

# INSTRUCTIONS TO COMPLETE

## THE FORM 'MENTESIG'

### to grant tax exemption

of the acquisitions specified in Section 107 (1) c-d) of the Act CXXVII of 2007 on *Value Added Tax* (furthermore referred to as VAT Act), Section 9(1) n-o) of the Act LXVIII of 2016 on *Excise Tax* (furthermore referred to as Excise Act) and Section 14-16 of the Act XXXIV of 2011 *on the registration of foreign armed forces stationed in the territory of the Republic of Hungary and of international military headquarters and their personnel established in the territory of the Republic of Hungary, and on certain provisions relating to their status* (FoAF Act)

(ÁNYK)

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# I. General Information

## 1. What Form 'MENTESIG' for?

Eligible persons and organisations shall use this form to certify their entitlement to VAT and excise tax exemption pursuant to Section 107 (1) c)-d) of the Act CXXVII of 2007 on *Value Added Tax* (furthermore referred to as VAT Act), Section 9(1) n)-o) of the Act LXVIII of 2016 on *Excise Tax* (furthermore referred to as Excise Act) and Section 15 of the Act XXXIV of 2011 on the *registration of international military headquarters and their personnel established in the territory of the Republic of Hungary, and on certain provisions relating to their status* (furthermore referred to as FoAF Act).

## 2. Who this form refers to?

The form can be submitted to the authority of the host state vested with powers and jurisdiction, i.e. the Ministry of Defence (hereinafter: MD) by persons, organizations entitled to tax exemption.

## 3. How to submit this form?

The completed and printed form MENTESIG shall be submitted in paper to MD.

## 4. Where to find this form?

The form MENTESIG can be found exclusively on the homepage of the National Tax and Customs Administration (NTCA), and downloaded:

➤ [www.nav.gov.hu](http://www.nav.gov.hu) → *Nyomtatványok* → *Nyomtatványok ÁNYK-hoz* → *Nyomtatványkereső* → *Részletes keresés* → *MENTESIG*

## 5. What can the form used for?

- **If the person/organization entitled to tax exemption wants to claim a *direct tax exemption on the supply of goods/services – i. e. wants to carry out the transaction tax free*– then the original copy of this form shall be given to the seller/service provider when the transaction is made.**

This means the entitled person/organization shall get the exemption certificate verified by the MD before the goods/service are purchased.

It is sufficient to comply with the obligation set out in the previous paragraph only once, for the first time, if the validity of the exemption certificate allows it and the person supplying the goods or services will be the same during this period – with the exception of succession – and the conditions for direct VAT exemption set out in the VAT Act continue to be met for the person or organisation entitled to such exemption.

- **If the person is entitled to tax exemption in the form of a *subsequent tax refund*, the right arises upon payment in full of the consideration, including VAT and excise duty for the supply of excise goods.**

*The original copy of form MENTESIG together with the tax refund application (form IDIPL) shall be submitted to the NTCA not later than 30<sup>th</sup> September following the year to which the refund pertains*, unless the validity of the form MENTESIG implies otherwise. In the latter case, it is sufficient to submit the form MENTESIG only once during its period of validity, for the first time, provided that during this period the conditions for the right to a tax refund laid down in the VAT Act and the VAT Act are still met.

## 6. What parts does the form consist of?

### Parts of form MENTESIG

Main page	Data of the entitled person/organization; Statements related to exemption
Page 01	Page detailing the goods for which the tax exemption is claimed; Certificate of the competent authority

## 7. Further information, help

If you have any question related to the form, please reach out to us:

### Through Internet:

- on the NTCA's homepage: [www.nav.gov.hu](http://www.nav.gov.hu).

### In e-mail:

- through the form at the link: [E-mail küldése - Nemzeti Adó- és Vámhivatal \(gov.hu\)](mailto:Kuldesek@nav.gov.hu).

### On the phone:

- NTCA's Information Line
  - dialling from Hungary: 1819,

- dialling from abroad: +36 (1) 461-1819<sup>1</sup>.
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NTCA's Information Line is available on Monday to Thursday from 8:30 am to 4 pm and on Friday from 8:30 am to 1:30 pm.

