In this issue:

The Law on the Cancellation of Tax Liabilities Established as a Result of the Cancellation of VAT Registration Has Been Promulgated

The President of Romania promulgated the Law on the cancellation of certain tax obligations established as a result of the cancellation of registration for VAT purposes, a normative act known in the public space as "VAT amnesty for taxpayers with a cancelled VAT code".

The law was published in the Official Gazette no. 700/24.08.2026 and entered into force on August 27, 2026.

The law primarily provides for the cancellation of certain tax liabilities representing VAT and related accessories, established by the tax authorities for taxpayers who carried out economic activities during the period when their registration for VAT purposes was canceled. The law also introduces special provisions for **agricultural cooperatives**, in relation to VAT related to the purchases of agricultural machinery.

I. Tax context applicable to taxpayers with cancelled VAT code

The legislative measure takes into account the tax treatment applicable to taxable persons whose VAT code has been cancelled according to **art. 316 para. (11) letters a), d) and e) of the Fiscal Code**, as well as the corresponding situations regulated by the old Fiscal Code, respectively **art. 153 para. (9) letters a), b), d) and e) of Law no. 571/2003 on the Fiscal Code**.

The situations concerned are those in which the cancellation of the VAT code occurred as a result of one of the following causes:

- the taxpayer has been declared inactive in accordance with the provisions of the Fiscal Procedure Code, as a result of its registration in the Register of inactive/reactivated taxpayers;
- the taxpayer entered into temporary inactivity, registered in the Trade Register according to the law, a situation that led to the cancellation of the registration for VAT purposes;
- the taxpayer has not submitted the VAT returns for the period provided by law;
- the taxpayer submitted VAT returns without declared operations, respectively "zero" returns, for the periods provided by law.

According to **art. 11 para. (6) and para. (8) of the Fiscal Code**, during the period in which the VAT code was canceled, the tax regime applicable to the taxpayer was a specific one. Thus:

- the taxpayer **did not benefit from the right to deduct VAT related to purchases made** during that period;
- the taxpayer **had the obligation to collect and pay VAT for taxable transactions carried out** during the period in which the VAT code was cancelled;
- after the re-registration for VAT purposes, the taxpayer could exercise the right of deduction for the purchases of goods and/or services made during the period of the cancelled code, by entering the tax in the first VAT return filed after the re-registration or in a subsequent return;
- for supplies of goods/services made during the period in which the VAT code was cancelled, the taxpayer had the obligation to issue invoices in which to separately enter the VAT collected for that period, without these amounts being included in the VAT section collected from the VAT return.

Therefore, the tax regime applicable during the period of cancellation of the VAT code was a particular one: **the temporary absence of the right to deduct does not eliminate the obligation to collect and pay VAT for the taxable transactions carried out**.

In practice, the tax authorities carried out tax inspections by which they established additional obligations representing the VAT collected, as well as ancillary tax obligations, in application of art. 11 para. (6) and para. (8) of the Fiscal Code, for taxpayers who did not collect VAT during the period when the VAT code was cancelled.

II. What does the new law provide?

The new law provides for the cancellation of the differences in the main tax liabilities representing VAT and the ancillary tax obligations related to them established by tax decisions issued by the tax

authorities in application of art. 11 para. (6) or para. (8) of the Fiscal Code, as a result of the cancellation of the VAT registration for the reasons mentioned above.

The measure applies to fiscal periods between 1 January 2019 and the date of entry into force of the law.
Also, the law provides for the proper application of this measure if the cancellation of the registration for VAT purposes was carried out on the basis of the corresponding provisions of the old Fiscal Code, respectively art. 153 para. (9) letters a), b), d) and e) of Law no. 571/2003, in the form in force on the date of cancellation of the VAT code.

This provision is relevant for taxpayers whose VAT registrations were cancelled prior to the entry into force of the current Fiscal Code under art. 153 para. (9) letters a), b), d) and e) of Law No. 571/2003, as in force on the date of the VAT deregistration.

