

VALUE ADDED TAX ON INTRA-COMMUNITY PURCHASES

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Abstract

Companies in Romania carry out transactions with trading partners in the European Union. Thus, goods or services necessary for the performance of the activity are purchased or goods and services are delivered by companies in Romania to trading partners in the European Union. The general rule for VAT on intra-community purchases is represented by the reverse charge mechanism, namely the obligation to calculate and pay VAT falls on the Romanian company that made the purchase. From a value added tax point of view, purchases are treated differently for companies that are registered for VAT purposes, for companies that are not registered for VAT purposes but have an intra-community VAT code (special) or for companies that have not exceeded the intra-community purchase ceiling (10,000 euros) and have not opted for the intra-community VAT code. We propose to present the VAT tax treatment applicable to companies in Romania for intra-community purchases of goods or services and the method of recording these operations in the accounting records. There are also exceptions to the general rule regarding the VAT regime for intra-community purchases of new means of transport and excisable goods, which will be presented below.

Keywords: *acquisition, intra-community, value added tax, goods, services, declaration*

Clasificare JEL: *M41, G32*

1. Introduction

Entities in Romania purchase goods from the country, from the European Union or from non-European Union countries. Value added tax is applied and paid to the budget depending on the company's situation, namely if it is registered for VAT purposes, if it has obtained an intra-community VAT code or if it does not fall into either of the two situations.

For intra-community purchases of goods, the entity uses the code assigned for VAT purposes and applies reverse charge, provided that the supplier is also a tax payer. If it is not registered for VAT purposes, the company in Romania requests the special VAT code when intra-community purchases exceed 10,000 euros or by option.

To declare VAT obligations related to intra-community purchases, the following is used:

- form 300 – “Value added tax return” [13];
- form 301 – “Special value added tax return”;
- form 390 VIES – “Recapitulative declaration on intra-community supplies/acquisitions/services”.

2. Intra-community purchases of goods

Purchases of goods made by a taxable person from a Member State of the European Union from a taxable person from another Member State of the European Union are intra-community purchases. These commercial exchanges are carried out without customs duties between the Member States of the EU, with VAT tax obligations in Romania depending on the tax status of the person making the purchase:

- a. Persons registered for VAT purposes in general

Intra-Community purchases made by these persons are subject to reverse charge. VAT is not paid to the supplier upon purchase, the invoice being drawn up without VAT. The buyer records the VAT relating to the purchase both as a collected tax and as a deductible tax in the accounts [7], in the debit of account 4426 “deductible VAT” and in the credit of account 4427 “collected VAT” and in the VAT return (form 300).

The condition for applying reverse charge is that both persons, the supplier and the buyer, must have a valid VAT code [14]. Monthly, persons who make intra-community acquisitions and are registered for VAT purposes, submit, by the 25th inclusive of the month following an expired month: The recapitulative statement on intra-community supplies/ acquisitions/ services [8] (form 390 VIES), for the calendar months in which the tax becomes chargeable; The value added tax return (form 300) [9].

Persons who use the quarter as a fiscal period and make an intra-community acquisition will submit form 300, monthly. The threshold for registration as a VAT payer has increased from 300,000 lei to 395,000 lei, starting with 1 September 2025 [6].

b. Persons who are not registered for VAT purposes

b1. Persons who have exceeded the annual ceiling of 10,000 euros for purchases of goods from the European Union

If the value of the acquisition exceeds the intra-Community acquisition ceiling of 10,000 euros, the person who is not registered for VAT purposes is required to request special registration for VAT purposes and the issuance of a special intra-Community VAT code, before making the intra-Community acquisition that determines the ceiling to be exceeded. The exchange rate used to determine the ceiling in lei is the rate communicated by the National Bank of Romania on the date of accession, thus the ceiling in lei is 34,000 lei. The following are not taken into account for establishing the ceiling [4]:

