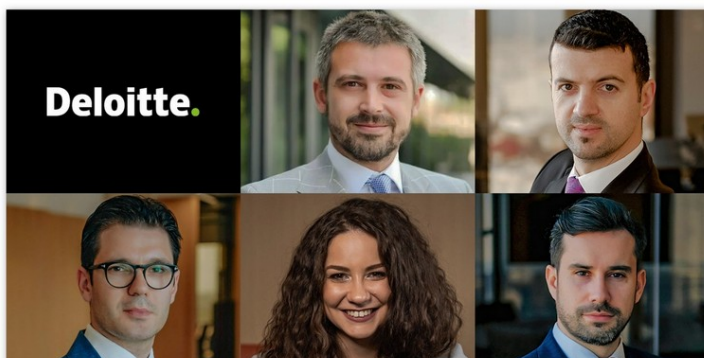


Deloitte Romania and Reff & Associates obtained a referral to the CJEU by the Bucharest Court of Appeal in a dispute regarding VAT on transactions not involving the supply of goods or services



A multidisciplinary team of tax litigation lawyers from Reff & Associates | Deloitte Legal and tax advisors from Deloitte Romania has obtained a referral to the Court of Justice of the European Union (CJEU) by the Bucharest Court of Appeal in a dispute between a Romanian taxpayer and the national tax authority, concerning the VAT on transactions that regard transfer pricing adjustments. The opinion of the European court is important, as the applicable regulations in such cases are not clear enough and there aren't any landmark decisions of European courts on similar disputes.

As a result, case C-726/23 was registered, which practically brings to CJEU's attention the VAT treatment applicable to invoices issued between companies within the same group, for the adjustment of prices in order to comply with the principles of market price in intra-group transactions and the allocation of profits according to the activities carried out and the risks assumed by each company. Specifically, these are invoices which do not regard the supply of goods or services, but for which VAT has been imposed by the tax authority. Thus, the European court should answer whether such transactions should be considered as having been carried out in respect of a transaction which is outside the scope of VAT or not.

The implications of the CJEU's response will be profound in the current European context, as many multinational companies operate through a complex network of affiliated entities, and the acquisition of intra-group services is both a necessity and a widespread practice.

"The CJEU decision will have a significant impact on how these companies structure their intra-group operations and transactions internationally. We look forward to the court's decision and we are proud that we can contribute to shaping the European tax framework by clarifying key issues related to the taxation of large taxpayers at European level. At the same time, we reaffirm our commitment to support our clients' interests against all tax challenges, which are becoming more and more complex," said **Vlad Boeriu**, *Tax and Legal Partner-in-Charge, Deloitte Romania*.

"Although this step represents only the first one in our efforts to obtain confirmation of the correctness of the tax treatment applied by our client, the future analysis that the CJEU will carry out is all the more welcome as the issue submitted to the attention of the European court has generated debate not only locally, but even in international tax forums", said **Alex Slujitoru**, *Partner Reff & Associates | Deloitte Legal, leader of the tax litigation practice*.

The team that contributed to this case also includes tax litigation lawyers **Emanuel Bondalici**, Senior Managing Associate, and **Mircea Farcau**, Managing Associate, Reff & Associates | Deloitte Legal, as well as **Catalina**

Cojocaru, Senior Manager Indirect Tax, Deloitte Romania.