

# INSTRUCTIONS FOR COMPLETING FORM

## 25T101 for ÁNYK

### FORM FOR REGISTRATION AND REPORTING CHANGES FOR PRIVATE INDIVIDUALS WHO ARE OBLIGED TO OBTAIN A TAX ID NUMBER, BUT ARE NOT REGISTERED AS PRIVATE ENTREPRENEURS

#### WHAT CAN YOU READ ABOUT IN THIS GUIDE?

##### Table of contents

I. GENERAL INFORMATION .....	2
1. What is the form 25T101 for? .....	2
2. To whom does it apply? .....	2
3. How can the form be submitted? .....	2
4. Where can the form be found? .....	3
5. What is deadline of submission? .....	4
6. What are the possible legal consequences? .....	4
7. What are the parts of the form? .....	4
8. Where additional information and assistance can be obtained from? .....	4
9. Which legal rules shall be taken into account? .....	5
II. DETAILED INFORMATION .....	6

## I. GENERAL INFORMATION

### 1. What is the form 25T101 for?

Taxable persons carrying out activities subject to tax **are obliged to register with the National Tax and Customs Administration (NTCA)**. The NTCA keeps a register on reported data and changes in them.<sup>1</sup>

The following tax-related events can be reported in the form 25T101:

- mandatory data registration at the beginning of activity subject to tax;
- re-request for cancelled tax ID number;
- requesting a customs ID number;
- reporting changes in data.

### 2. To whom does it apply?

Those **natural persons** carrying out taxable activity may register their data or may report changes in these data who do not belong to the scope of the Act CXV of 2009 on Private Entrepreneurs and Sole Proprietorships (hereafter: Evecvtv.), namely:

- **Private entrepreneurs** according to the PIT Act exclusively (lawyer, bailiff, patent administrator, notary public, veterinarian) as well as
- **Private individuals with tax ID numbers** carrying out activities subject to tax.

You are not allowed to request a tax identification number by submitting this form if you wish to carry out your business activity commercially – regularly, with the aim of gaining profit and wealth and with your own economic risk-taking – and that is why you belong to the scope of Evecvtv. In such a case, you must register the commencement of your private entrepreneur activity with the help of “[Case Assistant on the Web](#)” service and, by doing so, you will fulfil your obligation of registering with the NTCA as well.

### 3. How can the form be submitted?

The form can also be submitted **on paper and by electronic means**.<sup>2</sup>

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<sup>1</sup> Section 16 of Act CL of 2017 on the Rules of Taxation (hereinafter referred to as Art.).

<sup>2</sup> Point d) of Section 36 (4) of Act CLI of 2017 on Tax Administration and the Regulation of Tax Administration (Tax Administration Act). Point 24 of Section 8, point a) of Section 19 (1) of Act CIII of 2023 on the Digital State and Certain Rules for the Provision of Digital Services. Point 6 of Section 7 (1) of Act CXXX of 2016 on the Code of Civil Procedure.

Taxpayers obliged to maintain connections with the tax and customs administration via electronic means may submit the form by electronic means only, taxpayers that are not obliged to do so may submit the form on paper as well.

You can obtain more information on submitting forms by electronic means as well as on rules of how to communicate electronically, *thus on the question who is obliged to submit the form by electronic means*, on the webpage of NTCA ([www.nav.gov.hu](http://www.nav.gov.hu)) in the following informative leaflets:

- *“Electronic submission of ÁNYK forms”*, as well as
- *„General rules on electronic administration and communication in tax matters”*.

***Should you submit the form to the NTCA on paper, please, do not forget to sign it.***

If the submitter is not obliged to maintain connections with the NTCA by electronic means, s/he may also submit the form on paper – by post or personally. In such a case, one copy of the form shall be delivered to the Tax Directorate of the NTCA, which is competent according to taxpayer’s domicile or seat. The form submitted on paper must be signed by the taxpayer or the person entitled to represent him / her.

### **Declaring the right to representation**

The authorised agent of the taxpayer may also submit the form. In order to file the form electronically, right to representation must be in advance declared to the NTCA. The NTCA is only able to accept the form submitted electronically if the submitter has previously registered its right to representation.

In the case of submission on paper, the right of representation must also be verified at the submission of the form or at its processing, the form cannot be proceeded without such a verification.

You can obtain more information **on registering the representation** on the webpage of NTCA ([www.nav.gov.hu](http://www.nav.gov.hu)) in the informative leaflet titled

- *“Registration of representation before the NTCA”*.

## **4. Where can the form be found?**

The relevant completion instructions and the Form Filling Framework Programme (ÁNYK), are available on the website of NTCA as follows:

- [nyomtatvanyok/letoltesek/nyomtatvanykitolto-programok-kereso](http://nyomtatvanyok/letoltesek/nyomtatvanykitolto-programok-kereso)

The form filler running in the Online Form Filling Application (ONYA) and the accompanying instructions are available at

- <http://www.nav.gov.hu> → *Online Form Filling Application (ONYA)*

## 5. What is deadline of submission?

Requesting a tax ID number (registration) must be performed even **before the commencement of the activity subject to tax**. The NTCA establishes a tax ID number for the taxpayer as of the date of registration, or in case of late registration, as of the date of starting taxable activities.

Later changes in data must be reported within **15 days** of the change.

Please note that you are exempt from the registration prescribed for the acquisition of tax number if your scope of activity is exclusively the rent (lease) of real estate property and you do not exercise your right to be a VAT-taxable person and you are either not obliged to ask for a Community tax ID number<sup>3</sup>.

## 6. What are the possible legal consequences?

If you fail reporting data or changes in them, the NTCA shall impose default penalty.<sup>4</sup>

## 7. What are the parts of the form?

Main page	Identification data, requiring and termination of a Community tax ID number
A sheet	Registration, reporting changes in data, registration after cancellation of tax ID number
F SHEET	VAT statements

## 8. Where additional information and assistance can be obtained from?

Should you have further questions related to the form or certain taxation rules please do not hesitate to contact us at our following availabilities!

### On the Internet:

- On the website of NTCA at <http://www.nav.gov.hu>

### Via E-mail:

- On the form that can be found on the following link:  
[https://nav.gov.hu/ugyfeliranytu/keressen\\_minket/levelkuldes/e-ugyfsz](https://nav.gov.hu/ugyfeliranytu/keressen_minket/levelkuldes/e-ugyfsz) (Hungarian)

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<sup>3</sup> Section 257/B of the VAT Act.

<sup>4</sup> Section 220, Subsection (1) of the Art.

**On the Phone:**

- On the info line of NTCA
  - from in-country on the phone number 1819,
  - from abroad on the phone number +36 (1) 461-1819.

The info line of NTCA can be reached between 08:30 and 16:00 from Monday till Thursday and between 08:30 and 13:30 on Fridays.

Please select menu item (1) for general information and menu item (2) for case specific information and administration. For case specific information and assistance, you must have a customer identification number. If you do not have a customer identification number, you can apply for one using the so-called TEL form in the Online Form Filling Application (ONYA). Please note that if you do not want to act in your own business or to deal with a case on some else's behalf, you also need to submit the co called UJEGYKE form.

The NTCA info line menu map is available on the NTCA website under „[Contact us!](#)” (Hungarian).

**In person:**

- Countrywide at the customer services of NTCA.  
Search engine for customer services:  
<https://nav.gov.hu/igazgatosagok/ugyfelszolgalat-kereso> (Hungarian).

