ANALYSIS OF TAX EVASION IN THE NORTH EAST REGION OF ROMANIA

Lucia MOROSAN-DANILA
Stefan cel Mare University of Suceava, 720229, Romania
lucia.danila@usm.ro
Claudia-Elena GRIGORAS-ICHIM
Stefan cel Mare University of Suceava, 720229, Romania
claudia.grigoras@usm.ro

Abstract

Tax evasion is a critical issue threatening economic stability and tax fairness globally, including in Romania. This study focuses on tax evasion within Romania's North-East Region, which is crucial due to its border proximity with the EU, Ukraine, and the Republic of Moldova. It aims to clarify tax evasion concepts, determine its causes, examine the accounting practices involved in evasion and fraud, and assess the role of accounting information in addressing this widespread challenge. Through a thorough methodology that encompasses the analysis, debate, and synthesis of data from Romanian and international sources, statistical reports, and specific studies on tax evasion, the paper provides a detailed exploration of the theoretical and empirical facets of tax evasion. It notably investigates tax evasion's extent at national and regional scales, offering a unique perspective on the current business climate. The findings highlight key trends and statistics concerning tax inspection and anti-fraud efforts in the North-East, particularly considering the COVID-19 pandemic's effects, which led to a decrease in tax audits in 2020. This situation points to the necessity for new enforcement approaches. However, the study observes signs of improvement in compliance rates and inspection activities in subsequent years. It stresses the importance of digitalisation, legal reforms, and increased transparency for effective tax evasion combat. The paper presents insightful recommendations for policymakers and tax authorities to boost compliance and reduce evasion, emphasising the need to tackle tax evasion for the region's economic well-being and broader tax justice.

Keywords: *Tax evasion, Romania, North-East Region, tax compliance, anti-fraud activities*

JEL Classification: *H21, H26*

I. INTRODUCTION

The significance of tax compliance for any state's prosperity cannot be overstated. Understanding and addressing the motives behind compliance and the strategies to deter and tackle tax evasion is crucial. Tax compliance decisions are traditionally seen as individual choices, where taxpayers assess the benefits of evasion against the probability of detection and consequent penalties (Slemrod, 2018).

While a vast body of research explores the macroeconomic implications of state fiscal intervention through various tax incentives, studies explicitly focusing on tax evasion are surprisingly scant. This gap in research is notable, given the prevalence of tax evasion across countries employing tax incentives to support economic entities (Bordeianu & Morosan-Danila, 2013). Moreover, tax evasion has notably increased in recent years, with historical instances ranging from wealthy Romans hiding valuables to avoid luxury taxes to modern-day corporations leveraging offshore accounts to minimise tax liabilities. Therefore, identifying and understanding the determinants of tax evasion remains pivotal for scholars and practitioners. Previous research has identified tax pressure as a significant determinant of tax evasion, yet understanding the underlying causes of this phenomenon and taxpayer motivations for evasion is essential (Richardson, 2006).

This paper endeavours to demystify the terminology related to tax evasion, explore its determinants, examine the accounting mechanisms of tax evasion and fraud, and assess how accounting information can aid in mitigating evasion in Romania. By comprehensively examining these facets, the paper aims to contribute valuable insights into the complex dynamics of tax evasion and the effective strategies for its prevention.

This study aimed to explore both theoretical and practical dimensions of tax evasion, understand the contemporary context, and draw related conclusions. Tax evasion dynamically reacts to normative changes and manifests in various forms, fuelling the underground economy, eroding market economy principles, and accumulating "dirty" money. This phenomenon has a national and international presence with global implications, challenging its eradication.

Tax evasion's adverse effects include financial and moral damages, notably undermining tax revenue and imposing unjust burdens on law-abiding taxpayers. The severity of sanctions for evasion plays a critical role in deterring potential evaders and maintaining the integrity of tax systems. The research sought to identify the primary

causes and effects of tax evasion, differentiate between tax evasion and fraud, and analyse the phenomenon in Romania, particularly in the North East Region, through statistical data from the National Institute of Statistics and other relevant authorities. We chose this area because of its strategic position at the European Union's border with Ukraine and the Republic of Moldova (Chaşovschi & Dănilă, 2007; Ciubotariu et al., 2012; Morosan-Danila & Grigoras-Ichim, 2015; Kyfiak et al., 2017; Grigoras-Ichim et al., 2018; Lucaci et al., 2021; Bostan et al., 2022).

