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Planul Național de Redresare și Reziliență

"PNRR: Funds for a modern and reformed Romania!"

Assistance Guide for establishing tax residency for Foreign Researchers

This guide is addressed to non-resident individuals conducting research activities in the Western region of Romania, seeking taxation of income earned within Romanian territory. This can be achieved through a straightforward procedure, starting with **establishing tax residency.**

CeCOCe-VEST

Resource from the Counseling and guidance center for research career - Western region

https://cecocevest.uvt.ro/

1944-2024
80 years
West University of Timișoara

I. INTRODUCTION

What does tax residency mean?

Tax residency is the requirement to pay taxes on income earned in the location where an individual lives and works consistently. The determination of tax residency is based on the length of stay. In Romania, an individual is classified as a tax resident if they spend over 183 days in a fiscal year.

Why is establishing tax residency important?

- Establishing tax residency is crucial for accurately defining an individual's tax responsibilities. It helps prevent double taxation and ensures that **taxes are paid in one jurisdiction**—the country where the individual conducts their professional activities and resides. This can result in substantial savings and prevent various tax-related complications.
- **Tax residency determination is mandatory** and is determined by specific criteria established by tax authorities. These criteria typically include factors such as the duration of stay in a country, the center of vital interests (including family, assets, and economic activities), and the location of professional activity and/or permanent residence.

Adhering to these criteria ensures fair and accurate taxation. This approach also facilitates compliance with legal obligations and promotes transparency in tax matters.

Foreign researchers interested in establishing their tax residency in Romania must follow the steps outlined by Romanian laws and regulations, as follows:

01 Tax Forms

"The questionnaire for establishing the tax residency of an individual upon arrival in Romania" form must be completed and submitted to ANAF (National Agency for Fiscal Administration).

02

Recognition by CNRED (for researchers from an EU member state):

Acceptance Agreement, Research Visa, Acceptance Letter
Recognition Certificate from CNRED (for researchers from a non-EU member state)

03

Residence Permit for Foreigners:
Requested at the General Inspectorate for Immigration

Registration of Residence:
At the local population registry office

04

Tax Identification Number (TIN)

Requested at the National Agency for Fiscal Administration (ANAF)

Criteria for determining tax residency for individuals, according to the Convention on the Avoidance of Double Taxation of the Organisation for Economic Co-operation and Development (OECD)

The main elements considered for determining tax residency according to **the Fiscal Code** are:

- **residence in Romania;**
- **permanent residence in Romania of the individual**, which may be owned or rented, or which remains available at any time for this person and/or their family;
- **center of vital interests located in Romania**; the center of vital interests refers to the place where the most frequent and closest personal and economic relationships of the individual are maintained.
- the individual is present in Romania for a **period or several periods that exceed a total of 183 days during any consecutive 12-month period**, which ends in the calendar year in question

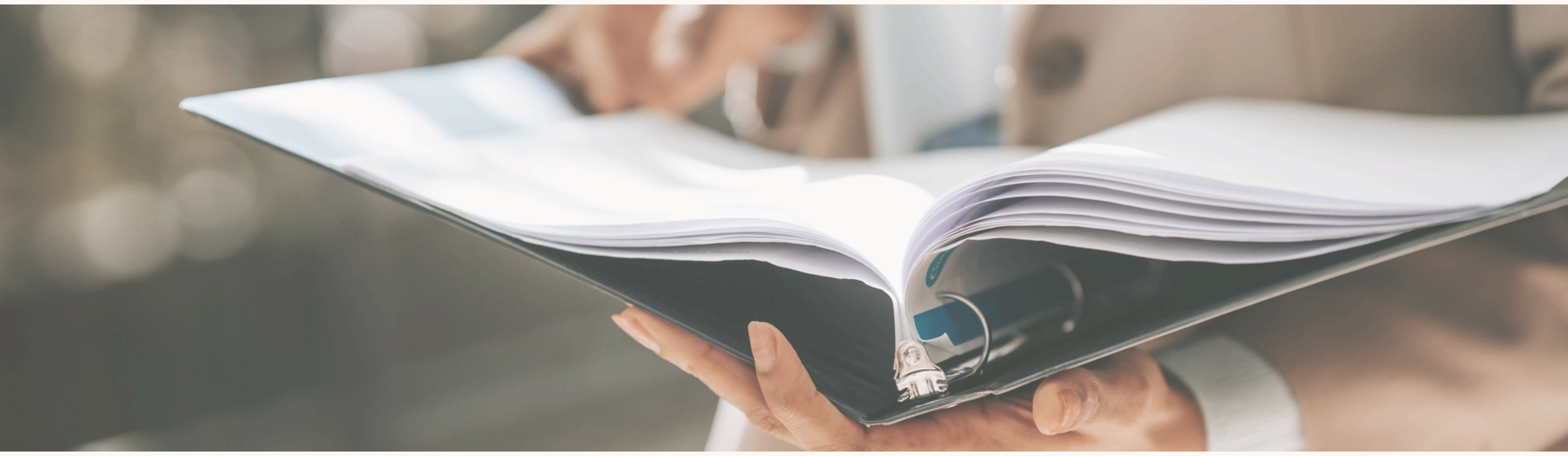
If a non-resident individual does not prove residency in a country with which Romania has a double taxation treaty, or is a resident of a country with which Romania does not have a treaty but meets the residency conditions provided by law, they will be considered a resident of Romania.