**9. Which legal rules shall be taken into account?**

- Act CL of 2017 on the Rules of Taxation (Art.),
- Act CXXVII of 2007 on Value Added Tax (VAT Act),
- Act CXVII of 1995 on Personal Income Tax (PIT Act),
- Act CXLVII of 2012 on the Fixed-Rate Tax of Low Tax-Bracket Enterprises and on Small-Scale Business Tax (Kátv.),
- Act C of 1990 on Local Taxes (Htv.),
- Act LXXXI of 1996 on Corporate Tax and Dividend Tax (CIT Act),
- Government Decree 465/2017 (28 December) on the detailed rules of the tax administration procedure (Government Decree),
- Act CIII of 2023 on the Digital State and Certain Rules for the Provision of Digital Services

## II. DETAILED INFORMATION

### **Effective date of change**

In the case of reporting new data, statement and changes in data, the date of the effect of the change must be filled out, which cannot be a later date than the date when the form is filled out. The section must not be filled out in the case of registration (requesting a new tax ID number).

**U/T/M code-boxes** There is a 'U' or 'U/T', or U/T/M in front of some boxes.

'U' means that the data indicated here will become valid for the future. The box with a 'U' serves to report new data with new content.

By choosing 'T', you can delete the data reported earlier. Even in this case, the data to be deleted must be written in the box. In the case of deleting address or activity, the related operating licence will also be deleted even if you have not marked it.

Code 'M' means that you report data of a new operating licence for activities registered earlier, or you delete data of an earlier operating licence.

### **Requesting a tax ID number**

**Please, when requesting a tax ID number, read carefully the information leaflet No. 1 on “Registering with the NTCA”, which is available in the attachment part of the following webpage: [https://nav.gov.hu/en/taxation/taxpayer\\_registration](https://nav.gov.hu/en/taxation/taxpayer_registration).**

When requesting a tax ID number, you must decide on your VAT liability.

You have to indicate whether you are subject to VAT or not. If you are subject to VAT, you must make a statement on application of taxation payment methods determined in the VAT Act and on your choice whether

- you carry out activities only that are exempted from VAT; or
- you opt for individual tax exemption; or
- you apply one of the special method of VAT assessment. The precondition for eligibility of individual tax exemption is that your revenue from your activities must be below the revenue threshold of 12 million HUF, which entitles you to opt for individual tax exemption. This precondition is enough to be met proportionately in the year of registration (request of a tax ID number).

Please read carefully the information leaflet No. 14 on “*Useful information for start-ups in the VAT regime*” before making a statement on your VAT liability. It is available at <https://nav.gov.hu/en/taxation/Booklets> [14 - Useful information for start-ups (starters) in the vat regime].

When requesting a tax ID number, you can also opt for special taxation regimes on your activities, however, this not mandatory. You can opt for flat-rate taxation and itemized flat-rate taxation in the course of your registration (request of a tax ID number) if you have also reported your auxiliary activity as your main or other activity.

In order to make a well-founded decision, please have a thorough look at the following information leaflets:

- **The information leaflet No. 2 on “Income from self employment and taxation thereof”;**
- **The content of information leaflet No. 3 on „PIT and social security contribution obligations of private entrepreneurs”;** and

which are available on the following link <https://nav.gov.hu/en/taxation/Booklets>.

## **Main Page**

### **MAIN PAGE/1. Correction of the erroneous form submitted earlier**

This section can solely be filled out if the NTCA requested you to correct a form submitted earlier. In case you re-fill out the form based on a notice from the NTCA to substitute an incorrect (incomplete) form with the correct (complete) data, you must indicate the reference number of the incorrect form. The NTCA communicated the reference number of the form in a notice. In the form submitted for correction, not only the incorrect data shall be corrected (provided). All data that are relevant for the report (report of change) shall also be repeated therein.

**MAIN PAGE/2. Reason for submission of the form** Completion of this section is mandatory in all cases.

### **Registration, requesting a tax ID number**

In the case of compliance with registration obligations and requesting a tax ID number, code 1 must be written in the code-box.

Completing F Sheet and sections on VAT liability, VAT obligations or VAT exemption is compulsory.

### **Requesting a customs ID number**

If you do not have a tax number you may not apply for a customs identification number only. In case applying for a customs ID number, you can provide additional data in the Section A/18. You have to apply for an EORI number if you needed a customs identification number to fulfil your customs liabilities.

You only needed to apply for a VPID number should you require a customs identification number to fulfil your registration tax liability only.

Any taxpayer holding a VPID number from earlier than 1 January 2017, but has not applied for it to be applied as an EORI number too, must now apply for an EORI number, as customs identification number, to be able to fulfil customs liabilities.

The United Kingdom left the European Union on 1 February 2020. With regard to the Agreement accepted by the European Union and the United Kingdom, as of 1<sup>st</sup> January 2021, the United Kingdom must be regarded as a third country from the point of view of the European Union. The Northern Ireland is an exception to this rule, because customs, tax and statistics rules must be persisted in applying there as well. EORI numbers starting with “GB”, which

were issued in the United Kingdom, shall be invalid as of 1<sup>st</sup> January 2021. Based on relevant Community provisions, taxpayers may, if they are deemed as established within the European Union, apply for a new EORI number in the Member State of their establishment. Taxpayers established in a third country may apply for a new EORI number in any EU Member State, such as in Hungary as well.

### **Reporting changes**

In the case of reporting changes in data and submitting statements, code 2 must be entered in the code-box.

Changes in data necessary for customs authority procedures may be reported in Section 18 of Sheet A.

### **Creating the tax ID number again [solely in the case of ÁNYK form]**

In case the national tax- and customs authority suspended and then cancelled your tax number as a sanction before 1 January 2018, and you request a tax number to be established again, code 3 must be written in the code-box. If conditions of creating the tax ID number again are met the NTCA will establish the tax ID number by the date when the form was submitted. In cases when creating the tax ID number again takes place, reporting changes in other data is also possible, in accordance with the rules of reporting changes. Filling out Sheet F is not mandatory, the taxpayer does not qualify as a new VAT subject from the point of view of opting for the VAT taxation method.

### **Requiring or terminating a Community tax ID number**

The NTCA shall establish a Community tax ID number for the taxpayer affected by intraCommunity trade, on the basis of registration and request, by the date of submission of registration or request but by the date of establishment of the Community tax ID number, as the earliest. Reason for requesting a Community tax ID number: on the basis of the Section 257/B, Subsection (3) of the VAT Act (You intend to establish a commercial relationship with a taxable person having residence in another Member State of the EU): [1].

Taxpayers belonging to the special group of taxpayers may submit their statements that may also result in establishing a Community tax ID number in the Section F/10.

We encourage you to review the information leaflet No. 17 on “*VAT rules for transactions of special taxpayers*” as well as the information leaflet No. 27 on “*Information on the Community tax ID number*”, which are available on the following link: <https://nav.gov.hu/en/taxation/Booklets>.

### **MAIN PAGE/3. Identification data** (Completion is obligatory)

You shall communicate your surname and forename. A tax ID number can be established for a natural person solely in that case if s/he already possesses a tax identification code. If you do not yet have a tax identification code you must request it on form ‘T34, together with the submission of form ‘T101, at the latest. You may indicate in the code-box if you attach also form ‘T34 to form ‘T101. You are only obliged to provide tax ID number and customs ID number if you already possess these ID numbers.