The methodology employed in this research included analysing, debating, and synthesising information from various sources, including international and Romanian literature, statistical data, and studies targeting tax evasion directly or indirectly. This approach enabled a comprehensive examination of tax evasion's theoretical and practical aspects and its controversies, such as the distinctions between tax evasion, tax fraud, and creative accounting. The comparative analysis further facilitated an understanding of the phenomenon's scale at national and regional levels, rooted in a personalised interpretation within the current business environment (Timofte & Tanasă, 2018; Vlad & Vlad, 2022).

Tax evasion significantly impacts the underground economy's size, with a model showing how tax rate changes influence the number of agents engaging in evasive activities (Jung et al., 1994). Moreover, empirical analyses have traced the evolution of tax evasion and the underground economy in Romania, highlighting their effects on budget revenues and GDP (Teodorescu, 2015; Melega, 2023). This research contributes to a deeper understanding of tax evasion's multifaceted nature and its profound implications on economies and societies.

II. LITERATURE REVIEW

The historical evolution of tax evasion globally is a complex phenomenon shaped by various factors, including economic policies, cultural attitudes towards taxation, and technological advancements (Nastase & Morosan-Danila, 2016). Table 1 presents a glean from recent research and analyses that touch upon aspects of tax evasion's development over time.

Table 1. Tax inspection and anti-fraud activities in Romania in pandemic time

Authors	Study	Detailed research
Hemberg et al., (2016)	Co-evolution of Tax Schemes and Auditing Policies	A study highlights the algorithmic modelling of the co-evolution of tax schemes with auditing policies, demonstrating the adaptive nature of tax evasion in response to changes in tax laws or auditing procedures. This reflects the ongoing cat-and-mouse game between tax evaders and authorities, with each innovation in auditing met by new evasion methods.
Antoci et al., (2014)	Behavioral Heterogeneity and Tax Morale	Research emphasises the role of tax morale and societal attitudes towards taxation in influencing tax compliance. The presence of individuals who value honesty and are willing to sanction cheaters plays a crucial role in curbing tax evasion, suggesting that cultural and social norms are critical factors in the historical dynamics of tax compliance.
Alstadsæter et al., (2017)	Concentration of Offshore Tax Evasion Among the Rich	A study using data from leaked customer lists of offshore financial institutions reveals that offshore tax evasion is predominantly a practice of the wealthy, highlighting the significance of addressing tax evasion at the top to combat inequality and ensure a fairer distribution of the tax burden.
Chodikoff & Kerzner, (2016)	Global Information Age and International Tax Evasion	The digital era has introduced new challenges and opportunities for tax evasion, mainly through offshore companies and digital currencies. This underscores the necessity of international cooperation and updated regulatory frameworks to tackle tax evasion in the global information age.
Mitra, (2015)	Criminological Perspectives on Tax Evasion	Tax evasion's recognition as a social phenomenon with deep historical roots suggests that it has evolved alongside societal structures and governance models. Effective measures against tax evasion require understanding its complex nature, including its economic, legal, and social dimensions.

Source: Authors' processing according to the studied literature

These studies indicate that a mix of behavioural factors, economic incentives, and tax authorities' evolving capabilities has historically influenced tax evasion. The shift towards a more interconnected and digital global economy poses new challenges for combating tax evasion, necessitating innovative approaches and international collaboration.

The review of specialised literature on tax evasion and its forms highlights the diversity of approaches and analyses in recent years, reflecting both the theoretical aspects and the practical implications of the phenomenon. The identified studies address various dimensions of tax evasion, including the legal, economic, and psychological aspects that contribute to the manifestation of this phenomenon:

1. Tax Evasion as Crime (Green, 2015) discusses the anomalies and challenges tax evasion presents to criminal law. It highlights the difficulty of quantifying the harms caused by tax evasion and how it

deviates from the traditional crime paradigm. The study argues that a deep understanding of the difference between taxes and other fiscal obligations is necessary to understand the moral nature of tax evasion.

2. Tax Evasion and Inequality (Alstadsæter et al., 2017) uses unique data from leaked client lists from offshore financial institutions to show that offshore tax evasion is highly concentrated among the wealthiest, with significant implications for measuring inequality.

3. Tax evasion between fraud and legality (Opreţ hideous et al., 2017) focuses on creating a unitary European legal framework to address tax evasion. It emphasises the importance of fully understanding the causes of illicit practices and evaluating the accounting mechanisms that identify tax evasion.

