

Mutual Agreement Procedure Guidelines

Introduction to the Mutual Agreement Procedure (hereinafter “MAP”)

MAP is a process which enables Competent Authorities of treaty partners to interact with the intention to resolve international tax disputes. The Competent Authorities are obliged to use their best endeavors to reach an agreement with a view to the avoidance of taxation which is not in accordance with the MAP article in the relevant tax treaty. In Romania, the National Agency for Fiscal Administration (hereinafter “NAFA”) is the designated Competent Authority.

Legal instruments applicable to the MAP

1. Romania double taxation treaties¹

Romania has concluded 89 double taxation treaties (DTTs), each of which includes provisions allowing the initiation of the Mutual Agreement Procedure (MAP).

These provisions enable taxpayers to request assistance from the competent authorities of the contracting states in cases where they consider that the actions of one or both states result — or are likely to result — in taxation not in accordance with the provisions of the respective treaty.

Through these MAP clauses, Romania ensures that taxpayers have access to an effective dispute resolution mechanism, aligned with international standards set out by the OECD Model Tax Convention.

Romania’s network of **double taxation treaties** is designed to protect taxpayers from being taxed twice on the same income, to ensure the **appropriate allocation of taxing rights** between contracting states — particularly in respect of cross-border economic activities — and to prevent **fiscal discrimination** between residents and non-residents.

Romania actively supports and contributes to the development of the **international consensus on the taxation of cross-border income**, through its participation in the **Organisation for Economic Co-operation and Development (OECD)** as an associate Member State to the Inclusive Framework on BEPS , and within the **European Union’s initiatives on dispute resolution**.

As in most jurisdictions, Romania’s tax treaties are largely based on the **OECD Model Tax Convention**, and the NAFA follows the **Commentaries to the Model Convention** when interpreting and applying the provisions of its treaties.

In this context, the **Mutual Agreement Procedure (MAP)** plays a crucial role. It provides a structured framework through which the **Romanian Competent Authority** and the competent authorities of Romania’s treaty partners can **consult and cooperate** to resolve cases involving the interpretation or application of tax treaties, thereby ensuring taxation consistent with treaty provisions.

Romania is also a signatory to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI), without reservation on the MAP article. The MLI allows Romania to modernize and align its bilateral tax treaty network efficiently,

¹ [Conventii](#)

without the need for individual renegotiations. Where Romania and its treaty partners have both designated a treaty as a Covered Tax Agreement and their reservations and notifications coincide, the treaty is automatically updated through the MLI to reflect internationally agreed MAP standards. Also, Romania follows the OECD published a Manual on Effective Mutual Agreement Procedures (MEMAP), as the MEMAP sets out best practices for Competent Authorities of OECD countries in relation to the MAP Process.

The **Mutual Agreement Procedure (MAP)** is set out in **Article 25 of the OECD Model Tax Convention** and further explained in the **Commentary on Article 25**. Under **paragraphs (1) and (2)** of Article 25, MAP serves as a mechanism allowing a taxpayer to seek assistance when they believe that the actions of one or both contracting states have resulted, or may result, in taxation that is **not consistent with the provisions of the relevant tax treaty**. In addition, **paragraph (3)** of Article 25 empowers the **Competent Authorities** of the contracting states to engage in discussions to resolve **interpretive or practical issues** arising in the application of the treaty, as well as to **eliminate double taxation** in situations that are not explicitly covered by the treaty itself.

For transfer pricing matters in particular, **Article 9(2)** of the Model Convention recommends that, where an adjustment is made in one jurisdiction, the Competent Authorities of both states should **consult to determine an appropriate corresponding adjustment**. This process is explicitly recognized as falling within the scope of MAP, as clarified in **paragraphs 9 and 10 of the Commentary on Article 25**, which confirm that requests for corresponding adjustments may be addressed through the MAP framework. Complementing the Model Convention, **Chapter IV of the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations** provides detailed guidance on **administrative practices** aimed at preventing and resolving transfer pricing disputes.

