

# CHANGES IN ELECTRONIC PUBLIC ROAD TRADE CONTROL SYSTEM (EKÁER) REGULATIONS EFFECTIVE FROM 1ST AUGUST 2016.

**Dear Clients!**

The changes in EKÁER regulations will become effective as of 1st August 2016, increasing the number of companies subject to notification obligation and amending the regulations of penalties, official seal protection and vehicle retention.

## CHANGES IN NOTIFICATION OBLIGATION

As one of the most significant changes, more companies will be liable to request EKÁER number.

Once the changes are effective, EKÁER obligations will not only apply to vehicles subject of toll pursuing sale and purchase or movements of goods for other reasons in regards of low-risk products but also to transport by toll-free vehicles as long as they weigh more than 3.5 tones inclusive of their freight.

In conclusion, the number of EKÁER obligants will increase in the future as EKÁER number will be compulsory for overloaded commercial vehicles transporting heavy freight as well.

## INCORRECT REPORTED WEIGHT

Another remarkable change regards the expansion of the Tax Authority's right to charge penalties. As a result of the modifications submission of false details will not only be sanctioned if the transported freight happens to exceed the reported weight but also in cases when it falls short of the reported weight.

In the latter scenario a penalty of up to 40% of the value of reported but not actually transported freight may be charged by the Tax Authority.

## THE TRANSPORTER WILL BECOME RESPONSIBLE FOR PROTECTING THE OFFICIAL SEAL

According to the modifications it will be the transporter's liability to protect the official seal from its placement until its removal.

Should the seal get damaged due to unavoidable circumstances out of the scope of the transporter's activities or if the freight itself damaged, the transporter is liable to notify the Tax Authority.



In the event of unlawful removal of the official seal, the transporter may be charged with a default penalty.

The amount of default penalty falls between HUF 200 000 and HUF 500 000 in case of private individuals and HUF 500 000 up to HUF 1 000 000 for non-private person transporters.

Any foreign transporter preventing the removal of the official seal until the above mentioned penalty is paid, the Tax Authority may retain any other vehicles owned or used by the transporter.

## STRICTER REGULATION IN REGARDS OF VEHICLE RETENTION

The Tax Authority can retain the vehicle as assurance until the payment of the penalty without any specific resolution.

Vehicles cannot be retained in the following cases:

- The sanctioned transporter is seated or resident in Hungary and it has Hungarian tax number or;
- A financial institution provides guarantee for the fulfilment of the penalty which should be verified by the transporter during the process or;
- The liability is taken over by a company registered in Hungary which should be verified by the transporter during the process or;
- Perishable products or live animals are transported.

In conclusion of the above Tax Authority has right to retain the inspected vehicle until the penalty is paid in case of foreign transporters.

Summing up the above, we would like to recommend the thorough supervision of any transaction that may be subject to EKÁER obligation.

If you have any questions or need further information, please feel free to contact me.

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