**MAIN PAGE/4. Data of contact person** (Completion is not obligatory)

In the case of completion of this section, name and telephone number must be provided, what facilitates correction of erroneous and incomplete form and getting in touch with the contact person.

**MAIN PAGE /5. Filled out detail sheet and supplementary sheets** (Completion is obligatory)

Filled out detail sheet (F sheet) are to be marked with an 'X' in the code-box under the sheet sign. The number of supplementary sheets filled out is to be entered in the code-box under the serial number of the supplementary sheet.

**MAIN PAGE/SIGNATURE** (Completion is obligatory)

The form becomes a deed once the locality and the date of completion have been indicated on it. The form is void without a signature.

Also the form may be signed on behalf of the taxpayer by a dedicated representative, proxy or trustee (hereinafter the last two mentioned together: representative) as provided under the Subsection (2) of the Section 7 of the Rules of Taxation. Please give the name of the signatory person with printed letters above the line of "the name of the representative (proxy) of the taxpayer." In case the form is signed by the ad-hoc proxy the authorization must be attached to the form, and this must be indicated by an "X" in the code-box next to the signature line. In such cases, the data form is not valid without the attached power of attorney.

**SHEET 'A'****A/1. Registered seat of a private entrepreneur**

You shall have a registered seat if your main activity is an activity as per the Section 3, Point 17, Subpoints b) to f) of the PIT Act, however, you are only allowed in this case to report a registered seat address. A registered seat is the place where the central business management is done and may not be a post office box. If the registered seat (e.g. a shop) possesses an operation license, its number and date shall be given.

**A/2. Branch office (*place of business*)**

You shall report the place where your taxable activity is carried out if it differs from your domicile or registered seat. Address of the branch office may not be a post office box. If the branch office (e.g. a shop) possesses an operation license, its number and date shall be given. If you register more branch offices, enumeration may be continued on Supplementary Sheet 2.

According to the amendment of the Art. <sup>5</sup>, which entered into force on 1 January 2020, the taxpayer may report to the NTCA if the given branch office qualifies as branch office pursuant to the Htv. <sup>6</sup> This can be done on the form in such a way if he fills out the affected feature in the Section 2 of Sheet A01 or on the Supplementary Sheet 2. The branch office may qualify as follows:

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<sup>5</sup> Point 29.1 of Schedule No. 1 to Art. under its amendment that entered into force on 1 January 2020.

<sup>6</sup> Point 31 of Section 52 of Act C of 1990 on Local Taxes (hereinafter referred to as Htv.)

- 1 - Branch office as per Art. and Htv.
- 2 - Branch office as per Art. only
- 3 - Branch office as per Htv. only

*If the given branch office does not qualify as a branch office pursuant to the Htv. you are kindly requested to leave the related Section-part blank or report for value no.2. A branch office (value no. 3) that is a branch office under Htv. only, may also be reported on municipality-level. Should you wish to report your qualification of the branch office according to the Htv. as a modification, as an 'M' reporting, you are kindly requested to provide the ID number of your valid operation license in every case otherwise the program will detect it as if you intended to delete the operation license.*

If the type of reporting is '2' or '3' you are kindly requested to provide the effective date of change.<sup>7</sup>

### **A/3. Postal address**

It is compulsory to register such address and its change if not the same as the address of the registered seat or of the branch office of the taxpayer.

### **A/4. Storage place of documents, electronic certificates and records**

It is compulsory to register such address and its change if not the same as the address of the registered seat or of the domicile of the taxpayer. Address of the branch office may not be a post office box. If you register more branch offices, enumeration may be continued on Supplementary Sheet 5.

### **A/5. Statement on electronic storage providing online access to electronic certificates, books and records stipulated in the VAT Act**

You shall report if you store electronic documents, books and records electronically, pursuant to the VAT Act, with granting online access to them.

### **A/6. Form of performing activities**

Reporting form of performing activities is mandatory when you require a tax ID number and change the form of performing activities.

Statements that can be indicated:

- A private individual qualifying as an individual entrepreneur based on the Section 3, Point 17, Subpoints b) to f) of the PIT Act, who is not listed in the records of individual entrepreneurs: [2].
- A private individual who does not belong in the above category and carries out taxable activities (e.g.: real estate landlord, primary agricultural producer): [3].
- A private individual who is considered as a paying agent or employer, thus required to obtain a tax ID number [e.g.: employing a person (e.g. a gardener), primary agricultural producer employing a labourer]: [4].

When marking the code 4, you should put the code "B" into the section "Nature of work".

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<sup>7</sup> Pursuant to the Section 44 of the Art.

**A/7. Main activity**

Reporting the main activity is mandatory when you require a tax ID number and change the form of performing activities.

Your main activity is the activity, which generates probably most of your revenue or requires the most expenditure. It is compulsory to register a main activity unless you register solely because of your paying agent or employer status. You must perform your reporting obligations in relation to your main and other activities by using 'ÖVTJ' codes as per the effective Activity List of Independent Businesses. In the case of activities requiring an operating licence, the licence number and date must also be given. For the main activity, the type of activity code cannot be given, the type of activity must be provided under the Section 'Form of activities'.

**Please note that if you wish to make a notification in relation to an activity listed in ÖVTJ'24, you must indicate this in the ÖVTJ'24 code box.**

In the case of reporting a new activity carried out as a private entrepreneur as per the Section 3, Point 17, Subpoints b) to f) of the PIT Act, completion of the Sections 'Number of operating licence' and 'Date of operating license' is mandatory.

**A/8. Other activities**

If, besides your main activity, you also carry out other activities, you shall make a report on them. Any other activity may only be reported if you carry out any main activity. You must perform your reporting obligations in relation to your main and other activities by using 'ÖVTJ' codes as per the effective Activity List of Independent Businesses. The code indicating the type of any other activities must also be given in relation to all other activities. In the case of activities requiring an operating licence, the licence number and date must also be given. Taxpayers registering solely because of their paying agent or employer status may not report any other activity.

**Please note that if you wish to make a notification in relation to an activity listed in ÖVTJ'24, you must indicate this in the ÖVTJ'24 code box.**

In the case of reporting a new activity carried out as a private entrepreneur as per the Section 3, Point 17, Subpoints b) to f) of the PIT Act, completion of the Section 'Number and date of operating licence' is mandatory.

**A/9. Starting date of the activity earning taxable income**

If you fulfil your registration obligation after the commencement of your taxable activity, in the course of registration, you are also obliged to report the starting date of your taxable income earning activity started before the registration. Starting date of the activity earning taxable income may not be reported and modified after the registration, as reporting a change.

**A/10. Type of work**

Reporting the type of work is mandatory when you require a tax ID number and change any data.

Code [A] shall be indicated if you are engaged in real estate rental activities only, while code [B] if you request the tax number as a paying agent or employer. [0] code must be indicated if

you are a private entrepreneur/primary agricultural producer and were employed in another EEA Member State (a socially secured person in another Member State as per EU regulations on the coordination of social systems and their implementation, you have an E101/A1 certificate, thus you are not obliged to declare and pay contribution in Hungary).

In the case of code [A], you may only carry out real estate rental activities with the following ÖVTJ code, no other activities may be carried out: 552001-552014, 682001-682008.

When the code [B] is indicated, you shall mark the code 4 in the Section 'Form of performing activities'.

