Hello, and welcome to this e-learning session.
At the end of this lesson, you will be able to:

- Describe most important legal and business requirements, enhancements, and other developments in SAP country version Hungary
- Use the solution for tax and accounting requirements
This is the agenda. First we will introduce the country-specific implementation for Hungary. Next, we will look into the various topics specific to organizations in Hungary.

We will discuss reporting in accordance with legal requirements in Hungary, exchange rate issues, rounding issues, tax issues, document numbering, banking and petty cash, triangular deals within the EU, and Asset Accounting.
Introduction
Introduction

Financial localization for Hungary is based on tax, accounting, government, and basic tax authority regulations.

Hungarian-specific implementation covers tax-related regulation and accounting rules in the SAP standard or/and the corresponding SAP Notes and localized solutions.

You can find detailed information on the local Web page: http://www.sap.com/hungary/about/lokalizacio/index.epx

- Financial localization for Hungary is based on tax, accounting, government, and tax authority regulations.
- Hungarian-specific implementation covers tax-related regulation and accounting rules in the SAP standard or/and the corresponding SAP Notes and localized solutions. These regulations cover many topics, including those related to a particular industry or a particular transaction.
- Hungarian-specific implementation is developing by SAP Globalization colleagues and internal and external experts to provide the best -it solution for Hungarian customers.
- SAP also publishes additional information for Hungarian customers to help them understand and implement the delivered solutions and legal requirements.
Hungarian FI Solutions
The sample layout of financial statutory reports (balance sheet and profit and loss statements) is delivered in the standard as the BAHU Financial statement version for Hungary, but the customer must adapt it to their own accounting policy. The law provides only a structure template with main points; the customer can change or extend the template.

Another important report is related to logistics transactions. The customization of the data collection for Intrastat and printout forms is described in SAP Notes 754560, 734682, 789301, 201637, 213802, 797002, 746298, 806070, 819191, 855677, 923964, 832099, 928078, 1139483 – INTRASTAT Reporting

SAP Note 743390 – SAP Library Patch 01 – Changes for Country Versions

Environmental product fee:

- Special Hungarian business process implementation and forms are required

A Hungarian legal requirement (Law of 1995/LVI and decree of 10/1995) that describes regulations for handling of materials that may pollute the environment (such as packaging materials). According to these legal requirements, companies that use those materials must pay an additional Environmental Product Fee (EPF) to the Hungarian government. Generally payment is based on the quantity of EPF-relevant materials used. The payment must be made according to quarterly or
yearly declarations. These declarations contain data (quantity and EPF duties) from transactional movements of EPF-relevant materials. The Product Fee declaration can be created based on a special Hungarian business process implementation.
The daily exchange rate of a registered bank must be used for FI postings.

- Exchange rate type “M” must contain this daily exchange rate.
- This bank must be defined in the company’s accounting policy.

- The daily exchange rate of a registered bank must be used for the translation of postings in foreign currency. This registered bank must be defined in the company’s accounting policy. The exchange rate type “M” must contain this exchange rate.

- You must consider the global environment when you have many companies from different countries in one client.
In cash business, you have to apply a special rounding rule: rounding up or down to HUF 5.

The effective date of the rounding rule is March 1, 2008 in Hungary.

You can find detailed information in SAP Note 1146106.
**Tax Issues**  
*Value-Added Tax: Basic Information*

**Basic information:**

- General regulations related to EU accession:
  - SAP Note 653544 – EU2004: New members of European Union as of 01/05/2004
- Place where services are rendered, related to EU accession:
  - SAP Note 1298748 – EU package for value-added tax, 2010
- Tax codes for VAT:
  - SAP Note 622866 – Special Hungarian VAT codes (phone)
- Reports:
  - SAP Note 622866 – Display VAT period in RFUMSV00 report
  - SAP Note 194271 – Payment Status of incoming VATs (RFUMSVHU)
  - SAP Note 732750, 1559302 – EU2004: EC acquisition/sales list CZ, HU, PL
  - SAP Note 1626456, 1661695 – Hungary: Public Health Product Fee (PHPF) - "chips-tax"
- Intra-community acquisition:
  - SAP Note 789853 – Acquisition Tax Accruals

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- VAT legal requirements are delivered through SAP Notes:
  - SAP Note 653544 includes all issues related to EU accession.
  - SAP Note 1298748 includes an explanation of how to handle transactions related to the place where services are rendered.
  - SAP Note 622866 gives you an example of special Hungarian VAT tax codes regarding phone transactions.
  - SAP Note 622866 also gives you an example of how to display the VAT period in VAT report RFUMSV00.
- An additional VAT report in Hungary contains payment status of incoming VATs. This report is described in SAP Note 194271.
- You need to report all European Union transactions either quarterly or monthly—this depends on the situation. SAP Note 732750, and other related notes connected to this one, help you successfully implement and use the EC declaration. According to the Hungarian law about the Public Health Product Fee (PHPF) companies have to pay additional taxes on products (food and drink) that are considered to be unhealthy and a danger to public health. The PHPF solution is available in SAP Notes 1626456 and 1661695.
Hungary has a special VAT reporting requirement for goods acquisitions from vendors located in other EU countries if the invoice is not received by the 15th of the month following the month in which the goods were received. Standard handling of this topic is described in SAP Note 789853.
Hungarian law involves many special requirements for VAT handling.