4. Tax evasion as an illegal form of tax avoidance (Dragojlović & Đuričić, 2023) explores the phenomenon of tax evasion and its forms, offering a historical and legal perspective on how tax evasion has been approached over time and in different legislations.

5. Factors that Influence Taxpayers' Perception of Tax Evasion (Rantelangi & Majid, 2018) investigates the factors that influence taxpayers' perception of tax evasion, highlighting the role of tax knowledge, tax morale, the tax system, tax fairness, and the cost of compliance in shaping this perception.

These studies reflect the complexity and multidimensionality of tax evasion, emphasising the importance of interdisciplinary approaches in understanding and combating it. From legal to economic and behavioural aspects, the literature demonstrates that tax evasion is deeply rooted in social and economic structures, requiring continued attention from researchers, practitioners, and tax policymakers.

Analysing the concept of tax evasion in Romanian legislation requires a multidimensional approach that includes legal, economic and social aspects. In Romania, tax evasion is defined and regulated by several normative acts, the most important of which are the Fiscal Code and the Fiscal Procedure Code, as well as specific criminal legislation (Morosan-Danila & Grigoras-Ichim, 2023).

The Fiscal Code provides the legal basis for the system of fees and taxes, establishing taxpayer obligations and methods of calculating and paying them. Although the Fiscal Code does not explicitly define "tax evasion," it establishes the framework for taxing economic activities and provides tools for the tax administration to combat tax evasion.

The Fiscal Procedure Code regulates how the provisions of the Fiscal Code are applied, including fiscal inspection procedures and penalties for non-compliance. It also describes the procedures by which taxpayers can challenge tax decisions, thus providing a framework for resolving disputes between taxpayers and tax authorities.

Specific criminal legislation, mainly Law No. 241/2005 for preventing and combating tax evasion, explicitly defines tax evasion as a crime and establishes the applicable criminal sanctions. According to this law, tax evasion includes acts such as evading the calculation, withholding or payment of fees and taxes due to the state budget through various methods, such as falsifying documents, hiding sources of income, or using invoices or other false tax documents. Penalties for tax evasion vary depending on the seriousness of the offence and can include a criminal fine, confiscation of assets obtained from tax evasion and, in severe cases, imprisonment.

In conclusion, Romanian legislation treats tax evasion as a severe problem with implications for the integrity of the tax system and social equity. The legislative approach is complex, involving preventive and control measures and sanctions for those breaking the law. Efforts to combat tax evasion are essential to ensuring a healthy and fair economic environment in which the tax burden is fairly distributed and all taxpayers meet their legal obligations.

The specialised literature highlights various studies that address the problem of tax evasion in Romania, exploring the causes, effects and measures to combat this phenomenon. This review synthesises significant research in recent years, highlighting key findings and methodological approaches.

Ungureanu et al. (2016) discuss the incorrect distinction in the specialised literature between "legal tax evasion" and "illegal tax evasion", emphasising that tax evasion always involves violating tax laws and, therefore, cannot be legal by definition. The authors highlight the difficulty of measuring tax evasion and the need for effective measures to detect, combat, and prevent this phenomenon. Source.

Amarita (2017) examines the growth of tax evasion in Romania, attributing it to causes such as the diversification and complexity of foreign trade in imperfect legislation. The study highlights the need for an improved legislative framework to mitigate this phenomenon. Source.

Morosan-Danila and Grigoras-Ichim (2020) propose an analysis of the current situation of the impact of tax evasion on contemporary Romanian society and explore the need to combat and prevent this phenomenon. The authors suggest the definition of methods to combat or prevent tax evasion. Source.

Socoliuc et al. (2018) offer a comparative analysis of the concept of tax evasion in specialised literature and the current and past normative framework in Romania. The study proposes a self-defined definition of tax evasion, relating and delimiting itself to neighbouring concepts. Source.

Dell'Anno & Davidescu (2019) aim to estimate the size of the underground economy and tax evasion in Romania from 2000 to 2017, applying different estimation approaches. The authors emphasise the specificities of the underground economy and tax evasion phenomena.

These studies highlight that tax evasion in Romania is a complex phenomenon with profound implications for the national economy and the state budget. Research highlights the need for coherent and effective measures to combat and prevent tax evasion, involving legislative changes, tax education efforts, and improved collaboration between tax authorities and taxpayers.

