



Tax News+



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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.

Cross-Border Rulings

In addition to the 15 existing member countries ('Member States'), **three countries** (Denmark, Ireland and Italy) **joined** the **'test case for private ruling requests relating to cross-border situations'** (Cross-Border Rulings, CBRs).

Taxable persons planning cross-border transactions in one or more participating Member States may request a CBR in the Member State of their VAT registration. **Taxpayers may submit their requests for CBRs until 30 September 2018.**

The submission of this request is free of charge in Hungary. Similarly to non-binding rulings, CBRs qualify as professional opinions and are therefore not binding.

In order to submit a CBR request, the following conditions should be met:

- the request should pertain to a complex transaction intended for implementation,
- the transaction should have a cross-border aspect (in two or more Member States participating in the CBR project),
- the CBR request should be filed in the Member State where the applicant is or will likely be registered for VAT purposes.

Most Member States require CBR requests to be filed in their official language and/or in English. **The Hungarian Tax Authority requires a Hungarian translation of CBR requests.** All relevant details of the planned transaction should be set forth in the document.

If necessary, the competent authorities should consult with one another prior to issuing a CBR. The legislation of the Member State receiving the CBR request governs (e.g. deadlines).

CBR requests have a number of advantages; rather than having to consult with foreign tax authorities, the taxpayer may receive the harmonized opinions of the respective tax authorities from the Hungarian Tax Authority.

Please find [attached](#) the 17 CBRs issued until January 2016.

Should you require further information relating to the proper VAT treatment or the potential risks inherent in cross-border transactions, Deloitte would be pleased to assist you in the preparation and submission of such CBR requests.

National Competitiveness and Excellence Program

Call for proposals for the 'National Competitiveness and Excellence Program' have been announced. Within the scope of this program consortia consisting of 2-5 companies, higher education and/or research institutions **in the Central Hungary region may apply for grants in order to implement strategic and competitiveness enhancing research, development and innovation projects that aim to develop new marketable products, services and technologies.**

The available sub-programs are the following:

1. National program to significantly improve the effectiveness of treatment of diseases with high death rates,
2. National program of material science and technology,
3. National program of 'water-health-food'.

The maximum amount of the grant is between HUF 1.5-4 billion depending on the specific sub-program **with the minimum amount set at HUF 500 million for each sub-program.** Eligible costs

related to R&D activities include personnel costs, external services and other material expenses. Cost related to the following activities are also eligible:

- publicity related activities,
- project coordination,
- market entry related activities,
- industrial property rights related activities,

- asset purchases, construction and development of research infrastructure, and intangible asset purchases.

Aid intensity for large companies is between 25 and 100% depending on the eligible costs.

The first closing date is 31 May 2016 for the submission of an application.

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

Péter Gerendási

Partner
Deloitte Co. Ltd.
Tel: +36-1-428-6340
E-mail: pgerendasi@deloitteCE.com

Dr. Gábor Kóka

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

Dr. Csaba Márkus

Partner
Deloitte Co. Ltd.
Tel: +36-1-428-6793
E-mail: csmarkus@deloitteCE.com

István Veszprémi

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

László Winkler

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

Dr. István Falcsik

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

Péter Gémesi

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

Dr. Eszter Gyuricsku

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

Beáta Horváthné Szabó

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

Ferenc Póczak

Director
Deloitte Co. Ltd.
Tel: +36-1-428-6755
E-mail: fpoczak@deloitteCE.com

Zsolt Sándor

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

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



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