- intra-Community acquisitions of excise goods (subject to VAT in Romania);
- intra-Community acquisitions of new means of transport (subject to VAT in Romania);
- acquisitions of second-hand goods if they were taxed in the Member State from which they were delivered;
- acquisitions of goods whose delivery is a delivery of goods with installation or assembly for which the place of delivery is considered to be in Romania;
- acquisitions of goods whose delivery is a distance sale for which the place of delivery is considered to be in Romania.

b2. Persons who have not exceeded the annual ceiling of 10,000 euros

Persons who are not registered for VAT purposes and have not exceeded the ceiling may request special registration for VAT purposes by option. This is done when the VAT rate in the country of acquisition is higher than the rate in Romania. To obtain the intra-community VAT code, the form “Declaration for the electronic registration/modification of the details subsequent to the tax registration, as well as for the cancellation of the tax registration” is submitted, including through the Virtual Private Space.

In accounting, the value added tax related to intra-community acquisitions is recorded directly as an expense or in the acquisition cost of the goods.

Reverse charge, namely debiting account 4426 “VAT deductible” and crediting account 4427 “VAT collected” is not used since the entity is not registered for VAT purposes. and has no right to deduct VAT. Persons who obtain the special intra-community VAT code do not become registered persons for VAT purposes. Thus, invoices to customers will continue to be issued without VAT.

In the event that the threshold of 10,000 euros has not been exceeded, for intra-community purchases and the purchasing entity has not opted for the special VAT code, the supplier in the EU will issue the VAT invoice from the country where it is tax registered, and the beneficiary in Romania will pay this VAT together with the payment of the value of the purchased goods. Also,

the beneficiary is not obliged to determine, collect or pay VAT in Romania for these purchases and does not have to submit form 301 or form 390 VIES.

For the months in which intra-community acquisitions were made, companies that have an intra-community VAT code must submit the following declarations by the 25th of the month following the acquisition: form 390 VIES and form 301.

Entities that have obtained an intra-community VAT code may cancel this code if they have reached the threshold for VAT registration or if they cease their activity. They may also waive their intra-community VAT code if one calendar year has passed since the date of obtaining it and they have not requested an extension or if the total intra-community acquisitions, for that year, do not exceed the threshold of 10,000 euros.

3. Intra-community purchases of goods

For services provided by a company in the European Union to a company in Romania, the place of taxation for value added tax is the place where the beneficiary of the services is established, i.e. in Romania. As such, VAT is due in Romania [4].

3.a. Companies registered for VAT purposes apply the reverse charge mechanism when the service provider, from the European Union, is a taxable person for VAT purposes. The beneficiary, from Romania, applies the reverse charge mechanism, calculates and records the VAT by debiting account 4426 "VAT deductible" and crediting account 4427 "VAT collected".

The following types of services are exempt from this rule [4]:

- services related to immovable property – taxation takes place where the property is located;
- passenger transport services – taxation takes place where the transport is carried out taking into account the distances covered;
- cultural, artistic, sports, educational services – taxation takes place where the activity is carried out;
- restaurant and catering services – taxation takes place where the services are physically provided.

3.b. Companies that are not registered for VAT purposes because they have not exceeded the legal ceiling (395,000 lei) or have not opted to be a VAT payer, and purchase services from the EU in Romania, are required to request a special VAT code for intra-community operations. This code is requested from the first purchase of services from the EU, without a minimum value ceiling.

The EU supplier issues the invoice without VAT, the beneficiary in Romania is obliged to pay VAT, who will calculate, declare and pay the value added tax applying the Romanian rate. The VAT payment will be made to the state budget by the 25th of the month following receipt of the invoice. The beneficiary will submit the following monthly, for the months in which it made intra-community purchases, by the 25th of the following month:

- form 301 – “Special VAT return”;
- form 390 VIES – “Recapitulative declaration on intra-community supplies/ acquisitions/ services”.

Since the special VAT code does not entitle the beneficiary to deduct the value added tax, for the purchase made, the VAT will increase the expenses by recording the amount due using account 635 “Expenses with other taxes, duties and similar payments”.

