BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

The Eighth Theme Day Event

6 November 2024

The introduction of eVAT system in HU

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Title: head of department

Jurisdiction/Organization: National Tax and Customs Administration

CONTENTS

Part 01

Organizational background
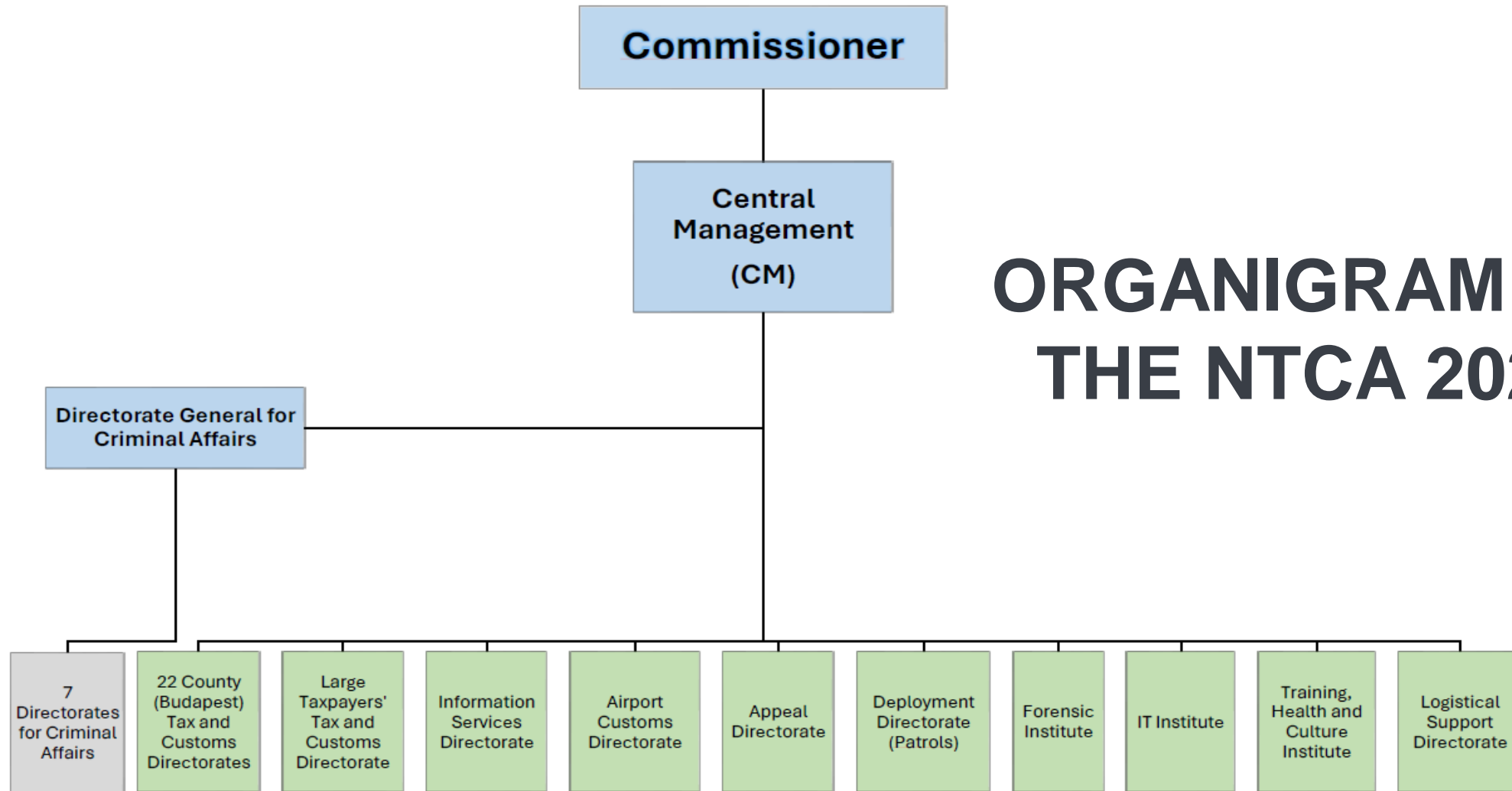
BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

