

# **GUIDELINES FOR FILLING IN FORM “IAFAK”**

**for VAT refund applications and adjustment statements for  
non-established taxable persons in Hungary and non-taxable legal persons  
established in another Member State of the Community  
and taxable persons registered in one-stop schemes**

**(ÁNYK – i.e. General Form Filling Program)**

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## I. General information

### **1. What is the IFAK form for?**

Those entitled to a tax refund can use this form to claim a refund of VAT on their purchases and services used in the given tax year.

### **2. Who does the form apply to?**

The form can be submitted by persons entitled to a tax refund, that is,

- taxable persons established in a recognised third state who are entitled to a refund of value added tax and a refund of flat rate compensation,[\[1\]](#)
- non-taxable legal persons liable to pay the tax, who are only entitled to a refund of the flat rate compensation,[\[2\]](#)
- registered taxable persons also rendering remote services who are entitled to a refund of VAT.[\[3\]](#) Such taxable persons may submit their applications for a tax refund subject to the time limit specified in point 3 of Part II, and
- taxable persons not established on territory of the Community who are registered in OSS/IOSS from 1 July 2021.[\[4\]](#)

### **3. How to submit the form?**

The application shall be addressed to the Large Taxpayers' Tax and Customs Directorate of the National Tax and Customs Administration (NTCA) **only**:

#### **Electronically**

More information on the electronic submission of returns and the rules of electronic contact is available on the NTCA website ([www.nav.gov.hu](http://www.nav.gov.hu)) in the following documents:

- *"Method of submitting electronic forms, notification of representation."*,
- *"General rules of electronic administration and communication in tax matters."*,

#### **By e-mail**

The printed and duly signed **application** must be scanned and sent to the **e-mail address** [non-eu.vatrefund@nav.gov.hu](mailto:non-eu.vatrefund@nav.gov.hu).

Applications can only be submitted by e-mail in a form certified by a verifiable digital signature. Contact by e-mail is not considered a secure delivery service. The decision of the NTCA and all notifications (administrative decisions, orders, or other documents) are deemed to have been notified on the fifth day after the date of dispatch (date of the document).[\[5\]](#)

All incoming documents are deemed to have been submitted on the date of receipt by NTCA. In the procedure, the date of notification and the day following the date of submission are the starting dates for the calculation of time limits.[\[6\]](#)

### **By mail**

NTCA Large Taxpayers' Tax and Customs Directorate  
Department for Tax Refund Management of Foreigners  
Mailing address: 1410 Budapest, P.O. Box 138.

### **In person**

Customer Service Office of the NTCA Large Taxpayers' Tax and Customs Directorate  
1077 Budapest, Dob utca 75-81.

### **Notification of the right of representation**

The application may also be submitted by the taxpayer's representative. To submit the application electronically, the right of representation must be notified to NTCA in advance. NTCA can only accept the application submitted electronically if the submitter's right of representation has been registered in advance.

In the case of a paper-based submission, the right of representation must also be proved when submitting or processing the form, without which the form cannot be processed.

More information on the **notification of the right of representation** is available on NTCA's website ([www.nav.gov.hu](http://www.nav.gov.hu)) in the following document:

- Guideline: "Method of submitting electronic forms and notification of representation".

### **4. Where to find the form?**

The IFAK form is available electronically on the website of NTCA in the General Form Filling Program (ÁNYK).

The form filler program running in ÁNYK and the accompanying instructions are available at following path:

- [www.nav.gov.hu](http://www.nav.gov.hu) → *Nyomtatványkitöltő programok* (Form filling programs) → *Nyomtatványkitöltő programok* (Form filling programs) → *Programok részletes keresése* (Detailed search for programs) → *IAFAK kötegelte nyomtatvány* (IAFAK batch form).

## **5. What is the deadline for submitting the form?**

You can apply for a refund of the tax incurred in the period covered by the application **by 30 September of the calendar year following the period in question** by submitting the form to the Department for Tax Refund Management of Foreigners of the NTCA Large Taxpayers' Tax and Customs Directorate. Applications from taxpayers established in a recognised third state must be received by NTCA by this date.[\[7\]](#)

This **deadline is a substantive deadline**, therefore, **there is no room for justification or exemption after 30 September**.