#### **A/11. Data of the legal representative**

This Section is to report data of the legal representative. If the legal representative has no tax identification code, indicate this fact with an 'X', and simultaneously fill out a 'T34 Form to apply for a tax identification code. If you attach a 'T34 Form, please indicate this with an 'X'.

In the case of a non-resident representative, give citizenship as well. The legal guardian of a minor private individual is the parent having custody or the guardian practicing guardianship. A person of age has a legal guardian if he/she is incapacitated or is limited in his/her capacity of action. The guardian appointed by the Guardianship Authority shall act as legal guardian in such a case.

The legal representative of the natural person may report his / her right to representation on the UJEGYKE form, by enclosing the original document testifying his / her right to representation.

#### **A/12. Data of authorized agent in Hungary to receive deliveries**

Foreign persons not having domicile in Hungary shall report data of their authorized agents in Hungary to receive deliveries. In the case of reporting a new authorized agent to receive deliveries, a copy of the letter of authorization is necessary to be enclosed.

#### **A/13. Reporting the name of attorney**

The attorney shall report his / her attorney name registered by the competent bar if it differs from his / her name used as a natural person.

#### **A/14. Terminating taxable business activity**

You shall report if you terminate all your activities and thus permanently cancel your tax ID number.

If you terminate some of your activities, narrowing down the range of your activities, you may fill out this Section. In the case of cancelling your main activity, a new (U) main activity must be given in the "*Main activity*" section, which overwrites the earlier main activity.

If you wish to continue your former main activity as another activity you shall report it amongst other activities (U).

You may cancel other activities in the "*Other activities*" section. If you had your primary agricultural producer card inset validated for the tax year, and you terminate your other independent activities, you still retain your status as a primary agricultural producer. In the case of activity subject to licence, you shall also notify the authority, which issued the licence, on termination of your activity.

**A/16. Reporting discontinuation of European Community jurist's activity**

The European Community jurist performing his / her activity on his / her own may discontinue this activity. The European Community jurist may not communicate the finishing date of discontinuation in advance. When cancelling the erroneously reported discontinuation, you shall communicate the same date as starting date and finishing date as well.

**A/17. Carrying out the activities of a lawyer, bailiff, notary public and patent administrator in an office**

This section shall be filled in when an individual lawyer, bailiff, notary public and patent administrator continues his / her activity as a member of an office.

**A/18. Application for a customs identification number and change in data related to a customs identification number**

If you are applying for a customs identification number (either simultaneously with a tax number, or in addition to an already existing tax number), please use this Section to indicate the data necessary for customs procedures or fulfilling your registration tax liabilities as well as changes in these data. The figures in the column containing the types of documents have the following meaning:

- (1) travel document;
- (2) personal identification document;
- (3) other document.

In the case of change, you do not need to have travel document data cancelled because the data stored in NTCA's register will be overwritten by newly communicated travel document data. Citizenship data indicated in the "*Citizenship*" code-boxes will appear in the NTCA's register if you mark the box next to the code-box with a 'U' value and they will be cancelled if you mark the box next to the code-box with a letter 'T'.

**A/19. Opting for or terminating flat rate taxation or itemized flat rate taxation**

In order to make a well-founded decision, please, look thoroughly the following information leaflet:

**Point I/2 of the information booklet No. 3 on „*PIT and social security contribution obligations of private entrepreneurs*”,** which is available on the following link:  
<https://nav.gov.hu/en/taxation/Booklets>.

**Opting for flat rate taxation or itemized flat rate taxation in the course of registration**

You can opt for flat rate taxation or itemized flat rate taxation in the course of your registration (when requesting a tax ID number) and, respectively, you can waive the application of flat rate taxation in the case of agricultural primary producer's flat rate taxation, if you have also reported your connecting activity as your main or other activity.

If you are a sole proprietor within the meaning of point 17 (b) to (f) of Section 3 (17) of the PIT Act, you may opt for flat-rate taxation for the entire tax year at the start of your activity.

If you - as a non-individual proprietor - carry on a private accommodation service activity, you can opt for the whole tax year for the flat-rate taxation of individuals engaged in the business of providing private lodging services, provided that this activity is carried out in a maximum of 3 real estates that are considered as private accommodation as stipulated in Act CLXIV of 2005

on Trade, owned by you or for which you are the beneficial owner and the accommodation service is provided to the same person for a period not exceeding 90 days per tax year.

### **Opting for flat rate taxation or itemized flat rate taxation as a change**

Opting for the flat rate taxation and the itemized flat rate taxation and, respectively, the waiver of the application of flat rate taxation in the case of agricultural primary producer's flat rate taxation, may solely be reported in this form if you start such a new activity during the year, for which you are entitled to choose these taxation methods – you can waive the application of flat rate taxation in the case of agricultural primary producer's flat rate taxation – together with starting the given activity, and which activity has not been carried out so far by you.

In such a case, you must report your new activity either in the Section “*Main activity*” or in the Section “*Other activities*”. The effective date of change must be the same in the Section for reporting the activity and in this Section.

### **Waiver of agricultural primary producer's flat rate taxation and, respectively, opting for such flat rate taxation as a person not obliged to submit tax returns**

If you are not obliged to submit tax returns, until the submission deadline of the yearly tax return applying to the preceeding year you may report that you do not opt for agricultural producer's flat rate taxation and, respectively, you opt for this kind of flat rate taxation.

### **Termination of eligibility for flat rate taxation:**

If your tax subject status is terminated as a result of choosing either KATA or as a result of the termination of private entrepreneur operation, no separate notification on termination is necessary.

The following statements can be communicated:

- Exceeding the income threshold: [1],
- Penalty imposed in a legally binding way due to the failure of compliance with the obligation of issuing invoice or receipt: [2].

### **A sole proprietor who terminates or ceases to be eligible for flat-rate taxation may not opt for flat-rate taxation again for the year of termination (cessation) and the following 12 months.**

### **Termination of eligibility for flat rate taxation of agricultural primary producer operation:**

The following statements can be communicated:

- Exceeding the income threshold: [1],
- Termination of the legal status of primary agricultural producer: [3],
- Termination of the activity as primary agricultural producer: [4].

### **Termination of eligibility for itemized flat rate taxation:**

If, because of the change that took place after the opting for itemized flat rate taxation, you no longer meet any of the requirements of your choice, your eligibility for itemized flat rate

taxation is terminated from the first day of the year quarter when the change took place. The flat rate taxation may not be engaged by the private person proceeding catering operation, if

- the private accommodation service is terminated by the taxpayer;
- the registered branch office of the taxpayer has been terminated;
- the taxpayer carries on his/her business in more than three registered establishments which it owns or beneficially owns and which qualify as private accommodation under the Act on Trade.

#### **A/20. Declarations, statements and data related to the selection of the OLD KATA regime**

Chapter II of Act CXLVII of 2012 on the Fixed-Rate Tax of Low Tax-Bracket Enterprises and on Small Business Tax was repealed on 1 September 2022, thus taxpayers may no longer opt to be subject to KATA under its provisions. In this field, you can only report changes to your old KATA status effective before 1 September 2022.

#### **The full time low tax-bracket entrepreneur status**

By entering '1' – Yes, or '2' – No in the code-box next to the line '*I qualify as a full-time small taxpayer*' you must state whether or not you shall be considered as a full-time small taxpayer.