III. TAX EVASION IN THE NORTH-EAST REGION OF ROMANIA

The analysis of the evolution of tax evasion in the North-East Region of Romania, based on the data published by the Ministry of Public Finance, highlights some significant trends and figures in terms of tax inspection and tax anti-fraud activity:
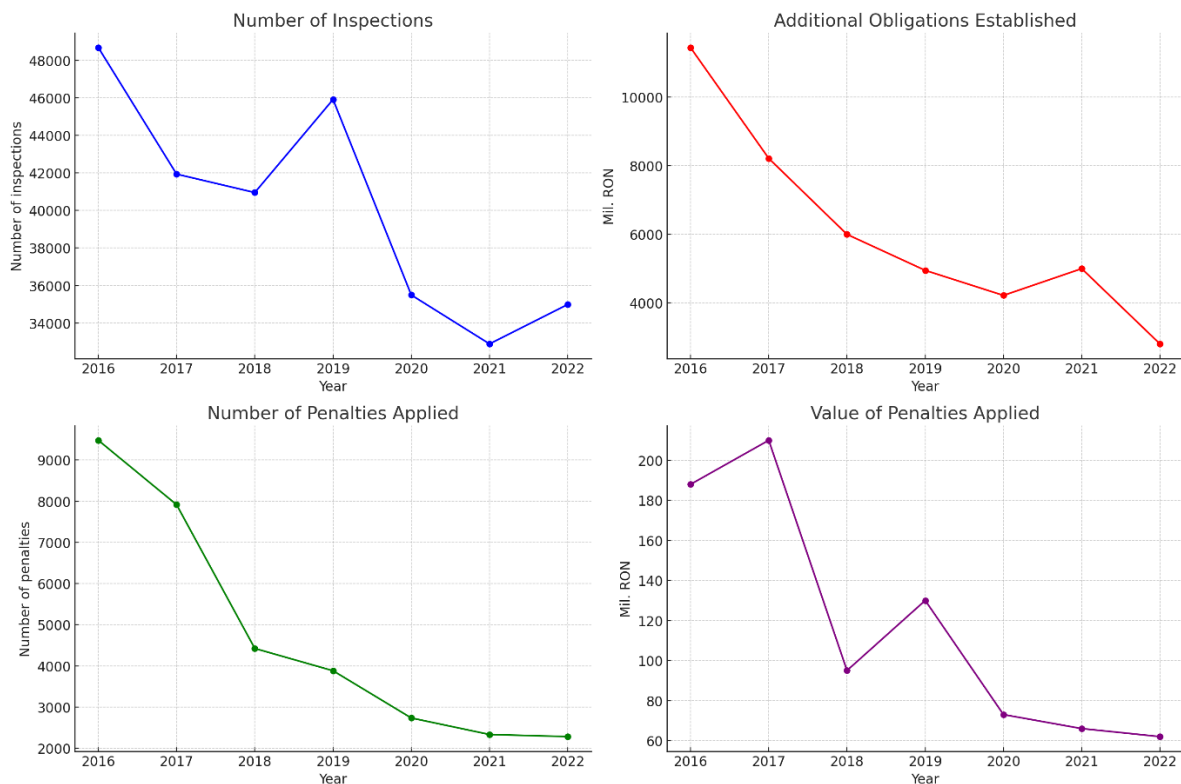
Figure 1. The leading figures related to the fiscal inspection activity in the North-Eastern Region of Romania
Source: Processing according to the data published by the National Fiscal Administration Agency of Romania

Fiscal inspection activity intensified in 2016, with the most checks carried out (48,676). Although the number of checks increased in 2019 compared to previous years, fines and damages decreased significantly. The pandemic has influenced tax activity, reducing the number of checks in 2020 to the lowest level in the last five years. However, the additional obligations established have not decreased proportionately.

The anti-fraud tax activity showed a significant variation in the checks/checks carried out, with a downward trend starting in 2018. The pandemic drastically reduced the number of checks in 2020, but 2021 and 2022 marked an increase in activity, especially regarding the amount of fines applied and confiscations of goods.

Tax compliance has varied over the years, with a notable drop in payment compliance in 2020, followed by an increase in 2021. Filing tax compliance has remained relatively stable, with a slight increase in 2020.

The number of taxpayers managed by the General Directorate of Public Finances Iasi increased significantly in 2019, with a subsequent decrease in 2020 and a new increase in 2021 and 2022.