2. The European Union convention on the elimination of double taxation in connection with the adjustment of profits of associated enterprises (EUAC or Arbitration Convention) - 90/463/EEC

The **EU Arbitration Convention (EUAC – Convention 90/436/EEC)** applies in Romania as a **Member State of the European Union** and functions as a **complementary mechanism** to the Mutual Agreement Procedure (MAP). While the general MAP provisions under Romania's bilateral tax treaties cover a wide range of double taxation cases, the EUAC is **limited in scope to transfer pricing disputes and profit reallocation between associated enterprises** within the EU. The Convention establishes a **structured process** through which the **competent authorities of EU Member States** consult each other to eliminate double taxation arising from **adjustments made to profits of associated enterprises**. If the authorities fail to reach an agreement within two years, the case must be referred to an **Advisory Commission** composed of independent experts and representatives of the Member States concerned. The Commission's opinion serves as the basis for a **binding resolution**, ensuring that cases are settled effectively and within a defined timeframe.

To enhance consistency and efficiency in the application of the EUAC, the Member States — including Romania — have agreed to follow the **EU Code of Conduct for the Effective Implementation of the Arbitration Convention (2009/C 322/01)**. This Code provides **detailed procedural guidance** on the conduct of MAP and arbitration stages under the Convention, including time limits, information exchange, coordination between competent authorities, and taxpayer rights. It also promotes **transparency, legal certainty, and uniform interpretation** across the European Union. In practice, the EUAC and the Code of Conduct ensure that **transfer pricing disputes within the EU** can be resolved through a **coherent, time-bound, and enforceable process**, complementing Romania's broader MAP framework under its bilateral tax treaties and the OECD standards.

3. The EU Directive 2017/1852

The **EU Directive 2017/1852 on tax dispute resolution mechanisms within the European Union** (the “Dispute Resolution Directive”) is fully applicable in Romania and has been **transposed into national law through amendments to the Fiscal Procedure Code (Law no. 207/2015)**. This Directive complements the Mutual Agreement Procedure (MAP) framework provided under Romania’s network of double taxation treaties and the EU Arbitration Convention, by introducing **a harmonised, legally enforceable mechanism** for resolving disputes concerning the interpretation or application of bilateral tax treaties and the EUAC between Member States.

Under this framework, taxpayers in Romania may **submit a complaint** when they consider that taxation results — or is likely to result — in double taxation contrary to the provisions of a tax treaty or the EUAC. Once such a complaint is accepted, the **competent authorities of the Member States involved** are required to **endeavour to reach a mutual agreement within two years**, in line with clearly defined procedural safeguards and deadlines. If no agreement is reached within this period, the Directive provides for the establishment of an **Advisory or Alternative Dispute Resolution Commission**, whose decision becomes **binding on the Member States concerned**.

The incorporation of the Directive into Romania’s Fiscal Procedure Code ensures that **taxpayers have a clear, accessible, and enforceable right** to request the elimination of double taxation through MAP or arbitration procedures. It also guarantees **transparency, accountability, and taxpayer protection**, aligning Romania’s domestic framework with the **EU’s uniform dispute resolution standards** and the **OECD’s minimum standards under the BEPS Action 14** initiative.

Through this implementation, Romania has strengthened its commitment to an **effective, fair, and timely resolution of cross-border tax disputes**, ensuring full consistency between its national legislation, EU law, and international best practice.

4. Domestic legislation on the MAP

The **MAP** is recognised and implemented in Romania through the provisions of the **Fiscal Procedure Code (Law no. 207/2015², art. 282 and art. 283¹ - 283⁹)**, which incorporates the mechanisms established under Romania’s **network of double taxation treaties** and relevant international instruments. The legal basis ensures that any taxpayer who considers that taxation has occurred, or is likely to occur, **contrary to the provisions of a tax treaty** may request that the case be examined under the MAP framework.

According to the Fiscal Procedure Code and the administrative guidelines issued by NAFA, the **Romanian Competent Authority** for MAP purposes is the **Transfer Pricing and Advance Pricing Agreements Directorate** within NAFA.

This Directorate is responsible for receiving MAP requests, verifying their admissibility, communicating with the competent authority of the other contracting state, and implementing the final decision reached through the mutual agreement.

The Romanian domestic framework establishes the procedural rules for:

- **Submission of a MAP request**, including identification details, periods and amounts concerned, legal basis, and supporting documentation;

² [Codul de procedura fiscala](#)

- **Assessment of admissibility**, based on eligibility criteria defined in the applicable tax treaty;
- **Conduct of bilateral discussions** between competent authorities, aimed at eliminating double taxation and ensuring consistent treaty interpretation;
- **Implementation of the final decision**, which becomes **binding and prevails over any prior administrative act**, subject to the **written consent of the affected taxpayer**.