Taxable persons being subject to KATA fulfil reporting their social security obligation by reporting their full time low tax-bracket entrepreneur status.

Low tax-bracket full time worker shall mean a taxpayer (KATA taxpayer) other than a taxpayer who meets either of the conditions defined below throughout a given month:

- a) engaged in employment under contract for at least thirty-six hours of work weekly, with the proviso that the thirty-six hours of weekly employment shall include all work time in all employment relationships that may exist at a given time,
- b) engaged in auxiliary activities in accordance with Act CXXII of 2019 on Entitlements to Social Security Benefits and on Funding These Services ("Tbj."),
- c) considered insured abroad based on the European Union regulation on the coordination of social security systems and the implementing regulation,
- d) considered insured in another State based on bilateral social-policy and social security conventions,
- e) a natural person who was entitled on 31 December 2011 to invalidity benefits or accident-related disability benefits of invalid category I, II or III under the Social Security Pension Benefits Act, and who is receiving invalidity allowance or rehabilitation allowance under Sections 32-33 of Act CXCI of 2011 on the Benefits Provided to Workers with Disabilities and on the Amendment of Certain Acts,
- f) receiving invalidity allowance and whose health condition is rated 50 percent or less based on the complex assessment of the rehabilitation authority,
- g) recognized, in an enterprise other than the low tax-bracket enterprise, as a private entrepreneur not engaged in auxiliary activities or a business partner, including any low tax-bracket full-time employment in another low tax-bracket enterprise,
- h) recognized as a registered foster carer in accordance with Act XXXI of 1997 on Child Protection and Custody Administration,
- i) pursuing a full-time course of study in a public education institution, specialized vocational institution or higher education institution, or in any Member State of the

European Economic Area or Switzerland in an secondary school or an institution of higher education, or pursuing education equivalent to those aforementioned in any State not mentioned above, including a low tax-bracket entrepreneur whose studies are suspended up to the age of twenty-five years.

When filling out your notification regarding the small taxpayer status, you are requested to pay attention to the data indicated in Section “The type of work”.

The following “*Type of work codes*” refer to full time low tax-bracket entrepreneur status:

[1] Full time worker;

[3] Besides an employment of less than 36 hours per week – in the case of more such employment relationships the combined duration of employments does not reach totally 36 hours per week.

The small taxpayer status is not always identifiable on the basis of exclusively the type of work; therefore, if the contents of points e) and f) are also valid for your private enterprise, the small taxpayer status is to be established with a consideration of these conditions as well.

When filling out your notification regarding the small taxpayer status, please, pay attention to the data indicated in Section “The type of work”. The examples listed in the chart below will help you in establishing if the small taxpayer qualifies as a low tax-bracket full time worker.

Type of work code	Small taxpayer status
{ 1 } full time worker	qualifies as low tax-bracket full time worker
{ 2 } besides an employment of at least 36 hours per week	does not qualify as low tax-bracket full time worker
{ 3 } besides an employment of less than 36 hours per week	qualifies as low tax-bracket full time worker unless they have several employment statuses like that and their combined duration reaches 36 hours per week
{ 4 } besides pension	does not qualify as low tax-bracket full time worker
{ 5 } besides full-time studies at university	does not qualify as low tax-bracket full time worker
{ 8 } private entrepreneur besides a joint company	does not qualify as low tax-bracket full time worker
{ 0 } private entrepreneur / primary agricultural producer and has an employment in another member state of the EEC	does not qualify as low tax-bracket full time worker

The option to pay the fixed-rate tax in a higher amount may be exercised following the notification as well. The higher amount shall be payable from the month following the month when the option is notified. The higher level of fixed-rate tax shall be paid until the month when the statement for exercising said option is withdrawn, until the month when the full time status of the low tax-bracket worker is terminated, or until the month when eligibility of the low



taxbracket enterprise for the taxpayer status under this Chapter terminates. You may report the termination of the obligation to pay a higher amount of itemized tax by using this present form, by marking the relevant code-box. In this case, your obligation to pay a higher amount of itemized tax shall prevail by the end of the month of termination.

**Reporting the exemption from the obligation of paying itemized tax and carrying out work during suspension**

The low tax-bracket enterprise must report until 12<sup>th</sup> day of the month following the subject month if the low tax-bracket enterprise does not incur the obligation to pay itemized tax in respect of the subject month. The low tax-bracket private entrepreneur shall not be required to submit notification on the understanding that the state tax and customs authority shall amend the obligation ex-officio based on the information available. On the other hand, the low taxbracket private entrepreneur shall report by the 12<sup>th</sup> day of the following month if performing any work within the framework of the activities of the low tax-bracket enterprise during the period of suspension.

As a change in data, you shall report by the 12<sup>th</sup> day of the month following the subject month if no itemized tax payment obligation in relation to the low tax bracket entrepreneur is incurred for the entire subject month. Please indicate suspension of the itemized tax payment obligation by writing any of the following codes as reasons thereof:

1. The low tax-bracket taxpayer is drawing sick-pay benefits, benefits for accidentrelated injuries, infant care benefits, adoption allowance, child-care benefits, child-care assistance benefits, child-rearing allowance, child home care benefits or nursing allowance;
2. The low tax-bracket taxpayer is serving in the military as a voluntary reservist;
3. The low tax-bracket taxpayer is detained;
4. The low tax-bracket taxpayer discontinued his/her private entrepreneurial activities (exclusively for June 2020 or for preceding months);
5. The fixed-rate tax is not needed to be paid pursuant to the Section 8, Subsection (10) of the Katv.;
6. The low tax-bracket taxpayer is unfit for work while engaged in auxiliary activities in accordance with the Tbj;
7. The low tax-bracket taxpayer carries out work while s/he is discontinuing his / her private entrepreneurial activity (exclusively for July 2020 or for following months).

Reporting relates to one specific reference month meaning that if the reason serving as basis of “suspension” exists also in the next month the reporting must be made again (it is exception to this rule if the private entrepreneur discontinues his / her activity).

The obligation to pay fixedrate tax is not suspended in those cases when the low tax-bracket taxpayer carries out any work belonging to his / her activity performed as a low tax-bracket taxpayer. The statement code 7 applies to not any work but solely to the ones belonging to low tax-bracket taxpayer activities. In the case if the code 7 is ticked, the NTCA debits the itemized tax payment obligation on taxpayer’s tax account for the ticked month.

It is not needed to pay fixed-rate tax on the low tax-bracket taxpayer for those months either when the situation, which is enumerated in the above list under the points 1 to 3 and 6, serving as base of suspending the fixed-rate tax payment obligation cease to apply, provided that it applied for at least thirty days previously. For the purposes of the said thirty-day time limit, the

period for which the tax with respect to the suspension of the fixed-rate tax payment obligation need not be paid (i.e. the entire calendar months) shall not be taken into consideration.

By inserting the ‘T’ code, you shall indicate that you wish to cancel, with retroactive effect, your earlier report on your exemption from the itemized tax payment obligation relating to the particular low tax-bracket taxpayer. Cancellation of such period is solely possible, which you have earlier reported to the NTCA.

### **The termination of the eligibility for fixed-rate tax of small-scale taxpayer**

If the taxpayer status as flat-rate taxpayer ceases due to the acquisition of income from the activity of real estate rental pursuant to Section 4 (4) of Katv., the taxpayer must notify NTCA of the date of acquisition of this income within 15 days of the acquisition of the income.

