

## **INFORMATION**

**on tax refund applications to be submitted by diplomatic and consular representations and by international organisations entitled to tax reimbursement (hereinafter: REPRESENTATIONS) under Act CXXVII of 2007 on VAT and Act CXXVII of 2003 on Excise duty and Special Regulations on the Distribution of Excise Goods and Decree 15/2008. (V.16.) of the Ministry of Finance and Joint Decree 13/2008. (V.16.) of the Ministry of Finance and the Ministry of Foreign Affairs**

In case of representations accredited to the Republic of Hungary – upon prior certification of the entitlement to tax refund given by the Protocol Department of the Ministry of Foreign Affairs - tax refund applications signed and stamped by the head of the representation shall be submitted to the Department for Tax Refund to Foreign Nationals of Directorate for Large Taxpayers of the Hungarian Tax and Financial Control Administration (APEH), hereinafter the Department, or sent to the postal address (see on internet: [www.apenh.hu](http://www.apenh.hu), currently: 1410, Budapest, Pf. 138.) or shall be handed over personally at the customer service (Dob u. 75-81, 1077, Budapest) on Mondays and Wednesdays between 8.15 am – 4.15 pm. Applications may be submitted directly to APEH provided they have been duly certified by the Head of Mission in heading no. 4 of the application form (Authorization of lack of stamping).

In case of representations not accredited to the Republic of Hungary the entitlement to VAT refund, and in case of representations accredited in the territory of the EU, but not to Hungary, the entitlement to excise duty refund shall be certified by the competent authority of the receiving state by filling and signing the form set out in Annex 1 of the Decree no. 15/2008. (V.16.) of the Ministry of Finance (hereinafter: VAT decree) or the form set out in Annex 1 of the Joint Decree no. 13/2008. (V.16.) of the Ministry of Finance and the Ministry of Foreign Affairs (hereinafter: Excise decree). Correctly filled Annex 1 form must be attached to the application in case of such representations and must be submitted to the Department at the above mentioned address.

Applications and forms shall be submitted in Hungarian or in any other living language. No official translation in Hungarian is needed if the attached form is in one of the official languages of the European Union (English, French or German).

The entitled representation shall submit its application for refund only in respect of products and services acquired in the Republic of Hungary (including importation) for official purposes, shown in the financial register of the representation and on which VAT and excise duty has been paid.

The entitlement to tax refund extends to catering services only in case of receptions hosted by representations, at which at least 10 persons participated and this fact has been certified in a written statement by the head of the representation.

Entitlement to tax refund shall arise on the date when the price of the product or service has been fully paid. The reference period is the quarter of the year in which the payment is made.

The tax refund right shall be exercised from the 1st of January of the calendar year following the reference period, but not later than 30 June of the said year. This means that applications previously certified by the Ministry of Foreign Affairs have to be submitted within this six month period to the Department.

In case where the claimed amount of tax refund (VAT and excise duty together) in a calendar quarter of the year reaches or exceeds 40 000 HUF per application, the tax refund right shall be also exercised from the first to the last day of the month following that quarter. Tax refund right shall be immediately exercised in the following cases:

- 1) if the receiving state of the applicant is not the Republic of Hungary
- 2) if the receiving state is the Republic of Hungary but the related status of the applicant eventually ceases or, irrespective of the above
- 3) the amount to be refunded reaches or exceeds 500 000 HUF

In addition to those stated above, conditions for the exercise of the right of tax refund are:

Attachment of: the original invoice or the original invoice of the advance; invoice stored by electronic means (in the form valid at the time of issue) and the original decision on the amount of the tax in case of imports, containing the data required to the determination of VAT or excise duty, and the original documents certifying the total financial settlement including tax. It is advisable to submit with the application a photocopy (signed and dated by the applicant) of each original invoices and receipts (in case of bank transfer the debit document, in case of postal cheque the cash slip) certifying the financial settlement (the price or in case of import the payment of tax determined by the authority).

The amount reimbursed shall be paid in Hungarian Forint. In case the representation wishes the amount to be refunded in a foreign currency, the exchange charges shall be payable by the applicant and retained from the amount to be refunded.

When filling in the application form, applicants are requested to observe the following:

In case the application form is filled in with manuscript, the exact name of the representation must be indicated legibly and in capital letters. Applicants shall indicate the type of representation by specifying the relevant type. File (or registration) number issued by the tax authority - if known by the applicant - shall be indicated on the application form!

Representations accredited to Hungary shall indicate their address in the territory of the Republic of Hungary. Representations not accredited to the Republic of Hungary shall indicate the country where they are accredited and their address. If the postal address is different from the address of the representation, it shall be indicated, as well.

Name and phone number of the contact person shall be indicated in cases where the person acting during the tax refund process is different from the authorized representative of the applicant.

As to the „bank account number” column, applicants shall indicate bank account number of the representation and name of the credit bank where the granted amount is requested to be transferred. In case the representation wishes the transfer to be made to one of its foreign bank account, it is important to show the exact name of the foreign credit bank, its address, the account number in IBAN format, its SWIFT code (BIC), and type of currency.

If the representation has both Hungarian and foreign bank accounts, it shall indicate the one into which the granted tax amount is requested to be transferred.

Applicants shall indicate in the summary invoice statement dates, numbers of the relevant invoices, the net amount, the tax paid and the grand total sum covered by the invoices submitted for reimbursement. The excise duty is calculated in accordance with national legislation in force by the tax authority based on the submitted invoices. Representations not accredited to the Republic of Hungary shall present only invoices previously certified on a form set out in Annex 1 of the VAT Decree or the Excise Decree by their respective competent authorities.

In one application only invoices issued in the same year shall be submitted for refund, otherwise the authority will consider it as two (or more) applications.

The application shall be signed by the head of the applicant representation.

Should an authorized representative be acting in the matter of tax refund, then his/her natural identification data or tax number, tax identification number and registration number shall also be indicated precisely and legibly.

If the authorized representative is entrusted to proceed in the matter, an authority to act – issued according to the APEH directive on representation – and copies of documentary proof of identity should be attached to the application.

An authorized representative empowered to act in the tax authority procedure shall be:

- a person with representative status,
- an employee certifying his/her right to representation,
- a legal advisor,
- a tax advisor,
- a tax expert, chartered tax expert,
- a private attorney,
- a lawyers' office,
- an EU lawyer,
- an accountant,
- member of a company or other organization entitled to tax consultation or accounting.