These provisions reflect Romania's commitment to ensuring that MAP operates as an **effective dispute resolution mechanism**, consistent with the principles of **transparency, good faith, and international cooperation**. The domestic implementation aligns closely with the standards established by the **OECD Model Tax Convention**, the **OECD Manual on Effective MAP Implementation (MEMAP)**, and the **EU framework for cross-border tax dispute resolution**.

Through this legislative and administrative structure, Romania provides taxpayers with a **clear and reliable pathway** for addressing issues of double taxation, promoting **fairness, predictability, and conformity with international obligations**.

A. Submitting a MAP Request – Competent Authority

THE COMPETENT AUTHORITY IN ROMANIA

The competent authority for carrying out the Mutual Agreement Procedure is the National Fiscal Administration Agency (NAFA).

Contact details – The competent authority

Address: Apolodor Street no. 17, Postal Code 050741, Sector 5, Bucharest, Romania

Phone: +40 21 387 2195

E-mail: secretariat.dptapa@anaf.ro

B. Submitting a MAP Request under a Double Taxation Treaty

A taxpayer may initiate the **MAP** when they believe that the actions of one or both tax administrations have led, or may lead, to taxation **contrary to the provisions of an applicable double taxation treaty**.

In such situations, the taxpayer has the right to request the involvement of the **Romanian Competent Authority** to review and resolve the matter through consultation with the other contracting state.

Typically, a taxpayer may **submit the MAP request to the competent authority of either of the two contracting states**.

Where such a provision applies and the **Romanian Competent Authority** considers the taxpayer's request to be **inadmissible or unfounded**, Romania will nevertheless **consult with the competent authority of the partner jurisdiction** before taking a final position, thereby ensuring a balanced and cooperative approach.

In the context of **transfer pricing**, a MAP request may be submitted by a company that has been, or is expected to be, subject to an adjustment affecting the price of goods or services in transactions with a related party established abroad. In such cases, the taxpayer may ask the **Romanian Competent Authority** to **review or reverse the adjustment**, and/or to coordinate with the other competent authority so that a **corresponding adjustment** may be made in the other jurisdiction, avoiding economic double taxation.

For cases involving **profit allocation between a head office and its permanent establishment**, the request is generally submitted first to the competent authority of the **state of residence of the enterprise**. However, taxpayers should always verify the procedural requirements established in both jurisdictions to ensure that their MAP requests comply with each authority's regulations.

Once a MAP request is received, the **Romanian Competent Authority** will promptly **inform the competent authority of the other contracting state** and exchange the information necessary for case assessment. Romania will seek to achieve a **bilateral resolution**, in line with the provisions of the relevant tax treaty, the **OECD MEMAP**.

C. Submitting a MAP Request under the EU Arbitration Convention

Romania, as a **Member State of the European Union**, applies the **Arbitration Convention**.

Along with other EU Member States, Romania follows the **EU Code of Conduct for the Effective Implementation of the EU Arbitration Convention (2009/C 322/01)**, which provides detailed procedural guidance on how MAP and arbitration cases under the EUAC should be conducted, including timelines, format, and information exchange requirements.

The **scope of the EUAC** is limited to **transfer pricing cases** and to disputes concerning the **attribution of profits to permanent establishments** within the European Union. To request the initiation of the MAP process under the EUAC, a taxpayer must demonstrate that the **arm's length principle**, as defined in **Article 4 of the Convention**, has not been correctly applied, resulting in taxation not consistent with the Convention.

Romania accepts **parallel submissions** where a case falls within the scope of both the **EUAC** and the **MAP article of a bilateral tax treaty**. This ensures that taxpayers have access to both dispute resolution mechanisms and that no double taxation remains unresolved.

In accordance with **Article 6(1) of the EUAC**, when an enterprise submits a case to the **Romanian Competent Authority** — namely, the **Transfer Pricing and Advance Pricing Agreements Directorate** within the **National Agency for Fiscal Administration (ANAF)** — it must **simultaneously notify the competent authorities of any other EU Member States concerned** by the matter.

D. MAP admissibility criteria

First, for a MAP request to be examined by the **Romanian Competent Authority**, certain **admissibility conditions** must be satisfied. These conditions are designed to ensure that the request is properly grounded in law, supported by adequate documentation and falls within the scope of the relevant international instruments to which Romania is a party.