4. Intra-community acquisitions of new means of transport and excise goods

Purchases from the EU of new means of transport and excise goods are always taxable, from a VAT point of view, in the country of destination or consumption, i.e. Romania. A new means of transport is a vehicle that meets at least one of the following conditions at the date of delivery [4]:

- it was delivered within 6 months of the date of first registration;
- it has not travelled more than 6,000 km.

Excise goods include alcohol, alcoholic beverages, manufactured tobacco and energy products.

The supplier of new means of transport or excise goods from the EU issues an invoice without VAT from his country. The beneficiary owes the value added tax in Romania as follows:

1. VAT paying entities apply the reverse charge mechanism, namely they will record the VAT, according to the Romanian rate, in the debit of account 4426 „VAT deductible” and in the credit of account 4427 „VAT collected”. The value added tax is 100% deductible if the means of transport is used for economic activities, or 50% if it is also used for personal purposes [4].

2. non-VAT paying entities, regardless of whether or not they have exceeded the intra-community acquisition ceiling of 10,000 euros, owe the value added tax in Romania. The amount representing the VAT will increase the value of the new means of transport purchased, or the value of the excise goods purchased.

The declaration of VAT obligations related to these purchases is made by submitting:

- form 301;
- form 390 VIES;

The declaration of excise duties, for products from the EU, is made by submitting form 120 – „Excise duty return” [12].

The excise duty is determined by applying the new levels [5] to the invoice value, the respective amount being included in the acquisition cost of the products. The value added tax is determined by applying the Romanian VAT rate to the invoice value plus excise duty.

5. Accounting for value added tax on intra-community acquisitions

a. Entities that purchase goods or services intra-community and are registered for VAT purposes, apply reverse charge to record in the accounting the VAT related to [10]:

4426	=	4427	VAT value in Romania
„Deductible VAT”		„VAT collected”	

b. An entity that has an intra-community VAT code but is not registered for VAT purposes will not use accounts 4426 “VAT deductible” and 4427 “VAT collected” because it cannot apply the reverse charge itself. This entity will pay the value added tax to the Romanian state, and will record the respective amount as an expense [1]:

635	=	446	VAT value in Romania
“Other tax expenses, taxes and similar payments”		„Other taxes, duties and similar payments”	

and payment to the state budget:

446	=	5121	amount owed
„Other taxes, duties and similar payments”		„Bank accounts in lei”	

or, will record the value added tax in the acquisition cost of the goods and will pay the respective amount to the budget:

3xx	=	446	the amount representing
„Stocks”		„Other taxes, duties and similar payments”	VAT in Romania

and

446	=	5121	amount owed
„Other taxes, duties and similar payments”		„Bank accounts in lei”	

c. Companies that do not exceed the ceiling of 10,000 euros, have not opted for the intra-community VAT code, and are not registered for VAT purposes, when purchasing goods from the European Union, will register:

3xx	=	401	purchase value (including
„Stocks”		„Providers”	supplier VAT)

6. Case studies

I. S.C. X S.R.L., an entity from Romania, purchases raw materials (white flour) from Hungary, worth 8,000 euros, at an exchange rate of 5.08 lei/euro, on 5.01.2026. On 9.01.2026, it purchased raw materials (white flour) from Germany, worth 9,000 euros, at an exchange rate of 5.10 lei/euro. The VAT rate for white flour is 18% in Hungary and 7% in Germany.

There are the following situations:

a. S.C. X S.R.L. is not registered for VAT purposes in Romania

The accounting entries related to purchases are:

- purchase of raw materials from Hungary (the purchase cost also includes the value of VAT, according to the Hungarian rate)

301	=	401	47,955.20 lei
„Raw materials”		„Providers”	

- payment of the obligation to the supplier in Hungary, at the exchange rate of 5.10 lei/euro

%	=	5124	48,144.00 lei
401		„Foreign currency bank accounts”	47,955.20 lei
„Providers”			

665			188.80 lei
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“Expenses from exchange rate differences”

- purchase of raw materials from Germany

Since this purchase will exceed the ceiling of 10,000 euros, S.C. X S.R.L. is obliged to obtain the special VAT code. S.C. X S.R.L. will determine and pay VAT in Romania.

