

Modern electronic cash registers will be mandatory starting this summer

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A blind spot in the fight against minor tax evasion is the declaration of all revenues in the retail sector. In an attempt to control it, the legal status¹ regarding cash registers (*case de marcat*) has been changed and supplemented in the past few years.

Context

In the retail sector, receipts serve both as a proof of payment and as a proof that the seller's revenue has been recorded and accounted for. To reduce tax evasion, the Romanian Tax Administration (ANAF) has gradually extended the regulations on the use of cash registers and the issuing of receipts. Refusing to issue a receipt is now not only an offence but it also allows the buyer to get the goods/services rendered without paying, as the provider loses its right to claim the price.

In certain circumstances, companies can use till receipts not only as a proof for cash spending but also as a document for costs and input tax deduction, instead of invoices.

As from 2015, natural persons have been getting used to requesting and keeping receipts by implementing a receipt-lottery.

Current status

Almost every economic operator receiving cash or card payments must use electronic cash registers. There are only a few explicit exceptions.

The required features and functions of the cash registers are defined by the law; all types are subject to an official technical authorisation. Cash registers may be supplied only by authorised providers and maintained only by certified service companies. On purchase, and before any maintenance/repair work, devices must be sealed by the provider or by the service company, and the package can be opened only after removing the seal.

A list of distribution and service companies is available on the website of the Finance Ministry; ANAF holds an electronic register of all POS devices installed and is responsible for supervising and checking them. Economic operators must connect their electronic cash registers with ANAF's national computerised monitoring system.

The law also stipulates conditions for the storage system of the cash registers and issued receipts and reports/overviews.

Future changes

As the obligation to connect cash registers to ANAF's server was introduced in 2014, modern devices must be equipped with an internal storage system and a remote data transmission

¹ Emergency ordinance 28/1999 on the mandatory use of electronic POS

module. This measure was postponed several times; these are the latest implementation deadlines:

- From **1st June 2018**, large and medium-sized tax payers are allowed to use only modern cash registers equipped with an internal storage system and a remote data transmission module.
- From **1st August 2018** this applies to all other tax payers. From this date, cash registers without an electronic journal and a remote data transmission module will no longer be sold.
- No later than 31st July 2018 all previous trader admissions will lose their validity; so traders must undergo a new admission procedure.

Previous regulations stated that ANAF would have until 1st November 2018 to adopt the actual procedure for the remote connection of the cash registers. This deadline was abolished in 2017 so the actual moment of remote connection is currently unclear.

Conclusion

The remote connection of electronic cash registers to the server of the Romanian Tax Administration is a good and necessary measure for reducing tax evasion in the retail sector.

Unfortunately, implementation has been delayed for more than four years because of the poor IT equipment of the Romanian Tax Administration, the burden on current capacity and the lack of investments. We may only hope that since traders must now invest in their systems by mid-2018, ANAF will soon be able to manage the technical conditions of these measures.

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