

Deloitte.



Central and Eastern Europe Tax Firm of the Year
International Tax Review European Tax Awards
2012, 2013, 2014

Tax News+



5 September 2014

Tax News+

Below you will find the tasks and potential issues arising from key tax law changes of the past month and recent weeks. We would be ready and glad to discuss with you any of your company specific issues.

Accounting and tax treatment of non-utilized amounts of Széchenyi Cards

The National Tax and Customs Administration of Hungary ("NAV") recently published its guidance dealing with the non-utilized amounts of Széchenyi Cards. Based on the current legislation, benefits transferred electronically to any of the three sub-accounts of Széchenyi Cards are taken as expired following 31 May of the second calendar year following the year in which the benefit was provided. From this time onwards, the institution operating the electronic voucher will return the value of the non-utilized amounts to the employer (or its legal successor) by 30 June of the year when the benefit is taken as expired.

According to the NAV guidance, despite the fact that the benefits are returned to the employer, the refund of personal income tax and the health tax (originally paid by the employer) is not available. In addition, self-revision is not permitted with respect to benefits-in kind or in the case of certain defined benefits exceeding the limit of the in-kind benefits. NAV justifies its standpoint by stating that whether the benefit was actually utilized is not relevant in terms of determining the tax liability related to the provided benefits. However, from an accounting perspective the benefits returned to employer should be accounted for as other income in the year of the return is financially settled.

One-year Russian import ban

Russia proclaimed a one-year import ban in an official announcement made on 8 August 2014. This ban impacts agricultural products, raw materials and foodstuffs originating from the EU, the US, Canada, Australia and Norway. This import ban will be relevant in the case of companies that export products to Russia if the exported products originate from one of the Member States of the European Union and if the customs tariff number of the products is listed in the import ban resolution.

Should your company be concerned with the import ban, we recommend reviewing the customs tariff classification and the origin of the product in question.

Naturally, Deloitte Plc.'s tax experts would be pleased to assist you in identifying your options which would facilitate the functioning of your business. In addition, we remain at your disposal in analyzing the scope, the customs tariff classification and/or the origin of products impacted by the import ban.

Contacts

If you have any questions or comments concerning the above,
please contact one of our tax experts below:

Dr. Attila Kövesdy

Partner in Charge
Deloitte Co. Ltd.
Tel: +36-1-428-6728
E-mail:akovesdy@deloitteCE.com

Dr. Gábor Kóka

Partner
Deloitte Co. Ltd.
Tel: +36-1-428-6972
E-mail:gtkoka@deloitteCE.com

Dr. István Falcsik

Senior manager
Deloitte Co. Ltd.
Customs and global trade
Tel: +36-1-428-6696
E-mail:ifalcsik@deloitteCE.com

Beáta Horváthné Szabó

Director
Deloitte Co. Ltd.
Global employer services
Tel: +36-1-428-8267
Email:bhorvathne@deloittece.com

László Winkler

Director
Deloitte Co. Ltd.
International tax
Tel: +36-1-428-6683
E-mail:lwinkler@deloitteCE.com

Dr. Gábor Erdős

Attorney
Partner Associate
Deloitte Legal Szarvas, Erdős and
Partners Law Firm
Tel: +36-1-428-6813
E-mail:gerdos@deloitteCE.com

Dr. Géza Réczei

Partner
Deloitte Co. Ltd.
Tel: +36-1-428-6767
E-mail:greczei@deloitteCE.com

Péter Gémesi

Director
Deloitte Co. Ltd.
Transfer pricing
Tel: +36-1-428-6722
E-mail:pgemesi@deloitteCE.com

Dr. Csaba Márkus

Director
Deloitte Co. Ltd.
R&D and government incentives
Tel: +36-1-428-6793
E-mail:csmarkus@deloitteCE.com

Dr. Júlia Szarvas

Attorney
Partner Associate
Deloitte Legal Szarvas, Erdős and
Partners Law Firm
Tel: +36-1-428-6465
E-mail:jszarvas@deloitteCE.com

István Veszprémi

Partner
Deloitte Co. Ltd.
Tel: +36-1-428-6907
E-mail:iveszpremi@deloitteCE.com

Dr. Eszter Gyuricsku

Director
Deloitte Co. Ltd.
Global employer services
Tel: +36-1-428-6756
Email:egyuricsku@deloitteCE.com

Zsolt Sándor

Director
Deloitte CRS Ltd.
Business Process Outsourcing
Tel: +36-1-428-6692
E-mail:zsandor@deloitteCE.com

Dr. Péter Göndöcz

Attorney
Partner Associate
Deloitte Legal Szarvas, Erdős and
Partners Law Firm
Tel: +36-1-428-6974
E-mail:pgoncoz@deloitteCE.com



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

In Hungary, the services are provided by Deloitte Auditing and Consulting Limited (Deloitte Ltd.), Deloitte Advisory and Management Consulting Private Limited Company (Deloitte Co. Ltd.) and Deloitte CRS Limited (Deloitte CRS Ltd.), (jointly referred to as “Deloitte Hungary”) which are affiliates of Deloitte Central Europe Holdings Limited. Deloitte Hungary is one of the leading professional services organizations in the country providing services in four professional areas - audit, tax, risk and advisory services - through more than 400 national and specialized expatriate professionals. (Legal services to clients are provided by cooperating law firm Deloitte Legal Szarvas, Erdős and Partners Law Firm.)

These materials and the information contained herein are provided by Deloitte Hungary and are intended to provide general information on a particular subject or subjects and are not an exhaustive treatment of such subject(s).

Accordingly, the information in these materials is not intended to constitute accounting, tax, legal, investment, consulting, or other professional advice or services. The information is not intended to be relied upon as the sole basis for any decision which may affect you or your business. Before making any decision or taking any action that might affect your personal finances or business, you should consult a qualified professional adviser.

These materials and the information contained therein are provided as is, and Deloitte Hungary makes no express or implied representations or warranties regarding these materials or the information contained therein. Without limiting the foregoing, Deloitte Hungary does not warrant that the materials or information contained therein will be error-free or will meet any particular criteria of performance or quality. Deloitte Hungary expressly disclaims all implied warranties, including, without limitation, warranties of merchantability, title, fitness for a particular purpose, non-infringement, compatibility, security, and accuracy.

Your use of these materials and information contained therein is at your own risk, and you assume full responsibility and risk of loss resulting from the use thereof. Deloitte Hungary will not be liable for any special, indirect, incidental, consequential, or punitive damages or any other damages whatsoever, whether in an action of contract, statute, tort (including, without limitation, negligence), or otherwise, relating to the use of these materials or the information contained therein.

If any of the foregoing is not fully enforceable for any reason, the remainder shall nonetheless continue to apply.