UNIVERSITY OF PANNONIA
CHANCELLOR

Chancellor's Directive No 1/2020. (VI.4.)
on the changes and tasks related to invoicing and invoice data reporting effective from 1st July 2020

To: All Deans, Heads of comprehensive organisational units and Heads of organisational units

Dear Head of Organisational Unit,

Please be informed that, with the entry into force of Act CXXVII of 2007 on Value Added Tax (hereinafter referred to as: VAT Act) **as of 1st July 2020, the tasks related to invoicing and invoice data reporting and the rules of necessary data reporting will change significantly.**

I. Main changes to the VAT Act effective from 01.07.2020, affecting the responsibilities of organisational units:

- **Deadline for issuing invoices:** *the former 15 calendar days* ***available for issuing an invoice is reduced to 8 calendar days.***
- **Online data reporting obligation:** as of 1st July 2020, the University of Pannonia must provide **real-time (i.e. online, immediate) data to the National Tax and Customs Administration** on the content of every invoice issued to a **domestic taxpayer, irrespective of value.**

II. In order to ensure that the institution fulfils its statutory obligations on invoice issuance and data reporting, I hereby order compliance with the following:

General rule:
The coordination, supervision and control of VAT-related data reporting, as well as the preparation of the VAT return, shall remain within the authority and competence of the Directorate for Economic Affairs / Financial Department.

The involvement of the organisational units in this matter is as follows:
Pursuant to the *Regulation on External Services and Product Sales* (hereinafter referred to as: "Regulation"), the University may, within the framework of its core activities, carry out **revenue-generating activities** aimed at utilising available free capacity (R&D activities, measurement services, technical, agricultural, economic and IT activities, product sales, etc.).

To ensure full compliance with the conditions laid down by **the amendment to the VAT Act effective from 1st July 2020**, and for the implementation of Sections (2) and (3) of Article 15 **of the Regulation, please pay attention to the following**:

- "(2) The request for issuing an invoice must be submitted on the 'Request for Invoice Issuance' form, together with the supporting documents forming the basis of invoicing (certificate of completion, commitment documents, etc.), to the Financial Department."
- "(3) **The deadline for preparing the invoice** – under the VAT Act – is **8 calendar days** following completion of the work. To avoid a VAT self-revision involving additional costs, the

request for invoice issuance **must be submitted immediately, but no later than the 5th calendar day following performance**, to the Financial Department."

Special attention shall be paid to the following in order to ensure compliance:

- Submitting all documents relating to **licensing and reporting obligations** connected to employment *('Authorisation Request', 'Financial Calculation', 'Project Number Request Form', Client's letter of engagement or draft contract (pursuant to Chapter III, Article 6 of the Regulation))* **within the given deadline,**
- **Initiating the conclusion of contracts in due time** – prior to the start of the contracted work,
- **Monitoring the agreed completion deadlines** by the designated professional contact,
- **Observing the deadlines for issuing and obtaining certificates of completion,**
- **Submitting all documents required for invoicing** *(completed request for invoice issuance form, related certificate of completion, agreement, order confirmation, etc.)* **by the deadlines.**

Depending on the nature of the work undertaken, the documentation of the certificate of completion must be treated with priority.

- Given the extremely short deadline, it is recommended to include the following provision in the contract: "…if the Client does not raise any objections regarding the performance within 5 calendar days following completion of the work, the performance shall be deemed accepted in accordance with the contract."
- For work accounted for periodically, or for complex undertakings consisting of multiple sub-tasks, the partner/customer may require special conditions for the certificate of completion, which further increases the time required for professional certification. To ensure the enforcement of these aspects in the contract, the Financial Department of the Directorate for Economic Affairs, with the involvement of legal expertise if required, provides support upon request.

Failure to perform the tasks set out in the Regulation and in this Directive, and thereby failing to meet the deadlines, may result in VAT self-revision involving costs, as well as a default fine imposed by the Tax Authority – which may be as high as HUF 500,000 per invoice – and shall be borne by the organisational unit.

This Chancellor's Directive shall enter into force on the day following its publication and shall remain in force until revoked.

Person responsible for compliance with the provisions of this Directive: all heads of organisational units

To ensure compliance with the legislative changes, please draw the attention of all affected staff members to the provisions of this Directive.

Dated in Veszprém, on 4th June 2020

Zsolt Csillag m.p.
Chancellor

Related Directive issued on this matter: Chancellor's Directive No. 4/2018. (VI.25.)