### **A/21 Data of associated companies**

You shall fill in this Section if, based on Government Decree 465/2017. (28 December) on Detailed Rules of Tax Administration Procedure<sup>8</sup> (hereinafter referred to as Adóig. Vhr.) and on Act LXXXI of 1996 on Corporate Income Tax and Dividend Tax<sup>9</sup> (hereinafter referred to as Tao Act), you shall report data related to the associated company or changes in them within 15 days of concluding the first contract or, respectively, changes in the data of associated companies within 15 days of the change. Supplementary Sheet 3 may be used to continue.

## **Sheet F**

### **VAT statements**

You may make a statement on your VAT obligations in this Sheet.

**If there is any change in your VAT payment or VAT exemption statement filed earlier (Section 6 and/or 7), the statement, meaning the relevant Section 6 and/or 7, is to be filled out completely. Thus all the statements, including the codes, must be re-entered even if there is no change in them as compared to the earlier statement.**

**Statements related to method of establishing VAT payment obligation as well as to reporting changes in VAT exemption overwrite statements submitted earlier!**

We encourage you to read carefully, before making a statement on your VAT liability, the **information leaflet No. 14 on “Useful information for start-ups in the VAT regime”**, which is available on the following link: <https://nav.gov.hu/en/taxation/Booklets>.

### **Section 1: Special reason for VAT liability**

The appropriate code must be indicated in the code-box if there is a special reason for requesting the tax number or – in exceptional cases – if you become taxable for special reasons.

If you have already requested a tax number as a VAT taxpayer, it is not possible to report the possible future special reason for becoming a VAT taxpayer. This holds true irrespective of

<sup>8</sup> Point 28 in Section 7 and Section 44 of Art; Point b) in Subsection (4) of Section 16 of Adóig vhr.

<sup>9</sup> Point 23 in Section 4 of Tao Act.

whether you chose VAT payment or VAT exemption. Any special reason may be indicated only if you register as a new taxpayer, but may not be indicated if you report changes in data.

An exception to the above rule is if you had made a statement at an earlier registration that you are not subject to VAT and you are not under the effect of the VAT Act.<sup>10</sup> In this case, you may report special reasons for becoming a VAT taxpayer when you report changes in data.

Even if you mark the special reason for becoming a VAT taxpayer you must make a statement on the method of VAT payment, or on your choice of VAT exemption. Your VAT code will be issued by the NTCA accordingly.

An exception to this rule is when you mark, as special reason for becoming a VAT taxpayer, **the sale of a building and/or building site in a series of transactions**. In this case, you may not make a statement on VAT payment obligations or VAT exemption. Those entities becoming taxpayers because of the sale of buildings in a series of transactions will have to be taxable, but cannot choose the method of VAT payment or VAT exemption. Based on your statement, the NTCA will allocate code 2 (obliged to pay VAT) as your VAT code.

**Sale of new means of transport to the territory of the Community:** [2]<sup>11</sup>. In this case, you must request a Community tax number as well. This rule extends also to individually exempt taxable persons, because when selling a new vehicle within the Community, they cannot act in the capacity of an individually tax exempt person.

**Sale of building or building site in a series of transactions:** [3]<sup>12</sup>. In this case you have to give the date of supply in accordance with the VAT Act in the Section ‘Effective date of change’.

**If you only become a taxable person subject to VAT due to intra-Community sales serving as the basis of tax exempt import of products** and you do not use an indirect customs representative for the tax exempt import of products [4].

## Section 2: Reporting the VAT warehouse operator status

This is the section where you must indicate if you act as an **operator of a VAT warehouse**<sup>13</sup>. Please indicate that you report new data or you wish to cancel your former report.

## Section 3: Reporting the indirect customs representative status

This is the section where you must indicate if you act as an **indirect customs representative**<sup>14</sup>. The statement made related to the indirect customs representative quality shall be marked only if reporting changes in data. Please indicate that you report new data or you wish to cancel your former report.

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<sup>10</sup> Section 5 or 7 of the VAT Act.

<sup>11</sup> Point a) of Subsection 4 of Section 6 of the VAT Act (the taxpayer status arises on the basis of this provision).

<sup>12</sup> Point b) or c) of Subsection 4 of Section 6 of the VAT Act (the taxpayer status arises either on the basis of point b) or c)).

<sup>13</sup> Section 89/A of the VAT Act.

<sup>14</sup> Section 96 of the VAT Act.

## Section 5: Preclusion of VAT taxability

You must fill this section out if you are not subject to VAT. If you fill this section out no other statement or choice, which is made possible by the VAT Act, can be indicated! Indicate it with the appropriate code. If you are not subject to VAT because do not carry out any economic activity: reason code [1]<sup>15</sup>. You shall opt for the reason code [1] also in the case if you carry out no economic activities but you are a paying agent or an employer.<sup>16</sup> If you are an organisation vested with executive powers: reason code [2]<sup>17</sup>.

## Section 6: VAT payment obligation

If you are a taxpayer required to pay VAT, the method of establishing the tax payment obligation must be indicated in this section. If there are any changes in your earlier VAT statement (e.g.: if you choose taxability for items that are tax free due to their special nature as per points 12-15), you must make a new, complete statement in the section(s) serving for this purpose on all your activities with the unchanged lines also filled out once again. The effective dates indicated in the filled out sections must be the same!

1. Establishment of VAT payment obligation as per the general rules. Code [1]

If you choose tax assessment based on the general rules instead of a special taxation method, or tax exemption, it is not enough to mark only point 1. In such a case, the wish to deviate must also be indicated.

For instance, if you choose tax assessment based on the general rules instead of tax exemption for certain real estate related activities, besides indicating this as appropriate, you must also mark one of points 12-15 as well (marking jointly the code [1] and one of the S, T, V and P values).

2. This may be marked only in the case of a change in data! Code [C]
3. This is to report the application of the provisions of the VAT Act, Sub-chapter XVI/2. Code [G]
4. The reseller does not apply the provisions of the VAT Act, Sub-chapter XVI/2 for the whole of these activities.<sup>18</sup> If you mark this point, point 1 must also be marked. The choice of special procedure for dealer activities that had possibly been reported earlier shall cease simultaneously when the report is filed. Please note that you may not change your choice until the end of the second calendar year following the year the choice was made.<sup>19</sup> Code [H]

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<sup>15</sup> Section 5 and Subsection 1 of Section 6 of the VAT Act.

<sup>16</sup> Points 31 and 39 of Section 7 of the VAT Act.

<sup>17</sup> Section 7 of the VAT Act.

<sup>18</sup> Subsection 1 of Section 224 of the VAT Act.

<sup>19</sup> Point c) of Subsection 1 of Section 225 of the VAT Act.