## **6. What are the parts of the form?**

**The form has two parts:** IFAK-K and IFAK-SZ. The forms cannot be completed and submitted separately, but only as a whole.

### ***Parts of the IFAK-K form:***

IAFAK-K main sheet	applicant's data
IAFAK-K-01-01 sheet	refund period, correction of the application, statements
IAFAK-K-01-02	statements
IAFAK-K-01-03	statements
IAFAK-K-01-04	final statement
IAFAK-K-02	attachments

### ***Parts of the IFAK-SZ form:***

IAFAK-SZ main sheet	data from invoice / importation decision
IAFAK-SZ-01	invoice details (codes of products, services, description, language code)
IAFAK-SZ-02	importation decision details (codes of products, services, description, language code)

## **7. Further information, assistance**

If you have any further questions about the data sheet or some specific taxation rules, feel free to contact us at the contact details below!

### **Internet:**

- on the NTCA website at [www.nav.gov.hu](http://www.nav.gov.hu)

### **E-mail:**

- using the form available at following link: <http://nav.gov.hu/nav/e-ugyfsz/e-ugyfsz.html>

**Telephone:**

- NTCA Info line
  - o 1819 in Hungary,
  - o +36 (1) 250-9500 from abroad.
  
- NTCA Customer Information and Administration Centre (ÜCC)[\[8\]](#)
  - o in Hungary on 80/20-21-22,
  - o from abroad on +36 (1) 441-9600.

The NTCA Info Line and the ÜCC can be called from Monday to Thursday from 8:30 a.m. to 4 p.m., and on Fridays from 8:30 a.m. to 1:30 p.m.

**In person:**

- at the NTCA Customer Services throughout Hungary. Customer Service Finder: <https://nav.gov.hu/nav/ugyfelszolg>.

**8. What legislation should be considered?**

- Act CL of 2017 on the Rules of Taxation (ART Act),
- Act CLI of 2017 on Tax Administration and the Regulation of Tax Administration (AIR Act),
- Act CXXVII of 2007 on Value Added Tax (hereafter VAT Act),
- Decree No 32/2009 (XII. 21.) of the Ministry of Finance (MoF) on certain provisions relating to the exercise of the right of non-established taxable persons to a refund of value added tax in the Republic of Hungary and of the right of taxable persons established in Hungary to a refund of value added tax in another Member State of the European Community (MoF Decree),
- Council Directive 2008/9/EC of 12 February 2008 laying down detailed rules for the refund of value added tax, provided for in Directive 2006/112/EC, to taxable persons not established in the Member State of refund but established in another Member State,
- Thirteenth Council Directive of 17 November 1986 (86/560/EEC),
- Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (hereafter VAT Directive),
- Council Implementing Regulation (EU) No 282/2011 of 15 March 2011 laying down implementing measures for Directive 2006/112/EC on the common system of value added tax (hereafter VAT Regulation),
- Council Regulation (EU) No 904/2010 of 7 October 2010 on administrative cooperation and combating fraud in the field of value added tax.

**II. Detailed information**

## Persons entitled to a refund under Chapter XVIII of the VAT Act

### 1. Taxable person established in a recognised third state

A taxable person established in a recognised third state who has his place of economic establishment or, in the absence thereof, his domicile or habitual residence in a country outside the European Community but where there is reciprocity between that country and Hungary.

**Hungary currently has reciprocity with the following countries:**

- **Swiss Confederation,**
- **Principality of Liechtenstein,**
- **Kingdom of Norway** (from 16 June 2016)
- **Republic of Serbia** (from 1 January 2019)
- **Republic of Turkey** (from 22 May 2019), and
- **the United Kingdom**[\[9\]](#), (from 10 June 2021), having regard to the Protocol on the Agreement on the Withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community. This means that the whole of the United Kingdom is considered a third state for services, but Northern Ireland is considered a Member State of the European Union for the sales of goods.

A taxable person established in a recognised third state **may apply for a refund of the VAT paid and flat rate compensation levied on goods, imports and services acquired in Hungary** since the date of reciprocity, to the extent that this is done for the purposes of the following economic transactions:

- The taxable person uses the goods or services acquired **for the purposes of a taxable or exempt economic activity giving rise to a tax deduction.** (*For example, where the taxable person uses or otherwise exploits the goods or services for the purposes of an economic activity for which the place of supply is abroad but which would be taxable if it were supplied in the domestic territory, or where the goods are used or otherwise exploited for the purposes of a supply (export) outside the Community, or for certain economic activities treated as such, etc.*).