Non-resident individuals must register with the competent central tax authority within 30 days of reaching the 183-day presence threshold in Romania.

In this case, the individual is subject to full tax liability in Romania, being taxed on income earned from any source, both within Romania and outside Romania, starting from the date they become a tax resident in Romania. Upon request, they will be issued a tax residency certificate. The competent central tax authority will certify in the **tax residency certificate** the year(s) or the period within the year for which the individual is considered a tax resident in Romania.

The questionnaire can be downloaded from the National Agency for Fiscal Administration portal: www.anaf.ro, under the section "*Taxpayer Assistance*", subsection "*Declaration of Tax Obligations*", category "*All forms, with explanations*". It can be submitted to the competent central tax authority's registry office in person or by an authorized representative, or it can be sent by mail with proof of delivery.

The electronic form of the questionnaire is published on the National Agency for Fiscal Administration (ANAF) portal (www.anaf.ro) under the "*Online Services*" section, in the "*Download Electronic Declarations*" category - "*Download Declarations*".
Taxpayers can download it using this link. The form is listed under the following name: **Z015 - Questionnaire for establishing the tax residency of an individual upon arrival in Romania.**



Documents required for tax registration/proof of residency:

Individuals are required to attach the following supporting documents to the "Questionnaire for establishing tax residency of individuals upon arrival in Romania":

- *Copy of passport, valid (EU citizens attach a copy of the passport or valid national ID card).*
- *Copy of identity card/permanent residence card/residence permit/tax registration certificate issued by the competent authority in Romania.*
- *Documents proving the existence of a residence in Romania for the individual, which may be owned or rented, or remains available at any time for this person and/or their family.*
- *Where applicable, the tax residency certificate issued by the competent authority of the foreign state with which Romania has a double taxation treaty, or another document issued by an authority other than the tax authority, which certifies tax residency according to the domestic legislation of that state, in original or legalized copy, accompanied by a certified translation into Romanian.*
- *A document issued by the foreign tax authority certifying that the individual has been deregistered from their tax records, if applicable, accompanied by a certified translation into Romanian.*
- *Any other documents that may support the determination of the individual's tax residency. The tax residency certificate issued by the competent authority of the foreign state with which Romania has a double taxation treaty or document issued by another authority than the tax authority is valid for the year/years for which it is issued.*

The submission of questionnaires:

The submission of questionnaires has been mandatory since the entry into force of Order No. 74/2012 of the Minister of Public Finance, which regulated aspects regarding the tax residency in Romania of individuals. This order was repealed by Order No. 1099/2016 of the Minister of Public Finance, which is in force at the date of this guide.

In case taxpayers have not fulfilled their declarative obligations according to Order No. 74/2012 of the Minister of Public Finance, they are required to submit the following questionnaires:

- **Questionnaire for determining the fiscal residence of the individual upon arrival in Romania**, according to Order No. 1099/2016 of the Minister of Public Finance, can be accessed **here.**
- **Questionnaire for determining the fiscal residence of the individual when leaving Romania**, according to Order No. 1099/2016 of the Minister of Public Finance, can be accessed **here.**

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Administrative and financial procedures for establishing tax residency for foreign researchers

Procedures for researchers domiciled in an EU member state

1. **To be employed as a researcher** in Romania, holding a doctoral degree or a graduate degree that grants access to research programs or postdoctoral research obtained abroad, it is necessary to have the academic degree evaluated for equivalence to the Romanian education system. This evaluation is conducted by submitting the foreign-acquired degree certificate to the Ministry of Education of Romania, specifically to CNRED (National Centre for Recognition and Equivalence of Diplomas).
Obtaining the equivalence of diplomas is crucial for proper classification into the corresponding position within the research project, based on the level of studies and specializations held. The documents required for the recognition of higher education qualifications, when issued in Romanian, English, French, Spanish, or Italian languages, can be submitted **online**.

