

## Guidance Real-Time-Reporting for Self-Billing-Invoices in Hungary

In the interest of its members, the VDA had approached the Hungarian tax authorities to clarify open questions regarding real-time reporting obligations. As a result of these discussions, the VAT and SID (settlement procedures) working groups have drawn up the following guidance in consultation with experts from the Hungarian Ministry of Finance.

### Disclaimer

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## Real-Time-Reporting for Self-Billing-Invoices in Hungary

In case of self-billing by a customer in the name and on behalf of the supplier, where the customer is not established in Hungary (the seat of his economic activity is not in Hungary) and is not registered for VAT purposes in Hungary in connection with the transaction to which the invoice issued relates (self-billing for intra community supplies and export supplies) the following principles apply as of 1<sup>st</sup> of July 2021.

- 1) Even in case of self-billing (issuance of the invoices by the customer on behalf of the supplier), the invoice data reporting obligation legally remains with the supplier.
- 2) To fulfil the supplier's invoice data reporting obligation in case of self-billing, the following options exist:
  - a) The supplier generates the XML directly from the incoming self-billing invoice issued by the customer and fulfils the invoice data reporting on this basis.
  - b) The supplier generates the report XML from the internal document (e.g. from SAP-SD or FI module) issued by himself and fulfils the invoice data reporting on this basis provided that the data reported by the supplier exactly corresponds to the data of the self-billing invoice issued by the customer.

In this case, the original number of the self-billing invoice issued by the customer must be processed as "invoiceNumber" during the invoice data reporting while the number of the internal document issued by the supplier could be reported as an additional information.

- c) The customer converts the self-billing invoice data into XML format and fulfils the invoice data reporting in the name and on behalf of the supplier.
- 3) In all options mentioned in point 2 a) to c), it is allowed to enrich the data included in the self-billing invoice issued by the customer prior to the transmission in order to meet the special requirements of the invoice data reporting (e.g. information on the applicable exchange rate, the foreign currency used and the amounts in HUF) provided that this enrichment is done automatically.

- 4) In case the invoice data report is made from the IT system from which the invoice was issued (point 2 c)), real time invoice data reporting means that the invoice data is reported as soon as the invoice is generated, thus when generating an invoice by an invoicing software is closed (there is no more possibility to change or add anything to that invoice), the process of reporting has to start automatically and has to be completed within the legal deadlines defined in the ministerial decree.

In case the invoice data report is made from a different IT system as the invoicing software with which the invoice was issued (points 2 a) and 2 b)), according to the Decree No. 23/2014 (VI. 30.) NGM, the supplier will have 6 calendar days from the issuance of the invoice to make the invoice data report. This deadline thus is attached to the issuance of the invoice and not to the fact when the supplier receives the invoice. For that reason, it is very important that the customer sends the supplier the invoice in due time to enable the supplier to fulfil his reporting obligation.

- 5) According to Decree No. 23/2014 (VI. 30.) NGM, the sequential number of the invoice should be generated without any break or repetition. Thus, where the supplier issues invoices in his own name and the customer also issues invoices in the name of his supplier, it needs to be ensured that the invoices issued by the customer in the name of the supplier and the invoices issued by the supplier in its own name have different sequential invoice numbers. The differentiation between the sequential numbering of the invoices in the system of the supplier and the customer can be ensured by adding a prefix or a suffix to the sequential invoice number of the invoices in the system of the customer as well.

- 6) The following chart illustrates and summarises the points:

