

Filling Out Instructions

for the IDIPL2 Form to reclaim excise duty and VAT by PERSONS identified in VAT Act article 107 paragraph (1) and in Excise Act (Jöt) article 47/A paragraphs (1) and (4).

Legal background:

- Act XCII. of 2003 on the order of taxation (hereinafter: Tax Act)
- Act CXXVII of 2007 on the general turnover tax (hereinafter: VAT Act)
- Act CXXVII of 2003 on excise duties and on the special regulations of the sale of excise products (hereinafter: Excise Act)
- Ordinance of the Minister of Finance PM 11/2010. (III. 31.) on the implementation of the enforcement of certain privileges, allowances and exemptions concerning VAT and excise duties (hereinafter: PM Ordinance)

General information:

The PM Ordinance has, with effect on 1 April, 2010, repealed PM Ordinance 15/2008 (V.16.) on the implementation rules related to the enforcement of certain VAT exempt sale of goods and provision of services, as well as the joint PM-KüM Ordinance on the reclaim of excise duties by diplomatic and consular missions and their members, and by international organisations and their officers covered by the same rules.

Please note that this Form is not available through sale, it can be accessed exclusively from the www.apéh.hu website from the menu point “Nyomtatványkitöltő programok” (Form filling programmes). The empty form downloaded from the ÁNYKAbevjava programme can be printed out by Adatok→Üres nyomtatvány (Data→Empty form).

Note that a filling out control programme helps in filling out; the filled out form shall be printed and filed on hard copy

The Form can be filed by the eligible person or a proxy of the eligible person as identified in Tax Act article 7, paragraph (1), if the power of attorney is attached to the application. If the state Tax Authority had already registered the proxy as a permanent proxy, no power of attorney needs to be attached.

The Form shall be filed by post or in person during business hours to the competent body of the state Tax Authority identified by law.

(The designated competent body: APEH Large Taxpayers Directorate, Department of Tax Refund for Non-Residents, 1077 Budapest, Dob. utca 75-81. Postal address: 1410 Budapest, Pf. 138. Phone: 00-36-1-461-3300.)

Who can use the IDIPL2 Form?

Persons identified in VAT Act article 107 paragraph (1) and in Excise Act 47/A, paragraphs (1) and (4) (hereinafter eligible persons) can use it for reclaiming VAT and excise duties (hereinafter altogether: tax reclaim). As per article 19 of the PM Ordinance, the use of such Form is compulsory if the receiving country is the Republic of Hungary.

Therefore, the present Form shall be used to reclaim tax by

- members of diplomatic missions and official consulates;
- officers of international organisations;
- only staff of eligible armed forces:

Deadline for filing

As per PM Ordinance article 7, paragraph (1), the right to reclaim tax in the given calendar year can be exercised starting on 1 January of the following calendar year, but latest until 30 September of the same year.

If the amount of the right to reclaim tax in the given calendar year reaches or is over 40.000 HUFs, and if the Republic of Hungary shall cease to be a receiving country for the eligible person, the form can be filed at any time during the calendar year.

The application may be filed immediately, disregarding any deadlines, also if the Republic of Hungary ceases to be the receiving country for the eligible person, meaning that he/she leaves the territory of the Republic of Hungary permanently.

Therefore tax reclaim for the given year and the form can be filed the latest by the 30 September of the year following the given calendar year.

Formal requirements for filling the Form out:

Please take care to fill the Form out correctly and precisely.

Data can be entered only in the fields left white; the Internet programme will not allow data entry in other fields.

The Form can be filed without certified translation and apostille if it is filled out in the official language of the given Member State of the Community, or in any of the working languages of the Community (English, French, German).

Parts of the IDIPL2 set of Forms:

IDIPL2 Main Page (data of the eligible person, period relevant to the reclaim)

IDIPL2-01 sheet (authority entitled to certify tax exemption, declarations, attached documents)

IDIPL2-02 sheet (some details)

IDIPL2-03 sheet (account summary)

IDIPL2-04 sheet (import decision summary)

Filling out the Main Page of Form IDIPL2

On the Main Page of the application, in point 1, identification data, the name of the eligible person, his/her exact address, and the identification number issued by the state Tax Authority (tax identification number or registration number) shall be given.

In point 2, please give the exact postal address of the diplomatic or consular mission, international organisation or armed forces of which the eligible person is a staff member or an officer.

In point 3 in the Other data box, please give the postal address if it differs from the address given in point 1.

Reclaim period: the period for which the eligible person files the application (year – month – day format).

