another sub-sections, and so on. This results in an extremely detailed requirement with hundreds of fields to be reported.

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The main format of the Standard Audit File for Tax in is XML. That is currently the most common format for detailed, structured tax reporting. However, something that is specific to Romania is that the final D406 report should be submitted to tax authorities as a PDF file, with an XML file attached.

2

ANAF provides taxpayers with a dedicated tool: DUK Integrator. This enables a technical validation of XML files and the creation of the required PDF file with an attached XML. Generating the XML file itself needs to be done either directly through the ERP or using a third-party solution, since tax authorities' tools do not support this process.

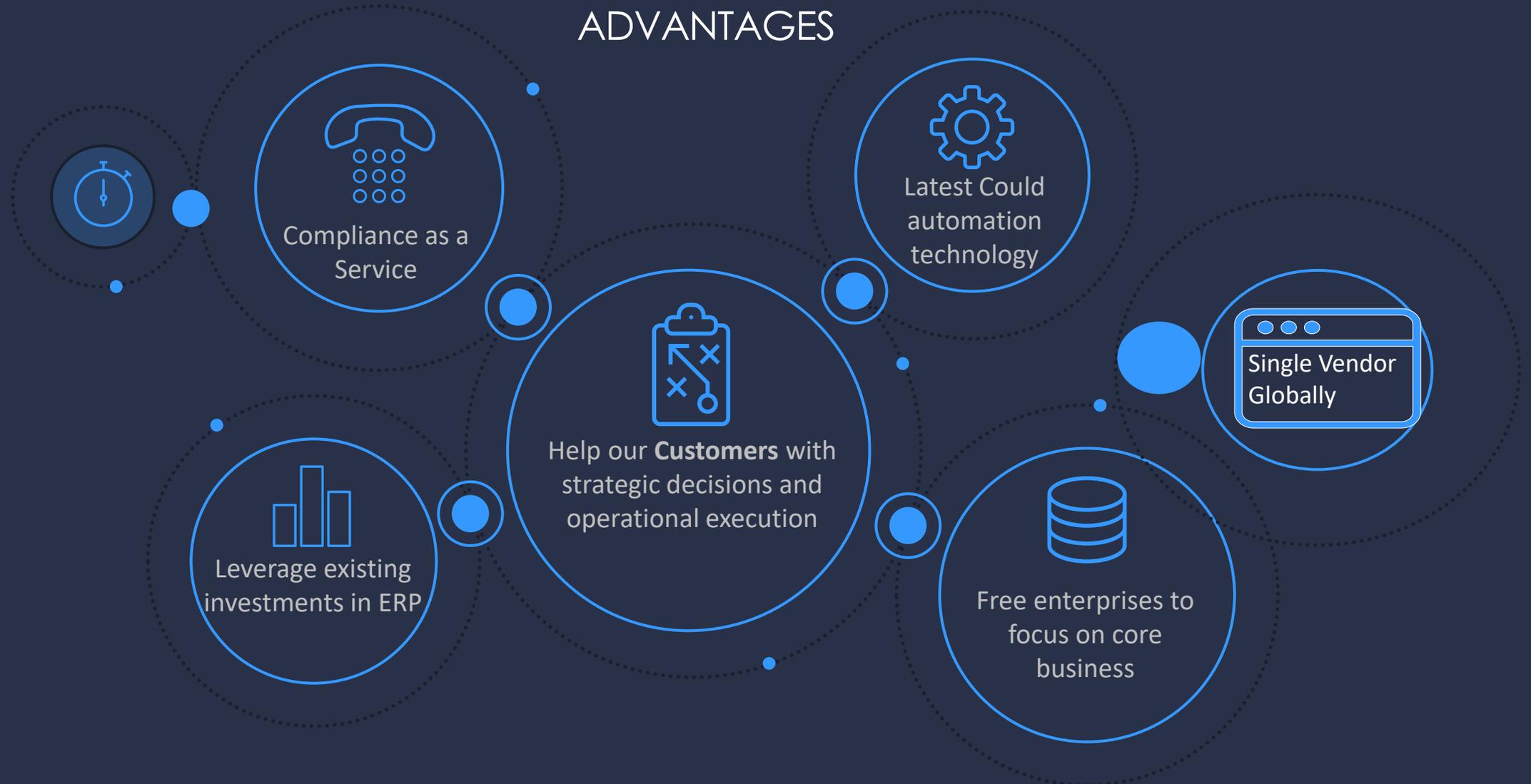Assigning relevant SAF-T VAT codes to particular transactions needs to be performed thoroughly. SAF-T tax codes contain six digits (the first one indicating a particular tax, such as 3 for VAT, for example. For supply transactions there are around 50 different VAT codes, which must be mapped to taxpayer transactions.

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The final PDF/XML D406 return has to be digitally signed with a qualified digital certificate. Exact submission is performed electronically by uploading generated files to the E-Governance website. Results of the transmission are updated in the Virtual Private Space (SPV) service, from which taxpayers receive notifications from ANAF about submitted declarations. The SAF-T receipt confirmation will be delivered through the SPV.

In order to generate the D406 file in line with the structure provided by ANAF, it is required to perform a significant number of mappings. A lot of fields in SAF-T only accept strictly defined values. Therefore, taxpayers need to map data from their ERP to the relevant SAF-T fields. For instance, there are over 40 codes available to describe separate invoice types, such as 380 for standard invoices and 381 for credit notes. Another example is that GL entries need to be mapped to the Romanian Chart of Accounts, which features about 600 account numbers..

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