Tax Insights
from Transfer Pricing

Romania overhauls transfer pricing documentation and APA procedures

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In brief

What happened?

Romania's tax administration (ANAF) on July 2 published in the Official Gazette no. 543, Order no. 828/2026 on the transfer pricing file, and Order no. 827/2026 on the issuance and amendment of advance pricing agreements (APAs) (the Orders). The two Orders reshape the transfer pricing framework for the first time in almost a decade, and provide for:

- Mandatory annual electronic filing of transfer pricing files by large taxpayers, replacing the previous "on request" approach.
- Revised materiality thresholds, assessed per transaction with each related party rather than on an aggregate basis.
- Expanded transfer pricing file content requirements and full transparency over the comparability search process.
- A new standardized reporting template, Annex no. 3, that maps all in-scope related-party transactions in a processable format.
- An updated APA procedure that expressly allows rollback (retroactive) application to prior periods.

Why is it relevant?

The Orders do not replace the arm's-length principle, but they materially change the documentation, evidentiary, and procedural framework through which compliance with that principle is demonstrated and tested. For example, large taxpayers, in particular, now must submit a complete and coherent transfer pricing file within 30 business days from the statutory deadline for filing the annual corporate income tax return, rather than waiting until an audit has commenced.

Observation: From a broader perspective, oversight is shifting away from reactive audits and towards upfront, data-driven risk assessment, increasingly fed by data provided by taxpayers.

The new rules under Order no. 828/2026 apply to transactions carried out from 2026 onward, while the related administrative procedures begin only after January 1, 2027. Separately, Order no. 827/2026 applies to APA applications filed on or after July 2, 2026.

Actions to consider

Groups operating in Romania should reassess which transactions fall in scope under the new per-transaction thresholds, review existing documentation against the expanded content requirements, and treat Annex no. 3 as a risk document rather than merely as a form. For qualifying transactions that continue prospectively, taxpayers also should assess whether prior periods may be eligible for rollback, subject to the five-year limit, similarity requirements, and audit-related restrictions.

In detail

Background

After almost a decade of largely unchanged transfer pricing documentation rules, ANAF has replaced the established framework with two coordinated acts. Taken together, they are built as a system, using a common technical language: the same standardized transaction template and the same transparency standard for comparability studies run through both the transfer pricing file and the APA procedure. Taxpayers will need to understand the new requirements and adapt internal documentation processes within the relatively short time available.

Order no. 828/2026: transfer pricing file

Mandatory electronic filing: the substantive change

Until now, large taxpayers were required to prepare the transfer pricing file annually, above certain materiality thresholds, but the file was made available to the tax authority only upon request, whether during or outside of a tax audit. Order no. 828/2026 changes this approach.

Large taxpayers must complete the annual transfer pricing file by the statutory corporate income tax return deadline and electronically submit it through the Private Virtual Space (SPV) within 30 working days after that deadline. In practice, the documentation must be complete and coherent shortly after the financial year-end. Where a taxpayer fails to file through SPV, the deadline for making the file available during a tax audit is no more than five business days from the request.

Small and medium-sized taxpayers remain under the previous standard — i.e., the file is prepared and presented upon request by the tax authority, during an audit, within 30 to 60 business days, with the possibility of a single extension of no more than 30 business days.

Recalibrated thresholds: from aggregate value to individual transaction

The second structural change concerns the materiality thresholds. Under the previous regime, thresholds were calculated by aggregating the value of transactions with all related parties. The new order shifts the analysis to the level of each individual transaction, with each related party separately.

At the same time, the thresholds themselves have been recalibrated, with different effects depending on the taxpayer category and transaction type. For large taxpayers, the services threshold decreased from EUR 250,000 to EUR 100,000, while the intangible assets / royalty threshold decreased from EUR 350,000 to EUR 250,000; the financing and tangible assets thresholds remain unchanged. For small and medium taxpayers, the financing, intangible assets, and tangible assets thresholds increased, while the services threshold remained at EUR 50,000.

Some taxpayers with fragmented portfolios may fall outside the documentation requirement for certain transactions, while other taxpayers that have dealings concentrated with a limited number of related parties may find additional transactions brought within scope.

The thresholds (converted at the National Bank of Romania exchange rate for the last day of the fiscal year) are:

Transaction category (per individual transaction, per related party; excl. VAT)	Large taxpayers	Small & medium taxpayers
Provision / acquisition of services	EUR 100,000	EUR 50,000
Financing - interest income / expense	EUR 200,000	EUR 100,000
Intangible assets (sale / acquisition) and royalty income / payments	EUR 250,000	EUR 150,000
Tangible assets (sale / acquisition)	EUR 350,000	EUR 200,000

Observation: The thresholds provide predictability, but not immunity from scrutiny. By way of exception, the tax authority may request the file even where the thresholds are not met, for specific transactions and periods, if its fiscal risk analysis justifies such a request. In that case, the taxpayer has at least 30 business days to comply, but can be extended once for up to 30 business days.

Annex no. 2: content requirements

Annex no. 2 to the order considerably expands the content requirements for the file. The most relevant new elements include:

- a separate functional analysis for each documented transaction, with an explicit justification of the functional profile and of the level of risk assumed (limited-risk versus full-risk characterization);
- the need to separately justify combined approaches where several transactions are analyzed together;
- the presentation of the cost base structure used to calculate the profitability indicator, including the expenses included and excluded;
- the separate disclosure of costs recharged without a mark-up (pass-through costs);
- the justification and quantification of the impact of comparability adjustments; and
- a dedicated section (Annex no. 3, Section D) showing the share of related-party transactions in total revenues and expenses.