- The goods or services are used or otherwise exploited for the purposes of transactions where **the purchaser of the product or service is a taxable person registered in the domestic territory and is the one liable to pay the tax.**[\[10\]](#)

If a taxpayer who is not established in the domestic territory

- **has a place of economic establishment** or, in the absence of such, a residence or habitual residence **in a third state other than a recognised third state,**
- **but at the same time also has a place of economic establishment** or, in the absence of such, a place of residence or habitual residence **in a recognised third state** with which reciprocity exists,

then he is entitled to a tax refund in proportion to the share of **his purchases in Hungary which relates to his economic activity in the latter place.**

## 2. The non-taxable legal person liable to pay the tax

A non-taxable legal person who is liable to pay tax if - on the basis of his registration - he is established in a Member State of the European Community (other than Hungary), **may apply for a refund of the flat rate compensation on goods which he has acquired in Hungary,** if he is liable to pay tax on the acquisition of goods in the Member State of the Community where the goods are located when the consignment arrives or the transport is completed.[\[11\]](#)

## 3. Taxable persons supplying remote services

A taxable person supplying remote services is a **taxable person who is not established, not domiciled or normally and habitually not resident in the territory of the Member States of the European Community** and who, provides - within the meaning of the VAT Act -

- telecommunications,
- radio and audio-visual media services, and
- electronic services (hereinafter referred to as "remote services" or "remotely supplied services")

to a non-taxable person established, permanently resident or ordinarily resident in the territory of a Member State of the European Community. This is subject to the condition that he registers electronically with the NTCA.[\[12\]](#)

If the applicant has registered himself and is registered by the authority as a taxable person supplying remote services only in Hungary, and supplies such services only to a non-taxable person established, or, in the absence thereof, normally or habitually resident in one of the member states of the European Community, **he may apply for a refund of the VAT charged on goods or services purchased or used in Hungary.**

**A tax refund may be granted** if the purchase of the product or acquisition of the service is made in the course of the above as specified for a taxable person established in a recognised third state for the economic activities listed therein.

Taxable persons supplying remote services are subject to the same tax obligations as domestic taxable persons once they are registered in the domestic territory, with certain derogations, but **they are not entitled to deduct input tax**, such taxable person may instead claim a refund of that tax.

**Telecommunication services** in particular are

- fixed (wired) and mobile telephone services for the transmission and connection of voice, data and video, including video telephone services;
- telephone services provided over the internet, including voice over internet protocol (VoIP);
- voice mail, call waiting, call forwarding, caller ID, three-way calling and other call management services;
- paging services;
- audio-text services;
- fax, telegram and telex;
- internet access, including access to the World Wide Web;
- private network connections providing telecommunications connectivity for the exclusive use of the customer.

**Radio and audio-visual media services** in particular are

- radio or television programmes provided by the media service provider, under its editorial responsibility, to the general public via communication networks for simultaneous listening or viewing on a scheduled basis;
- radio or television programmes broadcast or retransmitted over a radio or television network;
- radio or television programmes distributed over the Internet or similar electronic networks (IP-streaming), if the broadcasting is carried out simultaneously with transmission or retransmission on a radio or television network.



**Electronic services** in particular are

- the provision of electronic storage capacity in the global information network, website storage and management, remote maintenance of computer tools and software;
- providing and updating software; providing images, text and other information, making databases accessible;
- providing music, films and games, including gambling games, and the broadcasting of political, cultural, artistic, scientific, sporting and entertainment programmes, as well as the broadcasting of events for such purposes, and distance learning.

However, **the establishment and maintenance of a connection**, including the making and acceptance of an offer, between the service provider and the recipient of the service over such a network **is not in itself a service provided by electronic means**.

On 1 July 2021, the **digital VAT rules for e-commerce** entered into force, thus the One Stop Shop (OSS/IOSS) system became operational. However, until 20 July 2021, a taxable person rendering remote services could continue to declare and pay VAT under the former Mini One Stop Shop System (MOSS) in euros. If a VAT adjustment/correction arises after 30 June 2021 in respect of a transaction that the taxable person carried out before 1 July 2021, the previous rules will continue to apply.