301	=	401	45,900.00 lei
„Raw materials”		„Providers”	

- value added tax, according to Romanian tax legislation

635	=	446	5,049.00 lei
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“Other tax expenses, taxes and similar payments”

- payment of the obligation to the supplier in Germany, at the exchange rate of 5.06 lei/euro

401	=	%	45,900.00 lei
„Providers”		5124	45,540.00 lei

„Foreign currency bank accounts”			
		765	360.00 lei

„Income from exchange rate differences”

- VAT payment, until 25.02.2026

446	=	5121	5,049.00 lei
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„Other taxes, duties and similar payments”

b. S.C. X S.R.L. is registered for VAT purposes in Romania. Thus, for intra-community acquisitions, the reverse charge mechanism for VAT will apply

The accounting entries related to the acquisitions are:

- purchase of raw materials from Hungary

301	=	401	40,640.00 lei
„Raw materials”		„Providers”	

- reverse charge (VAT rate 11%)

4426	=	4427	4,470.40 lei
„Deductible VAT”		„VAT collected”	
• payment of the obligation to the supplier, at an exchange rate of 5.10 lei/euro			
%	=	5124	40,800.00 lei
401		„Foreign currency bank accounts”	40,640.00 lei
„Providers”			
665			160.00 lei
“Expenses from exchange rate differences”			
• purchase of raw materials from Germany			
301	=	401	45,900.00 lei
„Raw materials”		„Providers”	
• reverse charge			
4426	=	4427	5,049.00 lei
„Deductible VAT”		„VAT collected”	
• payment of the obligation to the supplier in Germany, at the exchange rate of 5.06 lei/euro			
401	=	%	45,900.00 lei
„Providers”		5124	45,540.00 lei
		„Foreign currency bank accounts”	
		765	360.00 lei
		„Income from exchange rate differences”	
II. S.C. Y S.R.L. from Romania, purchased advertising services from Germany, in the amount of 1,000 euros, at an exchange rate of 5.05 lei/euro.			
The following situations exist:			
a. S.C. Y S.R.L. is not registered for VAT purposes. For the purchase of intra-community services, there is no ceiling (10,000 euros), the company is required to have a special VAT code before purchasing the services.			
The accounting entries related to the purchase of the service are:			
• receipt of the invoice from the supplier, excluding VAT:			
628	=	401	5,050.00 lei
“Other expenses with services performed by third parties		„Providers”	
• determining the VAT payable and accounting registration			
VAT payable = 5,050 x 21% = 1,060.50 lei			
628	=	446	5,050.00 lei
“Other expenses with services performed by third parties		„Other taxes, duties and similar payments”	
• payment of the obligation to the supplier, at an exchange rate of 5.09 lei/euro			
%	=	5124	5,090.00 lei
401		„Foreign currency bank accounts”	5,050.00 lei
„Providers”			
665			40.00 lei
“Expenses from exchange rate differences”			
• payment of VAT to the state budget, by the 25th of the following month			
446	=	5121	1,060.50 lei
„Other taxes, duties and similar payments”		„Bank accounts in lei”	
b. S.C. Y S.R.L. is registered for VAT purposes. The supplier issues the invoice without VAT, S.C. Y S.R.L. will apply the reverse charge mechanism. VAT is not paid to the supplier or to the state budget, it will only be recorded in the accounting records.			
• receipt of the invoice from the supplier			

