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AUTOMATIC, SECURE DATA TRANSFORMATION

# Using the Peppol Network for Domestic E-Invoicing in Hungary

## Overview

The Peppol (Pan-European Public Procurement On-Line) network enables standardized electronic document exchange between businesses. For Hungarian domestic e-invoicing, both sender and receiver communicate through access points like HubBroker, which acts as the service provider connecting participants to the Peppol network.

## Key Components

### Participants

- **Sender**: The business issuing the e-invoice
- **Receiver**: The business receiving the e-invoice
- **Service Provider (HubBroker)**: The certified Peppol access point facilitating the exchange

### Identification

**Each participant needs a Peppol ID (also called Participant ID), which in Hungary typically uses:**

- Hungarian tax number (Adószám) - format: 9910:HUxxxxxxxx (8 digits)
- VAT number - format: 9948:HUxxxxxxxx
- GLN (Global Location Number) - format: 0088:599xxxxxxxxx
- Company registration number - format: various schemes available

## Outbound E-Invoicing Process (Sending)

1. **Registration with HubBroker**

- The sender registers as a Peppol participant through HubBroker
- Receives their Peppol ID configuration
- HubBroker registers the sender in the Peppol SMP (Service Metadata Publisher) directory

2. **Invoice Creation**

- Sender creates invoice in their ERP/accounting system
- Invoice is converted to Peppol BIS Billing 3.0 format (UBL or CII XML standard)

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3. NAV Online Invoice Reporting

- For Hungarian domestic B2B invoices, sender must also report to NAV Online Számla system
- HubBroker can facilitate dual submission: Peppol network + NAV reporting

4. Transmission via HubBroker

- Sender submits the e-invoice to HubBroker (via API, file upload, or system integration)
- HubBroker validates the invoice format and content
- HubBroker looks up the receiver's access point in the Peppol SML/SMP directory
- HubBroker sends the invoice through the Peppol network to the receiver's access point
- HubBroker can simultaneously submit invoice data to NAV Online Számla system

5. Delivery Confirmation

- HubBroker provides delivery status back to the sender
- Sender receives confirmation that the invoice reached the receiver's access point
- Confirmation of NAV reporting compliance

## Inbound E-Invoicing Process (Receiving)

1. Registration with HubBroker

- The receiver registers their Peppol ID with HubBroker
- HubBroker publishes the receiver's endpoint information in the Peppol SMP directory
- This makes the receiver discoverable to all Peppol senders

2. Invoice Reception

- When a sender transmits an invoice to the receiver's Peppol ID, the sender's access point queries the Peppol directory
- The directory returns HubBroker's endpoint information
- The invoice is routed through the Peppol network to HubBroker

3. Processing via HubBroker

- HubBroker receives and validates the incoming e-invoice
- HubBroker can transform the invoice format if needed (e.g., from XML to the receiver's preferred format)
- HubBroker notifies the receiver of the new invoice

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4. **Delivery to Receiver**

- Invoice is delivered to the receiver through their preferred method:
- Direct integration with ERP/accounting system (API)
- Web portal access through HubBroker's platform
- Email notification with download link
- File transfer (SFTP, AS2, etc.)

## Hungarian-Specific Requirements

**For domestic Hungarian e-invoicing via Peppol, ensure:**

- **Adószám (Tax number)**: Hungarian companies must use their tax number as the Peppol identifier (format 9910:HUxxxxxxxx)
- **NAV Online Számla**: Mandatory real-time invoice reporting to Hungarian Tax Authority (NAV)
- **Dual compliance**: Invoices must be both delivered to the receiver AND reported to NAV
- **VAT requirements**: Invoices must include Hungarian VAT information (ÁFA szám) correctly formatted
- **Language**: Invoice content typically in Hungarian for domestic transactions
- **NAV XML format**: Specific XML format required for NAV reporting (different from Peppol format)
- **Real-time reporting**: Invoice data must be reported to NAV within specified timeframes
- **Transaction ID**: NAV assigns transaction numbers for reported invoices

## Hungarian NAV Online Invoice System

**Hungary has one of Europe's most advanced mandatory invoice reporting systems:**

### NAV Online Számla Requirements

- **Mandatory since 2018**: All B2B and B2C invoices above certain thresholds must be reported
- **Real-time reporting**: Invoice data must be sent to NAV typically within 24 hours
- **Technical interface**: XML-based API for invoice data submission
- **Validation**: NAV validates and acknowledges receipt of invoice data
- **Data extraction**: NAV extracts invoice data for VAT control and audit purposes

