IMPACT ON THE EVOLUTION OF THE INTERNATIONAL SYSTEM OF TAXATION AND CUSTOMS OF ROMANIAN MODERN AND CONTEMPORARY PERIOD (1859 - 2013)

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Abstract:
Since the formation of the United Principalities (24/01/1859), Romania has undergone a series of profound, permanent reforms of its fundamental institutions. The international context had an influence important, often enteritis in shaping its institutions, including the system of taxes.

We plan to make a brief review of taxation in modern Romania, starting from the formation of the United Principalities (1859) via the international recognition of Romania as a kingdom (1881), the formation of the National Unitary (1918) international recognition (1919 - 1921), the interwar period (1918-1939), the Second world War (1939-1945) suffered territorial losses in 1940 , the communist period (1945-1989), the post-communist period (1989-2006), will deepen in a future article pre and post EU accession in terms of fiscal and customs.

Keywords: The international system of taxation, customs Regulation, Customs Code of the European Union, Community customs legislation.

Clasificare JEL: G32, G38

1. Introduction:
On the OECD released its added plan in July 2013 which details the reasons which prompted its formalization, and the ways of implementing the 15 actions affecting erosion in the tax base and the transfer of profits abroad. Specifically some of these actions within the implementation in 2014 and so will be able to analyze their impact on Romanian legal environment and thus the activity of economic agents operating in Romania. In concrete proposed OECD Model Convention updates and guidelines on transfer pricing. Romanian legislation is supplemented by the provisions of these recommendations so it is important to anticipate the magnitude of these changes. White Paper in the OECD transfer pricing documentation suggests otherwise and recapitulation directions and initiatives in transfer pricing documentation and transfer pricing documentation change to a more simple and direct.

Regarding legislative updates in customs and excise duties, I have listed above some information on the new Customs Code (“EU Customs Code”) approved and came into force in November 2013 (eg restructuring regimes and customs destinations, status of authorized economic operator (AEO), centralized clearance or newly introduced simplified procedure, called the self - assessment), updates the conditions under which companies can obtain deferment certificate VAT, customs, and information on new provision of excise duty applicable from the current year 2014 (eg determining the exchange rate used to calculate excise duty excise new products, changes in excise duties, changes on warranties etc ).

2. Impact on the evolution of the international system of taxation and customs of Romanian modern and contemporary period
If the Paris Convention of 1858 first introduced “impositum nullum sine lege” as a concept in the financial-budgetary[1] in the United Principalities were soon introduced regulations being adopted draft Customs Administration of the United Principalities, Moldavia and Wallachia (Normative act included provisions on the organization of the customs service, common provisions on import and export). Financial tax (1863), tax on spirits (1867), payroll taxes (1877) and the kingdom of Romania - by 1881 - income tax on industrial (1912).
Great Union and the Paris (the signing of peace treaties with Germany in Versailles, June 28, 1919, with Austria, the Saint-Germain on 10 September 1919 Bulgaria at Neuilly on 27 November 1919, Hungary in Trianon, June 4, 1920, Ottoman Empire at Sèvres on August 10, 1920), Peace Conference (1919) opened a new stage in the modernization of Romania, signing treaties directly influencing the recognition of the National Unitary Romanian state modernization efforts including taxation.

Thus in 1921 Titulescu Act (Once the war ended, it took administrative unification of the entire country. The administrative reform is also known as "Reform Titulescu"). Titulescu presented in Parliament on March 22, 1921 - The bill to reform the direct contributions was approved on 1 August 1921) introduces for the first time imposing customs tariffs, and in 1923 appears to unify Law direct contributions and establishing overall tax (thus, in 1923 the finance ministers were i.th. Gheorghe Florescu and ended Mirzescu administrative reform).

In 1927 there was adopted a new customs tariff, known as tariff Manoilescu [2], characterized by the fact that he was charged a minimal fee for countries applying preferential tax Romanian products to other countries duties ranging up to 50 % of the customs value.