One of the most important developments for VAT due date in 2008 was successfully delivered by SAP through note 1023317 and related notes. This new functionality is available for all customers and can be activated on company code level. SAP Notes 1038448 and 1232484 provide additional information that will help you properly implement Hungarian-specific requirements. In some cases, the date in the VATDATE field must be used as the basis for the exchange rate to properly calculate VAT value in HUF.

You can find details about exchange rate and translation according to Hungarian law in SAP Notes 730466, 1165050, and 1232484. SAP Note 1165050 also contains information about handling different exchange rates for the ERS process.
Logistics Issues
Billing

Invoice printout
- SAP Notes 1412717 and 1467596 – Copy numbering on billing documents for Hungary
- SAP Note 1150348 – Printing custom tariff number on domestic sales invoices
- Compliance statement according to Hungarian Finance Ministry regulation
- Further enhancements based on business process implementation

Correction invoices
- SAP Notes 840723 and 840724 – Correction of Invoice correction
- SAP Notes 955860 and 943783 – Invoice correction with return process

Down payment
- SAP Notes 1531449 and 1619358 – Down payment in foreign currency

- There are several localization issues for Hungary regarding the invoice layout.
- The legal requirement of copy numbering on billing documents is supported by implementation of SAP Notes 1412717 and 1467596. These notes also cover standard SAP script and Smart Form solutions. Most Hungarian legal issues can be solved by further enhancements based on business process implementation. According to the Hungarian Finance Ministry regulation, SAP provides the compliance statement to SAP customers regarding the invoicing.
- The invoice correction functionality is used by Hungarian customers instead of standard credit memos. The correction invoice layout must show, on printout form, the original values and the changed values. The Correction Invoices Notes shown here also cover the following specific Hungarian invoice corrections: corrections of corrections and invoice corrections with goods movement.
- If the down payment is in foreign currency, you can use a special Hungarian rule to manage it in the standard system. SAP Notes 1531449 and 1619358 can help you in this case.
Logistic Issues
ERS Procedure

VAT
- SAP Note 1165050 – Apply Hungarian VAT regulations in ERS processes

ERS invoice numbering
- SAP Notes 893068 and 940157 – Numbering by ERS vendor

Evaluated receipt settlement (ERS) invoice numbering by ERS vendors: Invoices issued by the company using the ERS procedure need to be numbered sequentially per vendor. You can define a separate number range for each vendor. This number range is entered in the Reference field in the FI document.
DMEE is the SAP mechanism that makes it possible to generate media carriers for the purpose of outgoing payment realization. A global SAP policy assumes two formats per country (one domestic format and one international format). Therefore, it was decided to include those formats for Hungary in the standardized SAP solution.

EU requirements necessitated a new FI function for introduction of the single euro payments area (SEPA). This function includes:

- Third-party management
- New XML format for debit memos
- New XML format for bank transfers
- This solution also takes local requirements into consideration.

According to Hungarian accounting law, the debit transactions of positions in foreign currency must be posted at historical exchange rate, which can have two types:

- Weighted average rate
- Exchange rate defined with FIFO method
In Hungary, SAP also delivers a solution for the weighted average rate for cash journal and banking transactions.

According to the Hungarian law, the content and format of the cash receipt document is fixed, and the cash journal has to contain the bill of specie as well. You must take this into consideration in your SAP implementation project.
According to the EU and Hungarian regulations, you must use SAP Note 1009677 to correctly handle and report triangular deals within the EU.
It is important to store Hungarian Fix Assets Classification within the asset master data. This classification is important for taxation purposes and statistical reporting. Classification values indicate allowed depreciation method and rate.

For reporting purpose in Hungary, you must use at least two valuation areas: balance sheet valuation area and tax valuation area.

Because daily depreciation keys are calculated based on the percentage rate, country version Hungary provides a special set of depreciation keys for Hungary.
You should now be able to:

- Describe most important legal and business requirements, enhancements, and other developments in SAP country version Hungary
- Use the solution for tax and accounting requirements
Related Information

For more information on the topics discussed in this lesson, see the following references:

- Further localization information for the Hungarian market is available at
  http://www.sap.com/hungary/about/lokalizacio/index.epx
- The majority of the Hungarian localized solutions are available in the SAP standard delivery as of SAP R/3 4.6C.
- service.sap.com/GKB
- Local consulting:
  http://www.sap.com/hungary/services/consulting/index.epx
- Literature (Implementation of Country Versions for SAP ERP Systems):

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Thank You!

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