A taxable person rendering remote services **may claim a refund of input VAT incurred between 1 January 2021 and 30 June 2021 until 30 September 2022** at the latest. To do so, the taxpayer must file an application with NTCA. A taxable person supplying a remote service may amend his VAT return submitted in the MOSS system within 3 years of the due date (by 20 July 2024 at the latest). However, changes to the tax payable may also require a change in the amount of tax refundable. The taxpayer can also apply for a refund of the so amended amount by using the IFAK form if he opts for the function of adjustment statement.

On the basis of the above, a taxable person rendering remote services **may claim a refund of input VAT incurred between 1 January 2021 and 30 June 2021 by completing statement no. 3 of the IFAK form**.

If a taxpayer supplying remote services is registered **in the OSS/IOSS system launched on 1 July 2021**, he then **may claim a refund of input VAT** incurred after 1 July 2021 **by completing statement no. 4 of the IFAK form**.

#### **4. Taxable persons not established on the territory of the Community but logged on to OSS/IOSS from 1 July 2021**

**As of 1 July 2021**, the MOSS system applicable to taxable persons supplying remote services has been replaced by the OSS/IOSS One Stop Shop system.[\[13\]](#)

Within this, in line with EU VAT rules, **it provides a separate one-stop shop system** for the payment and declaration of VAT for

- services rendered by taxable persons established outside the Community to non-taxable persons in the Community (non-EU one-stop shop),
- intra-Community remote supplies, certain domestic supplies of goods facilitated by an electronic platform and supplies of services by a taxable person established within the Community to non-taxable persons established in another Member State (EU one-stop shop),
- supplies of low value consignments imported from third states (one-stop shop for imports).

One single taxpayer **can register** for more than one or **even for all three schemes**, and therefore, all points of statement no. 4 on form IAFAK-K-01-03 can be completed.

A taxable person not established in the Community is not entitled to deduct input tax on supplies of goods and services between taxable persons not established in the EU or who apply special EU rules.

In relation to their supplies of goods and services between taxable persons not established in the Community who apply

- **non-EU, or**
- **special EU rules,**

taxpayers are not entitled to deduct input tax on the transactions covered by these specific rules during the period of their registration in the above systems.

They are, however, entitled to a **refund of tax** under the provisions applicable to non-established taxable persons in the domestic territory if they are not registered as taxable persons in the country because of their other activities and are not required to register as taxable persons in the country.

A taxable person not established in the Community may exercise this right of his [\[14\]](#) in line with the rules applicable to taxable persons established in a **recognised third state** by submitting an IFAK form. In this case, the taxpayer does not need to prove his legal status.

Taxable persons not established in the Community who fulfil their obligation to declare and pay tax on their **supplies of domestic services** and **intra-Community distance sales** in accordance with the **special scheme rules** [\[15\]](#) are entitled to a refund of input tax on the supply of goods and services covered by that scheme in accordance with the provisions applicable to taxable persons not established in the domestic territory. A further condition is that they are not registered as a taxable person in the country in respect of their other activities and are not otherwise required to register as a taxable person in the country.

A taxable person not established in the Community may exercise this right of his in line with the rules applicable to taxable persons established in a **recognised third state** by submitting an IFAK form. In this case, the taxpayer does not need to prove his legal status. [\[16\]](#)

**A taxable person not established in the Community** may choose to pay and declare tax on the **distance sales of goods imported** from a third state through the NTCA and may therefore apply to be registered as such by NTCA. [\[17\]](#)

The taxable person is not entitled to deduct input tax relating to the supply of goods covered by this special scheme rules during the period of his domestic registration in that capacity. He is, however, entitled to a **refund of tax** [\[18\]](#) under the provisions applicable to non-established taxable persons in the domestic territory if he is not registered as a taxable person in the country because of his other activities and is not required to register as a taxable person in the country.

A taxable person not established in the Community may exercise this right of his in line with the rules applicable to taxable persons established in a **recognised third state** by submitting an IFAK form. In this case, the taxpayer does not need to prove his legal status. [\[19\]](#)

A taxable person who fulfils his obligation to declare and pay tax on the **distance selling of goods imported from a third country** under this special scheme [\[20\]](#) is entitled to a refund of input tax relating to the supply of goods covered by this scheme in accordance with the provisions applicable to taxable persons not established in the domestic territory. A further condition of this is that the taxpayer is not registered as a taxable person in the domestic territory in respect of his other activities and is not otherwise required to register as a taxable person in the domestic territory.

