



Ministry of Public Finance



**NATIONAL AGENCY FOR TAX
ADMINISTRATION**

**ACTIVITY
REPORT
2009**





Table of Contents

ANAF President's Speech	2
I. A.N.A.F. – GENERAL DESCRIPTION	4
II. A.N.A.F. ACHIEVEMENTS IN 2009 – BRIEF PRESENTATION	6
III. A.N.A.F. STRUCTURAL REFORM IN 2009	8
1. Tax Regulatory Reform.....	8
2. Organizing Reform	11
2.1. Internal coordination improvement	11
2.2. Mitigation of expenses.....	13
IV. A.N.A.F. 2009 ACHIEVEMENTS COMPARED TO THOSE OF 2008.....	14
Macroeconomic context in 2009	14
1. BUDGETARY REVENUES ADMINISTRATION ACTIVITY	15
2. COMBATING THE TAX EVASION AND THE FINANCIAL INDISCIPLINE.....	24
FRONTIER SECURIZATION	24
V. A.N.A.F. DEVELOPMENT PERSPECTIVES	36
VI. A.N.A.F. COMMITMENTS IN 2010.....	38
1. Organizing measures.....	38
2. Budgetary Revenues Administration Activity.	38
3. Fiscal Inspection Activity of the Financial Guard and the National Customs Authority - joined objective	39
3.1. Fiscal Inspection Activity	39
3.2. Financial Guard and National Customs Authority	40
4. The Fiscal Information Exchange Activity shall have the following main objectives in 201.....	41
5. Main objectives of the financial control activity for year 2010.....	41
VII. STATISTICS REPORTS.....	42



ANAF President's Speech



A.N.A.F. suffered several organizing improvements and upgrades to the economic reality, starting with its incorporation since nowadays, necessary to assure the correspondence between the extension of its administrative capacity and its organizing structure. With this regard, 2009 has brought many significant changes, being a special year for the National Agency for Tax Administration from reorganization point of view, taking into consideration the current macroeconomic context not at all favorable.

Therefore, we have initiated several legislative amendments which took into consideration the need to support the business environment, by one hand, and the need to combat the tax evasion, by the other hand.

The good results obtained in 2009 were due to the use of an efficient management having aimed the increase of the performance of all the Agency's activities, fact which led to counterbalancing in great extent the negative impact of the existing macroeconomic context.

A.N.A.F. reorganizing was a process mostly oriented toward obtaining efficiency, being the most extended reorganization in the history of the institution, the changes implemented being focused both on the central and local personnel in all the three tax management units: the tax administration, the Financial Guard and the National Customs Authority.

In July 2009, we celebrated the opening of one of the most modern fast print units of Europe - the intensive print line from Râmnicu Vâlcea - which currently assures the efficiency of the activity of the tax officers, the generation of a single central database allowing the registration of the documents issued, the mitigation of the costs, a better confidentiality of the data, the approval and enforcement of unitary working procedures, the standardization of the fiscal-administrative documents' issue terms. This unit shall have a more and more important impact on the progressive mitigation of the tax collection cost and on the acceleration of the forced execution procedure.

Collection of the revenues to budget has based on the effort to stimulate the voluntary conformity, on a better management of fiscal debts to be recovered and on the enhancement of the forced execution procedure implementation.

In 2009, our fiscal control units have succeeded to raise their efficiency in combating the tax evasion and to enforce more offensive measures to collect the tax debts. The fiscal-financial control was much more efficient, being carried out based on a risk assessment, our objective for the future,



with this regard, being to use more varied control methods (e-control, indirect control) and to extend the scope of such a control (by instance, on the e-trade).

Supporting the business environment represented and represents always a concern for A.N.A.F.. The VAT reimbursements have been better managed in 2009, being created the regulatory framework for deferring the tax obligation payments not made on terms, due to the effects of the economic crisis, by 6 months.

The tax evasion damages our entire society by adversely affecting the amount of the revenues to the budget, causing in this manner the insufficient availability for supporting the State social and economic politics, and also the potential premises for unfair competitiveness and for distortion of the business environment. To assure the equal treatment of each taxpayer and to maintain a healthy business environment where competitiveness might develop correctly, A.N.A.F. dynamically and continually fights to identify and diminish the tax evasion. For this purpose, the fiscal control shall firstly focus on the fields with high fiscal risk as the intra-community purchases, the trade of excisable goods, the real estate transactions, etc.

Our objective for 2010 is to develop the partnership with the business environment and to improve our relation with the taxpayers to increase their degree of voluntary conformity and to mitigate the tax evasion phenomenon.

The A.N.A.F. strategic management objectives shall be combating the tax evasion and fraud, increasing the tax collection efficiency and dynamics, decreasing the cost for 1 Leu collected, and encouraging the voluntary conformity able to assure a fast and low-cost tax collection.

Being aware of the difficult context existing in our country, we are decided to support our taxpayers by assuring their equal treatment in similar cases, without any discrimination, by observing the objectivity, lawfulness and transparency principles.

During the following years, the A.N.A.F. politics shall be an ongoing consolidation of its independence, able to create the necessary conditions for the enhancement of the qualification of this institution, which will lead to the increase of the efficiency of the tax administration activity.

Sorin BLEJNAR
ANAF President



I. A.N.A.F. – GENERAL DESCRIPTION

The National Agency for Tax Administration (ANAF) was incorporated on 1st October 2003, being subordinated to the Ministry of Public Finances, by Government Ordinance No 86/2003, beginning to operate starting with January 2004, the A.N.A.F. President having the capacity of secondary credit accountant.

A.N.A.F. has the following organizing structure: Financial Guard, National Customs Authority, Bucharest and County General Directorates of Public Finance.

A.N.A.F. performs its activity in the field of administration of the revenues to budget, within this frame developing its partnership with the taxpayers.

A.N.A.F. manages the tax records and declarations, assures the tax collection, control and settles the tax appeals, and provides 1.4 million of legal persons and over 6 million of natural persons with assistance, guidance and information services.

A.N.A.F. Mission is to assure the resources necessary for financing the public expenses and for ensuring the good performance of the State institutions.

A.N.A.F. Vision A.N.A.F. is strictly determined by the social responsibility assumed: generation of the conditions to build a society where the taxpayers are spontaneously, voluntarily paying their debts to the budget.

A.N.A.F. Governing Principles:

- ⇒ equal treatment for each taxpayer; and
- ⇒ efficiency both in the relation with the taxpayer and in its internal activity.

A.N.A.F. Strategic Prioritarian Directions focuses on three great fields in its activity:

- ⇒ Combating the financial indiscipline and restraining the tax evasion and any method of avoiding the income statement and tax payment obligations;
- ⇒ Increasing the tax collection efficiency;
- ⇒ Encouraging the voluntary conformity to assure a higher tax collection for lower costs.

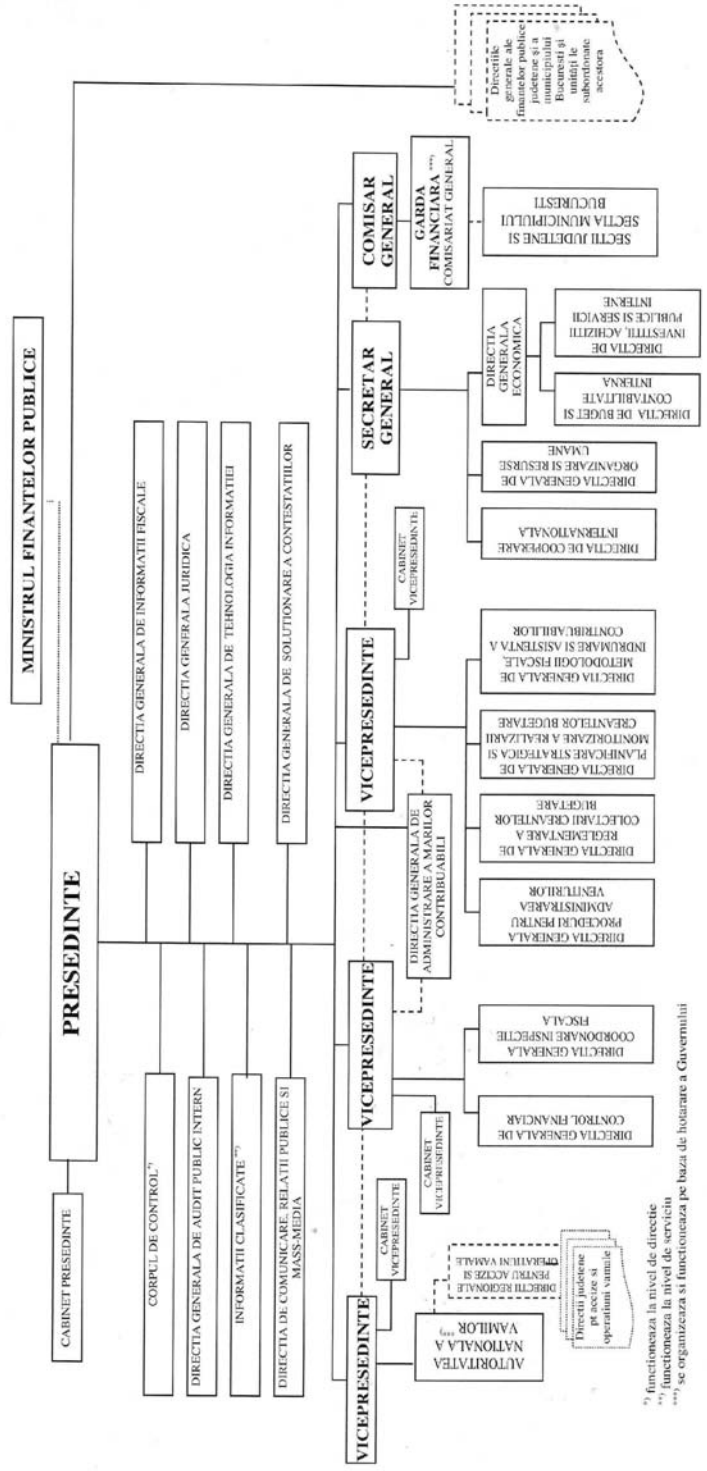


A.N.A.F. ORGANIZING



Anexa nr. 1 la HG 109/2009
 Numar de posturi = 1302, inclusiv presedintele, doi vicepresedinti si posturile aferente
 cabinetelor demnitarilor, exclusiv posturile ANV si posturile GF

STRUCTURA ORGANIZATORICA A AGENTIEI NATIONALE DE ADMINISTRARE FISCALA



¹⁾ functioneaza la nivel de directie
²⁾ functioneaza la nivel de serviciu
³⁾ se organizeaza si functioneaza pe baza de hotarare a Guvernului



II. A.N.A.F. ACHIEVEMENTS IN 2009 – BRIEF PRESENTATION

About A.N.A.F.

	2008	2009
Total number of employees	31,281	30,793
- Tax Administration	26,029	25,344
o Head Office	1,056	1009
o out of which: DGAMC	329	314
o local units	24,973	24,335
o out of which: Treasury	5,425	5,329
- National Customs Authority	3,871	3,994
- Financial Guard	1,381	1,455
Local Units		
- Tax Administration	Head Office, 42 County General Directorates of Public Finance and Bucharest General Directorate of Public Finance, 42 Tax Administration Units for medium sized taxpayers, 368 Tax Administration Units for large sized taxpayers, General Tax Administration Directorate for Large Taxpayers.	
- National Customs Authority	Head Office, 8 regional directorates, 42 county directorates, including the Bucharest Directorate for Excise Duties and Customs Operations, 45 customs offices	
- Financial Guard	Head Office, 41 county sections and Bucharest section.	
Number of administered taxpayers		
Total, out of which:	around 7.4 M. taxpayers	
Large Taxpayers	1,434	
Medium-sized Taxpayers	19,114	



Results obtained in 2009

Collected Budgetary Revenues - Total	MLei 133,914.5
out of which: following forced execution:	MLei 14,092.7
Fiscal Inspection	
Number of taxpayers controlled	112,170
Supplementary tax obligations determined	MLei 6,082.0
Seizures	MLei 96.9
Sanctions by fines	MLei 43.2
Financial Guard	
Number of economic agents controlled	183,132
Total amounts collected	MLei 151.4
National Customs Authority	
Number of actions carried out by mobile teams	17,324
Supplementary amounts determined following fiscal inspection	MLei 408.1
Assistance Activity	
Number of requests resolved	22,716
Number of answers sent by e-mail	12,669
Number of phone call answers	940,209
Number of tax declaration processed	20 million
Degree of voluntary conformity	
- to income statement obligation	83.9%
- to tax payment obligation – as number	64.3%
- to tax payment obligation – as amount	77.4%



III. A.N.A.F. STRUCTURAL REFORM IN 2009

In 2009, an extended reform took place in A.N.A.F. involving some fiscal regulatory amendments, focusing on the relation with the taxpayers, aiming to lead to a better tax collection in the difficult economic context of 2009 and also to a better support for the business environment and a better prevention of the tax evasion.

The method to manage and organize the institution was improved to assure an increase of the performance.

1. Tax Regulatory Reform

1.1. Regulations proposed and adopted for the improvement of the fiscal procedures and the combat of tax evasion:

- By Government Emergency Ordinance No. 46/2009,
 - the Financial Guard has received competences in the determination of the guaranteeing measures and in the draft of the procedural documents which may represent evidence means, upon the prosecutor's request;
 - the provisions of the Government Ordinance No. 75/2001 have been amended to complete the fiscal records by adding the registration of the guarantor's and insolvent taxpayer - debtor's solidary liability as well as the registration of the fiscal inactivity of a taxpayer;
- the contraband has been incriminated as offence when the total value of uncustomed goods exceeds Lei 20,000, under the sanction of imprisonment between 2 and 7 years and of prohibition of certain rights (G.E.O. No. 33/ 2009);
- rules to enhance the control have been established to combat the unlawful good transports, these rules being the legal framework for the Carrier Action, a joined Financial Guard and General Inspectorate of Romanian Police action (G.E.O. 93/2009);
- the facility of benefiting of reverse VAT taxation, used unlawfully by firms under insolvency proceedings, has been eliminated, this measure following to be implemented starting with January 2010 (G.E.O. No. 109/2009);



- the GPS procedure for using smart seals on containers and transportation means has been prepared for the goods under the supervision of the Customs Authority (especially those to which excise duties are applied) (A.N.A.F. President Order No. 1206/2009);
- procedure and conditions concerning the registration of economic operators trading in wholesale/retail system the energetic products have been prepared (A.N.A.F. President Order No. 1378/2009);
- the *List of inactive taxpayers* has been posted on the A.N.A.F. Portal (A.N.A.F. President Order No. 1167/2009);

In 2009, 86,765 taxpayers have been declared as fiscally inactive, to such taxpayers being withdrawn their capacity of VAT payers from the Taxpayers Register and implicitly from VIES System (effect: these taxpayers may no longer develop operations taxable by VAT, including intra-community transactions under reverse taxation regime).

In 2008, 783 taxpayers were proposed to be declared inactive.

1.2. Regulations for supporting the business environment, proposed and adopted

The fiscal regulatory activity assures the procedural framework necessary for a good development and ongoing improvement of the tax administration activity. In 2009, several important regulations came into force, which focused mainly on supporting the economic agents in difficult condition and on combating the tax evasion.

The most important regulations focused on the following objectives:

- deferring the payment of the tax debts not paid on term because of the effects of the economic-financial crisis (G.E.O. No. 92/2009), in the following cases:
 - if the tax debts owed were not paid in the last day of the month previous to the month when deferring application has been submitted;
 - if the deferring period requested does not exceed 6 months;
 - if the deferring period requested does not exceed the 20th of December of the current fiscal year;
 - if the taxpayer applicant does not request any other payment deferring in the relevant fiscal year.



Until now, ANAF has registered 660 tax payment deferring applications for the debts to the State budget of the companies, out of which 413 have been approved, the overall amount of such deferred payment being of MRON 210 (MEUR 50).

- reinstatement of rights of the taxpayers who have lost the validity of payment facilities starting with 30.09.2008, as a result of the economical crisis effects (G.E.O. No. 46/2009).

600 companies received the approval for being deferred the payment of their tax debts.

- improvement of the management of solutions for the VAT reimbursement, including by assignment of the reimbursement/return rights of the taxpayers (A.N.A.F. President Order No. 1308/2009);

In 2009, assignments in overall amount of MLei 491.6 have been made.

- extending of the on-line submission of the tax declarations: the possibility to transmit online the Form 200 "Incomes Statement" for the taxpayers - natural persons, holders of a qualified digital certificate, (A.N.A.F. President Order No. 847/2009).

1.3. Other measures

- The tax administration specialized on different taxpayers categories has been improved: the number of taxpayers registered within the categories of large and medium-sized taxpayers increased (from 1,273 to 1,434, respectively, from 10,071 to 19,114) – (Orders No. 3469/2009, No. 3470/2009 and No. 3471/2009 of Ministry of Public Finance);
- Recovery of payable debts by selling the seized goods within an auction was also regulated according to the Fiscal Procedure Code. (A.N.A.F. President Order No. 1129/2009).

In 2009, following the sale of seized goods within auctions, an amount of MLei 62.1 has been obtained.





2. Organizing Reform

2.1. Internal coordination improvement

With regard to management, ANAF gave an ongoing attention to strategic and operational planning as important management process factor.

The annual performance plan is the essential knowledge, control and guidance tool used by the high and medium level management team of the tax administration (including the Financial Guard and National Customs Authority).

The fulfillment of the forecast indicators in the performance plan, as monitored monthly, show the manner and degree of fulfillment of the objectives established for the relevant fiscal year.

In 2009, the performance indicators used to measure the efficiency of the activity of A.N.A.F. have been improved both as measurement unit and scope and as number (from 18 to 21).

Significant organizing changes have been operated in the local tax administration units.

To evaluate the efficiency of the activity of coordinating managers and assistant coordinating managers from the deconcentrated structures of A.N.A.F.:

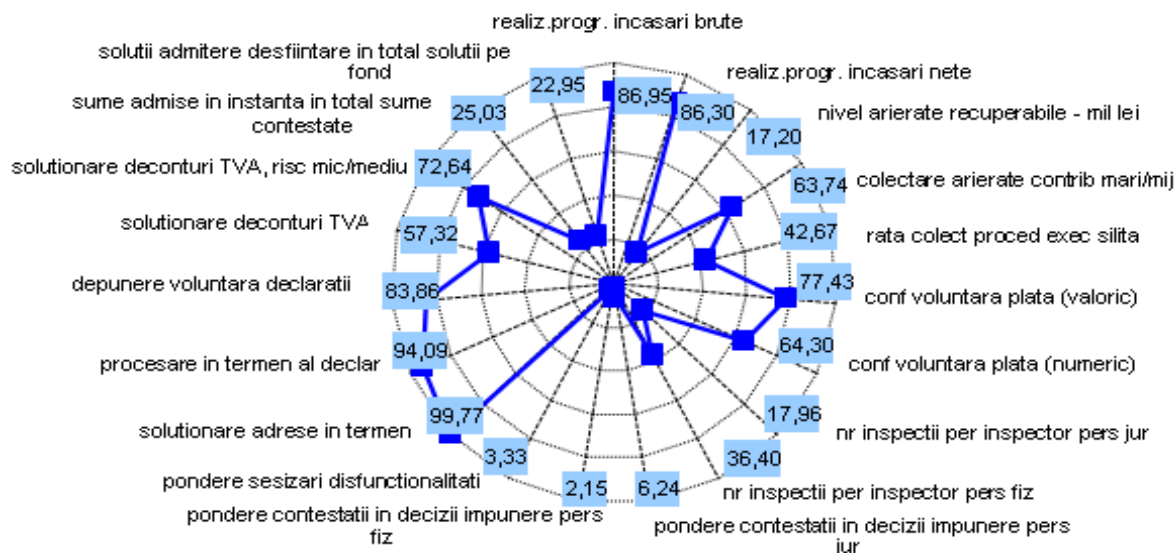
- a new performance indicators system per activity fields (tax collection, fiscal inspection, Financial Guard and National Customs Authority) have been implemented;
- to monitor such performance indicators, the single database "Data Warehouse" has been developed.

In 2009, the fiscal inspection activity to legal and natural persons was concentrated at the level of the County General Directorates for Tax Administration, by unifying the fiscal control under the management of a single assistant coordinating manager, in order to improve the fight against the tax evasion and to assure an efficient and unitary coordination of the fiscal control, the effects of such action being:

- a better selection of the case fit for fiscal inspection and a better control actions planning;
- a more efficient and unitary coordination of the fiscal inspections by eliminating the redundancies.



Performance Indicators in 2009



Legend:

realiz. progr. Incasari brute = gross planned collectable revenue amount; **realiz. Progr. Incasari nete** = net planned collectable rev. amount
solutii admistere desfiintare in total solutii pe fond = % admitted legal actions of the total merits decisions
sume admise in instanta in total sume contestate = % challenged amounts admitted by court of the total amounts challenged
solutionare TVA deconturi cu risc mediu = settlement related to VAT discounts for VAT with medium risk
solutionare TVA deconturi = VAT discount settlements; **depunere voluntara declaratii** = voluntary conformity to income statement submission obligation; **procesare la termen a declaratiilor** = income statement processed on term; **solutionare adrese in termen** = letters processed on term; **pondere sesizari disf.** = dysfunction notice weight in total notices; **pondere contestatii in decizii impunere pers. fizice** = weight of appeals in total tax decisions for natural persons; **nivel arierate recuperabile (MLei)** = recoverable tax debt amount (MLei); **colectare arierate contrib.. mari/medii** = tax debt amount recovered from large/medium-sized taxpayers; **rata colect. proced. exec. Silita** = amount collected following forced execution procedure enforcement; **conf. voluntara plata (valoric)** = voluntary conformity to payment obligation (as value); **conf. voluntara plata (numeric)** = voluntary conformity to payment obligation (as number); **nr. inspectii per insp. Pers. jur.** = number of fiscal inspections to legal entities per fiscal controller; **nr. inspectii per insp. pers. fiz.** = number of fiscal inspections to natural persons per fiscal controller



2.2. Mitigation of expenses

Organizing Measures

A.N.A.F. reorganization in 2009 was focused on the increase of this institution efficiency, being the most extended reorganization in the institution history. The organizing changes were operated both at central and local level, in all three structures (Tax Administration, Financial Guard and Customs Authority), they following to be continued in 2010, too.