Areas with a high risk of tax evasion include the production and marketing of agri-food goods, construction and building materials, and the exploitation and processing of wood material. The additional amounts established for these income categories highlighted a tendency to decrease regional tax evasion.

Illegal work is a constant concern, with an alarming increase in 2018 and a decrease in 2019. Suceava County was identified as having the most significant number of people working without legal forms.

The activity to prevent and combat tax evasion recorded a decrease in the number of checks carried out in 2020 compared to 2016, reflecting the impact of the pandemic and a focus on tax risk analysis.

The impact of the COVID-19 pandemic on tax inspection and anti-fraud activities, as well as the tax compliance trends of taxpayers in the North-East Region of Romania, presents several notable points based on the synthesised data, as detailed in Table 2.

Table 2. Tax inspection and anti-fraud activities in Romania in pandemic time

Field of interest	Field of activity	Detailed activities
Impact on Tax Inspection and Anti-fraud Activities	Reduction in Activities	The COVID-19 pandemic significantly affected the number of tax inspections and anti-fraud controls conducted. For instance, in 2020, the activities saw a drastic reduction due to the pandemic, with the number of checks reaching its lowest in recent years. This was mainly due to movement restrictions and the prioritisation of remote inspections to prevent the virus's spread.
	Adaptation to the Pandemic	Despite the challenges, the number of inspections rebounded in 2021 and 2022, indicating an adaptation to the new working conditions imposed by the pandemic. This included focusing on remote controls and documenting cases of tax evasion where there were clear indications.
Tax Compliance Trends of Taxpayers	Fluctuating Compliance Rates	The pandemic also influenced taxpayer compliance trends. For example, there was a notable increase in the compliance rate for tax declaration submissions in 2020, which could be attributed to the shift towards online declarations and enhanced focus on compliance amidst the economic uncertainties caused by the pandemic.
	Decrease in Payment Compliance	However, compliance with tax payments saw a significant decrease in 2020, reflecting the economic impact of the pandemic on businesses and individuals. This downturn was somewhat recovered in 2021, suggesting an economic recovery or an adaptation to the pandemic's conditions.
Specific Observations	Shift to Online Inspections	The emphasis on remote inspections and controls as a response to the pandemic has likely contributed to maintaining a certain level of oversight of taxpayer activities, even in reduced capacity.
	Selective Inspection Focus	The decrease in physical inspections led to a more selective focus on taxpayers, prioritising those with higher risk profiles for evasion. This approach aimed to optimise resources and ensure compliance where needed.
	Impact on Anti-fraud Efforts	Anti-fraud activities also mirrored the overall trend, with a reduction in actions taken in 2020 but a gradual increase in the following years. Despite external challenges, this resilience underscores the continuous effort to combat tax evasion.
	Enhanced Tax Compliance Efforts	The situation necessitated innovative approaches to enhancing tax compliance, including online training for tax inspectors and adopting digital tax collection and enforcement tools. This shift addressed immediate challenges and paved the way for long-term improvements in tax administration.

Source: Authors' processing according to the studied literature

The COVID-19 pandemic posed significant challenges to tax inspection and anti-fraud activities in the North-East Region of Romania, prompting a shift towards remote operations and a focused approach to inspections (Bordeaianu et al., 2021). Taxpayer compliance trends experienced fluctuations, with an initial decline in payment compliance followed by recovery, reflecting broader economic impacts and adaptations to pandemic conditions (Morosan-Danila & Bordeianu, 2020). These adaptations helped navigate the immediate crisis and indicated a potential path for future enhancements to tax administration and enforcement strategies (Grigoras-Ichim et al., 2020; Morosan-Danila & Bordeianu, 2021).

Improving strategies to combat tax evasion is essential to ensure tax compliance and increase budget revenues. In the context of the analysis of the evolution of tax evasion in the North-East Region of Romania and the identified challenges, the following measures can contribute to the optimisation of efforts to combat the evasion phenomenon:

- Digitization and Automation of Tax Processes: Implementing advanced IT systems that allow real-time monitoring of transactions and automatic collection of tax data can significantly reduce tax evasion. Online reporting systems and electronic cash registers are practical examples.
- Improving Tax Legislation: Simplifying tax legislation and eliminating legal loopholes that allow tax evasion are essential steps. Clear, concise and coherent legislation increases tax compliance.
- Increasing Transparency and Inter-institutional Collaboration: The exchange of information between tax authorities and other governmental or international institutions can facilitate identifying and combating tax evasion schemes.
- Strengthening Institutional Capacity: The continuous training and specialisation of tax inspectors, the improvement of risk analysis methodologies and the allocation of adequate resources are fundamental for the efficiency of tax inspection and anti-fraud activity.
- Increasing Tax Awareness and Education: Educating taxpayers about tax obligations and the consequences of tax evasion can positively impact tax compliance.
- Implementation of Effective Penalties: Penalties for tax evasion must be severe enough to deter violations, but they must also be fair and proportionate to the gravity of the offence.
- Stimulating Voluntary Compliance: Implementing tax incentives for taxpayers who demonstrate tax

compliance and facilitating the process of voluntary correction of incorrect or incomplete tax returns.

By adopting these measures and continuously adapting to the economic and social context, tax authorities can improve the effectiveness of the fight against tax evasion, thus ensuring a sustainable and fair tax base.

IV. CONCLUSION

Tax evasion is a pressing issue for many states. It is essential to detect and punish it to increase taxpayers' compliance. However, tax authorities have struggled encouraging voluntary tax compliance, especially among small businesses and self-employed taxpayers. Tax evasion refers to the behaviour of taxpayers who violate tax rules to obtain illegal profit or income.

Tax evasion has multiple consequences, such as a distortion of economic resources, a reduction in available funds, and an increase in the cost of determining taxable income. It can also lead to distortion of the market mechanism and social inequalities. Romania has the most significant VAT collection deficit in the EU, but the authorities are taking measures to decrease it using digital reporting (Morosan-Danila, 2022).

The dimensions of tax evasion at the European Union level can be subjective estimates because this issue focuses on the detection and potential prevention of tax frauds, which are generally difficult to detect and probably impossible to eliminate (Cibotariu, 2022). From the available estimates, tax evasion at the European Union level is somewhere between 1-5% of the annual GDP, with changes being recorded throughout the EU. Although this figure may vary from country to country, regional tax evasion is estimated to be approaching 3% of annual GDP if fraud has been detected.

Both authorities and taxpayers must step up efforts to increase tax collection due to the increasing pressures on the budget and the uncertain economic situation. ANAF plans to expand digital services and ensure IT system interoperability to identify and reduce non-compliance with declaration and payment. Technology-based mechanisms are necessary for real-time information exchange between authorities and companies to detect possible fraud attempts or mistakes, benefiting the state and taxpayers. The dimensioning of tax evasion, at the national level but also the level of the North East Region, was carried out using a series of indicators such as:

(1) The degree of compliance with declaration and payment, an indicator that significantly reduced in 2021;

(2) The value of the additionally established amounts, which decreased in 2021 on the one hand due to the reduction in the number of checks/controls, but also, on the other hand, the improvement of the system for analysing the degree of risk of tax evasion. This improvement allowed a better selection of taxpayers suspected of tax evasion and the focus of the tax authorities attention on those areas of activity where the suspicion is high;

(3) Undeclared/"grey" work, which, against the background of fiscal pressure but especially of the uncertainty created by the pandemic, has increased significantly;

(4) The number of taxpayers who are registered at each county agency because the higher this number is, the greater the need for inspectors, or employment in public institutions must comply with a particular procedure, which, most often, cannot be applied;

(5) The number of criminal cases and the amount of damages created are indicators with decreasing values.

The state's level of tax evasion is inversely proportional to the rate of taxation of taxpayers in that state, which justifies the claim that tax pressure generates tax evasion.

At the level of the North-East Region, according to the information published by the tax authorities and by the authorities with powers in the field of labour relations, tax evasion is a phenomenon with a decreasing evolution, which can only be appreciated positively.

The research on the evasion phenomenon highlighted an atypical situation in the pandemic year: the slowdown in verification and control activity was significant, yet the amounts additionally established by ANAF inspectors were not small. Controls in the field of evasion generated by black/"grey" work did not stop either, and even if there were fewer people than in other years, they revealed people who do not work with legal forms.

We believe that Romania still needs many steps to determine and combat tax evasion, all the more so as Romania ranks 6th in Europe for undeclared work. As far as "grey" work is concerned, it can be detected very hard because it requires the consent of both partners, and the legislation does not help control inspectors in preventing and combating this phenomenon either.