The earliest date for reclaim is 1 April, 2010. For reclaim for a period before this date, please use Form 8IDIPL2.

The right to reclaim tax arises on the day of paying the full price, inclusive of taxes, after the sale of goods or provision of services. Therefore the reclaim period shall include the period of the paid invoice/import decision affected in the reclaim.

For example: 10 invoices are attached to the application, the earliest invoice IAXY123 was paid on 1 August, 2010, the last one, KJRT12345, was paid on 21 December, 2010. Thus the reclaim period is 1 August, 2010 – 21 December, 2010.

The amount of tax reclaimed: The total of the tax amounts in the account summary and in the import decision summary (the filling out control programme shall do the calculation).

Members of diplomatic or consular missions or officers of international organisations are entitled to personal tax exemption for the given calendar year based on the principle of reciprocity, but at the most up to a contingency in the amount of 300.000 HUFs, unless international conventions mentioned in VAT Act article 107, paragraph (1) do not specifically provide otherwise.

The contingency:

- also includes excise duty refund that the member of the diplomatic or official consular mission, or the officer of the international organisation is entitled to as per the Excise Act;
- does not include tax exemption the member of the diplomatic or official consular mission or the officer of the international organisation is entitled to – without limitation in value – if the products or services are purchased based on insurance policy to replace the insured damaged assets, and this fact is verified.

The established contingency can be combined by families including eligible persons living in the same household.

Current account data: the country code of the account managing financial institution, the name of the account holder, the account number, the SWIFT Code, the currency code, the name and exact address of the credit institution managing the current account. The eligible person can give a current account number he/she or a family member living in the same household holds, meaning only such account that bears the name of the eligible person or the name of the family member living in the same household.

The eligible person is entitled to the tax refund in HUFs. In case the eligible person wishes to receive the tax refund in currency other than HUFs, the exchange charges shall be borne by him/her, and shall be deducted from the refunded amount.

Filling out the IDIPL2-01 sheet:

The status of eligible person shall be verified as the main rule by the Ministry of Foreign Affairs if the receiving country is the Republic of Hungary. The status of eligible person of the armed forces shall be verified by the Ministry of Defence.

Mark X in the corresponding box in point 4. Furthermore, please give the number of your Foreign Affairs ID card, if the Ministry of Foreign Affairs is entitled, in your case, to issue the certificate.

If in your case it is the Ministry of defence that is entitled to issue the certificate, please give the letter and/or number of your registration ID card.

Mark X in the corresponding box in point 5 to indicate the type of status of the eligible person reclaiming the amount for personal purposes.

Simultaneously to filing the application, the eligible person hereby declares that the services and goods included in the invoices are in compliance with the exemption requirements and restrictions valid in the receiving country, and that the data given are given in good faith. By filing the application, the eligible person pledges to repay all refunded taxes that he/she is not eligible for or that has been mistakenly refunded to him/her.

Point 6 needs to be filled out only if the eligible person applies for tax refund regarding family members living in the same household, who are not Hungarian citizens and are not eligible for permanent stay in Hungary, because eligible persons living in the same household as family members may file joint application for the joint household.

Another requirement for this is for the given eligible persons to appoint one representative from among themselves, who takes part in the tax reclaim procedure as the subject of the legal action.

In this case the contingency in the amount of 300.000 HUFs as set by the VAT Act, or the limit set by international conventions can be combined for eligible persons living in the same household.

Filling out the IDIPL2-02 sheet

In point 7, please give the number of documents attached to the application.

Exemption Certificate:

The original copy of the Exemption Certificate issued by the Ministry of Foreign Affairs or the Ministry of Defence in case of the armed forces shall be attached to the application.

Compulsory attachment of the original Exemption Certificate can be disregarded if a new application is filed within the validity of the Exemption Certificate filed earlier.

For example: if the validity of the Exemption Certificate is between 1 June and 30 September, 2010, the Exemption Certificate must be attached to the application filed first on 9 June, 2010. However, no original copy of the Exemption Certificate must be attached to the second application filed on 15 September, 2010.

Original invoice:

The original copy of the invoice issued as per VAT Act and Excise Act provisions to the name of the eligible person, shall be attached to the application; in case of petrol, the invoice must indicate the licence plate number of the vehicle that was filled up.

The original copy of the invoices identified in detail on the account summary IDIPL2-03 shall be attached.

Original import decision:

In case of excise products, the original copy of the decision of the customs authorities establishing the amount of excise duties issued to the name of the eligible person shall be attached.

The original copies of the decisions as indicated on the detailed summary import decision sheet IDIPL2-04 shall be attached.

