

Multilateral Instrument (MLI) – Romania Publishes Romanian Synthesized Text of Hungary-Romania Treaty

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Report from IBFD Tax Treaties Unit

The National Agency for Fiscal Administration of Romania recently published the Romanian synthesized text of the [Hungary - Romania Income and Capital Tax Treaty \(1993\)](#), displaying the modifications made to the treaty by the MLI.

Romania and Hungary deposited their instrument of ratification of the MLI on, respectively, 28 February 2022 and 25 March 2021. The MLI therefore entered into force for Romania on 1 June 2022 and for Hungary on 1 July 2021.

Romania deposited additional notifications confirming the completion of its internal procedures for the entry into effect of the MLI provisions, pursuant to article 35(7)(b) of the MLI. For more information concerning the Hungary treaty, see [Multilateral Instrument \(MLI\) – Romania Deposits Notification of Completion of Internal Procedures Under Article 35\(7\)\(b\) with OECD \(8 March 2023\)](#). Additionally, check the [Romania MLI Reservations and Notifications \(2017\)](#) for more updates on the notifications.

Unless stated otherwise in the synthesized text, the provisions of the MLI will have effect with respect to the [Hungary - Romania Income and Capital Tax Treaty \(1993\)](#):

In Romania and Hungary:

- with respect to taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after 1 January 2024; and
- with respect to all other taxes levied by each contracting state, for taxes levied with respect to taxable periods beginning on or after 1 January 2024.

The purpose of the synthesized text is to facilitate the understanding of the application of the MLI but it is not in itself a source of law.