

wts newsletter

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highlights

EKAER goes live – EKAER (the Electronic Public Road Transportation Control System) goes live on 1 March 2015; starting from this date, basically all public road transport requires an EKAER number; transport without an EKAER number can be fined with a penalty of up to 40% of the transported goods' value.

EKAER goes live

EKAER (the Electronic Public Road Transportation Control System) goes live on 1 March 2015; starting from this date, basically all public road transport requires an EKAER number; transport without an EKAER number can be fined with a penalty of up to 40% of the transported goods' value.

The Government is continuing to fine-tune the system based on experiences drawn from the pilot period, in the context of which it has placed most of the regulation into a more flexibly amendable ministerial decree. Many of the detailed rules have been amended following social consultation; the main changes are summarised below.

What has not changed?

- » Activities involving road transportation with tolled vehicles (over 3.5 tonnes) are strictly subject to possession of a valid EKAER number. Activities involving road transport include the intra-Community acquisition of goods or their import for other purposes, the intra-Community sale of goods or their export for other purposes, or the first domestic sale of the goods subject to VAT, if such sale is not made directly to the end-user.
- » In the case of risky goods, an EKAER number is required above certain thresholds even if the transportation is performed using smaller commercial vehicles rather than tolled lorries.
- » In the absence of an EKAER number or if incorrect, false or incomplete data is disclosed in the context of a notification, the tax authority may levy a fine of up to 40% of the value of the goods of uncertified origin and may seize the goods.

Exemptions from obtaining an EKAER number

- » The types of transport requiring an EKAER number have been narrowed in some cases and expanded in others. The exemption threshold has been increased from HUF 2 million to HUF 5 million for the transport of non-risk goods shipped by one sender to one recipient using the same tolled vehicle in the context of a single shipment (the weight limit has remained unchanged at 2.5 tonnes). For risky goods (risky foodstuffs and other risky goods), the threshold is now a uniform 500 kg or HUF 1 million. (If the parameters of the transported unit are lower than these two threshold values, no EKAER number is required for transportation.)
- » No EKAER number is needed if the trajectory of the goods can otherwise be tracked, e.g. the shipment of goods subject to customs supervision.
- » In addition, no EKAER number is required for the transport of certain specified products. (Including: goods shipped in the context of shipments subject to notification pursuant to Regulation (EC) No 1013/2006 on shipments of waste, goods subject to a metals trade permit pursuant to the Act on the trade of metals; medicinal products within the meaning of Section 1 (1) of Act XCV of 2005; products sent as postal consignments within the meaning of the Act on postal services).

Avoid EKAER-related administration with individual exemption

- » Firms with the status defined in relevant legislation may apply for exemption in respect of fully domestic transport of up to 20 km if it is confirmed that daily notification would create a disproportionate burden for them.
- » The National Tax and Customs Administration (NAV) grants individual exemptions in the form of a resolution, provided that transactions are low-risk from a tax law perspective and the EKAER obligation represents a disproportionate and unreasonable burden for the taxpayer.
- » These resolutions are valid for a one-year period, which is extendable.

Simplified data content notification + voluntary application for an EKAER number

- » Taxpayers eligible for applying for individual exemption can obtain an EKAER number for the transport of non-risk goods through an EKAER notification with simplified data. (Postal service providers are the only ones also entitled to this special procedure.)
- » Taxpayers may also request an EKAER number where an EKAER number is not mandatory.
- » Simplified notification only requires the particulars of the sender/recipient and the registration plate of the transporting vehicle submitted via the EKAER electronic interface.

Tolerance limit for the accuracy of notified data

- » As a main rule, changes in the data notified to the tax authority must be reported immediately to the NAV. During an authority inspection, the current valid data must be registered under the EKAER number, and the party obliged to make the notification is responsible for this under penalty of a fine.
- » A 10% error margin on the gross weight specified for each product and the net value of risky goods sold is permitted without resulting in a fine. (The value of non-risk goods no longer has to be notified.)

Regulation of special transports

- » Aware of the special characteristics of the freight of goods and logistics warranting regulation, the legislator has defined rules governing special matters including intermodal (i.e. combined, e.g. water/land) freight forwarding and domestic chain transactions in the EKAER decree.
- » Intermodal transport must be indicated in the EKAER number application. This is significant in terms of the loading and unloading address. Under the relevant legislation and in case of the intra-Community acquisition of a 5 tonne metal component transported from Vienna to Budapest by rail and from Budapest to Pécs by lorry, the loading address is where the loading from the vehicle takes place – Budapest – while in the case of transport in the opposite direction (by lorry from Pécs to Budapest and by rail to Vienna), the unloading address (destination) of the intra-Community sale relevant to EKAER is where the unloading from the public road vehicle takes place, i.e. also Budapest.
- » The notification obligation for domestic chain transactions is linked to the domestic sale in the context of which the goods are transported. If the transport of non-risk goods is performed or mandated by the recipient, the latter is also responsible for notification. For the intra-Community acquisition of goods or their import for other purposes, the EKAER number must be obtained no later than prior to transport on the domestic section of the goods' route. (Formerly, the related notification had to be performed prior to the start of the shipment outside of Hungary.)

The newsletter accurately reflects the statutory provisions as they stand at the time of its issue.
The authors of the news articles have endeavoured to provide general information that both reads well and is professional.
Given the general nature of the content and possible changes to legal regulations, please contact us if you require this information tailored to your personal circumstances.

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