The reorganization process had several stages: **in a first stage**, finalized on 20.02.2009, measures to mitigate the public administration expenses have been taken in A.N.A.F., both at central and local level. To this purpose, 420 public management functions have been cancelled, being generated in this manner an average economy related to the wage fund in amount of Lei/month 399,039.

In the second stage, finalized on 27.04.2009:

- the organizing structures of County General Directorates of Public Finance, Regional Directorates for Excises and Customs Operations, the County Directorates for Excises and Customs Operations and of A.N.A.F. and A.N.V. Head Offices and local units have been changed.
- at county level, the fiscal inspection units have been unified under a single coordination and the units for fiscal inspection to medium sized taxpayers have been taken over by the corresponding own structures of the General Directorates.

In this manner, the public management positions at local level, in overall number of 2,837, were diminished with approximately 565 positions, representing a percentage of around 20%. This mitigation meant a supplementary economy related to the expenses for wages in amount of approximately Lei/month 350,746.

Reorganization of the National Customs Authority led to a new organizing structure of the regional, county and Bucharest Directorates for excises and customs operations.

By these measures, a number of 8 public management positions have been reduced, in addition to the 53 public management positions already cancelled.

The first stage of the reorganization, finalized on 1.05.2009, aimed the financial measures able to diminish the expenses with the personnel, involving the diminishing of the management allowances and adds (for public manager, for work complexity granted to internal auditors and to persons appointed to carry out internal preventive financial control), as well as the cancellation of some positions. These measures led to obtaining significant budget economies at the chapter of expenses with the personnel, in overall amount of MLei 2.7, for the period May - December 2009.

The three reorganization stages led to overall economy related to expenses with wages in amount of MLei 9.5.

Meanwhile, sending by mail, on the charge of A.N.A.F., of approximately 900,000 envelopes containing income statements, to natural persons (Form 200), was cancelled, this sending being replaced by the "Tax Administration goes on the streets" Campaign. This measure led to an economy in amount of approximately MLei 5.5 (almost MEUR 1.3).





IV. A.N.A.F. 2009 ACHIEVEMENTS COMPARED TO THOSE OF 2008

Macroeconomic context in 2009

In 2009, there was a unfavorable economic context. Due to the development of the international economic and financial crisis, the internal and international demand diminished, affecting severely the GDP which decreased, in actual terms, by 7.2%* in comparison with the previous year.

During the first nine months of 2009, the gross domestic product use shows a significant decrease of the internal demand (-13,7%) in comparison with the same period in 2008. The final consumption decreased as volume (-11,1%), due to the decrease of the final individual consumption of each household (-12,2%) and to the severe decrease (-22,6%) of the gross fixed capital which reflects generally the level of investments in the economy.

In 2009, the volume of the industrial production decreased by 5.5% compared to 2008, and the turnover in industry decreased by 14.4%.

The retail trade's turnover decreased with 10.3%. The constructions' activity diminished with 15.1%.

The unemployment rate increased, reaching to 7.8% in December 2009 (compared to 4.4% in December 2008).

The adverse impact of the diminishing of the consumption demand was strengthened by the decreasing inflation rate, from 7.9% in 2008 to 5.6% in 2009.

Meanwhile, the decrease of the import demand with 30.8% compared to 2008 has led to the diminishing of the amount of customs duties collected.

The uncertain business environment, the diminishing of the export demand and the restrictive lending politics led also to the decrease of the internal demand, especially of the investments, and to the lack of liquidities necessary to pay the debts in 2009.

* National Institute of Statistics - Press Release No 32 of February 12, 2010



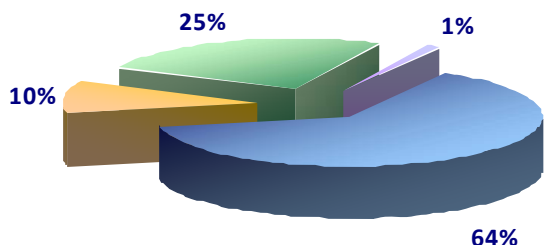
1. BUDGETARY REVENUES ADMINISTRATION ACTIVITY

1.1. Tax collection activity

Revenues Structure per budgets in 2009

Weight of main taxes and duties in State Budget, in 2009

Structura veniturilor realizate de ANAF pe bugetele componente, în anul 2009



- Bugetul de stat
- Bugetul Fondului național unic de asigurări de sănătate
- Bugetul asigurărilor sociale de stat
- Bugetul asigurărilor pentru șomaj

Blue = State Budget, yellow National Health Fund, green – Social Security Budget
Purple – Unemployment Fund

In 2009, the A.N.A.F. effort to collect the revenues to the State budget concretized in the collection of an amount of MLEI 133,914.5, representing almost 99.97% of the amount to be collected established as objective by the Ministry of Public Finance, respectively, 26.5% of the GDP.

The good results obtained in 2009 by A.N.A.F. were due to the use of an efficient management having aimed the increase of the performance of all the Agency's activities, fact which led to counter-balancing in great extent the negative impact of the existing macroeconomic context.

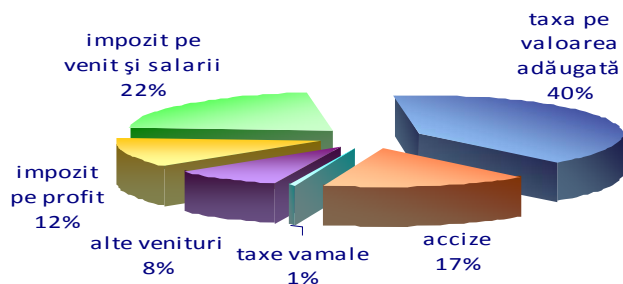
Revenues Structure per budgets

The major part of the revenues collected by A.N.A.F., represent contributions to the State Budget (64%) and to the State Social Security Fund (25%).

The revenues to the State Budget (consisting mainly of corporate tax, added value tax and excise duties) were in amount of MLEI 85,637.3, by 1.4% bigger than the planned amount (MLEI 84,460.2).

The major contribution to the revenues to the State Budget is brought by the VAT, having a weight of 40.1%, followed by the income tax (21.7%) and then, by the corporate tax (12.4%).

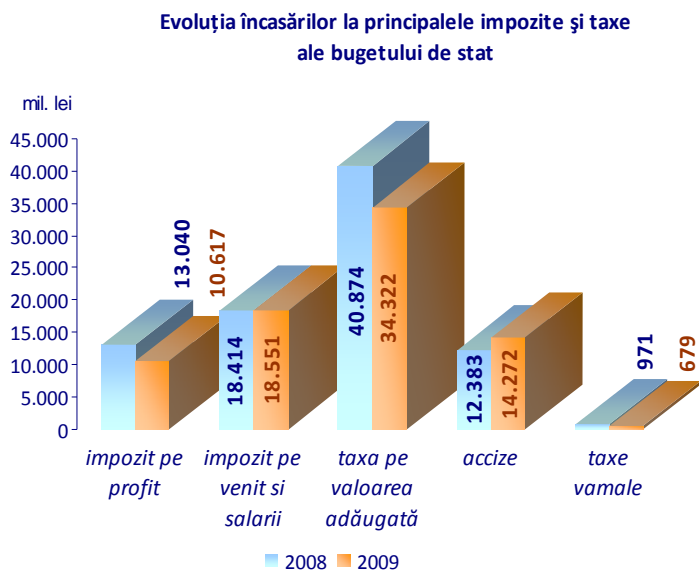
Ponderea principalelor impozite și taxe în bugetul de stat, în anul 2009



Green – wage tax; dark blue – VAT; yellow – corporate tax; purple – other revenues;
light blue – customs duties; brown – excise duties



Evolution of main tax and duty amounts collected to the State budget



Corporate tax salary revenue tax VAT excise duties custom duties

Compared to the amounts collected last year, the income tax increased in 2009 with MLEI 137.5 (+0.8%), exceeding the forecast level (in amount of MLEI 18,274.3) with 1.5%.

In 2009, the revenues collected from excise duties, representing 2.8% of GDP, were in amount of MLEI 14,272.1, exceeding both the amount recorded in 2008 (+15,3%), and the forecast level (+7,2%).

The amount planned for the revenues from VAT collected was fulfilled in percentage of 96.9% (MLEI 34,322.4 obtained, compared to MLEI 35,405.0 planned). The weight of the gross amount of revenues collected from VAT was of 6.8%, with 1.3 pp less than that recorded in the previous year.

The amount planned in the budget for the revenues from income taxes has been fulfilled in proportion of 93.8%.

The revenues collected from customs duties was in amount of MLEI 679.4, exceeding the amount planned in the budget with MLEI 145.3, thus, by 27.2 pp.

The amount planned for the revenues to the **State Social Security Budget for 2009** was reached in proportion of 101.3%. The weight of such revenues in the GDP was of 6.8%, by 0.6 pp. bigger than that for 2008.



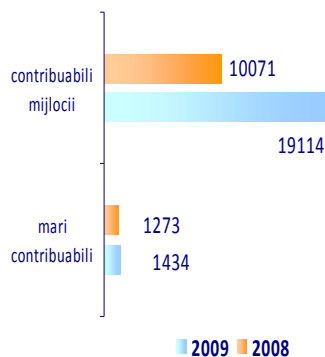
The revenues to the **Single National Health Fund** have diminished in 2009 with MLEI 737.0 (-5.1%) compared to the amount of 2008.

In 2009, the weight of these revenues in the gross domestic product was of 2.7%, by 0.2 p.p. less than that of the similar period in the last year.

The amount planned in the budget for these revenues was reached in proportion of 95.6%.

Evolution of large and medium-sized taxpayers' number

Evoluția numărului de contribuabili mari și mijlocii



Compared to 2008, the revenues to the **Unemployment Fund** diminished with MLEI 483.1 (-24.6%), because of the diminishing by 0.5 p.p. of the unemployment contribution starting with 01.12.2008. The amount planned in the budget for such revenues was exceeded by 13.4%.

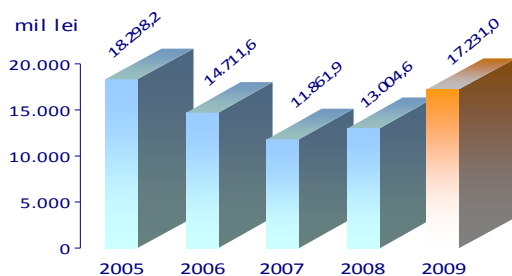
Specialized tax administration units designated to: the large and medium-sized taxpayers

The large and medium-sized taxpayers are an important bet for the budgetary revenues because their contribution to the generation of the budgetary revenues is significant: the large taxpayers generate 46.6% of the overall amount of the budgetary revenues, while the medium-sized taxpayers generate 23.6% of such amount.

Meanwhile, the specialized monitoring of these categories of taxpayers is a must due also to the big amount of their debts to the State budget.