628	=	401	5,050.00 lei
“Other expenses with services performed by third parties		„Providers”	
• reverse charge			
4426	=	4427	1,060.50 lei
„Deductible VAT”		„VAT collected”	
• payment of the obligation to the supplier in Germany, at the exchange rate of 5.06 lei/euro			
401	=	%	5,050.00 lei
„Providers”		5124	5,040.00 lei
		„Foreign currency bank accounts”	
		765	10.00 lei
		„Income from exchange rate differences”	
III. S.C. Z S.R.L. from Romania, purchased 40,000 cigarettes (2,000 packs) from France, worth 4,000 euros, at an exchange rate of 5.10 lei/euro.			
There can be 2 situations:			
a. S.C. Z S.R.L. is not registered for VAT purposes. The supplier will issue a VAT-free invoice S.C. Z S.R.L. owes, in Romania, VAT and excise duty.			
The related accounting entries are:			
• purchase of cigarettes			
371	=	401	20,400.00 lei
„Goods for sales”		„Providers”	
The purchase of excisable products is not influenced by the ceiling (10,000 euros), as a result:			
• determination and recording of excise duty			
Total excise tax = 40 x 718.97 lei = 28,758.80 lei			
371	=	446 excise tax analytical	28,758.80 lei
„Goods for sales”		„Other taxes, duties and similar payments”	
• value added tax due in Romania			
The calculation base for VAT is made up of the value of the goods and the value of the excise duty			
VAT = (20,400 + 28,758.80) x 21% = 10,323.35 lei			
371	=	446 VAT analytical	10,323.80 lei
„Goods for sales”		„Other taxes, duties and similar payments”	
• payment of the obligation to the supplier at a rate of 5.08 lei/euro			
401	=	%	20,400.00 lei
„Providers”		5124	20,320.00 lei
		„Foreign currency bank accounts”	
		765	80.00 lei
		„Income from exchange rate differences”	
• payment of budgetary obligations			
%	=	5121	39,082.15 lei
446 excise tax analytical		„Bank accounts in lei”	28,758.80 lei
„Other taxes, duties and similar payments”			
446 VAT analytical			10,323.80 lei
„Other taxes, duties and similar payments”			

b. S.C. Z S.R.L. is registered for VAT purposes The supplier will issue the invoice without VAT, and the beneficiary will owe excise duties, in Romania, and will apply the reverse charge mechanism for VAT. The accounting entries are:

• purchase of cigarettes					
371	=	401			20,400.00 lei
„Goods for sales”		„Providers”			
• determination and recording of excise duty					
Total excise tax = 40 x 718.97 lei = 28,758.80 lei					
371	=	446 excise tax analytical			28,758.80 lei
„Goods for sales”		„Other taxes, duties and similar payments”			
• reverse charge					
4426	=	4427			10,323.35 lei
„Deductible VAT”		„VAT collected”			
• payment of budgetary obligations					
446	=	5121			28,758.80 lei
„Other taxes, duties and similar payments”		„Bank accounts in lei”			
• payment of the obligation to the supplier at a rate of 5.11 lei/euro					
%	=	5124			20,440.00 lei
401		„Foreign currency bank accounts”			20,400.00 lei
„Providers”					
665					40.00 lei
“Expenses from exchange rate differences”					

7. Conclusions

For intra-Community purchases of goods and services, reverse charge is applied when both the supplier and the beneficiary are registered for VAT purposes; the supplier issues the invoice without VAT, and the beneficiary applies the reverse charge mechanism.

For entities that prepare a quarterly VAT return and that make a taxable intra-Community purchase of goods or services in Romania, the fiscal period for VAT reporting becomes the calendar month.

These entities submit, monthly, to the tax authorities, form 300 and form 390 VIES. Companies that are not registered for VAT purposes are required to request and obtain an intra-Community VAT code when making intra-Community purchases of goods and exceed the threshold of 10,000 euros, respectively 34,000 lei.

For intra-community purchases of services, new means of transport and excise goods, regardless of the value of the purchases, non-VAT companies owe VAT in Romania, which is paid to the state budget.

Entities that purchase goods from the EU and do not exceed the threshold of 10,000 euros may opt to obtain and use the special VAT code, when the VAT rate in Romania is lower than the VAT rate that the supplier must apply.

Non-VAT companies that make intra-community purchases and have a special VAT code submit, monthly, form 301 and form 390 VIES, with the exception of entities that purchase goods from the EU, have not exceeded the threshold of 10,000 euros and do not owe VAT in Romania.

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