### Scope

- **B2B invoices**: Mandatory reporting for domestic transactions
- **B2C invoices**: Required above certain value thresholds
- **Amendments**: Modifications and cancellations must also be reported
- **Coverage**: Applies to Hungarian VAT-registered businesses

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## Benefits of Using HubBroker as Service Provider

- Single connection: Connect once to reach all Peppol participants globally
- Dual submission: HubBroker handles both Peppol delivery AND NAV reporting
- Format handling: HubBroker manages conversions between Peppol formats and NAV XML format
- Compliance: Ensures invoices meet both Peppol and NAV requirements
- Directory management: HubBroker handles SMP registration and updates
- NAV integration: Automated submission to NAV Online Számla system
- Support: Technical assistance for Hungarian compliance requirements
- Monitoring: Track both invoice delivery status and NAV reporting confirmation
- Error handling: Management of NAV validation errors and resubmissions

## Implementation Steps

1. Choose your Peppol ID (typically tax number-based: 9910:HUxxxxxxxx)
2. NAV registration: Ensure proper NAV Online Számla technical user credentials
3. Sign agreement with HubBroker as your Peppol access point provider
4. Configure NAV integration with HubBroker for automated reporting
5. Configure integration between your systems and HubBroker
6. Test transactions in HubBroker's test environment (including NAV test system)
7. Go live and start exchanging e-invoices with dual NAV compliance

# Hungarian E-Invoicing Landscape

## Hungary has a unique e-invoicing ecosystem with:

- **NAV Online Számla**: Mandatory real-time invoice reporting system since 2018
- **Tax control focus**: Primary objective is VAT fraud prevention and tax compliance
- **High digitalization**: One of Europe's most advanced invoice monitoring systems
- **B2B and B2C**: Reporting requirements cover most invoice types
- **Public sector**: Separate requirements for public procurement
- **Peppol adoption**: Growing recognition of Peppol for actual invoice delivery
- **Dual approach**: NAV reporting (compliance) + Peppol (business exchange)

# Understanding the Dual System

## NAV Online Számla (Mandatory Reporting)

- **Purpose**: Tax compliance and VAT monitoring
- **Recipient**: Hungarian Tax Authority (NAV)
- **Scope**: Data reporting, not invoice delivery
- **Format**: NAV-specific XML format
- **Requirement**: Mandatory by law

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## Peppol Network (Business Exchange)

- **Purpose**: Actual invoice delivery and business document exchange
- **Recipient**: Trading partner (buyer/receiver)
- **Scope**: Complete invoice document transmission
- **Format**: Peppol BIS Billing 3.0 (UBL/CII)
- **Requirement**: Business efficiency and international interoperability

## HubBroker's Role

### HubBroker manages both aspects:

1. Invoice delivery via Peppol to the business receiver
2. Invoice reporting to NAV for compliance
3. Format conversion between Peppol and NAV formats
4. Synchronization ensuring both systems receive correct information

## Public Sector (B2G) Considerations

### For invoicing Hungarian public entities:

- **EKR system**: Hungarian Electronic Public Procurement System
- **Separate requirements**: Public sector may have additional e-invoicing specifications
- **Peppol compatibility**: Increasing alignment with Peppol standards
- **HubBroker support**: Can facilitate public sector invoice delivery

### Cross-Border Transactions

**NAV exemption**: Cross-border invoices to EU partners may have different NAV reporting rules
**Peppol advantage**: Seamlessly handle both domestic Hungarian and international e-invoices
**Simplified compliance**: HubBroker manages which invoices require NAV reporting

## Technical Considerations

### NAV API Integration

- Authentication: Technical user credentials required
- Request-response: Real-time validation and acknowledgment
- Error handling: NAV provides detailed error codes
- Retry logic: Failed submissions must be reprocessed

Data Synchronization

- **Consistency**: Invoice data in Peppol and NAV must match
- **Timing**: NAV reporting within legal timeframes
- **Versioning**: Handle invoice amendments and cancellations in both systems

## Preparing for Hungarian E-Invoicing

**To successfully implement Hungarian e-invoicing:**

1. **NAV credentials**: Obtain technical user access for NAV Online Számla
2. **System capability**: Ensure ERP can generate required invoice data
3. **HubBroker integration**: Single integration point for both Peppol and NAV
4. **Testing**: Thorough testing in both Peppol and NAV test environments
5. **Staff training**: Understanding of dual compliance requirements
6. **Monitoring**: Regular checking of both delivery and reporting status

The Peppol network enables seamless domestic Hungarian e-invoicing while also providing the capability to exchange invoices with international partners across Europe and beyond. HubBroker's integrated approach ensures compliance with Hungary's unique NAV Online Számla mandatory reporting requirements while facilitating efficient business document exchange through the Peppol network.