Contrib.. mijlocii = medium-sized taxpayers; mari contrib.. = large taxpayers

Arierate rămase de recuperat



Recovery of debts

The unfavorable economic conditions generated difficulties for economic agents, even for those observing the tax discipline, to fulfill their tax obligations. In addition, the insufficiency or late allocation of the



budgetary resources to some public institutions led to the accumulation of the tax debts.

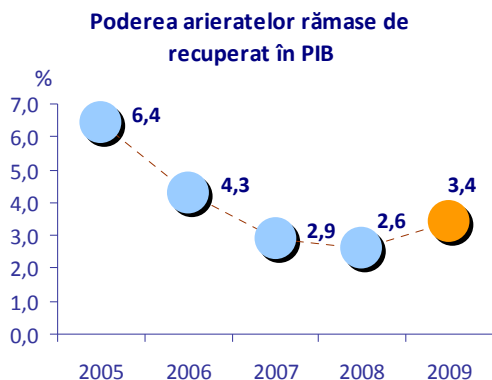
On 31.12.2009, the debts to the budgets managed by A.N.A.F. to be recovered by this institution were in amount of MLEI 17,231.0, out of which the debts in the balance on 31.12.2008 are in amount of MLEI 5,601.5 and the debts recorded during 2009, are in amount of MLEI 11,629.5.

In 2009, an increase of the amount of recoverable budgetary debts by 32.5% compared to the similar amount on 31.12.2008 (MLEI 13,004.6), was recorded, the biggest dynamics of the increase (45.4%) being related to the debts to the State Budget.

The budgetary debts of the large taxpayers represent 27.1%, while the budgetary debts of the medium-sized taxpayers represent 21.1%, of the overall amount of budgetary debts to be recovered by the end of 2009.

The weight of the overall amount of budgetary debts to be recovered by 31.12.2009 in the estimated gross domestic product (in amount of MLEI 505,503) is of 3.4%, compared to the weight of 2.6% recorded on 31.12.2008.

Weight of recoverable debts in GDP



Although, taking into consideration the process of coordination of the tax collection methods, A.N.A.F. has implemented, in 2009, the tax debts management allowing the strengthen of the reaction of local tax bodies in the field of collecting the revenues to the general consolidated budget, by one hand, and the increase of the reliability of the available information, by the other hand.

It was succeeded the generation of some practical tools for the analysis of the budgetary debts per origin, seniority, taxpayer, amount or



type and the implementation of 7 tax debt internal management indicators.

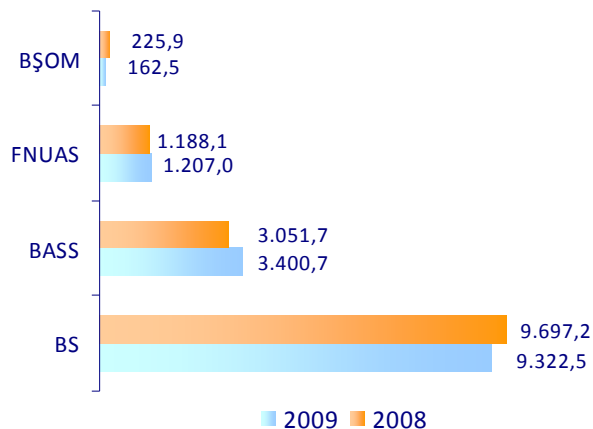
Enhancement of actions developed within the forced execution procedure

Evolution of tax debts collected by forced execution
Procedure enforcement

In 2009, following the forced execution procedures enforcement, an amount of MLEI 14,092.7 has been collected. Comparing to 2008, the following results have been obtained:

- Payment Summons transmitted (number): 7,541,831, with 16% bigger than the number sent in 2008 (6,503,839);
- Bank accounts seized (number): 1,813,391, with 10% bigger than the number in 2008 (1,645,026);
- Third party's accounts seized (number): 119,216, a number double compared to that of 2008 (56,235);
- Operations to recovery the debts following marketing the personal goods/real estates seized (number): 42,539 in 2009, compared to 60,019 in 2008 (a decrease by 30.1%). Although great efforts were made to identify, evaluate and sell the personal goods and real estates seized to recover the debts to the budget, **(10,280** real estate seizure minutes concluded, by **14.48** % more than in 2008, when **8,980** seizures have been recorded, only), the results of these efforts are under the level of those of 2008 due to the adverse effects of the financial-economic crisis concretized both in the fall of transactions with real estates and in the decrease of liquidities and purchase demand related to such type of assets.

Evoluția încasărilor din executare silită
(mil. lei)



The most efficient method to enforce a forced execution is to communicate the payment summons, method leading to the collection of 77.3% of the overall amount of revenues collected following forced execution.



The amount of revenues to the state budget collected by forced execution, of MLEI 9,322.5, represent 66.2% of the overall amount of revenues collected by forced execution, less by 3.9% than that collected in 2008. Following the forced execution an amount of MLEI 3,400.7 was collected to the single National Health Fund, representing 24.1% of the overall amount of revenues collected in 2009 by force execution procedures, bigger by 11.4% than the similar amount collected in 2008.

Starting with July 2009, the **fast printing line from Râmnicu Vâlcea** was commissioned, able to assure the centralized printing of the enforceable payment summons and orders for the 41 County General Directorates of Public Finance, General Directorate for Large Taxpayers Administration and the Bucharest General Directorate of Public Finance.

This printing line is one of the most moder in Europe.

The final investment value was in amount of MLEI 13.7, out of which: MLEI 7.7 represented co-financing, and the remained amount represented PHARE financing.

In 2009, during the first stage, the payment summons and related enforceable documents, the ancillary tax decisions, the notices on settlement of tax debts and on non-submission of the income statement have been printed, following to print in a subsequent stage, all the fiscal-administrative documents issued by A.N.A.F. units and fitted for a massive printing, in a centralized manner.

The fast printing unit shall have a more and more important impact on the progressive mitigation of the tax collection cost and on the acceleration of the forced execution procedure.





1.2. Improvement of services provided to taxpayers

ANAF Motto: A taxpayer well and timely informed is a citizen fiscally in line.

In 2009, on the page „*Assistance to taxpayers*” of the A.N.A.F. website, several informatics instruments have been posted, able to allow a better information on the *Fiscal Code* and the *Fiscal Procedure Code* in correlation with the Methodological Norms for implementation and related laws, being presented also the manner in which the income statement forms 200 and 201 must be filled in by the taxpayers - natural persons.

In 2009 was also implemented the *ANAFI* facility by which public could access the database containing questions and answers on fiscal subjects and was prepared the *Guide for Owners' Association*. This Guide contains information concerning the fiscal registration of the Owners Association, the submission of the fiscal registration statement and the manner in which the fiscal registration certificate may be obtained, the obligation to record the fiscal ID code on the documents used, the obligation to keep accounting and fiscal records, etc.

In 2009, 975,594 answers to the questions related to fiscal regulatory issues, addressed by the taxpayers, have been communicated.



The „*Tax Administration goes on the streets*” *Information Campaign*, a fiscal marketing action, aiming the increase of awareness degree of the taxpayers on the fulfillment of their obligations to state their taxable incomes, has been performed. This Campaign has determined an increase of the number of income statements submitted, by 15 % compared to 2008.



1.3. Simplified and modernized fiscal procedures

ANAF Motto: Procedures simplification, a premise for the voluntary conformity and for the reduction of the corruption



Management of the income statements is a complex process which starts with the registration of the persons as taxpayers paying taxes, duties and contributions, and continues with the declaration of the tax obligations, ending with the payment of the relevant tax obligations. During this process, the owed taxes and duties, and the possible return of amounts paid in excess (VAT reimbursement, excise returns, income tax reimbursement) are assessed.

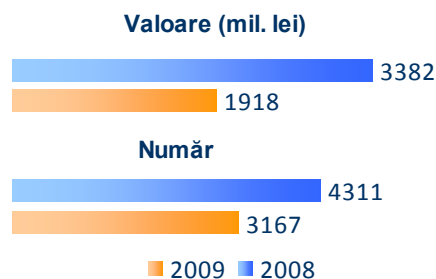
To improve the income statement management in all its stages, A.N.A.F. tries to simplify and modernize the procedures, especially by computerizing them.

In 2009, A.N.A.F. focused on the method and rapidity of the procedure for reimbursement of the amounts owed to the taxpayers, especially in case of VAT reimbursement.

The monitoring and follow-up system for assessment, at individual level, of the settlement of the negative VAT amounts, allowed the increase of the VAT reimbursements transparency by monthly posting on the Internet page of A.N.A.F., the following information:

- Report on settlements in progress, pending at the local tax administration units:
 - the number of settlements with the legal term delayed was of 3,167 on 31.12.2009, compared to 4,311 on 31.12.2008 (a decrease by 27%);
 - the amount of settlements with the legal term delayed was of MLei 1,918 on 31.12.2009, compared to MLei 3,382 on 31.12.2008 (a decrease by 43.2%);
- The number of delay days for settlements of which legal terms have been exceeded;

Evolution of balance containing negative VAT amounts to be reimbursed, with settlement in progress





- On the website www.anaf.ro was posted a platform by which the stage in the evolution of a negative VAT settlement may be monitored.

The online income statement submission has been extended to the taxpayers - natural persons, holders of a qualified digital certificate (being used to this purpose the Form 200 - "Income Statement").

1.4. External communication

The corresponding presentation in mass media, of the achievements of A.N.A.F. involved in 2009, drafting and dissemination of 150 press releases, four times more than in 2008. Over 355 articles, in which the most frequent subject was combating the tax evasion, have been published.





2. COMBATING THE TAX EVASION AND THE FINANCIAL INDISCIPLINE. FRONTIER SECURIZATION

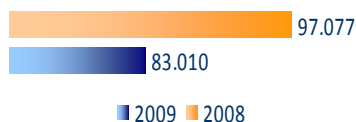
The offensive control - a support for the business environment and stimulation for the voluntary conformity

In 2009, A.N.A.F fiscal control units have succeeded to raise their efficiency in combating the tax evasion and to enforce more offensive measures to collect the tax debts.

2.1. Fiscal inspection

Number of inspections to taxpayers – legal persons

Număr verificări la contribuabilii persoane
juridice



Sanctioning fines (MLei)

Amenzi contravenționale (mil. lei)



In 2009, measures to increase the efficiency of the fiscal inspections have been taken in the field of the fiscal inspection activity, starting with a better preparation of the inspection plans, based on the risk analysis, and ending with the increase of the fiscal inspection document quality, able to initiate a quality chain extending in the entire fiscal control process.

Measures taken in 2009:

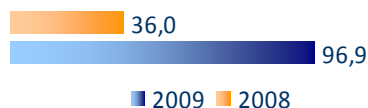
- The fiscal inspection activities aimed with priority the taxpayers presenting high potential risk of tax evasion and fraud, selected based on the risk analysis, as the
 - ✓ real estate developers - natural persons, which should compulsory register as VAT payers,
 - ✓ as well as the fields where great losses were recorded during the years with economic growth (as the trading companies working in constructions or making intra-community operations, etc.), or
 - ✓ the trading companies which reported recoverable VAT of which reimbursement finally have not been requested; or



- ✓ the companies making transactions with firms fiscally inactive and/or being under insolvency proceedings.