A taxable person not established on the territory of the Community may exercise this right of his in line with the rules applicable to taxable persons established in a **recognised third state** by submitting an IFAK form. In this case, the taxpayer does not need to prove his legal status. [\[21\]](#)

**Taxable persons registered under the union scheme [\[22\]](#) or import scheme [\[23\]](#) who have established their business or, in the absence of a business establishment, have their permanent address or usually reside in another Member State of the Community, may submit their refund applications **via the Member State of their establishment** [\[24\]](#).**

### **Conditions for exercising the right of tax refund**

**The applicant** (with the exception of taxable persons providing remote services and who are registered under the OSS/IOSS system) **must provide evidence** that

- as a taxable person for value added tax established for business purposes, or, in the absence of such a business establishment, as a taxable person having his permanent address or usual residence or permanent seat, or
- as a non-taxable legal person liable to pay VAT

is registered as a taxable person, accompanied by a document issued by the competent authority of the state or Member State in which he is registered as such. This **documentary evidence** must be submitted in the original. If NTCA already has such a document, the applicant may not be obliged to present a new document within one year of its issue. A printed image of the electronic document may also be submitted, with an original, authentic Hungarian translation, if the content and authenticity of the electronic document can be credibly verified in a manner specified by the issuing foreign tax authority.<sup>[25]</sup> An authentic Hungarian translation can be provided by the Hungarian Office for Translation and Attestation or by a consular official of Hungary.

### **Attachments to the application**

If the right of a non-established taxable person in the domestic territory to tax refund covers input tax on the purchase or importation of goods or on the acquisition of services where the taxable amount of the transaction

- is equal to or higher than EUR 250 or HUF 63,000 in the case of fuel,
- is equal to or higher than EUR 1,000, i.e. HUF 300,000 in other cases not covered by point (a),

then a **copy of the following documents** in the name of the non-established taxable person (or in the name of its domestic commercial representative) **must also be attached on submission of the application for a tax refund:**

- the invoice certifying the transaction,
- pro-forma invoice,
- the administrative decision on release of the goods for free circulation,
- the administrative decision confirming payment of the tax,
- document of the customs representative's assessment and declaration of the tax payable, and
- the proof of payment of the tax.

When the above **thresholds are reached**, the applicant must attach the invoice issued electronically in the format valid at the time of issue, and in the case of imports of goods, the relevant decisions of the customs authorities, the document addressed to the importer certifying payment of the tax as well as the statement of the indirect customs representative that the tax has been assessed and declared and that the tax has been paid shall be enclosed.

**If the application is submitted on paper**, it is advisable for the applicant to attach a photocopy of all the documents on which the right to a tax refund is based, certified by the applicant's signature and dated.

### **Other information**

The applicant's right to a tax refund arises at the time of supply.

The **date of the invoice** must fall within the tax refund period for invoices issued **after the date of supply** whereas in the case of invoices issued **before the date of supply** it is the **date of supply** that must fall within the tax refund period.[\[26\]](#)

The tax refund right for the **flat rate compensation charged** arises upon full payment of the consideration increased by the flat rate compensation.

**The tax refund period** cannot exceed 1 calendar year and cannot be less than 3 calendar months, unless the claim for a tax refund relates to a period of less than 3 calendar months in the remainder of 1 calendar year.

If the tax refund application relates to a tax refund **period of less than 1 calendar year but at least of 3 calendar months**, the amount of input tax claimed for refund must not be less than the equivalent of EUR 400, i.e. HUF 100 000.

If the tax refund application relates to a **tax refund period of 1 calendar year or to a period of less than 3 calendar months in the remainder of 1 calendar year**, the amount of input tax claimed for refund must not be less than the equivalent of EUR 50, i.e. HUF 13 000.

**A maximum of 5 applications** may be submitted **per calendar year**.[\[27\]](#)

The refundable tax is payable in HUF to taxable persons established in a recognised third state, non-taxable legal persons liable to pay tax and taxable persons registered in the OSS/IOSS system[\[28\]](#), however, NTCA refunds the amount of tax due to taxable persons who provide remote services in euros. NTCA will transfer the amount of tax **to the bank account indicated** by the applicant **in section B of the application**.

