

Proposed changes of claw-back tax in Romania

According to media reports, on 26 March 2020 the Budget Commission from the Chamber of Deputies of the Romanian Parliament adopted an amendment to the claw-back tax legislation. MPs are discussing a reduction of the level of the claw-back tax to 15% of the total of consumption that is communicated by the National Health Insurance House.

Note, the reduced tax would apply exclusively to Romanian drug manufacturers (both generic and innovative). The aim is to increase the capacity of local drug production, necessary to respond to the increased demand in consumption during the coronavirus pandemic. The level of the tax remains unchanged for foreign drug producers.

The proposed legislative change is expected to be voted next week in the Chamber of Deputies. For the time being, there is no draft of the proposal made public or available on the official website of the Romanian Parliament. We will monitor the status of the proposal and will provide further details as soon as this is available.

Note as well that according to a press statement of today, 27 March 2020, given by the Chief of the Prime Minister Cabinet, a Government emergency ordinance was adopted whereby the percentage of the clawback tax for the first quarter of 2020 is capped at the level of the 4th quarter of 2019, that is 27.65%. The Government's measure is taken in furtherance of the Presidential Decree of 16 March 2020 declaring the state of emergency in Romania and requiring such cap.

For more information on Romania's pharmaceutical market, contact local CMS expert **Valentina Parvu**.