

## Changes of the rules on invoicing in 2017

The direction of the legislation process of invoicing obviously reveals, that the invoicing programs and the data contained in them are increasingly significant for the Hungarian Tax Authority.

One trend of the changes is related to the domestic recapitulative statements, which have been/will be amended in two phases in 2017.

As of 1st of January, 2017 – as a first phase – the mandatory data content of the invoices has broadened. The issuer of the invoice is obliged to indicate the tax-number of the customer, if the output VAT exceeds HUF 100 000. Though this change only affects the mandatory content of the invoice, it is crucial to the implementation of the second phase of the change in the domestic recapitulative statement ('65M form).

Since, as of 1st of July, 2017 – as the second phase – the threshold of necessary indication on the domestic recapitulative statement will decrease from the current HUF 1 million to HUF 100 000, which will definitely mean increased administrative burden for the taxpayers. As the result of this change, the taxpayers will have to report significantly more invoices/data in the domestic recapitulative statement, which cannot be carried out efficiently with the current data service method, according to the Head of the IT Control Department of the Hungarian Tax Authority.

In addition of the decrease in the threshold, the Tax Authority's further intention is to get the data of the invoices as soon as possible – even before the monthly/quarterly submit of the domestic recapitulative statements – therefore additional, new regulations have come into force related to the data service obligations.

Based on the information provided by the Head of IT Control Department of the Tax Authority, the following requirements were expressed related to the new data service method:

- it shall not restrain the invoice issuing activity;
- it shall not disturb or interrupt the issue of the invoices;
- it shall not be expensive.

The base of the data service will be a two-way data communication. The system shall be able to provide data per invoice, while also needs to be able to receive the data (e.g. notifications about the checking of invoice data, notifications about the customer's status with the Tax Authority, other services aiding the spread of e-invoicing) from the Tax Authority. The data flow probably will be carried out through the data connection established with the invoicing program.

Thus, actually an automatized data exchange will happen between the taxpayers and the Tax Authority. According to the preliminary, non-official information, the system will be built up on the data-structure of the data export feature, which is compulsory since 1st of January, 2016.

Naturally, in order to be able to use the current data export feature as an automatized data service, additional changes have to be done. The technical details will only be known, after the release of the applicable legislation. The volume of this change will certainly justify a longer test-period both for the IT developers, the Tax Authority and the taxpayers.

The currently known date of the mentioned changes related to invoicing systems is 1st of July, 2017. The fact, whether this deadline can be met is up to the intention of the legislators, in respect of the test-period and the expressed requirements.

We would like to emphasize, that there is no official information available related to the topic, thus the above written are solely contain logical conclusions from the preliminary information from non-official sources.

**Should you have any question related to the above mentioned, do not hesitate to contact us!**

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