



FINACONT TAX NEWSLETTER

Public debt-free taxpayer database („KOMA")



Kis Gábor

„The tax office will send a prior notice to those who are currently in the database but the preliminary investigation in the last week of the month showed that they had failed to comply with a requirement.

Notification sent before the last day of the month **gives the opportunity to take timely action to remedy the omission, thus avoiding exclusion from the database.**"

The provisions concerning the taxpayers' public debt-free database are governed Act CL of 2017 on the Rules of Taxation (hereinafter referred to as "Art.").

Advantages of being in the database are the following:

- application is free of charge;
- substitutes certificate of solvency/tax certificate (also when offering corporate tax);
- certifies financial reliability to business partners;
- the database is public and accessible to anyone without prior identification;
- provides various exemptions (for example, those involved in EKAER do not have to pay tax collateral).

Applications for inclusion in the public debt-free database can only be submitted electronically using the "KOMA" form. **Inclusion in the public debt-free taxpayer database is acceptable as proof of debt-free status in all cases where the law requires the submission of a tax certificate.**

The tax office examines the conditions of inclusion in the database as of the last day of each month and **updates its database by the 10th of the month following the reference month.** The tax office will send a prior notification to those who are currently in the database but the preliminary investigation in the last week of the month showed that they had failed to comply with a requirement. **The notification sent before the last day of the month gives the opportunity to take timely action to remedy the omission, thus avoiding exclusion from the database.**

The investigation that led to the notification is based on current status information, so if the taxpayer has already settled his/her omission, such as paying his/her debts or filing a missing tax return, then there is no further action to make regarding the prior notification.

With the prior notification, the tax office assists taxpayers already listed in the database by alerting them in advance on their possible exclusion.

For further inclusion in the database, the taxpayer must complete the deficiency /deficiencies specified in the prior notification and any additional actions due in the current month by the last day of the month.

The public debt-free taxpayer database can be retrieved from the tax office's website.

By the law, **only a taxpayer who jointly fulfills the following conditions can be included in the public debt-free taxpayer database:**

On the last day of the month preceding the database publication

- has no net tax debts to the State Revenue and Customs Administration and no public debt;
- has no debts recorded as irrecoverable and not lapsed;
- the taxpayer has fulfilled his/her declaration and payment obligations stated in his/her statement;
- is not subject to bankruptcy, liquidation, compulsory liquidation or wind-up proceedings;
- in case of group corporate taxpayer status, the group corporate taxpayer has no VAT or corporation tax liability;
- has no outstanding tax payment as a taxpayer.

Please contact our colleagues if you wish to have a detailed interpretation of this legislation as this newsletter offers general understanding.

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Should you have any questions, please do not hesitate to contact us.

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