

wts newsletter

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highlights

Does your company use invoicing software? Don't forget to report it! – The most striking changes to the new invoicing decree affect companies using invoicing software and online invoicing systems, with particular regard to the obligation to report invoicing software, which although only takes effect on 1 October 2014, company executives and accountants won't worry if they can already collect the necessary information from the vendor of the invoicing software.

Does your company use invoicing software? Don't forget to report it!

The most striking changes to the new invoicing decree affect companies using invoicing software and online invoicing systems, with particular regard to the obligation to report invoicing software, which although only takes effect on 1 October 2014, company executives and accountants may sleep better if they can already collect the necessary information from the vendor of the invoicing software.

Ministry of National Economy Decree No. 23/2014. (VI. 30.) on the tax identification of invoices and receipts as well as the tax inspection of invoices stored in electronic format took effect on 1 July 2014. However, some of its provisions will only be applicable from October, and July next year. This decree replaced the previous invoicing decree on the rules for invoicing (Ministry of Finance Decree No. 24/1995).

Taxpayers' obligation to provide data which – as mentioned in our introduction – comes with an increased administrative burden takes effect on 1 October 2014. Accordingly, companies and private individuals as sole entrepreneurs who issue invoices using invoicing software are obliged to report the specified data of the invoicing software used (name, ID, developer's name and tax number, if applicable, vendor's name and tax number, date of purchase and start date of usage). Taxpayers using an online invoicing system are of course obliged to provide data from the online system. In their case, the scope of data required is narrower in the sense that the software developer does not need to be specified.

The deadline for reporting software and online services already in use is 15 November 2014, while software and services purchased or used after 1 October 2014 must be reported within 30 days. Invoicing software withdrawn from use must also be reported within 30 days, whereby the date of withdrawal from use must accordingly be given. This information must be submitted using the tax authority's designated form.

In accordance with the VAT Act, obligations pertaining to the invoicing of products and services supplied in Hungary are determined by Hungarian regulations. This could also mean that foreign companies pursuing taxable activity in Hungary without a Hungarian residence are likewise obliged to report the invoicing software and online invoicing systems they use to the National Tax and Customs Administration (NAV). The invoicing decree includes no exemptions for these VAT-registered entities, as they are commonly referred to. However, realising that invoicing software IDs vary significantly by country in the absence of any standards, the legislator gives a broader framework. Any description or name specified by the software developer as well as any letter or number sequence (acronym) used for differentiating between the various versions of the invoicing software is acceptable as the ID of the invoicing software, if such are clearly suitable for identifying the software used.

In light of the above, companies must pay special attention to requesting the necessary information from the provider of the invoicing software. It is important that when selling the invoicing software the vendor must hand over Hungarian user documentation – including the operation and the functions of the programme – prepared by the software developer to the buyer and future user of the software.

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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WTS Klient Group • Tamás Gyányi, Partner

1143 Budapest • Stefánia út 101-103. • Hungary

Telephone: +36 1 887 3700 • Fax: +36 1 887 3799

tamas.gyanyi@klient.hu • www.klient.hu

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