Tariff was amended in 1929, under the guidance of Virgil Magearu Minister (Minister of Finance in the government of Alexandru Vaida Voivod), which is highly advanced tax for that period (Magearu Tariff, contained two types of fees: minimal irreducible - established for goods produced in the country and general reducible is negotiating with countries partner for mutual granting of tariff concessions) [3]. In 1942, in the context of World War II, was adopted Fiscal Procedure Code - law focused on rapid charging and simplified taxes [4].

After the end of WWII, since 1945, Romania falls under Soviet domination. This period is a completely different period of development previously established fiscal and customs legislation Rumanian. During this period we distinguish three phases: the Communist regime took power under the protection of Soviet occupation (1945-1948), Communist - Stalinist regime (1949-1964), the communist - nationalist (1964-1989).

The stage traveled Romania between 1945 and 1948, internally there is a downside in terms of compliance with the fundamental principles of Romanian law as enshrined in the Constitutions of 1866 and 1923. The old values were demolished by the 1945 agrarian reform [5], reform and monetary stabilization (1947) [6] Constitution Romanian People's Republic (1948) [7], nationalization of the main means of production (1948).

Under the law passed by M.A.N. 11 June 1948 were nationalized all underground resources which were in state ownership after the entry into force of the Constitution and individual business leaders, companies and associations any particular industry, banking, insurance, mining, transport and telecommunications, whose economic role of particular importance for economic and social policy of the Romanian state. Externally, treaties and international agreements to which Romania was part became inapplicable.

Romania refused in the summer of 1947 Mashall Plan.

In the second stage of the communist between 1949 and 1964, Romania joined in a fierce political isolation.

All directives coming from Moscow and this reflected in tax and customs of the country. Internally sine principle nullum impositum sine lege enshrined the Paris Convention in 1858 was flagrantly violated the mandatory quota system which farmers were obliged to pay at the whim of the local Communist representatives. What remains of private property (small agricultural properties) became cooperative plate, thus making the tax system leverage centralized collection of taxes.

Internationally, in 1948, at the initiative of the Soviet Union was established Council for Mutual Economic Assistance (CMEA) that want a reply given to the Marshall Plan and later the communist structure response to the European Communities. CAER's mission to boost trade between the countries of the Eastern bloc. In reality, the USSR communist countries could not provide comparable assistance provided by the U.S. western countries. CMEA states were: USSR, GDR, Bulgaria, Poland, Czechoslovakia, Hungary and Romani. Other non-European communist countries (Mongolia, Cuba, Vietnam) also took part in recent years in some sessions of the Council. CMEA activity where not part of China, North Korea and Albania. CMEA Secretariat and many committees were based in Moscow. CAER has failed to fulfill the role for which it was created, mainly thanks to the centrally planned economies of the Member States, exchanges of goods continues to unfold through bilateral negotiations with keeping balance of payments. As a result of the political changes in 1989 and 1990, the CMEA was self-terminated in 1991.

The third phase of the communist period (1964-1989), later the April Theses (1964) of the former communist leader Gheorghie Gheorghiu Dej from the principle of equality between the parties and communist states, clips in those sentences - characterized by some autonomy to the communist regime in Bucharest, materialized through reforms to the legal system including tax and customs and the conclusion of several treaties of economic cooperation and agreements to avoid double taxation.

After the Prague Spring and occupation by Soviet forces Czechoslovakia and the Warsaw Pact, with the exception of Romania, Romania's position in relation to the free world has changed fundamentally perceived positively in the eighth decade of the last century.

In the period 1970-1989 were concluded conventions and protocols to avoid double taxation with 24 countries among which exemplary Federal Republic of germs (1973), USA (1974) , Great Britain (1976), Sweden (1978), The Netherlands (1980), Norway (1981) etc. During 1945 - 1989 the whole foreign trade activity held only by state enterprises specialized. In 1973 was founded the General Customs Directorate, with
separate legal personality, which came to the Ministry of Finance and in 1979 entered into force last Customs Code. Customs Code of the Socialist Republic of Romania was repealed in 1997.