For more details and the complete procedure for the recognition of studies, you can find them here.

2. **After obtaining recognition and equivalence** of the foreign-acquired degree certificate, the dossier containing the necessary documents for employment in a research project will be submitted to a university or another research and development institution (INCD) in the Western Region of Romania. **Employment will be formalized through the signing of an employment contract between the researcher and the university/research institution.**

3. **After being hired and obtaining the residence permit**, the researcher will be able to **request the opening of a bank account in Romania** where salary or royalty payments can be deposited.

After entering Romania, it is necessary to apply for a residence permit. This document certifies the right to reside in Romania. To obtain the residence permit, the researcher will need to personally submit a series of documents at the territorial units of the General Inspectorate for Immigration in the county where they will reside.

The application can also be submitted online through https://portaligi.mai.gov.ro/.

Submitting the application and necessary documents online does not constitute the official submission of documents. The legal processing period begins from the date of presentation at the counter for registering the application and, if required, collecting biometric data. Upon registering the application and submitting the documents at the territorial unit of the General Inspectorate for Immigration, additional documents may be requested depending on each person's specific situation, beyond those submitted online.

The residence permit is a necessary document that includes a 13-digit personal identification number known as the Personal Numeric Code (CNP).

For more information, click **here**.

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Procedures for researchers domiciled in a non-EU state

1). A researcher domiciled in a non-EU state who intends to conduct research and development activities at a research institution in Romania for more than 90 days must obtain a Hosting Agreement. This agreement specifies the legal relationship between the researcher and the research institution, outlining the researcher's working conditions following the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers, as detailed in Article 4 of Order No. 1006/5.12.2018 (see Bibliography).
2). To obtain approval for the Hosting Agreement, the authorized research and development institution must submit three original copies to the Ministry of Research and Innovation's registry. The Ministry of Research and Innovation will issue approval on the "Hosting Agreement" form within a maximum of 30 days from the request by the authorized institution.
3). The Ministry of Research and Innovation will send two signed copies of the Hosting Agreement to the authorized institution upon approval. The institution can then forward the approved document to the researcher via email, **which the researcher can use to apply for a long-stay visa for scientific research activities at Romania's diplomatic missions or consular offices.**

The documents required for obtaining the long-stay visa for scientific research activities include:
a. ***Approved Hosting Agreement*** *issued by the Ministry of Research and Innovation;*
*b.**Certificate of criminal record** or equivalent document issued by authorities in the researcher's country of domicile or residence;*
c. ***Valid medical insurance*** *covering the entire duration of the visa validity period.*

For more detailed information and the complete procedure, click here.

Obtaining the long-stay visa for scientific research activities is necessary for finalizing the employment contract.

4). A foreign researcher residing outside the European Union, holding a doctoral degree or a higher education degree that allows access to research or postdoctoral research programs obtained abroad, must obtain an evaluation of the level of their academic degree, the field of study, and specialization in relation to the Romanian education system. For this purpose, the degree certificate obtained abroad must be submitted to the Ministry of Education of Romania, specifically to CNRED (National Centre for Recognition and Equivalence of Diplomas).

Additional information can be found here.

5). For a foreign researcher residing outside the European Union who wishes to apply for a doctoral/postdoctoral study program or a research position in Romania, the procedure for obtaining the recognition of studies and enrolling as a foreign citizen will differ. Universities that offer access to these studies establish an online registration period and send the candidates' files to the Ministry of Education for verification and the issuance of the Letter of Acceptance.
6). Foreign researchers residing in a non-EU country who have obtained the necessary documents, including the Hosting Agreement, the long-stay visa for scientific research activities, the Letter of Acceptance, the Certificate of Recognition of Studies from CNRED, and the PhD/Postdoctoral Certificate, can then submit a file with personal documents to the hiring research and development institution for **the conclusion of the employment contract.**
7). After entering Romania, they must obtain a residence permit. The final administrative step is to submit an official residence permit application to the General Inspectorate for Immigration. The application must be submitted in person, and the residence permit is important because it contains a 13-digit number that will serve as a personal identification number (CNP). With the issued residence permit, the researcher can apply for a bank account in Romania where salary or royalty payments will be transferred.