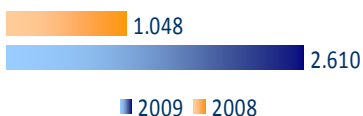
Seizures (MLEi)

Confiscări (mil. lei)



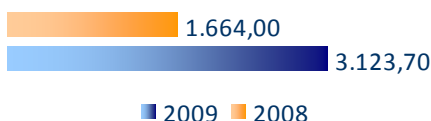
Number of criminal complaints

Număr sesizări penale



Damage (MLEi)

Prejudiciu (mil. lei)



The prioritarian scope of the fiscal inspection carried out to legal persons and their results are the following: services related to the crude-oil and natural gas extraction; wholesale trade with alimentary products, drinks and tobacco; wholesale trade with fruits and vegetables; wholesale trade with cereals, seeds, fodder and unprocessed tobacco; engineering works to housing or industrial buildings; not specialized wholesale trade; brokerage in trade with different products; brokerage in trade with fuels, minerals and chemical products designated to the industry; wholesale trade with other products.

In 2009, the fiscal inspection activity obtained good results: 112,170 inspections were carried out to taxpayers, legal or natural persons, out of which 83,010 (74%) to taxpayers - legal persons (compared to 97,077 in 2008), being determined supplementary tax obligations in amount of MLei 6,082.0 (bigger by 32.6 % than the amount determined in 2008). The fiscal loss was diminished with MLei 1,519.9.

Precautionary measures for the amount of MLei 1,948.1 (compared to MLei 618 in 2008) have been decided.

A significant 60% weight in the overall amount of supplementary tax obligations determined was represented by the supplementary VAT amount of MLei 3,644.6, while the supplementary corporate tax amount determined, in amount of MLei 1,631.7, represented almost 27% of the overall amount of supplementary tax obligations determined by fiscal inspection.

Meanwhile, the fiscal inspection bodies seized goods and amounts in overall amount of MLei 96.9, compared to MLei 36.0 in 2008.

Additionally, for deficiencies found, fines in amount of MLei 43.2 have been applied and a number of 2,610 claims for an overall damage in



amount of MLei 3,123.7 have been logged to the competent criminal investigative bodies, representing an increase by over 100% of the activity to combat the tax evasion, compared to 2008.

In 2009, the amount related to the appeals admitted or to the payment decisions cancelled was of MLei 120.0 (out of which 98.5% relates to taxpayers - legal persons), representing 2% of the overall amount of supplementary tax obligations determined by fiscal inspection.

2.2. Fiscal Information Activity

To identify the taxpayers representing a high fiscal risk for the tax administration, A.N.A.F. analyzed the fiscal information available in order to improve the performance indicators used in the risk analysis.

The information applications received from and sent to another States, concerning the VAT and direct taxes, as well as the transmission of electronic data collected based on Directive 48/2003 (interests related to financial instruments and deposits held in Romania by non-resident natural persons), have been administered.

The information applications concerning the intra-community operations, received by the Financial Guard and the General Police Inspectorate have been resolved.

In 2009 was implemented a monitoring system for the companies related to which there were suspicions of participation to organized intra-community tax fraud networks, the data regularly obtained from their accounting records being the object of a efficient information exchange with the other Member States.

In 2009, a number of 2,101 information applications concerning the Informative Statement - Form 394, on the VAT related to internal deliveries/providing and purchases.



2.3. Prevention of fiscal offences in the institutions owned by the State

In 2009, the financial control bodies carried out financial control activities to 7,680 economic operators, preparing, following the control, 10,402 control documents.

The results of the financial control carried out led to the determination of an overall amount of MLei 3,828.3 representing differences to be paid to the general consolidated budget.

A number of 881 fines have been applied, being collected an amount of MLei 1.9.

2.4. Financial Guard Activity



Following the amendment to the Fiscal Procedure Code, the institution has become the single control body within the Ministry of Public Finance competent to carry out audits and other verifications, upon the request of the criminal investigative bodies, the documents prepared following such audits representing evidence means in the cases of tax evasion instrumented by the Prosecutor's Offices.

To reach its objectives, the Financial Guard has participated, in cooperation with other specialized bodies of other ministries and specialized institutions in our country and similar bodies in other EU Member States, to actions aiming to discover and combat the unlawful activities.

The actions of the Financial Guard aimed mainly the following:

- ⇒ to monitor and efficiently intervene in the fields with high tax evasion risk (excisable products);



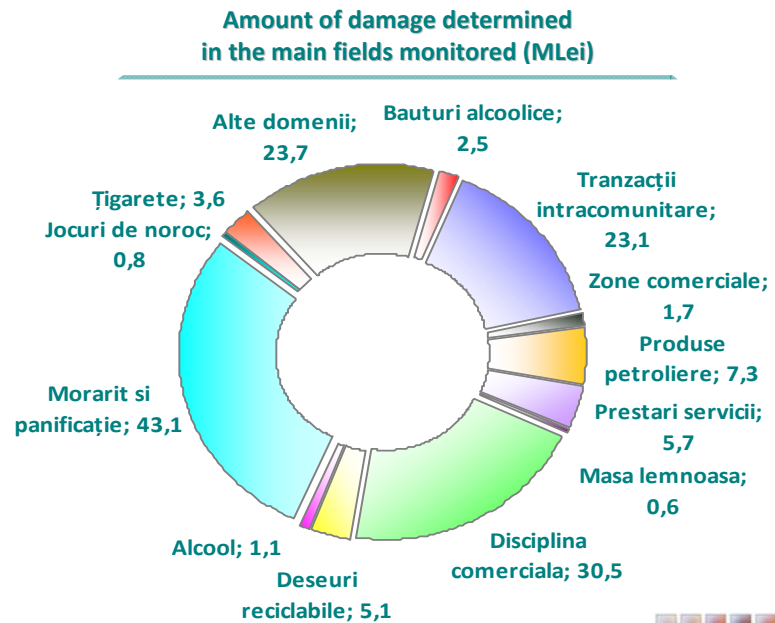
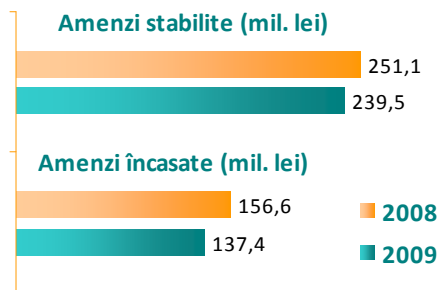


- ⇒ to continue the sudden inspections to the economic operators in order to monitor their endowment with electronic fiscal cash devices;
- ⇒ to monitor the seasonal activities (inter-institutional activities);
- ⇒ to monitor the intra-community good purchases;
- ⇒ to monitor the import - export activities.

Monitoring the main fields where appears tax evasion affecting the EU Budget

Financial Guard activity focused on actions designated to combat the tax evasion related to intra-community operations, which involved a tight cooperation with the National Customs Authority and the use of a significant number of commissaries acting effectively 7/24 a week to identify the freights designated to an unlawful trade, implicitly suspect to avoid the payment of related tax obligations, including by accompanying the transport means from the frontier crossing points up to the destination points.

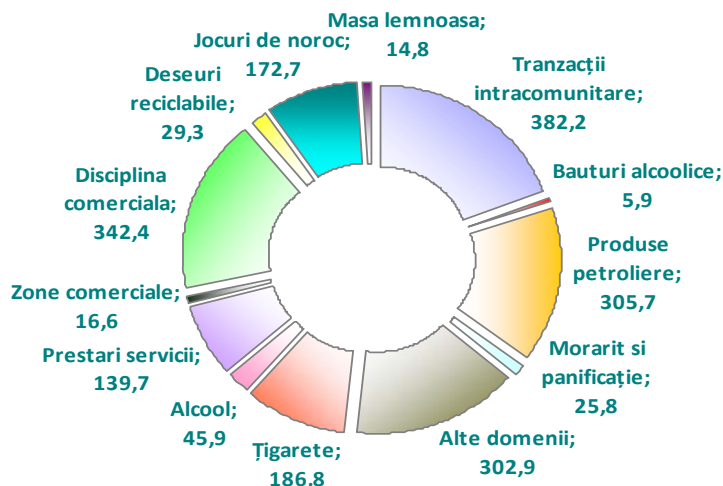
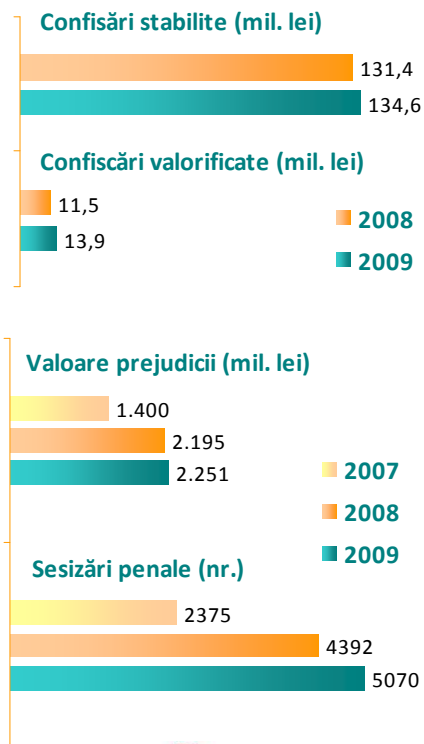
Amenzi stabilite = determined fines
Amenzi incasate = collected fines





Legend: Tigarete = cigarettes; jocuri de noroc = gambling; morarit si panificatie = mill and bakery; Allcool = alcohol; deseuri reciclabile = recycling waste; disciplina comerciala = trade discipline; masa lemnoasa = wood; prestari servicii = services provision; prod. Petroliere = oil products; zone comerciale = commercial areas; tranzactii intracomunitare = intra-community operations

Legend: Seizures determined (MLei)
Seizures marketed (MLei)
Damage amount (MLei)
No of criminal complaints



Same legend as above

Support granted to the fiscal bodies to recover the tax debts

The information obtained during the operative inspections carried out by the Financial Guard, correlated with the information obtained by fiscal inspection bodies, led to the identification of a significant number of economic operators which avoid or delay unreasonably the payment of the taxes and duties recorded in their own accounting and fiscal documents and reported to the competent General Directorates of Public Finance.

During the year 2009, the commissaries of the Financial Guard have contributed, in the extent of their legal competences, to the decrease of the amount of outstanding tax obligations not paid on terms, as



Precautionary measures in 2009 – MLei 423.3 -

Actions of the Financial Guard carried out upon the request of:

- ☑ the Prosecutor's Office - 656 actions;
- ☑ National Anticorruption Directorate - 567 actions;
- ☑ Police - 4,296 actions;
- ☑ Office for Prevention and Combating of Money Laundering – 1,275 actions.



recorded in the accounting and fiscal documents of the economic operators verified.

Thematic control actions carried out in cooperation with other institutions

The Financial Guard has participated to some thematic control actions aiming to combat the unlawful operations in fields related to agricultural/cereal products, bakery, wood exploitation and trade, ballast products exploitation and trade, goods transportation, etc.

Audits have been carried out based on Joint Action Plans ("Bakestone" („Vatra”), "Saw Mill" („Gaterul”), "Gravel Pit" („Balastiera”), "Carrier" („Cărăușul”)), the inspectors of the Financial Guard cooperating with the police officers and controllers within the Ministry of Agriculture, Forest and Rural Development, the National Agency for Mineral Resources and the National Environmental Guard, as the case might be.