After 1989, with the abolition of the communist regime, tax and customs Systemic Romania underwent major changes, replacing the tax mechanism based on tax circulation goods with a complex tax system structured on direct taxes and indirect taxes. International treaties and conventions have been concluded for the avoidance of double taxation with many countries.

Regarding customs, point out that since 1990, Romanian Customs Administration has entered into a comprehensive reform process, with the ultimate objective, necessary conditions of accession to the European Union.

It was developed and adopted a new import customs tariff from January 1, 1991 optimizing the function of customs tax.

During 1992-1993, the legal framework has been improved to be harmonized with EU legislation being adopted import customs tariff nomenclature based on the Harmonized System 6-digit level (1992), using the standard form of detailed customs declaration, similar single Administrative Document used in the European Economic Community (1993), adopting import customs tariff based on the Combined Nomenclature (1993) etc.

Romanian Customs Code was developed in 1997 and subsequently amended in 2004 and 2006. Customs Regulation was developed in 1997 and subsequently amended in 2001, 2003, 2004 and 2006.


And our country must apply the provisions at European level, according to the schedule stated their Brussels. The new Customs Code of the European Union, which repealed the old legal frame work came into force on 30 October 2013.

According to EU Regulation no. 952/2013, some articles CVUE apply from that date, the date from which the Commission Regulation (EC) no. 450/2008 establishing the Community Customs Code ("Modernised Customs Code"), other provisions will apply until 1 June 2016. Since 1 November 2013, Romania directly applicable Community customs legislation and Romanian companies involved in international trade comply with the new provisions.

3. Current contributions in the field

The first step in the modernization of customs legislation, which included some steps towards a uniformity of its administration and the creation of single European customs administrations, was completed in 2008.

The second phase began on 1 November 2013, when the project of reforming the Modernised Customs Code (the so-called European Union Customs Code), which was already approved by the European Parliament came into force”. According to the latest estimates made by the European Commission, the deadline for full implementation of the EU Customs Code is expected by the end of 2019.

Customs legislation introduced modernized customs simplifications (essential the introduction of electronic declaration of goods and online communication between operators, importers/exporters and authorities) and the unification of application by the 28 customs administrations (table no.1).

