

# Tax Newsflash

## The Romanian tax authorities (ANAF) publish the draft Order detailing the procedure for the “Notification concerning the declaration and payment of the domestic top-up tax” under Pillar Two rules

### Background

Law 431/2023 on ensuring a global minimum level of taxation of large multinational and national enterprise groups ("Law 431") entered into force on 8 January 2024. The legislation transposes into national law the provisions of Directive 2523/2022 on ensuring a minimum level of taxation ("Directive 2523"), which incorporates the guidelines of the second pillar of the "Global Anti-Base Erosion Model Rules" (hereafter referred to as the "GloBE Rules" or "Pillar Two") issued by the OECD/G20 Inclusive Framework on BEPS, as well as the Administrative Guidelines on the GloBE Rules.

Under Law 431, each Romanian constituent entity which is part of a group of companies subject to Pillar Two rules needs to declare and pay its share of the domestic minimum top-up tax within 15 months of the end of the financial year (18 months for the first year in which the Pillar Two rules apply). However, as a simplification measure, Law 431 states that the group has the option to designate a local constituent entity to declare and pay the domestic top-up tax in Romania. The deadline for notifying this option is 6 months after the end of the financial year (i.e. 30 June 2025 for calendar year taxpayers).

### Notification template for declaring and paying the domestic top-up tax

On 20 June 2025, ANAF published a draft Order to approve the template and content of the form *Notification concerning the obligation to declare and pay the domestic top-up tax*.

The Order has not yet been approved and may be subject to further amendments.

The draft Order currently states that the following information must be included in the notification:

- a) Information about the taxpayer which is submitting the notification (name, tax ID number, address, type of entity for Pillar Two purposes – i.e. ultimate parent entity, constituent entity, locally designated entity).
- b) Information about the group of companies the taxpayer is a member of (name of the MNE group / large-scale domestic group that is usually used in preparing consolidated financial statements).
- c) Information about all the Romanian constituent entities (name, address, tax ID number, whether the entity is a designated entity or not).
- d) Information about any designated entity which will declare and pay the jurisdictional top-up tax.
- e) Information about the fiscal year applicable for Pillar Two purposes.

The notification must be submitted electronically to the Romanian tax authorities, using a qualified electronic signature.

### KPMG Comments

- The Order has not yet been approved and the final form may be different from the draft.
- In order to be applicable, the Order needs to be published in the Official Journal of Romania.



- Currently, it would seem that the constituent entity which submits the Notification can be different from the local designated constituent entity which declares and pays the jurisdictional top-up tax. It remains to be seen what the final version of the form will look like once all the administrative approvals have been finalized.

*Toate informațiile prezentate au un caracter general și nu sunt destinate a se adresa condițiilor specifice unei anumite persoane fizice sau juridice. Deși încercăm să furnizăm informații corecte și de actualitate, nu există nici o garanție că aceste informații vor fi corecte la data la care sunt primite sau că vor continua să rămână corecte în viitor. Nu trebuie să se acționeze pe baza acestor informații fără o asistență profesională competentă în urma unei analize atente a circumstanțelor specifice unei anumite situații de fapt.*

## Contact

### KPMG în Romania

Șoseaua București - Ploiești, nr. 89A  
Sector 1, București 013685, Romania  
Tel: +40 372 377 800 / Fax: +40 372 377 700  
Internet: [www.kpmg.ro](http://www.kpmg.ro)  
E-mail: [kpmgro@kpmg.ro](mailto:kpmgro@kpmg.ro)

### René Schöb

Partner, Head of Tax & Legal,  
KPMG in Romania  
E: [rschob@kpmg.com](mailto:rschob@kpmg.com)

### Mădălina Racovițan

Partner, Tax,  
KPMG in Romania  
E: [mracovitan@kpmg.com](mailto:mracovitan@kpmg.com)

### Laura Toncescu

Partner KPMG,  
Head of KPMG Legal – Toncescu și Asociații  
E: [ltoncescu@kpmg.com](mailto:ltoncescu@kpmg.com)

### Alin Negrescu

Partner, Tax,  
KPMG in Romania  
E: [vnegrescu@kpmg.com](mailto:vnegrescu@kpmg.com)

### Daniel Pană

Partner, Tax,  
KPMG in Romania  
E: [dpana@kpmg.com](mailto:dpana@kpmg.com)

### Inga Țigai

Partner, Tax,  
KPMG in Romania  
E: [ingatigai@kpmg.com](mailto:ingatigai@kpmg.com)