Second, the request must be filed **within the time limit established in the relevant double taxation treaty or agreement**.

Most treaties provide a specific period — typically three years — from the first notification of the action resulting in taxation not in accordance with the treaty. Failure to respect this time limit may render the request inadmissible, as the Romanian Competent Authority must operate strictly within the procedural timeframe agreed between the contracting states.

Third, the MAP request must be **submitted by a person eligible under the applicable treaty or convention**.

This usually means the taxpayer who is a resident of one of the contracting states or any other person entitled to invoke the benefits of the treaty.

The request must also relate to **taxes, fiscal years, or periods covered by the relevant treaty**, ensuring that the dispute concerns matters legally within its scope and period of application. Finally, the **form and content** of the request and accompanying documentation must comply with the **legal requirements** set out in the Fiscal Procedure Code and the administrative guidance issued by NAFA. The taxpayer must provide all eventual supplementary necessary information, within a deadline of 90 days — including identification details, a clear description of the facts, the legal grounds of the objection, and relevant supporting documents — to enable the Competent Authority to assess the case and to initiate discussions with the corresponding authority of the other contracting state. Taxpayers are required to ensure that the **MAP application**, together with any **supplementary information or clarifications** subsequently provided to NAFA, is submitted in time.

E. Rejection of MAP Requests

If, after an initial review, the **Romanian CA** considers that a **MAP request** may not meet the **admissibility or eligibility conditions**, it will first communicate its preliminary assessment to the **competent authority of the partner jurisdiction**. In this communication, the Romanian CA will outline the **reasons for potential rejection** — for example, issues related to timeliness, taxpayer eligibility, or the scope of the applicable treaty — and will invite the other authority to **share its views or additional information** before reaching a final decision on the request's validity.

This cooperative exchange ensures that **both authorities have the opportunity to discuss the admissibility of the case** and to confirm whether the matter falls within the scope of the relevant tax treaty or convention. Only after this consultation process will the Romanian Competent Authority make a **final determination** on whether the MAP request is accepted or rejected.

Taxpayers will be **notified in writing** of any decision to reject their MAP request, along with a clear explanation of the grounds for rejection.

F. Information requirements

To ensure that a **MAP** request can be properly assessed, the **Romanian CA** requires that taxpayers provide a **comprehensive set of information and supporting documentation**. This information must be sufficient to enable the authority to fully understand the facts of the case, evaluate the legal position of the taxpayer, and determine whether the request meets the conditions for admissibility and initiation under the applicable tax treaty or the **EU Arbitration Convention**.

The required documentation generally follows the guidance set out in the **MEMAP** and the **Arbitration Convention**. Accordingly, a MAP request should contain detailed **identification data**, a **description of the relevant transactions**, the **tax periods concerned**, an explanation of how double taxation has arisen or may arise, and the **legal reasoning** supporting the taxpayer's position. Copies of relevant **supporting evidence**, such as tax assessments, audit reports, transfer pricing documentation, and correspondence with the tax authorities, should also be enclosed.

Certain **bilateral tax treaties** concluded by Romania may include additional or more specific information requirements that must be satisfied before a request is considered valid for the purpose of starting the MAP or, where applicable, **triggering the period after which arbitration may be initiated**. In addition, some treaty partners may apply their own **domestic procedural rules** requiring more extensive documentation.

Therefore, taxpayers are strongly encouraged to **review the applicable tax treaty provisions** and consult any **public guidance published by the competent authority of the other contracting state** before submitting their MAP request. This will help ensure that both authorities receive a consistent and complete set of information, allowing for a more efficient and transparent handling of the case.

Providing accurate, comprehensive, and harmonised documentation from the outset facilitates the prompt initiation of MAP discussions and supports Romania's objective of achieving a **timely and effective resolution** of cross-border tax disputes, in line with international best practices.

G. Content of a MAP application

A request for the initiation of a **MAP** must contain sufficient detail to enable the **Romanian CA** to understand the facts, identify the issue in dispute, and assess the legal basis of the taxpayer's claim. The information provided should be complete, accurate, and consistent with the data submitted to the competent authority of the partner jurisdiction.

1. Identification details of the taxpayer(s)

The application must include complete identification information for all persons concerned by the request, such as the **name, fiscal identification number, registered address, and contact details**. If the request involves more than one entity (for example, in a transfer pricing case), the details of all affiliated parties or permanent establishments that are directly affected by the adjustment must be clearly indicated.

