UNIVERSITY OF PANNONIA
CHANCELLOR

Chancellor's Directive No. 2/2020. (VII.2.)
on the changes and tasks related to invoicing and invoice data reporting effective from 1st July 2020

To: all the deans of the faculties and heads of comprehensive organisational units and organisational units

Dear Head of Organisational Unit,

Purpose of the directive: to present the changes affecting the Organisational Units and to define the related tasks in connection with the amendment of Act CXXVII of 2007 on Value Added Tax (hereinafter referred to as: VAT Act), entering into force on 1st July 2020.

I. Changes to *invoice issuance* under the VAT Act effective from 1st July 2020:

1. **Mandatory invoice data content:** From 1st July 2020, it is **mandatory** to include **at least the first eight digits of the tax number** (or group identification number) of the domestic taxable person acting as buyer on the invoice, regardless of the amount of tax. Verification of the inclusion of the tax number on the invoice is the responsibility of:
   - **on the issuer side: the Directorate for Economic Affairs / Financial Department** (hereinafter referred to as: "DEA/FD), the **Technical and Operational Directory** and the **Organisational Unit / Cash Handling locations** involved in issuing the invoice (see *Annexes 1 and 2* of this Directive);
   - **on the recipient side: the Department of Legal Affairs and Procurement,** the **DEA/FD** and, on an ad hoc basis, any **Organisational Unit.**

2. **Deadline for issuing invoices:** As of the date above, the deadline for issuing an invoice that includes VAT is reduced from 15 days to **8 days** following the date of performance (*see Chancellor's Directive No. 1/2020. (VI.4.)*).

3. **Obligation to issue invoices:** As of 1st July 2020, taxable persons are required — under the general rules — **to issue invoices** when providing or supplying certain VAT-exempt services and goods, **including VAT-exempt services falling within the category of '*other educational activities*'**.

   According to Section (2) of Article 85 of the VAT Act, **the category of 'other educational activities' includes:**
   - **examinations** serving as the basis for issuing a state-recognised or internationally recognised **language examination** certificate (*Pannon Language Examination and Language Teaching Centre*),
   - education, training and examinations authorised and organised **under the Adult Education Act** (*Institute for Adult Education, Faculties, Campuses*),
   - the organisation and implementation of **academic and talent-development competitions** (*Faculties, Campuses*).

   In the above-mentioned cases, there is an obligation to issue an invoice. However, if

- the buyer is a non-taxable person who pays the consideration for the transaction in cash or by a cash-substitute, and
- the consideration does not exceed HUF 900,000 gross, and
- the buyer does not request an invoice,

then an **obligation to issue a receipt** applies.

II. Changes to the online data reporting obligation

1. **As of 1st July 2020,** the **data reporting obligation** extends to **all invoices** issued to ***domestic taxable persons*** for the supply or provision of goods or services ***performed within Hungary***. Thus, data shall be reported not only for invoices containing at least HUF 100,000 of transferred VAT but for **all invoices** issued by the University of Pannonia **to domestic taxable persons**, including those containing VAT or not containing transferred VAT (e.g. *exempt from VAT or subject to reverse charge*).

2. **As of 1st January 2021,** all invoices issued by the University of Pannonia **shall be reported online to the tax authority**, including those issued to **private individuals or to non-taxable and non-resident entities**.

III. Fulfilment of the institution's online data reporting obligation:

1. **In the case of payment by bank transfer,** invoice issuance and simultaneous data reporting shall in all cases be carried out through the institution's SAP-based **Integrated Institutional Management System (hereinafter referred to as "IIMS")**, which is connected to the Online Invoice System of the Tax Authority. For invoices generated in connection with student receivables in the NEPTUN system, online data reporting is ensured through an interface connection with the IIMS system (system development in progress).

2. If the revenue is collected **in cash** at the organisational unit's cash-handling points, the documentation and **online data reporting obligation** may be fulfilled in the following manner:

Method of documentation	Online data reporting
Receipts printed in a printing house (receipt booklet)	**no** data reporting obligation
Computer-generated **receipts**	**no** data reporting obligation
Receipts generated from online cash registers (cases of mandatory use defined by law)	**data reporting is ensured through the direct connection** between the **online cash register** and the online system of the Tax Authority
Receipts printed in a printing house**, cash invoice** (invoice booklet) - for invoices containing transferred tax worth less than HUF 500,000 gross - for invoices containing transferred tax worth HUF 500,000 gross or more	data reporting shall be carried out on the **electronic platform** provided by the Tax Authority (Online Invoice platform) - **within 4 calendar days**, - **on the day of invoice issuance**.

Other **invoicing software**	**the invoicing software shall ensure** immediate **online data reporting**; its use requires notification to the Tax Authority

IV. To ensure the institution's compliance with online data reporting obligations, I order the following to be carried out:

1. **For the issuance of a bank transfer invoice**, the invoicing request shall be forwarded to the DEA/FD **within 5 calendar days following performance** (for details, see Chancellor's Directive No. 1/2020. (VI.4.)).

2. **Online data reporting for invoices issued from a cash invoice booklet shall be carried out in accordance with the specific procedure agreed upon in advance and recorded in writing between the DEA/FD and the relevant Cash-Handling Points, prior to the issuance of the invoice booklet.**

3. Cash-Handling Points – except in the case of bank transfer payments – **shall, in all circumstances, consult with the DEA/FD** regarding the method of documentation and the fulfilment of data reporting obligations **before commencing any revenue-generating activity**.

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

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

In order to comply with any legislative changes, please ensure that the attention of all staff members concerned is drawn to the requirements set out in this Directive.

Dated in Veszprém, on 2nd July 2020

Zsolt Csillag m.p.
Chancellor

Annexes:
- Annex 1: List of Cash-Handling Points in Veszprém
- Annex 2: List of Cash-Handling Points at the Keszthely Campus