



# HUNGARY

## CONTINUOUS TRANSACTION CONTROLS (CTC)

### OVERVIEW

In 2018, Hungary became one of the first countries in Europe to introduce continuous transaction controls (CTCs).

In April 2021, Hungary's National Tax and Customs Administration (NAV) introduced the third iteration of its real-time invoice data reporting system. The new version simplifies e-invoice issuance for companies reporting their invoice data (available only for B2B transactions).

Unlike other EU countries (like Italy), Hungary's e-invoicing is not mandatory and can be dictated by whether the buyer chooses to accept e-invoicing. If e-invoicing is used, the integrity and authenticity of the e-invoices exchanged between counterparties will need to be verifiable.

### WHEN DO I NEED TO COMPLY?



Real-time invoice reporting obligations came into force.



Exports, intra-community supplies and B2C invoices included in the scope of Hungary's real-time reporting system.

Additionally, all transactions, regardless of amount, must be reported to the Hungarian tax authority.



End of penalty-free grace period to comply with Hungary's real-time reporting requirements.

The penalty for non-compliance is a levy up to HUF 500,000 for each missing or incorrect invoice data submission. Additional penalties can be incurred for non-compliance with Hungary's invoicing software requirements.

### WHAT DO I NEED TO DO?

To file invoices under Hungarian legislation, companies must register with the NAV system.

Once registered, all invoices issued under the scope of the real-time invoice data reporting must be transmitted electronically through a centralised system and submitted in an XML format immediately upon the invoice issuance. The transmission must include identification data and the obligatory data content as required under the Hungarian VAT act.

To ensure compliance and acceptance of e-invoices, businesses should have timestamps and electronic signatures on e-invoices. Alternatively, businesses can make their invoices available through an Electronic Data Interchange (EDI) system.

Since 2015, taxpayers are required to issue electronic waybills, locally known as EKAER, for the movement of goods that entails public road transportation within the country. Since January 2021, the issuance of the EKAER is only required for the road transportation of risky products defined in the local regulations.

### HOW CAN SOVOS HELP?

Sovos provides software solutions and expertise that enables businesses to stay up to date with the latest requirements and technical specifications so they can effectively connect with the NAV and honour VAT compliance obligations.

Contact Sovos' team of experts to learn more about how we support companies conducting business in Hungary and beyond.

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