2. Applicable legal instrument

The taxpayer must specify the **legal basis** under which the request is made — namely, the relevant **double taxation treaty**, the **EU Arbitration Convention**, or both, as applicable. Where multiple instruments might apply, the taxpayer should explain the relationship between them and indicate whether the request is submitted under one or more provisions concurrently.

3. Periods and amounts subject to double taxation

The request must clearly state the **fiscal years or tax periods** concerned, together with the **amounts of income or profit** that have been (or are expected to be) subject to double taxation. The taxpayer should include a table or schedule summarizing the relevant amounts, adjustments, and the jurisdictions involved, to facilitate the assessment of the case.

4. Description of the transactions and parties involved

In cases of double taxation arising from **transfer pricing adjustments** or **profit reallocation**, the request should provide a detailed description of the **intra-group transactions** affected, the **affiliated enterprises** involved, and the **nature and value of the transactions** (e.g., goods, services, financing, intangibles). The taxpayer should also indicate which entity made or received the adjustment and include relevant documentation demonstrating the pricing policy or allocation methodology used.

5. Description of the facts and legal reasoning

The application should contain a **comprehensive narrative of the facts** that led to the dispute, including the background of the transaction, the actions of the tax authorities, and any relevant assessments, audit findings, or correspondence.

It should also set out the **taxpayer's position and legal argumentation**, explaining why the taxation is considered inconsistent with the provisions of the applicable treaty or the arm's length principle under Article 9 of the OECD Model Tax Convention.

5. Supporting documentation

Copies of all **relevant documents** must be attached to the MAP request. These may include:

- tax assessment notices or audit reports;
- correspondence exchanged with the tax authorities;
- transfer pricing documentation and benchmarking studies;
- financial statements and contracts relevant to the case;
- any other evidence supporting the taxpayer's position.

The documentation should be submitted in a clear and organised manner, allowing the **Romanian CA** to easily verify the facts and coordinate with the partner administration. Incomplete or inconsistent information may delay the examination of the request or prevent the MAP from being initiated.

H. Time limit for submitting a MAP request

The **time limit for submitting a MAP request** in Romania depends on the specific provisions of the **international legal instrument** under which the procedure is initiated. Each of Romania's **double taxation treaties** contains its own clause defining the period within which a taxpayer must file a MAP request after first being notified of the action that has led, or is expected to lead, to taxation not in accordance with the treaty. In most cases, this period is **three years** from the date on which the taxpayer received the first notification of the assessment, adjustment, or measure giving rise to the dispute.

However, certain treaties may establish **different time limits**, either shorter or longer, depending on the terms negotiated between Romania and the treaty partner. Accordingly, taxpayers are strongly advised to **consult the relevant tax treaty** to confirm the exact period applicable in their specific case.

For cases falling under the **EU Arbitration Convention**, the taxpayer must normally present the case within **three years** from the first notification of the action resulting in double taxation, consistent with Article 6 of the Convention. Similarly, under the **EU Directive 2017/1852** (transposed into the Romanian Fiscal Procedure Code), complaints concerning double taxation must be submitted within **three years** from the same trigger event.

It is important to note that the **Romanian CA** can only accept and initiate a MAP if the request is received **within the applicable time limit** provided in the relevant treaty or instrument or the domestic legislation. A late submission may render the request **inadmissible**, preventing the case from being examined under the MAP framework.

Therefore, taxpayers should ensure that any potential MAP request is prepared and filed **promptly after receiving the relevant tax decision or adjustment**, allowing sufficient time for the preparation of the necessary documentation and for the verification of eligibility conditions by the Romanian CA.

I. MAP and domestic litigation

Under the provisions of the **Fiscal Procedure Code** and the relevant **double taxation treaties** concluded by Romania, the **MAP** and the **domestic judicial or administrative appeal process** are distinct mechanisms available to taxpayers for the resolution of tax disputes.

Where a case has already been resolved through **Romania's judicial process** — either by a **final court decision** or through other binding domestic remedies — the **Romanian CA** will normally **not reopen the matter through MAP**. However, if the case is still within the taxpayer's control (for example, if it has not yet reached a final judgment), the Romanian CA may, upon request, agree to **initiate MAP discussions** to explore a resolution consistent with the applicable treaty provisions.

