



Cosmin Vladimirescu with Ioana Petrescu, Minister of Public Finance, and Victor Ponta, Prime Minister of Romania

Fighting Romania's Grey Economy

We shared great news from Bucharest in October, when [we authorised the State Treasury as a card payment acquirer](#). Now the Bucharest team continues to lead the way towards fiscalization, presenting Prime Minister, Victor Ponta and Public Finance Minister, Ioana Petrescu the results of a study which reveals the impact of electronic payments on whitening the economy.

The study, conducted with PricewaterhouseCoopers, proposes a set of recommendations and measures to improve fiscalization and reduce the grey economy in Romania. It was praised by the Romanian authorities and government measures to reduce tax evasion - presented by the Minister of Public Finance during the same press event - are in line with our proposals.

A Large Grey Economy

Romania has one of the biggest grey economies in the EU: 28.4% of GDP, compared to the EU average of 18.8% and the CEE average of 24.4%. There is clear evidence that a higher level of electronic payments would lead to a lower grey economy. The measures suggested include limiting daily cash payments and proceedings for individuals and companies, mandating online POS enabled electronic cash registers and introducing automated reporting of electronic payments to fiscal authorities by the companies operating card systems.

A Plan for Improvement

According to estimates presented in the study, implementing the right measures gradually over a five year period will lead to a 9.9% decrease of the grey economy within seven years. Cosmin Vladimirescu, general manager, Romania, says; "The results of the study we conducted together with PricewaterhouseCoopers and the conclusions of the Ministry of Public Finance's project have a lot of common ground, they converge. We are very interested in the subject of fighting the black economy and believe that we have the moral duty to support the fiscalization policy and Romanian financial inclusion. We are happy to do this by partnering with the Romanian Government."