In 2009 developed an extended action, named the „**Carrier**”, which involved the verification of over 19,000 transportation means existing in traffic, following this action being applied sanctions for an overall amount of more than MLei 3.9 and being sized more than 1,000 tones of cereals, 48 tones of flour, 21 tones of fruits and vegetables, 566 tones of agricultural culture products, 35,000 liters of alcohol or alcoholic drinks, 900,000 cigarettes and 17 transportation means used to transport unlawfully goods.

Following the implementation of the „**Traffic Control**” system, the following results have been obtained in the field of intra-community purchases:

- number of monitored operations - 51,808;
- number of economic operators selected based on the risk analysis - 5,999;



- number of economic operators under border passing standby to stop their unlawful activities - 509;
- amount of money and goods seized – MLei 23.1 (121.4 tones of fuel, 123.6 tones of construction materials, 712.5 tones of cereals);
- amount of damage caused by tax and duty evasion - MLei 382.2;
- number of criminal claims - 458.



Verification of the activity of indoor electronic gambles

Taking into consideration the increase of the number of applications submitted to obtain for certain rooms the authorization to host gambling and casino activities, the Financial Guard has initiated control inspections in this field, in the main cities of the country.

Recess of the irregular activities

The breach of laws concerning the manufacturing and trade of excisable products (794 cases) as well as the lack of the electronic fiscal cash devices or the non-use of them by the economic operators (4,891 cases) have led to the enforcement of the decision to recess their activity.

Prevention of unlawful operations, designated to reduce the tax evasion and to increase the compliance degree of the economic operators.

The prevention and discouragement of unlawful operations as effects of the actions carried out by the Financial Guard were obtained by:

- ⊕ the permanent presence of the commissaries within the commercial areas to cause the use of the electronic fiscal cash devices;



- ⊕ finding some illicit installations or proving the unlawful nature of some commercial operations;
- ⊕ informing the public about such facts, through mass media.



2.5. National Customs Authority Activity



The actions carried out by the National Customs Authority in 2009 aimed to assure the observance of the law in force and the fulfillment of the objectives assumed, following the accession to European Union, in the customs duties and excises administration field.

Fiscal inspection in the excises administration field. Subsequent Audit

The 523 fiscal inspections concerning the excises administration, carried out in 2009 (compared to the 408 such fiscal inspections carried out in 2008), out of which 387 have been finalized by tax decisions, findings minutes and sanction minutes, have led to the determination of excise differences in overall amount of MLei 286.7, delay penalties in overall amount of MLei 121.4, fines in overall amount of MLei 1.9 and seized liquidities in overall amount of MLei 5.6, all these amounts representing MLei 415.6.





Following the Subsequent Audit, 2,923 frauds and irregularities have been found, being determined differences related to customs duties and other taxes and charges, including ancillary charges, being applied sanctions and being seized goods, by which an overall amount of MLei 263 has been obtained.

Also, a number of 48 tax fraud and irregularities cases have been identified related to customs duties, the damage determined being in overall amount of MLei 38.7.

Precautionary measures for an amount of MLei 187.1 have been established.

The amounts seized in 2009 increased from MLei 1.7 in 2008 to MLei 5.5 in 2009.

Fiscal inspection:

- ☑ 523 fiscal inspection actions
- ☑ MLei 286.7 - excise differences
- ☑ MLei 121.4 penalties
- ☑ MLei 1.9 - fines
- ☑ MLei 5.6 - seizure amount

Results of mobile teams:

- ☑ 6,087 sanctions for administrative offences, in overall amount of MLei 34.1;
- ☑ seizures, mainly consisting of:
 - 37,281,475 pc. of cigarettes;
 - 168,823 liters of alcoholic drinks;
 - 474,645 liters of mineral oils;
 - 257,937 pc. of perfumes
 - 207,028 clothing and footwear items;
 - transportation means in amount of MLei 3.8;
 - 45,553 grams of jewelries.

Mobile teams, unannounced examination

The 110 mobile teams of the National Customs Authority carried out 17,324 missions during which they have been continually monitored through GPS, the communications among the team members being assured via the intergovernmental communication system "TETRA". Following these examinations, 6,087 examination minutes have been prepared (compared to 3,636 concluded in 2008).

The amount of the fines applied was of MLei 34.1.

Examinations based on the risk analysis.

On July 1, 2009, the **National Risk Management Framework - RMF-RO** was implemented.

Following the relevant examinations, 3,063 border passing standby have been decided and enforced, and 308 warnings and risk profiles as well as training programs for the customs officers have been prepared and implemented.



Supporting the business environment, fraud prevention

Over 52 meetings with the business environment have been organized to inform the economic operators about the enforcement of the customs and fiscal regulations.

The development of new economic activities has been supported by issuing a number of 600 authorizations for fiscal warehouse (production/storage), for registered/not registered operator, importer, final user and economic operator working with products under coordinated excise law.

Following the receipt of 1,600 applications submitted by different trading companies, 21,000 excisable products have been classified within one of the product groups according to the Ministry of Public Finance Order No 954/2006.

Safety seals for alcohol and tobacco have been issued by C.N. Imprimeria Națională S.A. and delivered to the authorized trading companies from this field.

The National Customs Authority has issued 12 certificates for the economic operators authorized, having a significant volume of activity in the customs field, which observe the work safety and health requirements and/or the customs simplified procedures imposed by the European Union, following the fiscal inspection carried out to them.

The National Customs Authority has resolved the applications for VAT deferred payment, issuing 24 VAT deferred payment certificates for payment at customs points.

Development of the IT field. Investment objective in 2009

The computerized system for monitoring the movements of the excise goods under suspension of excise duty (Excise Movement and Control System - EMCS), the computerized inventory follow-up system and the computerized risk analysis system for the movements of the excise goods have been developed.

Also, the Electronic Operator Registration and Identification System - EORI has been implemented at national level and related national customs procedures have been prepared, according to the UE regulations. Romania was among the first eight Member States which implemented this system on July 1, 2009, before the term established in the Multiannual Strategic Plan prepared by the European Commission, and was the first Member State which communicated to the European Commission the national start-up file.

In 2009, the Import Control System has been implemented at national level.



Seizures made by ANV:

- 1.4 tones of cocaine
- 409,113 hunting bullets





The new TARIC3 database has been finalized, containing all tariff and non-tariff measures applicable to the import and export of goods, being prepared in view of its implementation at national level. The Romanian TARIC3 database was connected to the European Community database administered by DG TAXUD.

Modernization and securization of the customs offices at Schengen standards

The investment activity aimed also the customs objectives which must be aligned with the Schengen standards, namely the border passing points / customs offices in Albița, Sculeni, Giurgiu-lești, Porțile de Fier I, Stâncă Costești and the small border traffic points in Ulma , Vicovu de Sus, Climăuți and Racovăț.





V. A.N.A.F. DEVELOPMENT PERSPECTIVES

1. Strategic and operational planning

Annually, A.N.A.F. updates the *Medium-term Strategy (2009-2012)*, which is the basis for the preparation of the annual Activity Plans.

2. Computerization - a tool to modernize and increase the efficiency

Computerization is the essential premise of the ANAF modernization, both concerning its relations with the taxpayers and concerning its internal activities, this aspect representing a priority in 2009.

3. Improvement of Human Resources Management - aims to obtain a high quality human resources by improving the qualification level of the employees

Improvement of the professional qualification of the public servants remains an important objective for ANAF.

In the context of the limitation of the expenses supported from the budget and implicitly of the funds allocated to the generation of the budget, the Agency has used low-cost occupational training, the relevant low cost being assured by:

- use of internal trainers;
- attendance to courses organized by the Public Finance and Customs School (12,560 training programs in 2009, with 153,867 trainees*);
- attendance to the training programs organized within projects with external financing.

Also, A.N.A.F. has obtained and benefits of non-reimbursable financing funds through Structural Funds, to train and test 1,975 public officers in the E.C.D.L. field.

4. International Cooperation Activity

ANAF cooperates with the Tax Administrations from other Member States, provides and receives information and benefits of assistance projects supported by the European Union.

* We specify that a person has attended more than one training courses.



All these lead to the promotion of the institution and of its achievements, by one hand, and, through the relations with some reference Tax Administrations in EU, to the participation of ANAF personnel to international training programs and seminars and working visits, by the other hand, being created, in this manner, the premises necessary for a faster overcoming of the stages of the institutional reform and modernization.

The cooperation relations with European Tax Administrations as those from Hungary, France, Spain and Czech Republic, have been developed, as it follows:

The important agreement concluded with the Hungarian Tax and Financial Control Administration for:

- the enhancement of the mutual assistance in view of debts recovery;
- the automatic exchange of information;
- joint fiscal control activities.

Also, an agreement has been concluded with the French General Directorate for Public Finance to improve and enhance the mutual assistance between the two Tax Administrations.



VI. A.N.A.F. COMMITMENTS IN 2010

1. Organizing measures

- ⇒ Ongoing organizing improvement:
 - fusion/liquidation of local units (city / town / parish tax administrations) to reduce the tax collection cost and the expenses related to each Leu collected to the budget;
 - personnel reconversion to fields with deficit of personnel.

2. Budgetary Revenues Administration Activity.

- ⇒ Reduction of number of statements to be submitted by taxpayers;
- ⇒ Use of unitary taxation basis related to the social security contributions;
- ⇒ Change of procedures for distribution of amounts from single account;
- ⇒ Simplification of the procedure to use the online submission statement services for natural persons as well as improvement of the procedure to issue and use the digital fiscal certificates;
- ⇒ Improvement of VAT reimbursement procedures;
 - Adoption of automat classification within the category "low fiscal risk" of the operations for VAT reimbursements in amount between Lei 5,000 and 10,000, the fiscal control following to be carried out subsequently to the reimbursement;
 - Implementation of a special VAT reimbursement procedure for exporters (persons developing export activities on own behalf or against commission and/or intra-community deliveries of VAT excepted goods), which establishes that VAT reimbursement shall take place accompanied by a subsequent examination, unless relevant cases are determined as bearing high fiscal risk.
- ⇒ Implementation of the compulsory submission by medium-sized taxpayers, of their income statements, by using the online method;



- ⇒ Electronic recording of the seizure on bank accounts belonging to debtors and of sale by auction of the real estate seized, belonging to debtors;
- ⇒ Development of the methodology concerning the ex-officio determination of the taxes and contributions;
- ⇒ Generation of the Intra-community Operators Register;
- ⇒ Development of the activities performed by the Fast Printing Unit;
- ⇒ Unification of the natural person debts management system with the legal person debts management system.
- ⇒ Completion and promotion of the *Taxpayer Book*;
- ⇒ Enforcement of the provisions of the A.N.A.F. Chairman Order No. 89/2010 “establishing the Commission for the improvement of the coordination and monitoring activities of the local units subordinated to A.N.A.F. (County General Directorates of Public Finance, units of the National Customs Authority and of the Financial Guard)”, according to which, a number of nine appointed coordinators shall ensure the constant contact among the local units coordinated by them and the central management of A.N.A.F.

