retarus:

NAV Reporting of Value Added Tax in Hungary Renowned Consulting Company Entrusts Retarus with E-Invoicing

An IT consulting firm based in Swabia, Germany, has been sending invoices for its consulting services by way of Retarus' Managed EDI Services since 2018. Within the scope of a new project, Retarus now also facilitates the reporting of VAT to the Hungarian authorities, including the mandatory long-term archiving.

INITIAL SITUATION ## Solution needed for VAT reporting in Hungary

The firm of management and IT consultants considers itself an expert in digitalization and serves more than 300 customers around the globe with roughly 3,000 consultants working from 20 offices locally and abroad. It has already been using Retarus' Managed EDI Services for several years to bill clients for its consulting services. To this end, the firm sends around 2,500 invoices a month, predominantly in a industry-specific format.

As a consequence of setting up a branch office in Hungary, the company became subject to local tax regulations and was searching for a service with which it could report invoices issued in Hungary to the local tax and customs authority, „Nemzeti Adoes Vamhivatai" (NAV), in real time.

OBJECTIVE ## Seamless integration in SAP workflow

The consulting company was looking for a service which could transmit the report to the tax authority's online Számla service directly and automatically (without requiring a manual upload) from the SAP ERP system as part of their billing process. In addition, the status report subsequently generated by the authority to confirm the transfer also needed to be fed back into the SAP system.
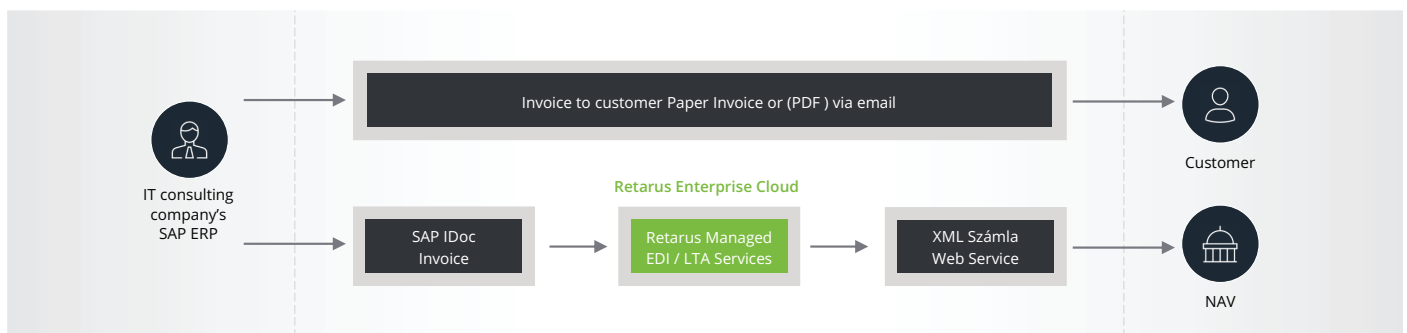
Another essential requirement was that the invoices would have to be stored in a long-term archive in compliance with the applicable regulations in Hungary.

IMPLEMENTATION   IDoc conversion plus long-time archiving

Invoices issued by the Hungarian country organization are initially generated by the company-wide SAP ERP system. In the process, either a PDF or a print version of the invoice is generated, which is subsequently sent by email or post to the recipient on the client side.

Additionally, an EDI document is generated in the SAP IDoc format. This structured invoice is then transferred to Retarus as a regular EDI document. From this point onwards, Retarus handles the entire process with the NAV in Hungary.

The IDoc document is first converted into the **XML-Standard** prescribed by the NAV and concurrently checked for errors. Following successful validation, the XML file is transferred to the NAV's **„Online Számla"** platform using a special web service. Once the transfer has successfully been concluded, the source data (SAP IDoc), the target document (Számla XML) and all metadata, are stored in the Retarus long-term archive.

IT consulting company's SAP ERP → Invoice to customer Paper Invoice or (PDF) via email → Customer

Retarus Enterprise Cloud

SAP IDoc Invoice → Retarus Managed EDI / LTA Services → XML Számla Web Service → NAV

PRIMARY CHALLENGES   Complex technology, frequent adjustments

For the IT consulting firm, it quickly became clear that technically connecting to the NAV's online Számla platform would be a complex undertaking – from the country-specific XML format to using a special web-service to transfer the data.

In contrast to conventional B2B EDI connections between business partners, B2G platforms such as the NAV's Számla constantly adapt their technology to meet new or amended legal provisions and regulatory requirements. Consequently, technical adjustments regularly need to be undertaken to meet the newly defined standards, meaning that the environment is seldom at rest for long. Another complicating issue is that the lawmakers set very tight deadlines for companies to implement new requirements. Frequently, companies struggle to keep pace with these dynamic changes.

Retarus, on the other hand, already fulfills all the necessary technological preconditions and has the expertise and resources to reliably set up a connection with the authority within a very short time. All modifications are implemented on time, ensuring that the IT consultancy's business processes continue to run smoothly at all times.

Invoice retention

When archiving tax-relevant documents local regulations are often underestimated, and in-house storage options may erroneously be employed. During audits, numerous questions are raised regarding documentation, access, ensuring data integrity, etc. Or, as in the Hungarian scenario, questions might arise in connection with the required "preservation service". This is a regular procedure for registering which data has been archived within a specific time period. Based on the respective reports, an auditor is still able to determine years later whether data was deleted, tampered with or illegally altered.

In this regard, Retarus was able to convince the IT consulting firm to opt for its Long Term Archiving Service. The customer is provided with an archive which fulfills all compliance requirements in Hungary, is redundant by design and offers a web-based access system. This ensures that auditors in Hungary can gain access if required.

Retarus has highly competent development and implementation teams as well as 24/7 support experts, who are always able to respond to our special requirements in a timely manner."

Alexander Müller, Director Business Development Automotive, Retarus

BENEFITS

• Integration via EDI without needing to modify ERP systems or install plugins

• Retarus takes care of all technically demanding aspects (Managed Service)

• Integration is optimized according to the customer's timeline

• Timely modifications to meet technical changes in standards and transmission, independent of the customer's resources

• Fulfillment of compliance and archiving requirements in Hungary

• Convenient and externally accessible archiving application prevents internal access to data from abroad

retarus:

CONCLUSION

Next step XRechnung

For its e-invoicing procedure, the IT consulting company relies on Retarus' managed services, which offer numerous benefits – especially when it comes to complex technical structures such as VDA4983 or B2G formats across Europe.

As a result, the firm has decided to also entrust Retarus with other B2G invoicing formats. The next step is to include XRechnung, meaning that all invoices sent to German authorities will now be processed via Retarus. The challenges here are different to those in Hungary: Due to the federal system in Germany, with its separation into federal government, state governments and local authorities, the way in which the data is transmitted and the systems are administrated sometimes differs between the specific individual states.

Retarus already supports all possible channels for transmitting the data, while also possessing the experience and expertise required for the planned expansion of the scope of services. In addition, Retarus as a certified Peppol Access Point can guarantee a fully automated, secure connection with the authorities.

KEY FACTS

Syntactic checking of data before and after processing

Process consulting with IT development expertise

Services provided from German data centers

Contractually agreed service levels (SLA)