

**Dear collaborators,**

We would like to inform you the following:

**Article 2(1) of Council Directive 77/388/EEC of 17 May 1977** on the harmonisation of the laws of the Member States relating to turnover taxes — Common system of value added tax: unitary basis of taxation must be interpreted as meaning that an adjustment to the transfer price of motor vehicles is:

- duly provided for in an agreement concluded between companies belonging to the same group and which seeks to guarantee the company acquiring such vehicles the achievement of a profit margin established in advance for the resale of such vehicles;
- certified by a credit or debit note sent by the selling company to the buying company, and
- calculated, inter alia, on the basis of the costs incurred by the latter company in the context of the third-party repair of those vehicles

does not constitute consideration for a 'supply of services for consideration' within the meaning of that provision, unless there is a legal relationship between those companies characterised by mutual commitments concerning the supply by the acquiring company of services to the selling company and the payment by the latter company of remuneration for those services in the form of such an adjustment, which establishes a direct link between the provision of these services and this adjustment.

For more details, please access this [link](#).

***Note: The aspects mentioned in this newsletter do not represent specialized advice, but general information. For further details, please contact us.***

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