### Table no.1

<table>
<thead>
<tr>
<th>No. crt.</th>
<th>Country</th>
<th>No and date of decree / law ratifying the Convention</th>
<th>Bulletin / Official Gazette published the Convention</th>
<th>Effective date</th>
<th>On which is applied</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Austria (old)</td>
<td>852/07.03.2001</td>
<td>130/2001</td>
<td>11.04.2001</td>
<td>1.01.2002</td>
</tr>
<tr>
<td>7</td>
<td>Austria (new)</td>
<td>254/03.07.1978</td>
<td>64/1978</td>
<td>10.01.1979</td>
<td>1.01.1979-31.12.2006</td>
</tr>
<tr>
<td>8</td>
<td>Austria (Protocols)</td>
<td>33/03.15.11.2005</td>
<td>1034/2005</td>
<td>01.02.2006</td>
<td>1.01.2007</td>
</tr>
<tr>
<td>9</td>
<td>Austria (Protocols)</td>
<td>2451/07.03.2013</td>
<td>448/2013</td>
<td>01.11.2013</td>
<td>1.01.2014</td>
</tr>
<tr>
<td>12</td>
<td>Belarus</td>
<td>1022/06.05.1998</td>
<td>200/1998</td>
<td>15.07.1998</td>
<td>1.01.1999</td>
</tr>
<tr>
<td>18</td>
<td>Czech</td>
<td>3723/06.1994</td>
<td>1571/1994</td>
<td>10.08.1994</td>
<td>1.01.1995</td>
</tr>
<tr>
<td>19</td>
<td>China (applicable in Hong Kong)</td>
<td>5/04.1992</td>
<td>10/1992</td>
<td>05.03.1992</td>
<td>1.01.1993</td>
</tr>
<tr>
<td>21</td>
<td>South Korea</td>
<td>1808/04.1994</td>
<td>96/1994</td>
<td>06.10.1994</td>
<td>1.01.1995</td>
</tr>
<tr>
<td>22</td>
<td>North Korea</td>
<td>104/19.06.2000</td>
<td>301/2000</td>
<td>25.08.2000</td>
<td>1.01.2001</td>
</tr>
</tbody>
</table>
23. Croatia
24. Demarco
25. Ecuador
26. Egypt
27. Switzerland
28. Switzerland (Protocol)
29. Estonia
30. Ethiopia
31. Rumanian Federation
32. Philippines
33. Finland ( old )
34. Finland ( new )
35. France
36. Georgia
37. Greece
38. India
39. Indonesia
40. Iran
41. Ireland
42. Iceland
43. Israel
44. Jordan
45. Italy
46. Latvia
47. Lebanon
48. Lithuania
49. Luxembourg
50. Luxemburg (Protocol)
51. Japan
52. Kazakhstan
53. Kuwait
54. Malaysia
55. Malta
56. Macedonia
57. Great Britain
58. Morocco ( old )
59. Morocco ( new )
60. Mexico
61. Moldavia
62. Namibia
63. Nigeria
64. Norway
65. Netherlands ( old )
66. Netherlands ( new )
67. Holland ( new )
68. Pakistan ( old )
69. Pakistan ( new )
70. Poland
71. Portugal
72. Qatar
73. R.F.Germania (old )
74. R.F.Germania ( new )
75. R.F. Jugoslavia ( applies to Serbia and Montenegro)
76. R.S.F. Jugoslavia ( applies in Bosnia - Herzegovina )
77. San Marino
78. San Marino ( Protocol)
79. U.S.
80. Singapore
81. Syria ( old )
82. Syria ( new )
83. Slovakia
84. Slovenia
85. Spain
86. Sri Lanka
87. Sudan
88. Sweden
89. Tajikistan
90. Thailand
91. Tunisia
92. Turkey
93. Turkmenistan
94. Ukraine
95. Hungary
96. Uzbekistan
97. Vietnam
98. Zambia

Source: [http://static.anaf.ro/static/10/Anaf/AsitentaContribuabili_r/Conventii/Conventii.htm](http://static.anaf.ro/static/10/Anaf/AsitentaContribuabili_r/Conventii/Conventii.htm), accessed on 30.01.2014

From this point of view, companies involved in international trade must take advantage of the respite offered by reforming the Community Customs Code and to ensure that, in the period ahead, take the necessary steps.
steps to develop the required level systems concept is -customs systems to be interoperable with the customs administration.

Also, according to the Customs Code of the European Union, now the criteria for the award by the customs authority, the status of authorized economic operator (AEO) will become mandatory for any company that requires you to obtain a customs authorization (eg license for application of inward) one more reason to prepare to obtain this authorization. AEO status will become virtually mandatory from 1 June 2016.

Thus, any company will require a customs authorization, such authorization for simplified procedure of local clearance or self-assessment you will need to have this status. AEO status is granted only to companies that have committed in the past three years, serious or repeated violations of customs legislation and have not committed serious crimes related to economic activity, ie which has debts outstanding.

In addition to mandatory registration as authorized economic operator, one of the most important news of the new European Customs Code is the restructuring of customs. This restructuring has the following significant changes:

- free zones transform the destination customs procedure, customs warehousing becoming like today, this means that non-Community goods, which will be introduced in a free zone in Romania, to be stored, will be subject to submission of customs declarations, the guarantee of customs duties and other import duties (VAT, excise duties if applicable) obligations not currently exist;
- current economic customs procedure inward processing suspension of payment of customs duties inward with duty drawback, processing under customs control unify into a single customs regime, namely the customs inward, which will include the destruction procedure goods under customs control, as such, will not be necessary, for example, to request authorization for placing goods under inward processing company to prove intent re – export of products obtained from imported goods.

Also on June 1, 2016, will introduce simplifications of procedures (formalities) customs. For example, besides the local clearance procedure, which will be maintained and simplified, is introduced so-called self-assessment procedure for economic operators. This procedure simplification, the customs authorities may allow an operator to make the following two actions:
- determine the amount of taxes owed only import or export, and,
- to perform certain checks and customs checks, which are normally carried out by the customs authorities, customs supervision.

