



Secretary-General  
Secrétaire général

Ms. Georgiana Teodorescu  
Member of the European Parliament  
Vice-Chair of the Committee on  
Employment and Social Affairs

MC/2026.075.cb

23 March 2026

Dear Ms. Teodorescu,

Thank you for your letter regarding Romania's alignment with OECD standards on taxation, in the context of Romania's process of accession to the Organisation.

The OECD has championed international cooperation and standards in the area of taxation for decades, including the BEPS Project and the Global Minimum Tax. These standards ensure that countries can effectively address tax avoidance by multinational enterprises, while also preventing double taxation that could discourage cross-border investment and economic growth. International co-operation and alignment with these standards play an essential role in achieving this balance and in promoting a stable and predictable tax environment.

Two of the core standards of the OECD in the area of taxation are the OECD Model Tax Convention and the OECD Transfer Pricing Guidelines. These include, among others, the following principles:

- The arm's length principle, to ensure that cross-border transactions between related entities are priced as if they were between independent parties, so that profits are fairly allocated across countries for tax purposes.
- The principle of non-discrimination regarding the deductibility of payments to non-residents, which aims to ensure that these payments are deductible under the same conditions as payments made to residents.
- The access to mutual agreement procedures, providing an effective dispute resolution mechanism to resolve any potential controversies with tax treaty partners.

The OECD accession process is focused on accession candidate countries achieving alignment with relevant standards, best policies and practices.

Whilst it is for individual countries to determine how to most effectively implement such standards, as an accession candidate, any measures imposing limitations on the deductibility of intra-group payments from Romanian taxpayers should align with the standards referred to above.

I note that Romania has already implemented several of the OECD standards designed to limit multinational tax avoidance and safeguard tax revenues. These include rules limiting the deductibility of interest, imposing the income of controlled foreign company, addressing hybrid mismatches and mandating the disclosure of aggressive tax planning schemes, as well as the implementation of the Global Minimum Tax, which ensures that the profits of multinational companies are subject to a minimum effective tax rate of at least 15%. These measures have strengthened Romania's legislation and policies against tax avoidance.

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The OECD Secretariat continues to work closely with the Romanian authorities to support their efforts towards the completion of the accession process. I commend Romania for the significant progress it has made to date in advancing reforms to meet the requirements of OECD membership, including in the area of fiscal affairs.

Please do not hesitate to contact me should you require any further information.

Kind regards,

A handwritten signature in blue ink, consisting of a large, stylized 'M' followed by a vertical line and a curved flourish.

Mathias Cormann