

Tax & Fiscal Alert

October, 2014

Document Storage Obligations

Today's topic is not a new regulation; however in the past few months below question was raised by many of our clients so we decided to summarize the storage requirements in this newsletter.

Based on tax law the documents related taxation should be stored 5 years after that particular calendar year-end after which tax declaration has been declared. In practise this could mean 6 or even 7 years as well, depend on declaration deadline and calendar year-end relation. Accounting act is regulated even more strictly than tax law, it says that documents that proves booking entries (accounting documents) shall be kept at least 8 years in readable, retrieval able format. The annual report, business report and trial balance documented particular annual report shall be kept for 10 years.

Here we have to admit that above obligation is also necessary to keep in case of transformation or liquidation of the company, so the documents cannot be destroyed in these cases, the storage and retrieval possibility also obligation of the company or successor.

Each company shall report to Tax Office document storage place. This does not mean that each and every document shall be kept that place, but based on request documents shall be available there within 3 calendar days.

Unlike above payroll related documents cannot be destroyed, because that could be necessary to have available till employee's pension calculation. Practically it means 5, 8, or even after 10 years these could be used.

There is a law that regulates how paper documents could be stored and copied in electronic way (13/2005. (X.27) – government regulation). However not even this regulation or accounting act, neither in other regulation or law had been determined that in case of electronically stored original documents the paper documents could be destroy.

Based on above it means that scanned and stored document in pdf form are not meet with legal requirements, however paper based documents scanned and saved in document archiving system – like ACCACE developed TULIP – makes archiving easier or even cheaper for whole storage period.

If you need more information regarding document storage or TULIP system do not hesitate to contact us!

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