

News Flash

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**Mandatory Firm Portal (Cégkapu)
Registration in Hungary, 2017**

Mandatory Firm Portal (Cégkapu) registration – to whom, how and until when?

In the beginning of the next year the so-called Firm Portal (Cégkapu) service starts operating, which is as the “brother” of the well-known Citizen Portal (Ügyfélkapu) fills an akin role, just for companies. The new system was brought to life to provide direct connection between business organizations and the government.

We would like to help regarding the registration with the information we gathered up in our current summary.

Probably the most important question – Who will be affected?

Because they are determining stocks in accordance to the definition of business organisations in the 2015's CCXXII. law (E-administration law). According to this definition the Firm Portal (Cégkapu) registration is mandatory to every business legal entities seated in Hungary. Therefore, it is not applying to the ones who only have VAT registration. Sole entrepreneurs will still have to take care about their business administration via Citizen Portal (Ügyfélkapu).

What is its function?

From the beginning of next year, the business organizations have to be in touch with the government electronically. After 2018.01.01 the parties – both the entities and the authority – can send official documents only via Firm Portal (Cégkapu) and the authorities only communicate with them via Firm Portal (Cégkapu) too. The contact details of the Firm Portal (Cégkapu) must be shown in the company register.

Until when and how to register?

The deadline for the Firm Portal (Cégkapu) registration was 2017.08.30 but there is a cooling-off period until the 31st of December, so there is not going to be any penalties imposed because of missing the deadline.

As long as there is no registration until the end of the year, the companies who did not registered should expect getting fines because their violation.

Practically the registration means the announcement of the Firm Portal (Cégkapu). First, an e-mail address is needed and it is worthy to check the inbox on a daily basis. It is recommended to create an e-mail address just for this purpose (for example: firmportal@companyname.com). Second, identification procedure must be completed which easiest way if the CEO does it via his/her Citizen Portal (Ügyfélkapu) and after that only the details of the business organisation are needed. There is an opportunity to pick some employees who have access to check the mailbox, but cannot do anything in the name of the company.

What to do if the CEO is foreigner?

The 451/2016. (XII. 19.) government regulation's 89. § (2) clearly states that "In the name of a business organisation only the representative of the company can initiate the Firm Portal (Cégkapu) registration." Therefore, as general rule neither an accounting company nor a tax advisory company initiate the registration. Providing a power of attorney to other person (including accountants and advisors) are

applicable as well, but in this case the registration can be done only on paper base and not online.

If you have any other questions about the Firm Portal (Cégkapu) or you would need further information about the registration and the process of it, please contact us, our experts are glad to help!

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About the author

Gabor joined Accace in 2016 and took over the leadership of the tax consultancy division at our Hungarian branch. He started his professional career in 2005 at the merger & acquisition team of KPMG and from 2006 for 10 years he had been working as the tax consultant of BDO, in the last 3 years as a manager and the leader of the tax consultancy team.

Gábor has acquired an in-depth knowledge in the fields of all major direct and indirect taxes during his 12-year professional career. He has exceptional knowledge in the international income taxes, value added tax, business promotions and contests, company transactions and financial due diligences.

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