5. Reporting the global records-based method.<sup>20</sup> If you mark this point, point 3 must also be marked. Please note that you may not change your choice until the end of the calendar year following the year the choice was made.<sup>21</sup> Code [I]
6. Reporting use of unique profit margin<sup>22</sup>. If you mark this point, point 3 must also be marked. Please note that you may not change your choice until the end of the second calendar year following the year the choice was made.<sup>23</sup> Code [J]
7. Report by an organiser of a public auction. Code [K]
8. Report by a tour operating service provider. Code [L]
9. Application of general rules for the supply of investment gold to another taxpayer, or supply of gold in general for industrial purposes<sup>24</sup>. If you mark this point, point 1 must also be marked. Please note that you may not change your choice until the end of the fifth calendar year following the year the choice was made<sup>25</sup>. Code [M]
10. As a third party, opting for taxable status of the agency activities of agents acting in the name and on behalf of another person supplying investment gold<sup>26</sup>. If you mark this point, point 1 must also be marked. Please note that you are bound by this choice as long as the seller of the investment gold applies taxability. <sup>27</sup>Code [R]
11. Establishment of VAT payment obligations as per the general rules, instead of the agricultural compensation system. If you mark this, point 1 must also be marked. Please note that you may not change your choice until the end of the second calendar year following the year the choice was made<sup>28</sup>. Code [N]
12. Under this point you may choose taxability as per the general rules, instead of tax exemption, in case of letting or leasing real estate property (or part thereof) not considered to be a residential property. If you mark this, point 1 must also be marked. Please note that you may not change your choice until the end of the fifth calendar year following the year the choice was made<sup>29</sup>. Further, this shall be applied for letting all real estate properties under this category – meaning non-residential property. Code [S]
13. Under this point, you may choose taxability as per the general rules, instead of tax exemption, in the case of letting or leasing real estate property (or part thereof) considered to be residential property and non-residential property. If you mark this, point 1 must also be marked. Please note that you may not change your choice until the end of the fifth

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<sup>20</sup> Subsection 1 of Section 218 of the VAT Act.

<sup>21</sup> Point a) of Subsection 1 of Section 225 of the VAT Act.

<sup>22</sup> Subsection 1 of Section 220 of the VAT Act.

<sup>23</sup> Point b) of Subsection 1 of Section 225 of the VAT Act.

<sup>24</sup> Section 237, Subsection (1) or Section 238 of the VAT Act.

<sup>25</sup> Section 237, Subsection (3) of the VAT Act.

<sup>26</sup> Section 239, Subsection (1) of the VAT Act.

<sup>27</sup> Section 239, Subsection (3) of the VAT Act.

<sup>28</sup> Section 197, Subsection (1) and (3) of the VAT Act

<sup>29</sup> Section 88, Subsection (1)-(5) of the VAT Act

calendar year following the year the choice was made<sup>30</sup>. Further, this shall be applied for letting all real estate properties under this category – meaning residential property or non-residential property. Code [T]

14. Opting for tax payment as per the general rules, instead of tax exemption for pursuing activities aiming at the sale of the following non-residential real estates:

- a building (or parts thereof) and the land on which it stands, as per the VAT Act, Section 86 (1) j) – with the exception of any building (or parts thereof) and the land on which it stands that is supplied before first occupation, or newly built within two years of the operative date of the occupancy permit that is taxable by law anyway, and
- land (or part thereof) which has not been built on as mentioned under the VAT Act, Section 86 (1) (k) – other than the supply of building land (or part thereof) that is taxable by law anyway.

If you mark this, point 1 must also be marked. Please note that you may not change your choice until the end of the fifth calendar year following the year the choice was made<sup>31</sup>. Code [V]

15. Opting for tax payment as per the general rules, instead of tax exemption for pursuing activities aiming at the sale of the following residential and non-residential real estates:

- a building (or parts thereof) and the land on which it stands, as per the VAT Act, Section 86 (1) j) – with the exception of any building (or parts thereof) and the land on which it stands that is supplied before first occupation, or newly built within two years of the operative date of the occupancy permit that is taxable by law anyway, and
- land (or part thereof) which has not been built on as mentioned under the VAT Act, Section 86 (1) (k) – other than the supply of building land (or part thereof) that is taxable by law anyway.

If you mark this, point 1 must also be marked. Please note that you may not change your choice until the end of the fifth calendar year following the year the choice was made<sup>32</sup>. Code [P]

## Section 7: VAT exemption

You must indicate the legal grounds for choosing tax exemption in this section.

If there are any changes in your earlier VAT statement, you must make a new, complete statement in the section(s) serving for this purpose on all your activities with the unchanged lines also filled out once again. The effective dates indicated in the filled out sections must be the same!

1. Reporting that the taxpayer carries out only non-taxable activities due to the public benefit or other special nature of such activities. Code [6]

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<sup>30</sup> Section 88, Subsection (1)-(5) of the VAT Act.

<sup>31</sup> Section 88, Subsection (1)-(5) of the VAT Act.

<sup>32</sup> Section 88, Subsection (1)-(5) of the VAT Act.

2. Opting for individual tax exemption. The taxpayer carrying out non-taxable activities due to the public benefit or other special nature of the activities also has the chance to choose individual tax exemption for the sale of certain taxable products; in this case only individual tax exemption is to be indicated. Code [2]

A taxable person who, under Section 254 of the VAT Act, is deemed to be established in Hungary and was therefore entitled to opt for exemption under Section 187(1) of the VAT Act until 31 December 2024, may only exercise this option from 1 January 2025 if his/her registered office or, in the absence of a registered office, his/her place of residence is in Hungary.

A taxable person who is deemed to be established in Hungary under Section 254 of the VAT Act, but who has his/her seat or residence abroad and has only a permanent establishment or a permanent place of abode in Hungary, may from 1 January 2025, only opt for exemption under Sub-chapter 3 of Chapter XIII of the VAT Act (through the Member State of his/her seat or residence), i.e. he/she can only opt for individual tax exemption if his/her seat is located abroad but within the territory of the Community.

**A taxable person who has his/her seat or, failing this, his/her residence outside the Community but has a permanent establishment or habitual residence in Hungary may not exercise the right to opt for the individual tax exemption under Section 187 (1) of the VAT Act.**

In accordance with Council Directive 2020/2025/EU, from 1 January 2025, taxable persons established in the domestic territory may opt for tax exemption for their economic activities carried out and taxable in another Member State of the Community. The conditions of the choice and procedural rules are laid down in Sub-chapter 2 of Chapter XIII of the VAT Act. Taxable persons must notify the competent authority of the Member State in which they are established of their intention to opt for a tax exemption applicable in another Member State in advance [Section 195/A (4)], i.e. Hungarian taxable persons must also notify the Hungarian NTCA of their choice of the tax exemption applicable in the other Member State(s). **However, taxpayers can make the afore-mentioned notification not on this specific form, but in the Taxpayers Portal accessible through the NTCA website or in the NTCA Mobile app.**

Anyway, it is not a precondition for making a choice that the taxpayer also opts for a individual tax exemption in the domestic territory.

3. The VAT Act interprets agricultural activities in a much narrower sense than what is generally accepted in everyday practice, therefore only those are considered to be agricultural activities, in connection of which the taxpayer selling certain goods or providing services identified in the Annex of the VAT Act may claim payment of a compensation surcharge<sup>33</sup>. For activities outside this range – which could be considered agricultural in the everyday sense – individual tax exemption can be (also) chosen, in which case point 4 must also be marked. The use of the compensation system cannot be marked by taxpayers who do not meet the prescribed requirements<sup>34</sup>. Code [7]

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<sup>33</sup> Section 198 of the VAT Act.

<sup>34</sup> Section 197 of the VAT Act.