This may be a bank account in Hungary or in the country of establishment or, in the case of a non-taxable legal person, in the country of registration, at the applicant's choice. The costs associated with the transfer abroad or the conversion into a different currency are borne by the applicant and are deductible from the amount of tax refundable.

NTCA decides on the merits of the tax case by administrative decision, and on other related issues to be decided in the course of the procedure by administrative order. A decision on the tax refund application will be taken within 4 months. If, on the basis of the available data and other information, NTCA considers that it cannot make a well-founded decision on the application, it **may request additional data and other information** within 4 months by written request from:

- the applicant, or
- the competent authority that registered the applicant taxpayer as a taxpayer established in that state, and
- a third party if there are reasonable grounds to believe that it can make a substantial contribution to the assessment of the claim for a refund.

If NTCA decides on the acceptance or partial acceptance of the application and there has been a request for supplementing documents to resolve discrepancies, **the time limit for a decision** cannot exceed 7 months. If NTCA has requested additional supplementary information on one additional occasion, the time limit for a decision may not exceed 8 months. In all cases, the time limit for a decision must be at least 6 months.[\[29\]](#)

The applicant or the authorised representative **may lodge an appeal** against the decision, or the administrative order which may be contested by an independent appeal, **within 15 days** from the date of its delivery, addressed to the Appeals Directorate of NTCA (body of second instance), but delivered to the Department for Tax Refund Management of Foreigners of the NTCA Large Taxpayers' Tax and Customs Directorate (body of first instance). The appeal is subject to pay a fee (duty).

You must attach to your appeal all the documents and other evidence that you have submitted with your application during the first-instance tax procedure and that the first-instance tax and customs authority returned to you no later than at the date of the decision, as well as **any additional evidences relating to the appeal**. It is also possible to communicate with an e-mail address during the dispute resolution procedure. It is also advisable to attach a copy of the proof of payment of the fee (duty) by bank transfer, cash transfer order or cheque.

It is important to note, however, that any evidence that was previously available and for which NTCA has issued a request to supply data together with information to this effect cannot be attached during the appeal procedure.

## How to fill in the data fields of the form?

***The sections of the form must be filled in by computer or in block capitals.***

The part reserved for NTCA should be left free.

After the block in the part reserved for NTCA, the applicant shall select **whether he wishes to submit the form as an application or as an adjustment statement**. If you tick the box for application or you leave both options blank, then all fields on the form are visible and can be filled in. If the data field for the adjustment statement is ticked, only block (A) of the main page of the form and block (C) of the IAFAK-K-01-01 form are visible and can be completed.

### ***Block (A) of the main page***

When filling in the **details of the applicant**, the official name, company form, VAT identification number (tax number) registered with the foreign tax authority issuing the document certifying the personal status, and the Hungarian technical identification number and address of the applicant must always be provided.

The address of the **applicant's head office** (official seat) must be entered in the second data line of block (A) of the main page.

The **country code** should be selected as follows:

- **taxable persons established in a recognised third state** may only select the following country codes: CH-Swiss Confederation, LI-Principality of Liechtenstein, NO-Kingdom of Norway, RS-Republic of Serbia, TR-Republic of Turkey, GB-United Kingdom;
- **non-taxable legal persons liable to pay tax** can only choose the country codes of the Member States of the European Union;
- **taxpayers providing remote services** are entitled to choose the country code of any third state, and
- **taxpayers registered in OSS/IOSS** are entitled to choose the country code of any third state, EXCEPT Northern Ireland (XI), which is considered to be an EU Member State for the supplies of goods within the framework of the union and the import scheme, therefore, VAT refund may be applied for by submitting the so called 'ELEKAFA' form.

Non-taxable legal persons liable to pay tax or taxable persons established in a recognised third state, if their right to a refund of tax covers the flat rate compensation, do not need to complete the information under the heading "business activity of the applicant company".

The electronic mail address data line is to be completed if the taxable person established in a recognised third state wishes to exercise his right to communicate electronically as

provided for in the VAT Act, or if the applicant is a taxable person who provides remote services or is registered in the OSS/IOSS system.



This is because the VAT Act allows taxable persons established in a third state to submit their tax refund application as well as the documents to be attached to it or to be submitted later, and other written statements to NTCA in electronic form and electronically.