Regarding the knowledge of the evasion phenomenon, the reports of the competent institutions are not very detailed, which did not allow me, except in a few situations and sometimes incompletely, to carry out more detailed analyses, by county, of the extent of this phenomenon. I believe that making taxpayers aware of the activity carried out by the tax authorities and those with attributions in the field of labour relations would make them more responsible.

REFERENCES

1. Alstadsæter, A., Johannesen, N., & Zucman, G. (2019). Tax evasion and inequality. *American Economic Review*, *109*(6), 2073-2103.
2. Amarita, A. (2017). Fiscal Evasion in Romania. *Romanian Statistical Review Supplement*, 65, 3-21.

3. Antoci, A., Russu, P., & Zarri, L. (2014). Tax evasion in a behaviorally heterogeneous society: An evolutionary analysis. *Economic Modelling*, 42, 106-115. https://doi.org/10.1016/J.ECONMOD.2014.06.002.

4. Bordeianu, O. M., & Morosan-Danila, L. (2013). Development and validation of research instruments for cross-cultural studies in economics and management. In *20th International Economic Conference-IECS* (pp. 273-279).

5. Bordeianu, O. M., Grigoras-Ichim, C. E., & Morosan-Danila, L. (2021). SMEs Sustainability in Times of Crisis. *LUMEN Proceedings*, *17*, 58-65.

6. Bostan, I., Moroşan, A. A., Hapenciuc, C. V., Stanciu, P., & Condratov, I. (2022). Are Structural Funds a Real Solution for Regional Development in the European Union? A Study on the Northeast Region of Romania. *Journal of Risk and Financial Management*, *15*(6), 232.

7. Chaşovschi, C., & Dănilă, L. (2007). Ukraine–Romania–Moldova. Introduction in cross-border possibilities for economical development. In *International conference "Present of financebudgetary provisions in the perspective of social-economic development in the region"*. 12, 180-187.

8. Chodikoff, D., & Kerzner, D. (2016). International Tax Evasion in the Global Information Age. https://doi.org/10.1007/978-3-319-40421-9.

9. Cibotariu, I. S. (2022). Approaches To EU Anti-Fraud Instruments. *European Journal of Accounting, Finance & Business*, *10*(2), 132-136.

10. Ciubotariu, M., Boghean, F., Morosan-Danila, L., & Boghean, C. (2012). Study on Tax Evasion Manifestation within Entities from Romania. *ICEEM*, *2012*, 365-371.

11. Dell'Anno, R., & Davidescu, A. A. (2019). We are estimating shadow economy and tax evasion in Romania. A comparison by different estimation approaches. *Economic Analysis and Policy*, *63*, 130-149.

12. Dragojlović, J., & Đuričić, N. (2023). Tax evasion as an illegal form of tax avoidance. *Ekonomija: teorija i praksa*, *16*(1), 195-216.

13. Green, S. (2015). Tax Evasion as Crime. . https://doi.org/10.1093/acprof:oso/9780198798439.003.0004.

14. Grigoras-Ichim, C. E., Bordeianu, O. M., & Morosan-Danila, L. (2020). Corporate sustainability in times of crisis. In *Competitiveness and sustainable development* (pp. 29-29).

15. Grigoraș-Ichim, C. E., Cosmulese, C. G., Savchuk, D., & Zhavoronok, A. (2018). Shaping the perception and vision of economic operators from the Romania-Ukraine-Moldova border area on interim financial reporting. *Economic Annals-XXI/Ekonomìčnij Časopis-XXI*, *173*.

16. Hemberg, E., Rosen, J., Warner, G., Wijesinghe, S., & O'Reilly, U. (2016). Detecting tax evasion: a co-evolutionary approach. *Artificial Intelligence and Law*, 24, 149 - 182. https://doi.org/10.1007/s10506-016-9181-6.

17. Jung, Y., Snow, A., & Trandel, G. (1994). Tax evasion and the size of the underground economy. *Journal of Public Economics*, 54, 391-402. https://doi.org/10.1016/0047-2727(94)90042-6.

18. Kyfiak, V., Luchyk, V., Koroliuk, Y., Luchyk, S., Losheniuk, I., Luchyk, M., ... & Nastase, C. (2017). Forecasting of cross-border regions development: scenario approach. *Suceava: Editura Universitatii" Stefan cel Mare*.

