



Electronic invoices mandatory from 2024: Romania expands RO e-Factura system

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Beginning 01.01.2024, Romania will introduce mandatory electronic invoicing in the B2B sector. The national system "**RO e-Factura**" must be used for all transactions with the place of supply in Romania. All companies active in Romania must prepare for this.

Development

"RO e-factura" was regulated in Romania for the first time by Ordinance 120/2021 and has been active since 2022. Its application was limited to the areas of B2G (relationship between companies and state entities), the supply of goods with tax risk and certain travel agencies.

For other entities and business relationships (B2B), Romania received a derogation from the EU on July 25, 2023 with Implementing Decision (EU) 2023/1553, which allowed the introduction of B2B electronic invoicing starting 2024.

As a result, Law 296/2023 has supplemented and amended the Regulation since 31/10/2023 by extending the obligation to use the RO-e-Factura electronic invoicing system.

The tax authorities have also issued procedures in the past concerning the use and operation of the RO-e-Factura system.

Basics

According to the regulation, an electronic invoice is an invoice that is issued, transmitted and received in a structured electronic XML format that enables it to be processed electronically and automatically. This electronic invoice will be mandatory in B2B business from January 1, 2024.

The RO-e-Factura system is used to send "e-invoices" to the recipient. From July 1, 2024, only this system will be able to be used for invoice transmission; until this date, invoice transmission by RO-e-Factura is generally optional in the B2B area.

This means that between January 1 and June 30, companies can still send invoices (issued in accordance with RO-e-Factura principles) in accordance with the previous principles. In this case, however, the invoices must be registered in RO-e-Factura within five working days. Failure to comply with the registration deadline between April 1 and June 30 is subject to a fine between RON 1,000 and RON 10,000.

Invoicing as of 2024

The electronic invoice will therefore be sent to the recipient via the RO e-Factura system from April 2024 at the latest (to avoid fines). If the invoice is valid, i.e. it complies with the legally prescribed structure, the system applies an electronic seal from the Ministry of Finance to it. Otherwise, the issuer receives a message about the errors to be corrected and can resend the invoice after correction via the system.

The XML file bearing the electronic seal of the Ministry of Finance is deemed to be the original invoice. The invoice is deemed to have been sent at the time at which it is available for the recipient to download from the RO e-Factura system and the recipient is notified of this.

If there are any complaints about the information on an invoice, a message is sent to the issuer via the electronic invoice system and the corrected invoice is sent via the same system. The electronic invoice itself cannot be sent back to the system for correction.

In addition to terms such as "electronic invoice", the procedural rules explain the semantic data model, syntax and syntactic links as well as other terms relating to the structure of the electronic invoice and technical specifications that the invoice must contain. This cannot be detailed here.

Conclusion/ Recommendations

From 1 July 2024, RO e-Factura will be the only channel for sending invoices to recipients in the B2B sector, and only electronic invoices (XML files) sealed by the Ministry of Finance will be recognized as original invoices. From this date, recipients who accept invoices in any other form also risk fines in the amount of the VAT shown on the invoice.

This new system will not only affect the way invoices are presented in practice, but also other areas - e.g. legal relationships: think of the proof of receipt of the invoice and the due date in legal disputes for debt collection.

The multitude of legal and practical issues arising from e-factura could fill a book and cannot be dealt with here.

In any case, all companies must adapt accordingly. The introduction of electronic invoicing at the level of each individual company can require a great deal of time and cooperation between management, sales, finance and accounting and IT.

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