3. Fiscal Inspection Activity of the Financial Guard and the National Customs Authority - joined objectives

- ⇒ To verify mainly the taxpayers acting in fields with high fiscal risk, based on an improved risk analysis;
- ⇒ To extend the control methods (implementing the e-control and the indirect control);
- ⇒ **To develop new scope for the fiscal control (fiscal control of e-trade);**

3.1. Fiscal Inspection Activity:

- ⇒ Intensification of fiscal inspections to prevent and combat the VAT fraud (especially the "Carrousel" fraud);
- ⇒ Change of the submission term for the Informative Statement on VAT related to delivery/providing and purchase made on the national territory (Form 394), passing from semester to calendar month;



- ⇒ Strengthening of the fiscal inspections to the trading companies which have recorded 4 successive negative VAT amounts not requesting any reimbursement;
- ⇒ Strengthening of the fiscal inspections to the trading companies which have recorded in the last 3-4 years, losses;
- ⇒ Strengthening of the fiscal inspections to the natural persons who made, during the period 2006-2008, trading operations with real estates;
- ⇒ Strengthening of the fiscal inspections to the trading companies which have reported big losses or have recorded successive losses not leading to the suspension of their activity;
- ⇒ Strengthening of the control activity and improvement of the quality of services provided to the taxpayers administered by the General Directorate for Large Taxpayers Administration;
- ⇒ Carrying out fiscal inspections to football clubs from 1st and 2nd League;

3.2. Financial Guard and National Customs Authority:

- ⇒ Strengthening of the surveillance on the movements of the excise goods and fiscal warehouses, including within limitrophe areas;
- ⇒ Border monitoring of the intra-community procurements and extension of the operative controls to the companies implied into intra-community excise good procurements;
- ⇒ Development and modernization of the computerized system for supervising and monitoring the movements of excise goods - EMCS-RO, recently implemented;
- ⇒ Enhancement of the border control, especially at the Northern and Eastern Borders;
- ⇒ Increase of the number of actions carried out by the mobile teams, by a more active presence on-site of their members and by carrying out controls in traffic;
- ⇒ Management of the special activities for the implementation of the Schengen Convention, Schengen Action Plan, Integrated Border Management;
- ⇒ Assuring the protection of the national and communitarian customs territory by combating the unlawful trade with drugs, goods under special regulations, counterfeit or pirated goods as well as the unlawful traffic and trade with cigarettes and tobacco goods.



4. The Fiscal Information Exchange Activity shall have the following main objectives in 2010:

- ⇒ Preparation of a list with the taxpayers with high fiscal risk;
- ⇒ Change of the operating procedures for identifying and determining the fiscal risk level for each of the taxpayers having the obligation to submit Form 394, respectively, for each of the newly incorporated taxpayers and implementation of such procedures according to the A.N.A.F. President Order No 977/2008;
- ⇒ Preparation of the operating procedure concerning the information validation.
- ⇒ Development of a database with information on the persons who have committed tax frauds on the national and/or Community territory;
- ⇒ Implementation of a monitoring system to monitor the companies acting in the field of intra-community cars sale and leasing;
- ⇒ Implementation of the electronic forms for the information exchange with the other EU Member States.

5. Main objectives of the financial control activity for year 2010:

- ⇒ management and use of the funds distributed from the State Budget;
- ⇒ management of the goods from the patrimony of the Tax Administration at central and local levels;
- ⇒ strengthening of the financial-budgetary discipline;
- ⇒ development of the computerization of the financial control activity.





VII. STATISTICS REPORTS

Table 1
National Agency for Tax Administration Personnel Structure in 2009

EMPLOYED PERSONNEL		Head Office of National Agency for Tax Administration		Bucharest and County General Directorates of Financial Administration	National Customs Authority	Financial Guard	OVERALL TOTAL:
		of which:	General Directorates for the Management of Large Taxpayers				
Total, out of which:	Total:	1,009	314	24,335	3,994	1,455	30,793
	Women	371	209	17,096	1,732	204	19,403
	Men	638	105	7,239	2,262	1,251	11,390
Long-term high education		903	302	18,490	2,889	1,385	23,667
Short-term high education		4	-	86	63	1	154
Medium education		79	12	5,459	885	69	6,492
Secondary education		23	-	300	157	-	480



Table 2
Revenues obtained during 2005-2009

Budget revenues obtained	2005	2006	2007	2008	2009
MLei	79,306	96,671	116,407	143,145	133,915
2009/2008 Fulfillment Rate (%)	15.0	22.0	20.4	23.0	-6.4

Table 3
Structure of Budgetary Revenues per budgets and main taxes and duties in 2009

Budget Designation	2008 Total Revenues	2009		Indexes		Weight in GDP ¹	
		Planned Revenues	Collected Revenues	2009/2008 Revenues	Collecting Rate 2009	2008	2009
		<i>- Mlei -</i>		<i>- % -</i>			
State Budget	94,027.3	84,460.2	85,637.3	91.1	101.4	18.7	16.9
- Corporative tax;	13,039.9	11,325.5	10,617.1	81.4	93.7	2.6	2.1
- Income tax (incl. outstanding wage tax)	18,413.9	18,274.3	18,551.4	100.7	101.5	3.7	3.7
- VAT	40,873.6	35,405.0	34,322.4	84.0	96.9	8.1	6.8
- Excise duties	12,382.5	13,319.2	14,272.1	115.3	107.2	2.5	2.8
- Customs duties	970.7	534.1	679.4	70.0	127.2	0.2	0.1
- Other revenues	6,665.6	5,602.1	7,276.8	109.2	129.9	1.3	1.4
Social Security Budget	31,448.4	33,788.5	34,240.5	108.9	101.3	6.2	6.8

¹ GDP in 2008 – 503,959 MLei and GDP in 2009 – 505,503 MLei, according to the data transmitted by the Romanian Forecast Commission



Unemployment Fund	1,965.5	1,307.3	1,482.5	75.4	113.4	0.4	0.3
Single National Health Fund	14,497.7	14,392.3	13,760.8	94.9	95.6	2.9	2.7
TOTAL, excluding the revenues set out in L. 95/2006 (vice duty)	143,145.4	133,948.3	133,914.5	93.6	99.97	28.4	26.5

Table 4
Revenues collected from the Value Added Tax

Indicator		Total Yearly REVENUES				
		2008 (MLei)	Weight %	2009 (MLei)	Weight %	Indexes 2009/2008 (%)
VAT collected, out of which:	1=2+3	51,963.8	100.00	44,305.6	100.00	85.3
VAT collected for internal transactions	2	44,401.5	85.4	39,724.4	89.7	89.5
VAT collected for good imports	3	7,562.3	14.6	4,581.2	10.3	60.6
VAT Returned	4	11,638.2	*	10,418.0	*	89.5
Interests and penalties	5	548.0	*	434.8	*	79.4
Total V.A.T.	6=1-4+5	40,873.6	*	34,322.4	*	84.0



Table 5
Development of payable tax debts and of their weight in G.D.P.

Budget Type	Payable tax debts (Mlei)			Collection Rate 2009 / 2008 (%)
	31.12.2007	31.12.2008	31.12.2009	
Total, out of which:	11,861.9	13,004.6	17,231.0	32.5
Weight in GDP	2.9%	2.6%	3.4%	
State Budget	7,652.0	7,892.6	11,475.0	45.4
Weight in GDP	1.9%	1.6%	2.3%	
Social Security Fund	3,008.6	3,715.8	4,073.4	9.6
Weight in GDP	0.7%	0.7%	0.8%	
Unemployment Fund	361.1	354.8	254.0	-28.4
Weight in GDP	0.1%	0.1%	0.1%	
National Health Fund	840.2	1,041.4	1,428.6	37.2
Weight in GDP	0.2%	0.2%	0.3%	

Table 6
Tax debts of large and medium sized taxpayers in 2009, at national level

Taxpayers	Explanations concerning the origin of debts to budget	Amounts collected (Mlei)	Payable tax debts (Mlei)
Total per country on 31.12.2009, out of which:	total, out of which:	52,116.1	17,231.0
	in balance by the end of previous year	14,647.3	5,601.5
	recorded during the reporting fiscal year	37,468.8	11,629.5
Medium sized taxpayers on 31.12.2009		8,529.1	3,635.7
<i>weight in Country Total (%)</i>		<i>16.4</i>	<i>21.1</i>
Large taxpayers on 31.12.2009		31,158.6	4,669.6
<i>weight in Country Total (%)</i>		<i>59.8</i>	<i>27.1</i>



Table 7
Number of forced execution sanctions enforced in 2008 and 2009

Forced execution sanctions	2008	2009	Collection Rate 2009/2008 (%)
Payment Summons	6,503,839	7,541,831	16.0
Bank Accounts under seizure	1,645,026	1,813,391	10.2
Third Party assets under seizure	56,235	119,216	112.0

Table 7
Collection following enforcement of forced execution sanctions during the period 2005 - 2009

Budgets	2005	2006	2007	2008	2009	2009/2008 Collection Rate
	MLei					(%)
State Budget	3,333.2	3,924.2	7,789.1	9,697.2	9,322.5	-3.9
Social Security Fund	1,150.3	1,463.8	2,444.0	3,051.7	3,400.7	11.4
Unemployment Fund	157.8	153.0	232.6	225.9	162.5	-28.1
Single National Health Fund	425.2	509.5	873.3	1,188.1	1,207.0	1.6
Total:	5,066.4	6,050.5	11,339.0	14,162.8	14,092.7	-0.5



Table 8
Revenues collected per forced execution sanctions in 2008 - 2009

Forced execution sanctions	Tax debts collected		2009/2008 Collection Rate
	2008	2009	
	- MLei -		- (%) -
- bank account availabilities under seizure	2,755.0	2,850.7	3.5
- third party assets under seizure	225.9	304.5	34.8
- personal goods under seizure	35.1	12.4	-64.6
- real estate under seizure	83.0	34.2	-58.8
- amounts collected following the payment summons receipt	11,063.8	10,890.8	-1.6
TOTAL:	14,162.8	14,092.7	-0.5

Table 9
Voluntary Conformity Degree (%)

	2004	2005	2006	2007	2008	2009
Tax Statement Voluntary Conformity Degree	82	84	84.5	80.7	83.2	83.9
Tax Payment Voluntary Conformity Degree (as number)	73	69	72.8	70.6	67.9	64.3
Tax Payment Voluntary Conformity Degree (as amount)	72.1	79.0	79.4	77.4



Table 10
General Consolidated Budget Performance Indicators in 2009

No	Performance Indicator	Unit	Planned/achieved level in 2009	
			<i>planned</i>	<i>achieved</i>
1	Planned Budgetary Revenues Collection Fulfillment (gross amounts)	%	100.00	86.95
2	Planned Budgetary Revenues Collection Fulfillment (net amounts)	%	100.00	86.30
3	Tax Debt Amounts by the end of the reporting year	lei	11,704,136,945	17,231,082,741
4	Debt Collection Rate related to large/medium sized taxpayers	%	42	63.74
5	Budgetary Revenues Collection Rate based on forced execution sanction enforcement	%	50	42.67
6	Tax Payment Voluntary Conformity Degree (as amount)	%	85	77.43
7	Tax Payment Voluntary Conformity Degree (as number)	%	78	64.30
8	Number of fiscal inspections to legal persons per fiscal officer	no	-	17.95
9	Number of fiscal inspections to natural persons per fiscal officer	no	-	36.39
10	Supplementary Net Amounts Collected from legal persons, per fiscal officer	(lei/fiscal officer)	-	2,036,005
11	Supplementary Net Amounts Collected from natural persons, per fiscal officer	(lei/fiscal officer)	-	246,621
12	Legal person - taxpayer appeal weight in total number of tax decisions issued	%	-	6.24
13	Natural person - taxpayer appeal	%	-	2.15