19. Law no. 207/2015 regarding the Fiscal Procedure Code

20. Law no. 227/2015 regarding the Fiscal Code

21. Law no. 241/2005 for preventing and combating tax evasion

22. Lucaci, A., Diakoniuc, O., Nastase, C. E., & Crudu, R. (2021). The Eu's Contribution To A Stronger Economy In The Eastern Neighbourhood. A Comparative Study In The Republic Of Moldova And Ukraine. *Annales Universitatis Apulensis Series Oeconomica*, *23*(1), 122-131.

23. Melega, A. (2023). Proiectarea unui model econometric de evaluare a impactului presiunii fiscale asupra libertății investiționale și dezvoltării sustenabile a țărilor BRICS. *Economica*, *123*(1), 99-108.

24. Mitra, M. (2015). Criminological Approaches on Tax Evasion. *Ovidius University Annals: Economic Sciences Series*, 305-309.

25. Morosan-Danila, L. (2022). The Impact Of VAT In Romania And The Community Area. *European Journal of Accounting, Finance & Business*, *10*(1), 30-36.

26. Morosan-Danila, L., & Bordeianu, O. M. (2020). The need for change and shaping the post-covid business environment in Romania. *LUMEN Proceedings*, *13*, 387-397.

27. Morosan-Danila, L., & Bordeianu, O. M. (2021). Tax Facilities for Romanian Companies in Combating the Crisis Generated by COVID-19. *Ovidius University Annals, Economic Sciences Series*, *21*(1), 369-376.

28. Morosan-Danila, L., & Grigoras-Ichim, C. (2020). Short Insight Into Tax Evasion In Romania. *European Journal of Accounting, Finance & Business*. https://doi.org/10.4316/ejafb.2020.814.

29. Morosan-Danila, L., & Grigoras-Ichim, C. E. (2015). Analysis of the accounting systems from Romania and Moldova. *The USV Annals of Economics and Public Administration*, *15*(3), 163-168.

30. Morosan-Danila, L., & Grigoras-Ichim, C. E. (2023). The Fiscal Approach Of The Entrepreneur In Romania-Between Limited Liability Company And Authorized Natural Person. *European Journal of Accounting, Finance & Business*. 11 (3), 46-53.

31. Nastase, C., & Morosan-Danila, L. (2016). Taxation implications on entrepreneurship in Romania. In *Proceedings of the Conference "European Choice of Economic Development of the Region", Ukraine* (pp. 94-95).

32. Opreţ, L. A., Turcaş, F. M., Dumiter, F. C., & Brezeanu, P. (2017). Tax evasion between fraud and legality. *Studia Universitatis „Vasile Goldis" Arad–Economics Series*, *27*(4), 1-11.

33. Rantelangi, C., & Majid, N. (2018). Factors that Influence the Taxpayers' Perception on the Tax Evasion. . https://doi.org/10.2991/miceb-17.2018.34.

34. Richardson, G. (2006). Determinants of tax evasion: A cross-country investigation. *Journal of International Accounting, Auditing and Taxation*, 15, 150-169. https://doi.org/10.1016/J.INTACCAUDTAX.2006.08.005.

35. Slemrod, J. (2018). Tax Compliance and Enforcement. *NBER Working Paper Series*. https://doi.org/10.1257/JEL.20181437.

36. Socoliuc, M., Mihalciuc, C., & Cosmulese, G. (2018). Tax Evasion in Romania – between Past and Present. *The 14th Economic International Conference: Strategies and Development Policies of Territories: International, Country, Region, City, Location Challenges, May 10-11, 2018, Stefan cel Mare University of Suceava, Romania*. https://doi.org/10.18662/LUMPROC.90.

37. Teodorescu, C.D. (2015). The Tax Evasion And The Underground Economy In Romania Empirical Analysis. *Annals - Economy Series*, 114-117.

38. Timofte, C., & Tanasă, S. M. (2018). Illustrating the Relationship Between Accounting and Taxation–A Romanian Approach. The Ishikawa Diagram. *LUMEN Proceedings*, *6*(1), 413-420.

39. Ungureanu, M., Călugăreanu, M., Cărăuş, M., & Bartalis, A. (2016). Conceptual Approaches To Tax Evasion In Romania. *Romanian Economic and Business Review*, 11, 7-14.

40. Vlad, S., & Vlad, M. (2022). Nonlinear Analysis of Financial Time Series. *Ovidius University Annals, Economic Sciences Series*, *22*(2), 478-483.