Country: Romania

Committee: ECOFIN

Distinguished chairs and fellow delegates,

Tax evasion is a significant issue in Romania as it is in many countries around the world. The highest tax evation in Romania is in 2015 and 2016. After that year, the text evasion decreased. From 2355 to 1806 cases . It didnt increase from 1806. In the world this number is going like 337.3 billion dollars. Even if we don't have any problems in this regard, this is an important problem in the world. Tax evasion still exists and we need to find solutions to it.

Starting with the importance of taxes. Taxation not only pays for public goods and services. It is also a key ingredient in the social contract between citizens and the economy. Romania has a progressive tax system, which means that tax rates increase as income levels rise. The tax system in Romania includes various types of taxes, such as income tax, value-added tax (VAT), corporate tax, and social security contributions. VAT is a consumption tax applied to the sale of goods and services. In Romania, the standard VAT rate is 19%, but there are reduced rates of 5% and 9% for certain goods and services, such as food, books, and medical products. This tax value is sufficient in our country. Romania's GDP is high and living standards are good.

If there was no taxes government services would be reduced and, as we mentioned, living standards would fall. In addition, income inequality can be exacerbated. Wealthier individuals retain a larger share of their income, while lower-income individuals have limited access to government support and public services. Budget deficits increase and the country's earnings contract. By the reason of governments rely on taxes for their spending. One of the most important Decrees is that taxes are a very important component of the social contract between citizens and the government. Citizens contribute to the financing of public services and infrastructure by paying taxes.

We will present possible solutions that can be made on this important issue that is on the agenda in the world. We can use cooperation between countries as the first solution. Tax evasion usually involves cross-border transactions and offshore tax havens. Promoting international cooperation and information sharing between countries can help to effectively combat tax evasion. Secondly, we think that it is necessary to raise public awareness and encourage them to oppose it. Providing incentives such as tax credits or rewards for voluntary tax compliance can encourage individuals and businesses to willingly fulfill their tax obligations. Finally, we can use the advanced technologies of the countries. Governments can use technology and data analytics to identify patterns of tax evasion and detect suspicious transactions. Advanced systems can help automate the process of identifying potential cases of tax evasion and improve the effectiveness of tax audits.

To sum up, Even if some countries do not need to take such precautions against tax evasion, the fact that the country's tax revenues are full ensures that the country is safer and more equitable. Although our country, Romania, does not need much like these countries, we can provide higher living standards if we reduce tax evasion to these solutions. We think that this problem will disappear if the countries experiencing the problem of tax evasion use more repressive laws and the solution proposals we have presented.

Meryem Melis Çınar