The filed original invoices and import decisions shall be marked (stamped) by the state Tax Authority, making it clear that the eligible person may not re-use them to reclaim taxes.

Payment verifying document:

The right to reclaim tax arises by the full payment of the price inclusive of devolved tax, in case of excise products, inclusive of excise duties. The full payment of the invoices shall be proven beyond doubt, for example by presenting bank statements.

The original invoices, import decisions and bank statements shall be returned by the first instance Tax Authority by post, within 30 days of receipt.

The eligible person may decide – by putting an X in the corresponding box – that it wishes to have the original documents sent to it the latest together with the first instance decision.

Copy made of electronic documents:

Instead of the original, a copy made of it shall be attached if the eligible person has the invoice, the excise decision, or any of the payment verifying documents in electronic form.

Other documents:

Please indicate the number of documents that verify compliance with other requirements identified in VAT Act articles 107 and 108, and also the number of documents verifying compliance with the conditions set out in Excise Act articles 47/A and 47/B related to the right to reclaim excise duties.

If the application is filed by a proxy, his/her power of attorney shall be attached as other document – except in case of a permanent power of attorney registered earlier – and the number of other documents shall be given accordingly.

Please note that if no well founded decision can be made based on the available data and compulsorily attached documents, the state Tax Authority is entitled to ask for additional data and information from the eligible person in a writ, while setting a suitable date.

Point 8 shall be filled out only if the eligible person leaves his/her post permanently. In such case the person entitled to act on behalf of the mission/organisation shall verify by his/her signature that the eligible person has left his/her post permanently, and the Republic of Hungary has ceased to be the receiving country for the eligible person.

In case the eligible person leaves his/her post permanently, he/she is entitled to file the application without any contingency amount.

Filling out- the IDIPL2-03 sheet

The following data of the invoices relevant to the application shall be given in the account summary in the corresponding boxes:

- name, address and tax number of the seller of the goods or provider of services (hereinafter altogether: issuer of invoice);
- the date of issuing the invoice and the serial number of the invoice;
- the total value of the invoice in HUFs;
 - the date the right to reclaim tax arose, meaning the date of full payment of the value of the invoice (year – month – day format)
- the VAT base and amount in HUFs;
- in case of excise products, the base of the excise duty and its amount in HUFs, as well as the type of excise duty it is (data necessary to establish the rate of excise duty; its possible values are: 1. crude oil, 2. alcohol products, 3. beer, 4. wine, 5. champagne, 6. intermediary alcohol products, 7. tobacco products).

Form IDIPL2-03 can be filled out in the necessary numbers.

Filling out- the IDIPL2-04 sheet

The following data of the invoices relevant to the application shall be given in the import decision summary in the corresponding boxes:

- name and address of the seller of the goods or provider of services (hereinafter altogether: issuer of invoice);
- the date of issuing the import decision and the serial number of the import decision;
- the date the right to reclaim tax arose, meaning the date of full payment of the value of the invoice (year – month – day format);
- the VAT base and amount in HUFs;
- the excise duty established by the customs authorities, as well as the type of excise duty it is (data necessary to establish the rate of excise duty; its possible values are: 1. crude oil, 2. alcohol products, 3. beer, 4. wine, 5. champagne, 6. intermediary alcohol products, 7. tobacco products).

Form IDIPL2-03 can be filled out in the necessary numbers.

Procedure in case of subsequent change in the amount of tax relevant in the reclaim:

If the tax amount relevant to the original right to reclaim tax changes at a later date, the amount of the reclaimed or refunded tax changes in the same amount as the change.

If the amount of tax decreases due to the subsequent change after the application was filed, the eligible person must report this to the state Tax Authority immediately, but the latest within 15 days of the date the invoice and/or import decision serving as basis for the difference is available for personal use, and thus reduce the reclaimed amount with this difference independently from other conditions related to the right to reclaim tax, or if the difference had already been refunded by the state Tax Authority as a just claim, pay this amount back.

If the amount of tax increases due to the subsequent change after the application was filed, the eligible person is entitled to report this to the state Tax Authority and thus increase the reclaimed amount with this difference while attaching the original copy of the document serving as basis for the difference, or if the tax reclaim had already been decided upon, re-file – independently from other conditions related to the right to reclaim tax – the application adjusted with such difference.

Please note that the Form must be certified; the application filed on hard copy shall be duly signed at the bottom right part of the IDIPL2-02 sheet by the eligible person; without such signature, the application is void.

Tax and Financial Control Administration