MAP is **not intended to function as a parallel or alternative path** to the domestic appeals process.

Nonetheless, initiating MAP **at an early stage** may help the taxpayer assess whether continuing domestic litigation is necessary or whether the matter can be more effectively addressed through bilateral consultations between the competent authorities. This approach is consistent with the **OECD commentary on art. 25 - para. 76**, which clarifies that a taxpayer cannot pursue **MAP and domestic legal remedies simultaneously** to obtain double relief.

In practice, a taxpayer in Romania may **present and have a MAP request accepted** even while domestic remedies are still available. In such cases, the **Romanian CA** may require the taxpayer to **formally suspend or withdraw** domestic appeals for the duration of the MAP, or — if the taxpayer chooses not to suspend them — may **defer the MAP process** until those remedies are exhausted.

Where the adjustment giving rise to double taxation originates in another jurisdiction, the Romanian CA acknowledges that **procedural coordination may depend on the position of the foreign authority**. If the partner administration allows it, Romania may continue the MAP while the foreign domestic proceedings are ongoing, though this cannot always be guaranteed due to differing national legal frameworks.

If the **MAP process results in a mutual agreement** before the completion of domestic proceedings, the taxpayer and any directly affected persons will be given the opportunity to **either accept the MAP outcome or reject it and continue with their domestic remedies**. If the taxpayer chooses to reject the agreement and pursue domestic litigation instead, the **efforts of the competent authorities to resolve the matter through MAP are considered exhausted**, and the mutual agreement will no longer be binding or implemented.

This balanced approach ensures that taxpayers retain their **fundamental procedural rights** under Romanian law while maintaining the **integrity and effectiveness of the MAP framework**, in full conformity with the **OECD MEMAP** and the **EU Directive 2017/1852** on tax dispute resolution mechanisms.

J. Taxpayer involvement in the MAP process

The MAP is a **consultation process conducted at the government-to-government level** between the **Competent Authority of Romania** and the **Competent Authority of the partner jurisdiction** involved in the case. It is not a judicial or adversarial procedure but rather an **administrative mechanism** designed to resolve instances of double taxation or treaty misapplication through negotiation and cooperation between states.

As such, the **taxpayer is not a formal party** to the MAP discussions. The dialogue and exchange of views occur exclusively between the two competent authorities, and the taxpayer does not participate directly in these negotiations.

However, under the practice of the **Romanian CA** — the taxpayer may be **invited to provide clarifications, factual information, or supporting documentation** considered necessary for a proper understanding of the case. This may include explanations of the commercial background, contractual arrangements, transfer pricing methodologies, or other relevant details that help both authorities reach a shared understanding of the facts.

Such cooperation is encouraged in the spirit of **transparency and good faith**, as outlined in the **OECD MEMAP** and the **EU Code of Conduct (2009/C 322/01)**. Where the competent authorities deem that the taxpayer's participation could facilitate the resolution of the case, they may **invite the taxpayer to engage through written submissions or meetings** for the purpose of clarification only — without conferring the status of a formal party to the intergovernmental process.

The Romanian CA therefore expects taxpayers to remain **cooperative and responsive** throughout the MAP process, ensuring that any requested information is provided **accurately, consistently, and in due time**. This constructive approach contributes to a **more efficient and effective resolution** of MAP cases and reinforces Romania's commitment to transparency and international cooperation in the elimination of double taxation.

K. Notification and implementation of MAP outcome

As part of the **MAP**, once the CA of Romania and the partner jurisdiction have reached a **final agreement**, the **taxpayer is formally notified in writing** by the **Romanian CA**.

The written notification includes a summary of the **decision reached**, an **explanation of the outcome**, and a clear description of the **measures to be implemented** in Romania to eliminate the double taxation identified.

If the taxpayer **accepts the outcome** of the MAP, they are required to provide a **written confirmation of acceptance** to the Romanian CA within the timeframe indicated in the notification. Following this confirmation, the competent authorities of both jurisdictions **exchange written acknowledgements** of the taxpayer's acceptance, and the Romanian tax administration proceeds with the **implementation of the agreement**. This may include **reducing or cancelling assessments, adjusting taxable income, or granting tax relief or refunds**, as applicable, in accordance with the **Fiscal Procedure Code** and relevant treaty provisions.