III. Refund of amounts already paid

- For taxpayers who have paid the tax obligations covered by the new law, the normative act provides for the possibility of refunding the amounts paid.
- The refund will be made at the request of the taxpayer, and the limitation period for exercising the right to request the refund begins to run from the date of entry into force of the law.
- Thus, taxpayers who have already paid the VAT differences and/or related ancillary tax liabilities established by tax decisions covered by the new law should analyze the opportunity to file a refund request, depending on the specific tax situation and the provisions of the application procedure to be approved by ANAF.

IV. Limitation of the application of the amnesty

- An important aspect is the fact that the amnesty does not apply to all situations in which the taxpayer had the VAT code cancelled.
- The law expressly provides that the measure does not apply to tax liabilities related to transactions for which the taxpayer:

➢ has separately entered VAT on invoices or equivalent documents; or
➢ has collected, in whole or in part, VAT from the beneficiaries,

this fact will be ascertained by the tax authority.

- Therefore, in situations where the VAT has been separately highlighted or has actually been collected from the beneficiaries, the related tax liabilities remain due.
- This limitation is essential, since the purpose of the measure is to cover situations in which taxpayers were subsequently taxed with VAT related to transactions for which, in fact, they did not collect the tax from customers.

V. Procedural aspects

- The law also regulates a number of procedural aspects relevant to the application of the annulment measure:

- ➢ the cancellation of tax obligations will be carried out ex officio by the competent tax authority, by issuing a decision to cancel tax obligations;
- ➢ for tax liabilities falling under the law, the tax authorities will no longer issue tax rulings for the periods concerned;
- ➢ if, prior to the entry into force of the law, the tax authority has issued, but has not communicated a tax decision, it will no longer be communicated to the taxpayer, the tax liabilities are deducted from the analytical record per payer based on a deduction slip;
- ➢ the tax liabilities related to the decisions issued, but not communicated, will be deducted from the analytical record per payer;

- The implementation procedure is to be approved by order of the President of ANAF, within 30 days from the date of entry into force of the law.
- These provisions are relevant both for taxpayers who have already received tax decisions, and for those in tax control procedures or in situations where the decisions have been issued but have not yet been communicated.

VI. Special provisions for agricultural cooperatives

- In addition to the measures applicable to taxpayers with a cancelled VAT code, the law introduces a separate tax facility for agricultural cooperatives established under Agricultural Cooperatives Law No. 566/2004.
- Thus, the VAT differences and the ancillary tax liabilities related to them, established by tax rulings issued and communicated to agricultural cooperatives, representing the VAT related to the purchases of agricultural machinery for which they have exercised their right of deduction, are cancelled.
- The measure applies for the fiscal periods between January 9, 2024 and the date of entry into force of the law.
- Also, if these tax obligations have already been paid, agricultural cooperatives can request the refund of the amounts paid. The refund will be made upon request, and the limitation period for exercising the right to refund begins to run from the date of entry into force of the law.
- This provision complements the measures previously adopted in the field of VAT applicable to agricultural cooperatives and aims to annul some obligations established in connection with the purchases of agricultural machinery for which cooperatives have exercised their right of deduction.

VII. What taxpayers should consider

- From a practical perspective, the taxpayers concerned should consider as a matter of priority whether their tax situation falls within the scope of the new law.

  In particular, the following aspects should be considered:

- ➢ if the cancellation of the VAT code was carried out for one of the reasons provided by law;
- ➢ if the tax obligations were established in application of art. 11 para. (6) or para. (8) of the Fiscal Code;
- ➢ if the tax periods concerned are between 1 January 2019 and the date of entry into force of the law;

- if the VAT was not separately entered in the invoices and was not collected, in whole or in part, from the beneficiaries;
- whether there are tax decisions communicated, appeals in progress, obligations already paid or tax control procedures in progress;
- in the case of agricultural cooperatives, if the VAT differences established by the tax authority concern purchases of agricultural machinery for which the right of deduction has been exercised.
- Depending on the specific situation, taxpayers may consider preparing the necessary documentation for clarifying the tax position, monitoring the issuance of the ANAF application procedure and, as the case may be, formulating refund requests for the amounts already paid.

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