Taxpayers should pay particular attention to cases where the tested party is not the Romanian taxpayer. The selection of the tested party must be substantiated and, where the tested party is another group entity, the taxpayer must present supporting documentation for the calculation of that entity's profitability indicator.

The taxpayer also can attach a report issued by an independent, licensed auditor, certifying the existence, amount, and accuracy of the calculation. Although not legally mandatory, such a report could be useful to help support the credibility of the data used in connection with a foreign tested party.

Comparability studies: full transparency and a geographical cascade

The comparability study is subject to detailed requirements. Taxpayers must present:

- the search strategy used, with justification of each selection criterion from both a qualitative and a quantitative perspective;
- the accepted comparables, including identification details, activity codes, and source; and
- the rejected comparables, together with the reasons for rejection.

The study also must be submitted in editable Excel format, including the formulas used for the quantitative selection of comparables and for calculating the interquartile range. As a result, the focus will not only be on the outcome, but also on the methodological choices leading to that outcome.

The order also clarifies the sequence for searching for comparables and the progressive expansion of the geographical area analyzed:

- **Where the tested party is tax resident in Romania:** Romania, European Union (including the United Kingdom), EMEA, international.
- **Where the tested party is non-resident:** Its jurisdiction of residence, the relevant geographical region (EU including the United Kingdom, EMEA, APAC, or Americas), international.

Observation: Two principles are worth highlighting. First, comparables are considered "sufficient" only if they allow the determination of an interquartile range. In practice, this may require the search to be expanded to other jurisdictions. Second, adjustments and estimates may be made exclusively on the basis of information reasonably available to both the taxpayer and the tax authority at the time the documentation is prepared.

Adjustment and estimation consequences

Where the arm's-length principle is not demonstrated (including as a result of not presenting the file or presenting an incomplete file) the tax authority may adjust or estimate transfer prices using the central tendency of the market, namely the median of the range. Where insufficient comparables exist to establish a range, at least three comparables must be identified and their arithmetic mean used.

An "incomplete" file includes missing transaction descriptions, contractual documents, functional analysis, method justification, comparability analysis, or the underlying financial information.

Annex no. 3: a standardized snapshot of intragroup transactions

Annex no. 3 introduces a single reporting format, to be completed in both Excel and PDF, for all transactions with related parties that meet the thresholds. It includes separate sections for revenue-generating and expense-generating transactions, by related party, tax jurisdiction, transaction category, annual value before adjustments, year-end adjustment, and final documented value. It also includes a dedicated section for loans, covering principal, reference rate, and interest margin, and a section showing the share of related-party transactions in total revenues and expenses. The data must be reconciled with the file, the accounting records, and the financial statements, and any differences from the statutory accounts must be justified.

For the first time, the tax authority will receive an annual, processable, standardized map of large taxpayers' intragroup flows. This data may support the development of sector benchmarks and more specific risk profiles, allowing audit selection to occur before any contact with the taxpayer.

The consistency between Annex no. 3, the transfer pricing file, and the financial statements will therefore need to be verified internally before filing, as any inconsistency could become a risk indicator.

Observation: The standardized electronic reporting may facilitate automated reconciliation, comparative risk assessment, and earlier identification of taxpayers or transactions for review.

Order no. 827/2026: advance pricing agreements

Despite their potential value, APAs have been underutilized in Romania due to their perceived practical complexity. Order no. 827/2026 rewrites the procedure for issuing and amending these agreements and, at least in terms of architecture, attempts to make the instrument more versatile.

APA rollback

One of the most significant practical changes is the express regulation of agreements applying to a prior period — the rollback mechanism. Throughout the documentation requirements, the order treats separately an agreement applicable to future transactions and an agreement applicable to an already closed period. For rollback cases, the taxpayer must provide the relevant information for each fiscal year covered, while the "future" character of a transaction is assessed by reference to the date from which the APA takes effect. This clarification confirms that a new contract is not required in order to seek an APA for an existing transaction that continues into future periods. For prior periods, the applicant also can attach an independent auditor's report certifying the accuracy of the tested party's profitability indicator where the tested party is not the applicant.

Documentation and annual reporting

The application for the issuance or amendment of an APA must be accompanied by an extensive information package, including:

- group-level information similar to that required for a Master File;
- a complete list of intragroup transactions in the standardized Annex no. 3 format, in Excel and PDF;
- details of any year-end adjustments;
- the organizational chart with a description of each department's activities, relevant management positions, business restructurings documented in accordance with Chapter IX of the OECD Guidelines; and
- a functional analysis with an explicit justification of the proposed risk profile.

The requirements for the benchmarking study mirror the same geographical cascade and transparency standard as the order. Filing is made electronically through SPV, in PDF and Word, with the option of also submitting the documentation by post, in three copies.

Obtaining the agreement does not bring the process to an end. Beneficiaries must submit a compliance report demonstrating adherence to the APA's terms and conditions (1) annually, for agreements covering future transactions, and (2) within 90 business days from the communication of the approval order, for each year covered, in the case of rollback arrangements. The report confirms that the approved method and profitability indicator have been consistently applied and, for future agreements, explains how the critical assumptions have materialized in practice.

Let’s talk

For a deeper discussion of how Romania’s updated transfer pricing documentation and APA procedures might affect your business, please contact your usual transfer pricing adviser or:

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