If the taxpayer **does not accept the agreement**, the MAP process is considered **concluded without implementation**, and no modification or relief arising from the mutual agreement will be applied in Romania. In such a case, the taxpayer retains the right to pursue **domestic legal remedies** in accordance with Romanian law, but the **results of the MAP** will no longer be binding or effective.

This notification and confirmation process ensures **transparency, legal certainty, and procedural integrity**, while respecting the taxpayer's right to make an informed choice regarding the acceptance or rejection of the MAP outcome. It also aligns Romania's administrative practice with the standards established under the **OECD MEMAP** and the **EU Directive 2017/1852** on tax dispute resolution mechanisms.

Unilateral relief. In certain clear and well-documented cases, double taxation may be eliminated unilaterally by Romania, without initiating a Mutual Agreement Procedure.

This may occur where the foreign adjustment is consistent with the arm's length principle and the relevant tax treaty, and Romania considers that granting a corresponding adjustment ensures taxation in accordance with treaty provisions.

Unilateral relief is granted case by case, upon submission of adequate documentation and provided that no MAP or domestic litigation is pending on the same issue.

Such relief is applied in good faith, in line with Articles 23A–23B of the OECD Model Tax Convention and Romania's international obligations, ensuring the prevention of double taxation while preserving the integrity of the treaty network.

Transfer Pricing: methods of giving relief

In transfer pricing cases, relief from double taxation may be achieved through the corresponding adjustment mechanism, whereby Romania adjusts the taxable income of a taxpayer to reflect an arm's length result, following an adjustment made by the treaty partner.

Such relief can be provided either bilaterally, through the Mutual Agreement Procedure (MAP) under Article 25 of the OECD Model Tax Convention or the EU Arbitration Convention, or unilaterally, where the facts are clear and consistent with treaty provisions.

The Romanian Competent Authority will assess each case to determine the appropriate method — bilateral or unilateral — ensuring alignment with Article 9(2) of the OECD Model Tax Convention and Chapter IV of the OECD Transfer Pricing Guidelines.

The objective is to eliminate economic double taxation and ensure that profits are allocated in accordance with the arm's length principle.

Tax, Interest and Penalties

When a case is resolved through the Mutual Agreement Procedure, the Romanian tax administration will implement the agreed outcome by adjusting the relevant tax assessments to eliminate double taxation.

As a general rule, only the tax component is subject to relief under the MAP. Interest and penalties imposed under domestic law remain applicable unless both competent authorities agree otherwise or specific treaty provisions allow their reduction or cancellation.

Where tax adjustments are reversed or reduced as a result of a MAP agreement, any related interest or penalties will be recalculated proportionally or refunded, in accordance with the Fiscal Procedure Code and applicable legal provisions.

This ensures that the implementation of MAP results is fair, transparent, and consistent with Romania's international obligations and domestic legislation.

Arbitration

Where the competent authorities of Romania and the partner jurisdiction are unable to reach an agreement within the prescribed period under the Mutual Agreement Procedure, the case may be referred to arbitration, in accordance with the applicable international instrument.

In the European Union, arbitration is governed by the EU Arbitration Convention (90/436/EEC) and Directive (EU) 2017/1852, both providing for the establishment of an Advisory or Alternative Dispute Resolution Commission composed of independent experts.

The decision issued by the Commission is binding on the Member States concerned and ensures the effective elimination of double taxation within a defined timeframe.

Romania fully applies these provisions, thereby guaranteeing taxpayers access to a final and enforceable resolution mechanism in line with international and EU standards for tax dispute resolution.

Advance Pricing Agreements

Advance Pricing Agreements (APAs) constitute a proactive and preventive tool designed to provide certainty and transparency in the area of transfer pricing.

An APA establishes, in advance of controlled transactions, an agreed approach between the tax administration and the taxpayer concerning the transfer pricing methodology to be applied for determining the arm's length remuneration of cross-border transactions between related parties over a fixed period of time.

In Romania, the APA programme is administered by the Transfer Pricing and Advance Pricing Agreements Directorate within the National Agency for Fiscal Administration (NAFA), which acts as the Competent Authority for the negotiation and implementation of both unilateral and bilateral/multilateral APAs.

The legal basis for APAs is set out in Article 52 of the Fiscal Procedure Code (Law no. 207/2015) and is complemented by detailed administrative procedures issued by NAFA.

Romania's APA framework is fully aligned with the principles and recommendations of Chapter IV of the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and the BEPS Action 14 minimum standard regarding dispute prevention.