This is subject to the condition that the applicant includes an address for electronic communication in the tax refund application and that he declares (as per point 1 e.) of the statements on sheet IFAK-K-01-01 of the application) that he has the necessary means for electronic communication.

In such cases, NTCA will proceed with the tax refund procedure in accordance with the rules on electronic communication as stipulated in the AIR Act.

***Block (B) of the main page***

**To transfer the refunded amount**, the account holder applicant shall include the following in his application:

- his own payment (current) account number with a domestic or foreign credit institution (bank), as well as
- the name and exact address of the financial service provider holding the account,
- his payment account number (IBAN code),
- BIC/SWIFT code,
- the currency of the transfer.

**A taxable person established in a recognised third state** may indicate in the data field required for the transfer of the refund only a domestic payment account or a payment account in a state where he has his address of economic establishment or, in the absence of such economic establishment, his address of domicile or habitual residence.

**Taxable persons providing remote services** may provide the domestic or foreign Euro payment account number, only as notified to NTCA earlier, and the name and exact address of the financial service provider holding their payment account, as well as the payment account number (IBAN code) and the BIC/SWIFT code.

**A taxpayer registered in the OSS/IOSS system** can only enter the domestic or foreign payment account number, only as notified to NTCA earlier, the name of the account holder, the payment account number (IBAN code) and the BIC/SWIFT code.

If you **do not wish** the refundable tax **to be paid in HUF**, you can choose from the following currencies: AUD-Australian dollar, CAD-Canadian dollar, CHF-Swiss franc, CZK-Czech crown, DKK-Danish crown, EUR-Euro, GBP-English pound, JPY-Japanese yen, NOK-Norwegian crown, PLN-Polish zloty, SEK-Swedish crown, USD-American dollar.

## ***Sheet IFAK-K-01-01***

**In block (A) of sheet IFAK-K-01-01, the amount of refundable tax must be indicated in HUF** by non-taxable persons established in a recognised third state, non-taxable legal persons liable to pay tax as well as by taxpayers registered in the OSS/IOSS system, **whereas in Euro by taxable persons providing remote services.**

The applicant **may correct his refund claim.** In such a case, the case number of the application to be corrected must be entered in the third **block (B)** of IFAK-K-01-01 and the corrected application including the appropriate, corrected data can thus be submitted.

**Block (C)** of sheet IFAK-K-01-01 must be completed if **the scope of the right to a tax refund** due to the difference between the provisional deduction rate applied during the year and the definitive deduction rate for the whole year **subsequently changes** compared to the date on which the tax refund application was received by NTCA.

This amendment may be achieved by replacing the original claim by an application for a tax refund to be submitted in the calendar year following the tax refund period to which the adjustment relates. In the lack of such a follow-up application, a written statement, a so called **adjustment statement** shall be addressed to NTCA.

If the applicant wishes **to adjust the deduction percentage** for a previous period and submits an application in the calendar year following the period concerned, he shall indicate the tax refund period affected by the adjustment as well as the adjusted deduction percentage in this block.

If the applicant wishes to submit an adjustment statement, **an X must be entered** after the block reserved for NTCA on the main sheet **to indicate that the form is an adjustment statement.** If the adjustment statement box is ticked, it is only block (A) of the main sheet of the form and block (C) of the IFAK-K-01-01 sheet can be completed.

**Tax refund period affected by the adjustment:** indication of the period for which the applicant is requesting an adjustment in respect of his claim for a tax refund (reference year). This period shall be the final period for the pro rata sharing of input tax *for the reference year* or temporary apportionment period through use of interim (mid-year) data.[\[30\]](#)

**Adjusted deduction percentage:** In the event of a subsequent change to the deduction percentage, i.e. an adjustment, the applicant must indicate here the actual deduction percentage for the period in question, expressed as a percentage and in integers.

The *adjustment statement* form cannot be corrected. If the form is submitted incomplete, the corrected adjustment statement must be sent to NTCA as a new form.

## **Statements**

The applicant - according to his status as an "entity entitled to a tax refund" - must fill in the statement corresponding to his above entitlement!