No	Performance Indicator	Unit	Planned/achieved level in 2009	
			<i>planned</i>	<i>achieved</i>
	weight in total number of tax decisions issued			
14	Weight of confirmed complaints concerning dysfunctions in assistance services provided to taxpayers in total complaints	%	8	3.33
15	Complaints settlement on term degree	%	100.00	99.76
16	Income Statements processing on term degree	%	100.00	94.09
17	Income Statement voluntary submission degree per tax types	%	92	83.86
18	Negative VAT with reimbursement option settlement on term degree	%	95	57.33
19	Negative VAT with reimbursement option settlement on term degree, related to final low or medium fiscal risk operations (resolved through subsequent examination)	%	100.00	72.65
20	Total amounts admitted by court/Total amounts appealed	%	-	25.03
21	Weight of appeal admission and payment cancellation delivered by specialized bodies of A.N.A.F. and county D.G.F.P. in total decisions delivered	%	-	22.95



Table 11
Assistance services provided to taxpayers in 2009

Indicator	Central Level	Local Level	TOTAL:
Number of written letters resolved	1,195	21,521	22,716
Number of answers sent by e-mail	5,128	7,541	12,669
Number of phone calls	16,814	923,395	940,209

Table 12
Fiscal Inspection Activity in 2008 and 2009

Indicator	2008	2009	2009/2008 Frequency
Number of inspections to taxpayers	116,973	112,170	-4.1
• - legal persons	97,077	83,010	-14.5
• - natural persons	19,896	29,160	46.6
Supplementary tax obligations determined (MLei)	4,587.0	6,082.0	32.6
Fiscal Loss Decrease (MLei)	*	1,519.9	*
Precautionary Measures (MLei)	618.0	1,948.1	215.2
Seizures (MLei)	36.0	96.9	169.2
Fines (MLei)	64.0	43.2	-32.5

* information not available



Table 13
Supplementary amounts determined, per main activity fields, in 2009

Field verified - legal persons -	Number of fiscal inspections	Amounts (MLei)
Services related to crude-oil and natural gas extraction	22	410.1
Other goods wholesale trade	75	335.8
Not specialized alimentary goods, drinks and tobacco wholesale trade	319	320.7
Fruits and vegetable wholesale trade	170	251.5
cereals, seeds, fodder and unprocessed tobacco wholesale trade	274	243.8
Engineering works to housing or industrial buildings	2,045	237.3
Not specialized wholesale trade	302	189.0
Different goods trading brokerage	551	113.9
Fuels, minerals and chemical products for industry trading brokerage	14	102.7
Real estate operations - Natural persons related VAT	297	285.1

Table 13
Financial Control Activity in 2008 and 2009

Indicator	2008	2009	Collection Rate 2009/2008 (%)
Number of economic operators controlled	6,381	7,680	20.4
Number of control documents concluded, out of which:	8,486	10,402	22.6
- for autonomous administrations	291	361	24.1
- for national companies and firms	529	628	18.7



- for trading companies owned or controlled by the State	598	762	27.4
- for other types of inspections	7,068	8,651	22.4
Fines			
number	954	881	-7.7
Fine Amount (MLei)	1.2	1.9	58.3

Table 14
Amounts determined in the financial control documents

	2008 (MLei)	2009 (MLei)	2009/2008 Collection Rate (%)
Total, out of which:	2,141	3,828	78.8
- fines for budgetary offences	291	361	24.1
- fines for financial offences	529	628	18.7
- fines for fiscal offences	598	762	27.4



Table 15
Amounts collected following financial control

Amounts paid during the financial control	2008 (MLei)	2009 (MLei)	Collection Rate 2009/2008 (%)
Total, out of which:	39.7	649.1	1,537
- differences related to budgetary and financial obligations	23.0	625.0	2,615
- differences related to tax obligations	15.6	23.3	47
- fines paid up	0.8	0.9	11

Table 16
Main financial control measures

	Number of financial control documents concluded	Amounts determined supplementary (MLei)
The manner in which the financial resources have been administered and managed by the economic operators owned or controlled by the State and by the economic operators having losses	757	636.1
Establishment and guaranteeing of the payment sources for the reimbursable financing funds guaranteed by the State	218	2,927.4
Endorsement of the subsidies and amounts transferred from the State Budget, requested by the economic operators	5,690	21.0
Use of subsidies and amounts transferred from the State Budget	337	57.6
Assignment of goods and activities representing public property of the State	1,087	19.2



Table 17
Results obtained in 2008 and 2009 by the Financial Guard

	2008	2009	Collection Rate 2009/2008 (%)
Number of economic operators controlled	176,201	183,132	3.9
Number of control documents concluded	168,713	185,559	10.0
I. TOTAL AMOUNT (MLei):			
- determined	382.5	374.0	-2.2
- collected	168.1	151.4	-9.9
of which:			
Fines (MLei):			
- determined	251.1	239.5	-4.6
- collected	156.6	137.4	-12.3
Seizures (MLei)			
- determined	131.4	134.6	2.4
- collected	11.5	13.9	20.9
II. CRIMINAL COMPLAINTS:			
- number	4,392	5,070	15.4
- amount of the damage claimed (MLei):	2,195.0	2,251.0	2.6
Precautionary Measures (MLei)	*	423.3	*

* unavalable information due to the fact that the Financial Guard has received competences in this field after the adoption of the Government Emergency Ordinance 46/2009



Table 18
Results of the Financial Guard in the main activity fields, for 2009

In the field of intra-community operations

number of operations monitored	51.808
number of ec. operators selected based on the risk analysis	5.999
number of ec. operator under border passing standby to stop their activity	509
money and good seizures (MLei)	23.1
amount of damage caused by tax and duty evasion (MLei)	382.2
number of criminal complaints	458

In the field of cereals, bakery and mill goods

economic operators verified	8,309
economic operators sanctioned	6,102
fine applied (MLei)	14.8
fine collected (MLei)	7.1
money and good seizures (MLei)	43.1
amount of damage caused by tax and duty evasion (MLei)	257.8
number of criminal complaints	334

In the field of import, manufacturing and trade of oil, fuels and other oil compounds

economic operators verified	1,628
economic operators sanctioned	659
fine applied (MLei)	2.9
fine collected (MLei)	0.9
money and good seizures (MLei)	7.3
amount of damage caused by tax and duty evasion (MLei)	305.7
number of criminal complaints	138

In the field of manufacturing and trading cigarettes and tobacco goods

economic operators verified	2,300
economic operators sanctioned	1,400
fine applied (MLei)	7.2
fine collected (MLei)	1.6
money and good seizures (MLei)	3.6
amount of damage caused by tax and duty evasion (MLei)	186.8
number of criminal complaints	33



In the field of gambling

economic operators verified	888
economic operators sanctioned	564
fine applied (MLei)	2.2
fine collected (MLei)	0.8
money and good seizures (MLei)	0.8
amount of damage caused by tax and duty evasion (MLei)	172.7
number of criminal complaints	37

In the field of services

economic operators verified	29,314
economic operators sanctioned	20,472
fine applied (MLei)	35.0
fine collected (MLei)	22.6
money and good seizures (MLei)	5.7
amount of damage caused by tax and duty evasion (MLei)	139.7
number of criminal complaints	1,040

In the field of import, manufacturing and trading of the alcohol

economic operators verified	357
economic operators sanctioned	89
fine applied (MLei)	1.1
fine collected (MLei)	0.2
money and good seizures (MLei)	1.1
amount of damage caused by tax and duty evasion (MLei)	45.9
number of criminal complaints	32

In the field of import, manufacturing and trading of alcoholic drinks

economic operators verified	6,181
economic operators sanctioned	4,071
fine applied (MLei)	12.8
fine collected (MLei)	4.6
money and good seizures (MLei)	2.5
amount of damage caused by tax and duty evasion (MLei)	6.9
number of criminal complaints	58



In the field of wood exploitation, management, processing and trading

economic operators verified	4,511
economic operators sanctioned	3,406
fine applied (MLei)	6.3
fine collected (MLei)	2.9
money and good seizures (MLei)	0.6
amount of damage caused by tax and duty evasion (MLei)	14.8
number of criminal complaints	102

In trading areas

economic operators verified	9,927
economic operators sanctioned	7,204
fine applied (MLei)	15.5
fine collected (MLei)	10.4
money and good seizures (MLei)	1.7
amount of damage caused by tax and duty evasion (MLei)	16.6
number of criminal complaints	160

Financial Discipline in trade and accounting

economic operators verified	53,915
economic operators sanctioned	41,885
fine applied (MLei)	69.3
fine collected (MLei)	43.4
money and good seizures (MLei)	30.5
amount of damage caused by tax and duty evasion (MLei)	342.4
number of criminal complaints	1,147

Waste Management and Recycling of recycling industrial waste

economic operators verified	1,247
economic operators sanctioned	883
fine applied (MLei)	1.7
fine collected (MLei)	1.0
money and good seizures (MLei)	5.1
amount of damage caused by tax and duty evasion (MLei)	29.3
number of criminal complaints	160



Table 19
Results of the National Customs Authority in 2009

	2008	2009	Collection Rate 2009/2008 (%)
Subsequent examination			
- number of frauds and irregularities	5740	2923	-49.1
- amount determined following the findings (MLei)	222.2	283.0	27.4
Excise Fiscal Inspection			
- number of inspections resulting in inspection minutes concluded	286	387	35.3
- supplementary excise duty determined (MLei)	446.8	408.1	- 8.7
- fine applied (MLei)	1.4	1.9	35.7
- precautionary measures (MLei)	*	187,1	*
- seizures (MLei)	1.7	5.6	229.4
Mobile teams			
Number of inspections	14,002	17,324	23.7
Number of control minutes	3636	6087	67.4
Value of seized goods	28.4	36.8	29.6
Seized goods:			
Drugs (kg)	2.8	1,415.1	-
Cigarettes (Pc.)	117,055,617	119,755,742	2.3
Hunting bullets	221	409,113	-
Counterfeit goods:			
- Pc.	21,411,728	70,076,524	227.3
- value (Euro)	41,686,270	92,000,000	120.7

* information not available



Table 20
Criminal complaints logged by A.N.A.F. structures in 2008-2009

A.N.A.F. Structure	Total amount of estimated damage (MEUR)					
	2008		2009		Collection Rate 2009/2008 (%)	Collection Rate 2009/2008 (%)
	no	value	no	value	no	value
Total	5,546	925.2	7,916	1,368.1	42.7	47.9
Financial Guard	4,392	522.6	5,070	535.9	15.4	2.6
Fiscal inspection and financial control activity	1,048	391.4	2,699	756.4	157.5	93.3
National Customs Authority	106	11.2	147	75.7	38.7	578.2