4. Opting for individual tax exemption for non-agricultural activities as per the VAT Act, Section 198. If you mark this, point 3 (code 7) must also be marked. Code [8]
5. Waiver of the application of the agricultural compensation system, while reporting simultaneously the choice of individual tax exemption. In this case, you may not claim payment of a compensation surcharge. Please note that you may not change your choice until the end of the second calendar year following the year the choice was made<sup>35</sup>. Code [5]

### **Section 10: Statement pursuant to Sections 20 and 257/B of the VAT Act**

If requesting Community tax number took place in the special taxable person group described in this section<sup>36</sup>, the reason for that must be shown in detail in this section. (Exceeding the threshold of EUR 10 000 for acquisitions or opting for paying the tax below this threshold; requesting Community tax number because of providing services and using services belonging exclusively to the Section 37 of the VAT Act; or you announce that you, in the course of your acquisitions of goods, disclosed your Community tax number required for providing services, which result in the situation as if you had opted for tax payment in relation to your intraCommunity acquisitions of goods below the threshold of EUR 10 000). The NTCA will issue a Community tax number to you, based on your statement, however, getting acquainted with also the circumstances enumerated above is important in these cases.

### **Section 11: Reporting the application of MNB or ECB exchange rate**

In the case of sales of goods, providing services and purchasing products within the Community; if the tax base is expressed in a foreign currency the exchange rate officially published by the National Bank of Hungary (MNB) or the European Central Bank (ECB) may be used to convert it to HUF.<sup>37</sup> If the taxpayer obliged to convert to HUF decides to use the MNB/ECB official exchange rate, this decision shall be reported to the NTCA by the present statement. Report must be made in advance, before the application of the exchange rate of MNB/ECB, and it must be indicated in the line 'starting date of the application of the exchange rate of MNB/ECB'. Please note that you may not change your choice until the end of the next calendar year following the year the choice was made.<sup>38</sup>

### **Section 12: Statement on opting for cash accounting**

You shall indicate your statement on opting for cash accounting by writing an 'X' in the first code-box, which is also considered as a statement confirming that the preconditions serving as a basis for your option of cash accounting do prevail in your case.

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<sup>35</sup> Section 197, Subsection (3) of the VAT Act.

<sup>36</sup> Section 20 or Section 257/B of the VAT Act.

<sup>37</sup> Point b) of Subsection (2) of Section 80 and Section 80/A of the VAT Act.

<sup>38</sup> Subsection (4) of Section 80 of the VAT Act.



If you indicate your intention to opt for cash accounting simultaneously with filing your request for the establishment of a tax number, the starting date of applying cash accounting shall coincide with the starting date of establishment of your tax number (i.e. the start of the taxable activity).

In the case of registration, opting for cash accounting shall relate to the subject year (i.e. the year of registration) as well as to tax assessment periods following that year.

In the case of reporting changes, cash accounting is only eligible from the year following the year of reporting and shall remain in effect until withdrawn or until precluding conditions as per the VAT Act occur.

For instance, if you submit a request for change on 20 July 2025, with indication of your decision to opt for cash accounting, you may apply the option for accounting provided in the VAT Act as of the 1<sup>st</sup> January 2026. In this case, the condition prescribed in the Section 196/D of the VAT Act is not fulfilled because the choice related to the subject calendar year can only be applied in the case of newly founded entities.

In the course of a tax year, opting for the cash accounting may be done together with exceeding the threshold of individual tax exemption.

If, despite registration, you do not wish to apply cash accounting, you may indicate it by marking the code-box next to the second line. This may only be reported by the last day of the year preceding the subject year.

If any change occurs in relation to the conditions entitling you to opt for cash accounting, as a consequence of which you lose your right to opt for cash accounting, this circumstance must be reported to the NTCA within 15 days from the occurrence of such change. You shall be able to do so by indicating the relevant numerical values in the code-box in the second line of this Section.

Termination of the cash accounting is stipulated in the Section 196/F of the VAT Act.

### **Section 13: Request for modification pursuant to Section 257/F of the VAT Act**

Before commencement of a tax audit and within time limitation for tax assessment, you may initiate – by way of a request for modification submitted to the NTCA – the modification of your earlier option (selection) or failure of such an option (selection) as per Section 20 (5), Section 49/A (3), Section 80 (2) b), Section 80/A (1), Section 88 (1), Section 192 (1), Section 196/G (1), Section 197 (1), Section 218 (1), Section 220 (1) and Section 224 (1), provided that the change has no impact on the amount of tax, tax base, payable tax and input tax assessed and declared by you.

Such date must be indicated as retroactive effect of the modification, by which date the choice (or the lack of it) communicated by this announcement you would have originally reported. Together with completion of this Section, you should communicate your modified statement in the section(s) serving for this purpose. The date communicated in the ‘Effective date of change’ box must be the same as the dates communicated in the concerned sections.

The NTCA will handle your request as a request for modification and will accept, if conditions are met, after a dedicated examination performed by one of its tax agents. This section can solely be completed as a request for reporting changes.

**If you ask for your choice as per the Section 212/A of the VAT Act to be corrected with retroactive effect this you shall arrange in a non-formalised letter (not in this form).**

#### **Section 14: Announcement pursuant to Subsection (2) or (3) of Section 49/A of the VAT Act**

Pursuant to Section 49/A (3) of the VAT Act the taxable person who meets the conditions set out in Subsection (1) of Section 49/A,

- who supplies the services referred to in Section 45/A and established his business or, in the absence of an establishment, has his permanent address or usually resides in Hungary, or
- dispatches in consignments or transport goods from Hungary to another Member State of the Community, or where goods are dispatched in consignments or transported from Hungary to another Member State of the Community by a third person on behalf of the taxable person

shall have the option to decide - subject to prior notification to NTCA - to apply to its distance services and intra-Community distance supplies, irrespective of the value threshold, the taxation not based on the domestic tax but on the place of establishment (residence, habitual residence) of the recipient or on the place where the goods are used (first code box). If so, the taxpayer shall remain bound to this option until the end of the second calendar year from the year of exercising this option.

For the purposes of Subsection (3) of Section 49/A of the VAT Act, notification to NTCA shall be considered satisfied if the taxable person exercised the option provided for in Subsections (1)-(2) of Section 253/I, i.e. it can also be considered a choice along the lines of the above, if the taxable person opts to use the EU one-stop shop.

If the amount of the consideration, calculated net of tax and grossed up on an annual basis, for the supply of distance services and intra-Community distance sales of goods or services which the taxpayer has provided in the calendar year in question and in the calendar year preceding that calendar year exceeds the monetary amount of EUR 10 000, the right of option shall be terminated.

If the taxable person exceeds the threshold of EUR 10,000 in the calendar year and – given that provided such a supply of any of the transactions, the place of supply shall be determined in accordance with Section 29 (a) and Section 45/A (1) of the VAT Act and the VAT at the rate set by the Member State where the place of supply is shall be charged on the consideration for the very transaction by which the taxable person crosses the threshold.

The conversion rate for EUR 10,000 is the ECB exchange rate on 5 December 2017. For Hungary, this means an exchange rate of 313.96 HUF/EUR, i.e. the applicable threshold for domestic taxpayers is HUF 3,100,000, taking into account the rounding rules. The threshold of EUR 10,000 applies jointly and not separately to intra-Community distance selling made by a

taxable person and to supplies of distance services to non-taxable persons established in a Member State other than that in which the taxable person is established, provided that the taxable person carries out all of these transactions.

Exceeding the threshold must be reported to the NTCA in line with provisions related to reporting changes, which are provided in the Adóig. vhr. (second code box).

#### **National Tax and Customs Administration**