Effective from 1 March 2024

Commissioner

Commissioner's Cabinet

Deputy Commissioner for Taxation
- Tax Administration and Excise Department
- Tax Registration Department
- Tax Audit Department
- Tax Audit Liaison and Information Utilisation Department
- Insolvency and Enforcement Department
- Tax Law and Client Service Department
- Tax Relations Department

Deputy Commissioner for Customs and International Affairs
- Customs Department
- International Relations Department

Deputy Commissioner for Criminal Investigation and Law Enfocement
- Criminal Investigation Department
- Law Enforcement Department

Deputy Commissioner for Information Technology
- Comparative Technology and Methodology Division
- IT Supervision Department
- IT Service Development Department

Deputy Commissioner for Legal Affairs
- Department Supervising Closed Audit Cases
- Legal Coordination Department
- Legal Compliance and Supervision Department

Deputy Commissioner for Resource Management
- Procurement Department
- Financial Management Department
- Human Policy Department
- Public Procurement & Project Management Department

- Internal Security Department
- Risk Analysis and Data Science Department
- Internal Audit Department
- Communication Department
- OLAF Coordination Bureau AFCOS
- Financial Intelligence Unit FIU
- Organizational Management Department
- Planning and Analysis Department

ORGANIGRAM OF THE NTCA CENTRAL MANAGEMENT 2024

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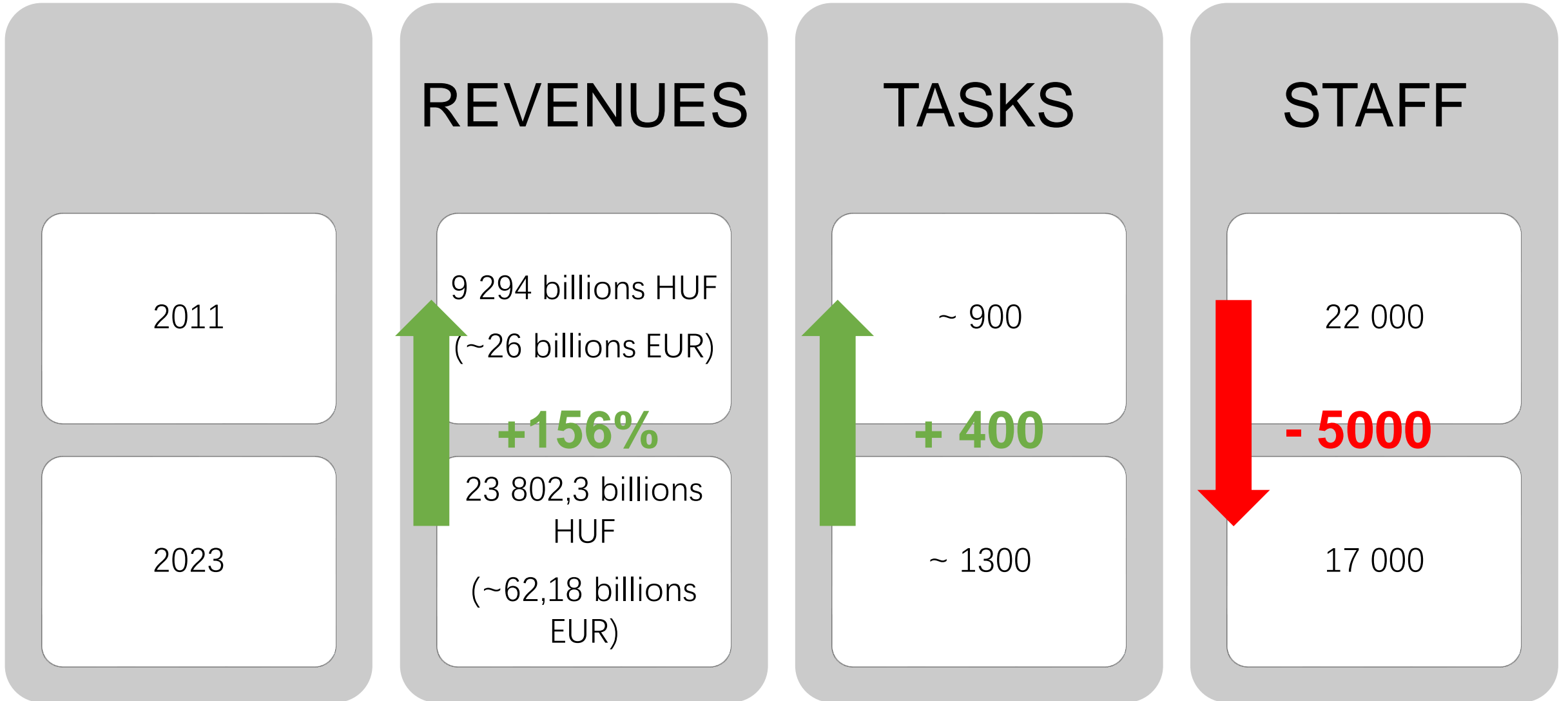
OUR REVENUES