Additional information can be found here.

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All researchers, regardless of their residency status before moving to Romania and regardless of whether they will earn taxable income in Romania, must obtain a Tax Identification Number (NIF).

Researchers who work online or do not need to be physically present in the country to conduct their research projects should apply for the Tax Identification Number (NIF) at the National Agency for Fiscal Administration (ANAF).

Tax Identification Number (NIF)

In Romania, individuals who owe taxes to the Romanian state must have a tax identification number (NIF). The tax identification number (NIF) is a numeric code used to declare fiscal obligations to the authorities.

Foreign individuals who earn income that is subject to withholding tax need to get a tax identification number (NIF). To do this, they must submit the Fiscal Registration Declaration form 030 within 30 days of earning their first income.

Foreign individuals who earn income that is subject to withholding tax need to get a tax identification number (NIF). To do this, they must submit the **Fiscal Registration Declaration form 030** within 30 days of earning their first income.

In addition to this declaration, the following ***documents need to be submitted:***
a. ***A copy of the national identity document or passport****, depending on applicability;*
b. ***Documentation indicating the reason for requesting the tax identification number (NIF)****, such as a copy of the employment contract;*
c. ***An original notarized power of attorney and a copy of the Romanian representative's identity card*** *if the documents are being submitted by a Romanian representative.*

The declaration may be submitted in person, through an authorized representative, or online. In physical format, it can be submitted directly at the tax authority or sent by registered mail at the post office. The declaration only needs to be completed once, upon earning the first income or upon the first fiscal registration.

The tax identification number (NIF) is granted within a maximum period of 30 days from the date the required documents are submitted to the National Agency for Fiscal Administration (ANAF). If necessary, an application for expedited issuance of the document can also be submitted.

More information can be found here.

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All services* provided by the Counseling and guidance center for research career - Western region regarding tax residency determination are free of charge.

For researchers coming to the West University of Timișoara or its research structures, assistance services regarding tax residency determination are conducted in collaboration with the International Relations Department and the Human Resources Department of UVT.

For further information, please reach out to us at cecoce_vest@e-uvt.ro.

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Bibliography:

- ORDER no. 1006 of December 5, 2018, approving the Methodological Norms regarding the procedure for approval of the hosting agreement for third-country researchers to conduct research, development, and innovation activities in Romania.
- Emergency Ordinance no. 194 of December 12, 2002, regarding the regime of foreigners in Romania, with subsequent amendments and completions.
- Government Decision no. 898 of September 7, 2011, regarding the form and content of residence permits, travel documents, and other documents issued to foreigners.
- Guide to the Tax Residence of Individuals (EN)

Useful links:

- **https://bit.ly/ANAF_FiscalForms (EN)**
- **https://cnred.edu.ro/studii-universitare/**
- **https://cnred.edu.ro/en/recognition-of-higher-education-study-documents-for-third-countries- citizens-to-facilitate-the-access-to-labour-market-in-Romania/**
- **https://igi.mai.gov.ro/en/category/diverseen/free-movement/**
- **https://static.anaf.ro/static/10/Anaf/AsistentaContribuabili_r/Conventii/Conventii.htm**
- **https://uefiscdi.gov.ro/news-viza-de-lunga-sedere-pentru-activitati-de-cercetare- stiintifica**
- **https://www.anaf.ro/**
- **https://igi.mai.gov.ro/en/citizens-of-eu-eea/**
- **https://uefiscdi.gov.ro/news-viza-de-lunga-sedere-pentru-activitati-de-cercetare-stiintifica**
- **FISCAL FORMS IN ENGLISH**
- **030 Declaration for fiscal registration declaration of entries/declaration of deletion for natural persons who do not have a personal identification number / 030 Declaraţie de înregistrare fiscală/declaraţie de menţiuni/declaraţie de radiere pentru persoanele fizice care nu deţin cod numeric personal (OPANAF 2034/2022).**

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