### **Statement no. 1 (statement by taxable persons established in a recognised third state):**

The taxable person established in a recognised third state shall make statements that the appropriate conditions are met referred to in **points a), b), d), e)**, as well as in **point c)** if the taxpayer has a domestic commercial representation.

The applicant declares in **point b)** that he **does not have a place of economic establishment, or, in the absence thereof, a domicile or habitual residence in Hungary** in the calendar year covered by the application, not including the commercial representation of the taxable person, where, in relation to the services most directly concerned, the place of supply is the place where the recipient of the service is established for business purposes or, in the absence thereof, the place where he has his permanent address or usually resides.

If the applicant also has a domestic commercial representation registered in Hungary, its name and address must be indicated in **point c)**.

In **point (d)**, a taxable person established in a recognised third state shall make statements on the following:

- he **has not supplied goods or rendered services** Hungary,
- he has only made supplies of goods or services **in respect of which tax was payable by the persons to whom they were supplied**[\[31\]](#). Such as for instance:
  - the sale of products subject to assembly or installation,
  - the sale of gas or electricity under certain conditions,
  - intermediary services in the name of and for the benefit of others,
  - services directly linked to real estates,
  - certain taxable passenger transport operations,
  - certain cultural, artistic, scientific, educational, entertainment and sporting services and services similar to or ancillary to such services; etc.
- he **has** only **provided** certain **exempted transport services**, such as the tax-exempt transportation of goods and ancillary services and the tax-exempt transport of passengers.[\[32\]](#)

If the applicant has indicated an electronic mail address on the main sheet, he declares in point 1. e) that he has the necessary means for electronic communication.

**Sheet IAFAK-K-01-02**

**Statement no. 2 (statement by the non-taxable legal person liable to pay tax):**

The applicant makes the required statement in accordance with his legal status.

**Statement no. 3 (statement by the taxable person providing remote services):**

The applicant makes the required statement in accordance with his legal status as per points a)-d).

There is no obstacle in making the statement if the applicant is registered with NTCA in the MOSS system, i.e. the applicant is registered as such by NTCA.[\[33\]](#)

A taxable person providing remote services will be registered by NTCA when the conditions set out in the VAT Act are met and an identification number will also be created for the taxpayer.

The application for tax refund can only be submitted by taxpayers providing remote services who are registered as taxable persons and are in possession of an identification number up until the time of their deregistration (i.e. deletion or withdrawal) from the domestic register.

*By completing this declaration, a taxable person rendering remote services may only claim a refund of input VAT until no later than 30 September 2022 that incurred between 1 January 2021 and 30 June 2021.*

If the taxable person supplying remote services is registered in the OSS/IOSS system launched on 1 July 2021, he can initiate the refund of input VAT incurred after 1 July 2021 by filling in statement no 4. of the IAFAK form.

**Statement no. 4 (statement by the taxpayer registered in the OSS/IOSS system):**

The applicant makes the required statement in accordance with his legal status as per points A) to C) including sub-points a) to d).

There is no obstacle in making the statement if the applicant is registered with NTCA in the OSS/IOSS system, i.e. the applicant is registered as such by NTCA.[\[34\]](#)

A taxable person registered in the OSS/IOSS system will be registered by NTCA when the conditions set out in the VAT Act are met and an identification number will also be created for the taxpayer. The application for tax refund can only be submitted by taxpayers registered in the OSS/IOSS system who are registered as taxable persons and are in possession of an identification number up until the time of their deregistration (i.e. deletion or withdrawal) from the domestic register.

**However, if the taxable person not established in the domestic territory is registered or would be obliged to register as a taxable person in the country due to his other types of activities, he can claim the input tax deductible in the VAT return he submits in the country (i.e. Hungary).**

***Closing statement***

In the statement, each applicant acknowledges with his authentic company signature and in accordance with his legal status that the data and information provided are true and correct, and **undertakes to refund any amount of tax incorrectly refunded for any reason.**

If the applicant fails to comply with the repayment obligation, **NTCA is entitled to deduct this amount from any further refunds to which the applicant is entitled.** If this or other official measures taken to recover the tax are unsuccessful, NTCA may suspend further tax refunds to the applicant until repayment.

***Sheet IAFAK-K-02***

*Attachments:* the documents listed in detail are compulsory annexes to the application to be submitted. Taxable persons providing remote services and who are registered in the OSS/IOSS system do not need to attach a document proving their personal legal status.