Distribution of revenues 2023

- PIT
- VAT
- Social security
- Excise
- Other
- CIT
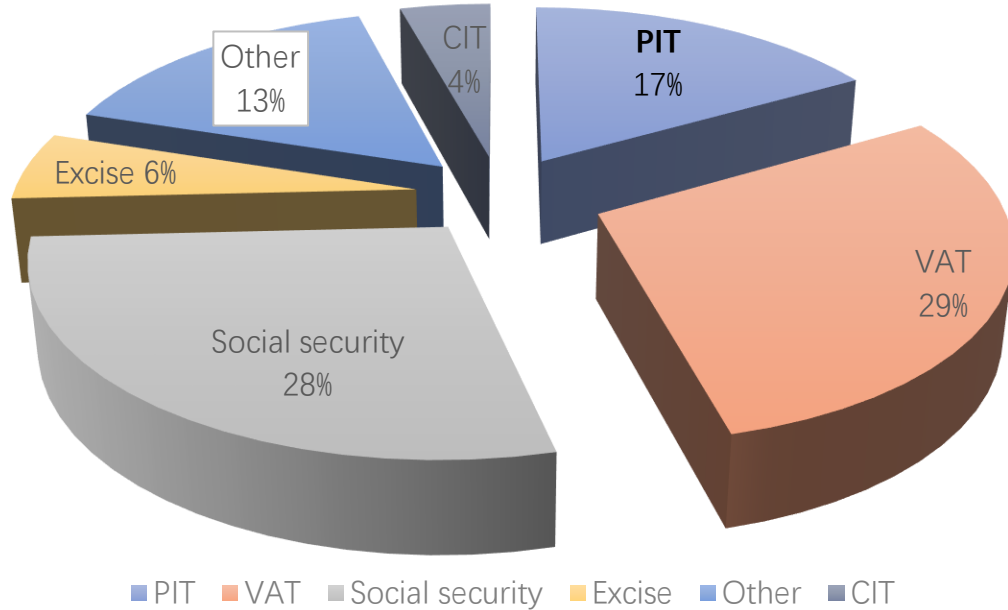
NTCA provides 95% of the total tax revenue of the state budget