Types of APAs

Romania may conclude:

- Unilateral APAs, agreed solely between NAFA and the taxpayer, which provide certainty for domestic purposes; and
- Bilateral or multilateral APAs, negotiated between the Romanian Competent Authority and one or more foreign competent authorities under the Mutual Agreement Procedure (MAP) provisions of the relevant tax treaties.

Bilateral and multilateral APAs are particularly encouraged, as they provide corresponding certainty in all jurisdictions concerned and eliminate the risk of double taxation. These APAs are conducted under Article 25(3) of the OECD Model Tax Convention and are treated as a specific form of MAP.

APA process

A taxpayer intending to obtain an APA must submit a formal request to the Romanian Competent Authority, including detailed information about the controlled transactions, proposed methodology, functional and comparability analyses, and the period for which the APA is sought.

Following a preliminary review for completeness and eligibility, NAFA may enter into consultations — either internally (for unilateral cases) or with the competent authorities of treaty partners (for bilateral/multilateral cases) — to evaluate the proposed pricing approach.

During the analysis phase, the taxpayer may be invited to meetings to clarify factual and economic aspects. The process is collaborative but remains administrative in nature. Once an agreement is reached, NAFA issues a formal decision specifying the agreed methodology, critical assumptions, covered transactions, and duration (typically up to five years, with possible renewal).

Benefits of APAs

The APA mechanism offers significant advantages:

- Prevention of double taxation through prior agreement on transfer pricing methods;
- Reduction of audit risks and potential disputes;
- Increased tax certainty for both taxpayers and the administration; and
- Efficient resource allocation, as fewer transfer pricing cases require post-factum resolution through MAP.

Relationship with MAP and rollback possibility

APAs and MAPs are complementary instruments. While the MAP serves as a dispute resolution mechanism, APAs operate as a dispute prevention tool.

In certain circumstances, when both competent authorities agree, the terms of a bilateral APA may be rolled back to cover previous fiscal years that were not yet closed or are under examination, provided that the facts and circumstances are substantially the same as those covered by the APA.

This rollback feature enhances efficiency and consistency in the treatment of transfer pricing cases across multiple years.

Implementation and monitoring

Once an APA is concluded, the taxpayer must comply with the agreed methodology and submit periodic reports demonstrating adherence to the terms of the agreement.

The Romanian Competent Authority may review these reports and, if the critical assumptions underlying the APA change materially, may initiate consultations with the taxpayer or, in bilateral cases, with the partner jurisdiction to revise or revoke the APA if necessary.

Through its APA programme, Romania aims to provide predictability, fairness, and alignment with international best practices.

By ensuring transparency and proactive cooperation between taxpayers and tax administrations, the APA mechanism contributes to the overall goal of effective prevention and elimination of double taxation, as promoted by the OECD and the European Union frameworks.

Transfer Pricing and Attribution of Profit to Permanent Establishments

Transfer pricing and the attribution of profit to permanent establishments (PEs) are among the main sources of cases addressed through the Mutual Agreement Procedure (MAP).

Under Articles 7 and 9 of the OECD Model Tax Convention, profits of associated enterprises and PEs must reflect the arm's length principle, as if the entities were independent and operating under comparable conditions.

When a tax adjustment made in one jurisdiction leads to double taxation, the Romanian Competent Authority may, upon request, consult with the partner jurisdiction under the MAP to determine a corresponding adjustment or another equitable resolution.

This ensures consistent application of the arm's length principle and prevents economic double taxation.

In disputes involving the allocation of profit between a head office and its PE, Romania applies the functional and factual approach outlined in the OECD Report on the Attribution of Profits to Permanent Establishments (2010).

Where appropriate, lessons learned from MAP cases may be used to prevent similar issues in the future through Advance Pricing Agreements (APAs).

Through this coordinated approach, Romania aligns its practice with OECD and EU standards, promoting transparency, predictability, and the fair allocation of taxing rights.

OECD

[Model Tax Convention on Income and on Capital](#)

[Manual on Effective Mutual Agreement Procedures](#)

[BEPS Action 14 Final Report](#)

[BEPS Action 15 Final Report](#)

[Multilateral instrument](#)

[Explanatory statement](#)

[Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations](#)

European Union

[EU Arbitration Convention 90/436/EEC](#)

[EU code of conduct on the arbitration convention](#)