To simplify customs formalities, from June 1, 2016, detailing and simplify the procedure for centralized clearance, which will allow the declaration of goods in the Member State where the company is established (eg in Romania), even if the goods are physically present in another state Member / other Member States. Also, the procedure will work within a Member State. For example, the declaration form will be submitted to a customs office in Timisoara, even if the goods are physically presented to the customs office in Constanta, after obtaining customs clearance, goods can move freely from Constanta to any point within the Community.

4. Conclusions:

What would be the legal and tax provâcările Romania in the period 2014 - 2015? We will list below:
- Changing the way SME tax;
- Modifying the calculation of excise duty;
- Expansion base for social contributions of care for people who derive income from rental and leasing;
- Introduce special tax on buildings owned businesses (energy transport networks, poles, warehouses, shops).

What is the actual impact of these changes on taxpayers Romans? Where is Romania in the current fiscal context of Europe? How far or close are the latest European trends and changes in international tax?

It is assumed that this will contribute to:
- Lined Romania to the European and international trends in tax matters;
- Romania’s attractiveness as investment environment in terms of tax;
- Reducing bureaucracy, simplifying tax compliance and tax administration more efficient role;

Research Results:

On the OECD released its added plan in July 2013 which details the reasons which prompted its formalization, and the ways of implementing the 15 actions affecting erosion in the tax base and the transfer of profits abroad. Specifically some of these actions within the implementation in 2014 and so will be able to analyze their impact on Romanian legal environment and thus the activity of economic agents operating in Romania. In concrete proposed OECD Model Convention updates and guidelines on transfer pricing. Romanian legislation is supplemented by the provisions of these recommendations so it is important to anticipate the magnitude of these changes. White Paper in the OECD transfer pricing documentation suggests otherwise and recapitulation directions and initiatives in transfer pricing documentation and transfer pricing documentation change to a more simple and direct.

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regimes and customs destinations, status of authorized economic operator (AEO), centralized clearance or newly introduced simplified procedure, called the self-assessment), updates the conditions under which companies can obtain deferment certificate VAT, customs, and information on new provision of excise duty applicable from the current year 2014 (e.g., determining the exchange rate used to calculate excise duty excise new products, changes in excise duties, changes on warranties etc).

All these are aimed at:
- Avoidance of double taxation and the payment minimize taxes;
- Legal and moral issues - what is allowed and what is not? How distinguish artificial transactions and what can we do to protect ourselves in case of a tax audit.

Romania could become a possible location for holding companies?

2013 was a tumultuous year in terms of taxation, business senses this mainly by how quickly some laws were approved. But certainly, a lot to do in terms of providing a stable and predictable environment that will make the foreign and domestic investments to grow in 2014.

Year 2014 should not bring "tax increases, but rather measures to stimulate economic growth and consumption, coupled with effective fight against tax evasion" [9].

References:
[4] The Official Gazette, Part I no. 78 of 01.04.1942, 1.8.1952 was consolidated and remained in force until 2003;
[7] Official Gazette No. Bis /1387 April. 1948 As an example we present in this text: Article 5. - The Romanian People's Republic, the means of production belong to the state or as property of the whole people, or cooperative organizations, or individuals, legal persons or Article 6. - Any kind of underground riches, mining fields, forests, waters, natural energy sources, means of communication, tramways, roads, water and air, postal, telegraph, telephone and radio belong to the state, as common property of the people. The law will determine how to pass state ownership of the goods listed in the previous paragraph, that the entry into force of this Constitution, were in private hands. Article 7.- Common goods Constitution the people's material foundation and economic prosperity of the national independence of the Romanian People's Republic. Defense and development of the people of the commons are a duty of every citizen. The text quoted above does not need comments.
[9] Statement by Serban Toader, senior partner of KPMG in Romania and Moldova to the Tax conferences Perspective - 2014 organized by KPMG in partnership with ZF.