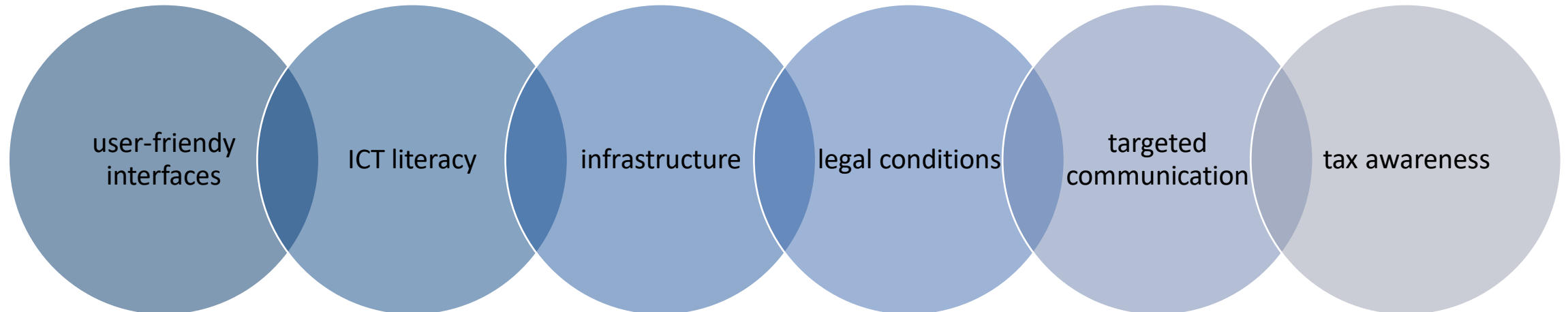|	2022		2023	
	HUF	EUR	HUF	EUR
Total tax-type revenues of the state budget collected by the NTCA	**20 601,8 bn**	52,6 bn	23 802,3 bn	62,18 bn
•from which customs related revenues	2 206,0 bn	5,6 bn	2 292,6 bn	6,0 bn
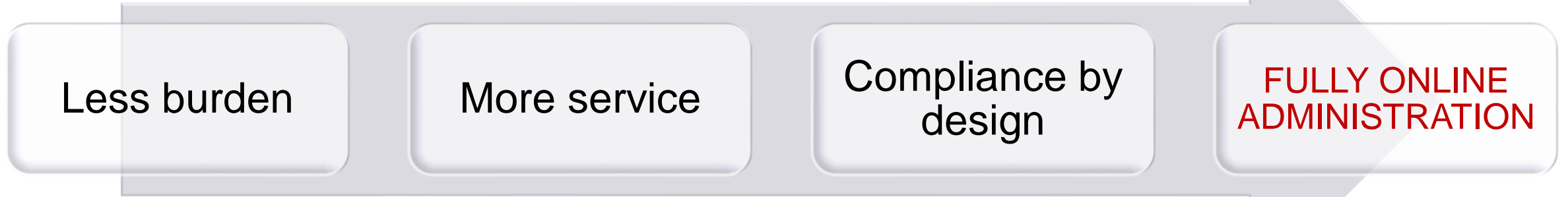
Part 02

Prelude

Prelude

01 Data driven risk management

02 Provided services based on collected data

03 Reducing administrative burden

Part 03

Main elements of the system

Expectations of the system

- To serve the clients' needs, to reduce administrative burden
- Two types of solutions:
  - ➤ Web application for simple needs,
  - ➤ M2M connection for corporate users

Showing back the data

To show back the collected data and different decisions for the clients

(Online Invoice System (OSA), Online Cash Registers (OPG), Customs clearance (CDPS, eVÁM))

VAT analytics

Preparation of VAT analytics, instead of draft VAT return

VALIDATIONS

GOALS

- To reduce the number of wrong VAT returns

- To raise awareness on factors causes risky tax difference

CLASSIFICATION

- Based on the content:

  - Technical validations

  - Business validations

  - Tax return processing validations

- Based on seriousness:

  - ERROR

  - WARNING

Part 03
Web application

➢ Register based on documents and transactions
➢ Organising: based on algorithms
  ➢ automatic,
  ➢ recorded by the taxpayer
➢ Editable
➢ Recording of client decisions
➢ VAT analytics and tax return XML: summary of source data and decisions
➢ Pre-check: feedback about mistakes checked in the tax return processing system
➢ Submission, approval: generated XML
➢ To present submitted and not submitted tax returns/periods
➢ Preparation of reports

BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

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SUMMARY VIEW

Declaration period
10/01/2023 – 10/31/2023 ▾

🔒 Draft

🔓 Close period

DATE OF LAST RECEIPT

📄 **Online Invoice System**
10/12/2023

📰 **Customs declarations**
-

🖨 **Online Cash Register**
-

VAT SUMMARY

Payable tax
627,885 Ft

Deductible tax
432,000 Ft

VAT difference without decreasing Item
195,885 Ft

Tax to be accounted for
195,885 Ft

EVOLUTION OF CALCULATED VAT DIFFERENCE

Query	Minimum	Maximum
10/13/2023	-371,115 Ft	5,055,885 Ft

EVOLUTION OF CALCULATED VAT DIFFERENCE

Query **10/13/2023**

Date	Payable VAT	Deductible VAT	VAT difference
10/13/2023	5,487,885 Ft	432,000 Ft	5,055,885 Ft
10/12/2023	5,487,885 Ft	432,000 Ft	5,055,885 Ft

e ÁFA 🔴 | ⊞ Applications | 🏢 [ ] | 👤 TESZT MBDFZIRW | EN ▾

DOCUMENT LIST

Declaration period
10/01/2023 – 10/31/2023 ▾ | 🔒 Draft | New document ▾ | 🔓 Close period

⋮ Close menu

🏠 Home page

🧮 **Document list**

📄 Summary view

📊 Reports and declarations

⚙️ Settings

👥 Taxpayer profile

👤 Users

🚫 Blocked documents

⬇️ Downloads

📁 **Documents of the declaration period** | 📎 Work-basket | ⬇️ Statements

Invoices | Receipts | Customs declarations | Other

Filter 🔽 | Quick filters 🔽 | Search 🔍 | Export ⬇️ | Total: **4 rows** | on one page: **10** ▾

☐	Document serial number ⇅	Status ⇅	Customer name ⇅	Customer's tax number ⇅	Supplier name ⇅	Supplier's tax number ⇅	D	⊞⚙
☐	1002-01	✅ Verified ▾	NÁDUDVARI AGRÁRIPARI SZÖVETKEZET	10061604	"KOSSUTH" PINCESZÖVETKEZET	10022537	1	⋮
☐	1002-30	☑ Waiting for verifying ▾	"KOSSUTH" PINCESZÖVETKEZET	10022537	CSUKA CSALOGA-TÓ HORGÁSZ EGYESÜLET	18522196	1	⋮
☐	1003-02	☑ Waiting for verifying ▾	MATERIÁL VEGYIPARI SZÖVETKEZET	10024591	"KOSSUTH" PINCESZÖVETKEZET	10022537	1	⋮
☐	1012-áfa61	☑ Waiting for verifying ▾	MATERIÁL VEGYIPARI SZÖVETKEZET	10024591	"KOSSUTH" PINCESZÖVETKEZET	10022537	1	⋮

Total: **4 rows**

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REPORTS AND DECLARATIONS

Sum of declarations
3

⋮ Close menu	
🏠 Home page	
🖩 Document list	
📄 Summary view	
📑 Reports and declarations	
⚙ Settings	
👤 Taxpayer profile	
👤 Users	
🚫 Blocked documents	
⬇ Downloads	

Total: **3 rows**

Declaration period
10/01/2023 - 10/31/2023
🔓 Open
Declaration type
Base
Source
e-VAT
🔒 Close period
⋮

Close period — Prepare draft declaration — Pre-validate — Submit

---

⌄ Declaration period
09/01/2023 - 09/30/2023
🔓 Open
Declaration type
Base
Source
e-VAT
👁 Pre-validate
⋮

Close period ✓ — Prepare draft declaration ✓ — **Pre-validate** — Submit

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Declaration period
06/01/2023 - 06/30/2023
🔓 Open
Declaration type
Base
Source
e-VAT
🔒 Close period
⋮

Close period — Prepare draft declaration — Pre-validate — Submit

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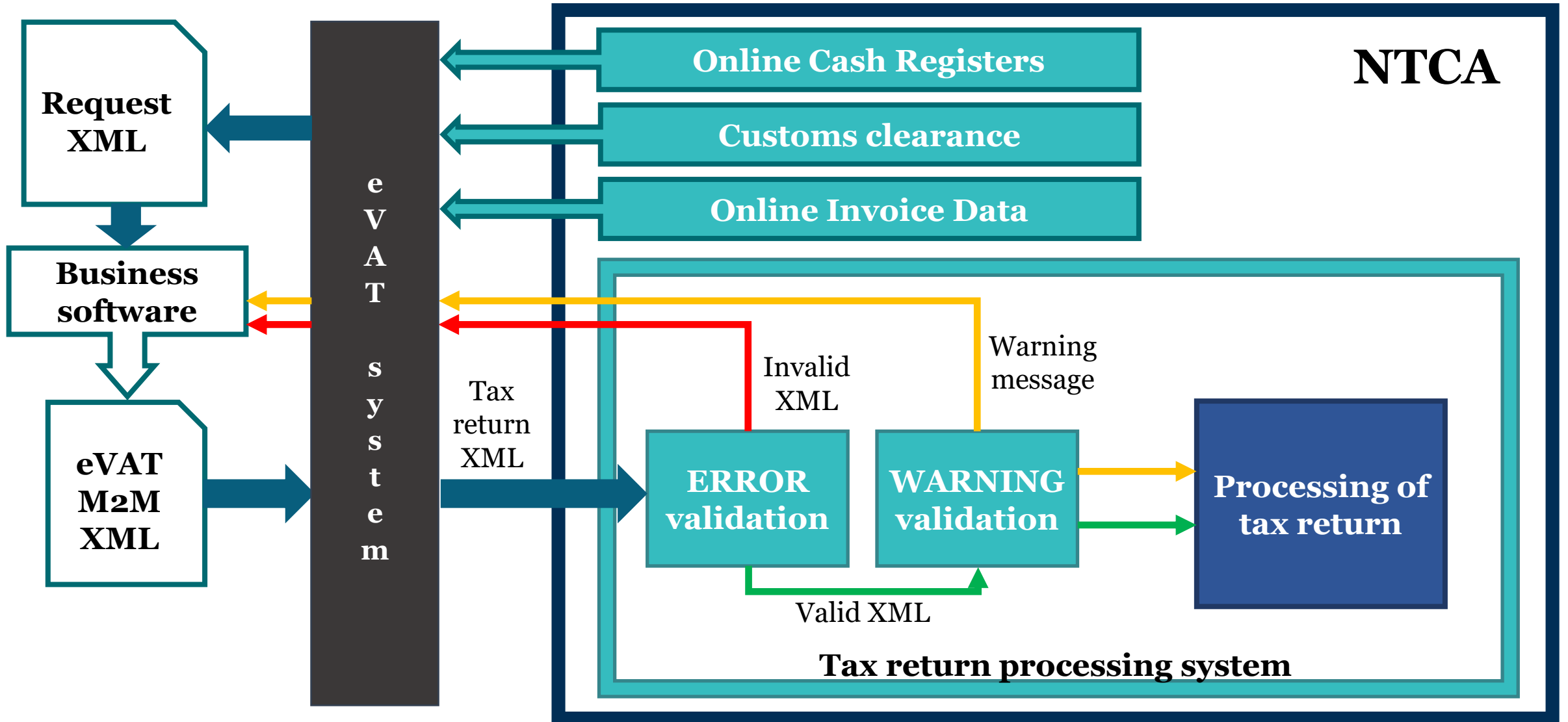Total: **3 rows**

BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

NTCA

Taxpayer records

e V A T s y s t e m

Online Cash Registers

Customs clearance

Online Invoice Data

Tax return XML

Invalid XML

Warning message

ERROR validation

WARNING validation

Processing of tax return

Valid XML

Tax return processing system
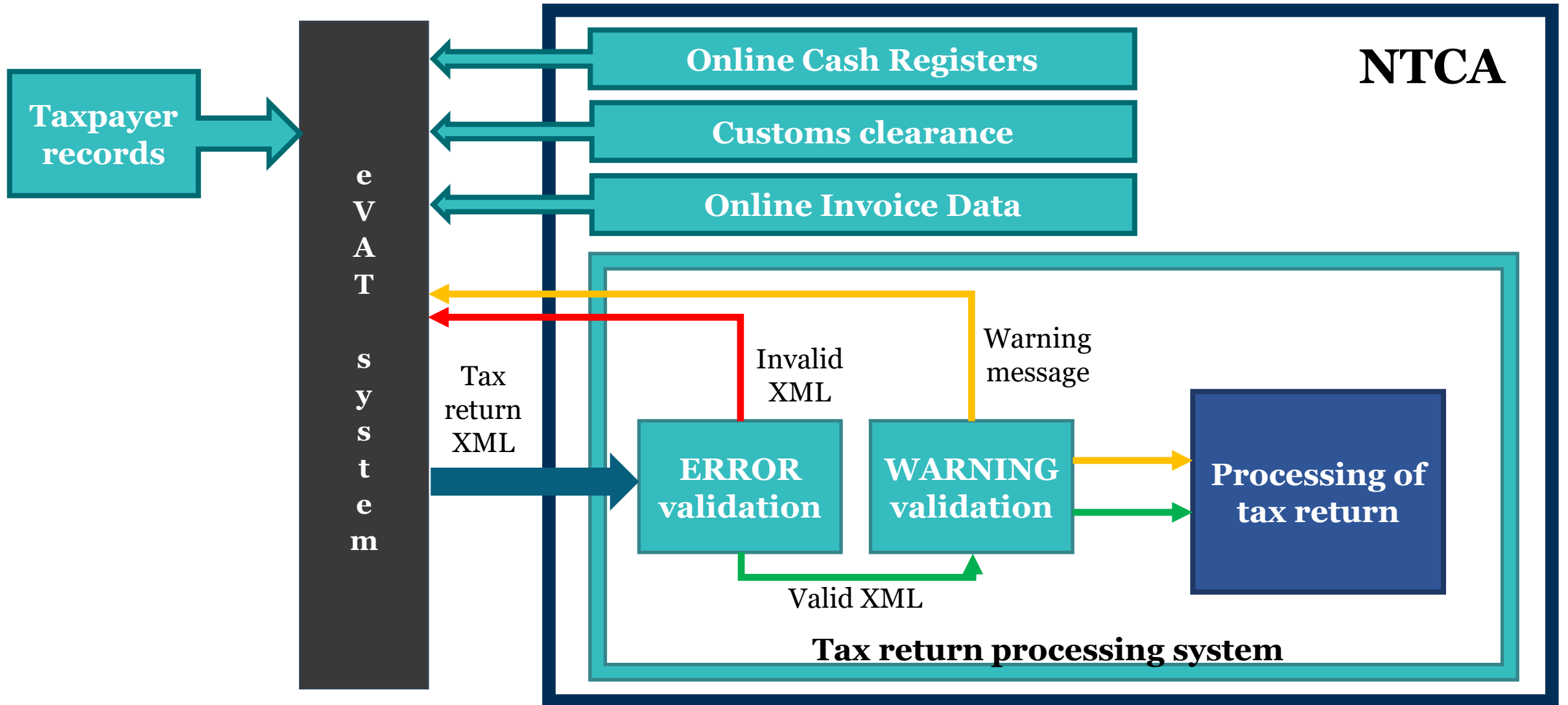
Part 04

M2M connection

GOAL:

➢ Taxpayer can import data for the preparation of VAT return to its business software from the databases of the NTCA

➢ Business software can submit VAT return via M2M connection

➢ To make the VAT return more detailed, so the taxpayer and the NTCA can use it as a VAT analytics

BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

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NTCA

Request XML

Business software

eVAT M2M XML

e V A T   s y s t e m

Online Cash Registers

Customs clearance

Online Invoice Data

Tax return XML

Invalid XML

Warning message

ERROR validation

WARNING validation

Processing of tax return

Valid XML

Tax return processing system