**In person:**

- at the taxpayer service points throughout Hungary: [Ügyfélszolgálatok - Nemzeti Adó- és Vámhivatal \(gov.hu\)](https://www.ugyfelszolgalatok.gov.hu).

**8. Which legislative acts shall be taken into account?**

- COUNCIL DIRECTIVE 2006/112/EC of 28 November 2006 on the common system of value added tax;
- COUNCIL DIRECTIVE 2008/118/EC of 16 December 2008 concerning the general arrangements for excise duty and repealing Directive 92/12/EEC;
- COUNCIL DIRECTIVE (EU) 2020/262 of 19 December 2019 laying down the general arrangements for excise duty;
- 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;
- Commission REGULATION (EC) No 31/96 of 10 January 1996 on the excise duty exemption certificate;
- Commission Implementing REGULATION (EU) 2022/1637 of 5 July 2022 laying down the rules for the application of Council Directive (EU) 2020/262 as regards the use of documents in the context of movement of excise goods under a duty suspension arrangement and of movement of excise goods after release for consumption, and establishing the form to be used for the exemption certificate;
- Act CXXVII of 2007 on Value Added Tax (VAT Act.);
- Act LXVIII of 2016 on Excise Tax (Excise Act);
- Act XXXIV of 2011 on the registration of international military headquarters and their personnel established in the territory of the Republic of Hungary, and on certain provisions relating to their status (FoAF Act);

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<sup>1</sup> For individual administration on phone (NTCA Information Line 2), you must have a client identification number or a Partial Code Telephone Identification (RKTA). You can apply for a customer identification number ('ügyfélazonosító szám') using the for 'TEL' downloadable from [Online Nyomtatványkitöltő Alkalmazás](https://www.ugyfelszolgalatok.gov.hu) or in person at the NTCA taxpayer service points; and you can apply for a partial code telephone identification number at government offices. Please note that if you do not wish to use the individual telephone service for your own case, but wish to act as a **representative**, you must have the necessary authorisation to act as a representative, which requires the submission of a form 'UJEGYKE'.

- Act CXVI of 1999 on the Accession to the Protocol on the Status of International Military Headquarters set up pursuant to the North Atlantic Treaty, done at Paris August 28, 1952 and on the Proclamation of the Protocol (Paris Protocol);
- Act CII of 1995 on the Ratification and Proclamation of the Agreement between the States Parties to the North Atlantic Treaty and the other States participating in the "Partnership for Peace" on the status of their armed forces and the Additional Protocol thereto;
- Act CL of 2019 on the proclamation of the Agreement on Defense Cooperation between the Government of Hungary and the Government of the United States (furthermore referred to as DCA);
- Decree of the Minister for National Economy No 45/2016 (XI.29) on the implementation of certain provisions of Act LXVIII of 2016 on Excise Tax;
- Decree of the Finance Minister No 11/2010 (31.III.) on the implementation of certain privileges, immunities and exemptions from value added tax and excise duty (FM Decree);
- Law-decree No 22 of 1965 on the proclamation of the international treaty on diplomatic relations signed in Vienna on 18 April 1961;
- Law-decree No 13 of 1987 on the proclamation of the Convention on Consular Relations, adopted in Vienna on 24 April 1963.

## II. Detailed information

### Persons and organizations eligible for tax exemption

The form can be used by persons and organizations defined in Section 107(1) c)-d of the VAT Act and Section 53(1) d) dc)-dd) of the Excise Act, and by US contractor defined in Section 2(1) f) of the FoAF Act (mentioned jointly entitled persons, organizations) to get direct tax exemption according to Section 15 of the FM Decree and to certify the indirect tax exemption, i.e. certify the eligibility to VAT and excise tax refund according to Section 6 of FM Decree.

It is obligatory to use the form according to Section 19 of FM Decree if the host country is Hungary.

According to the above this form can be used to certify their entitlement

1.) by the **persons:**

- a) only members of the armed forces authorised to do so, or

2.) by the **organizations:**

- a) international military headquarters (or an international military organisation covered by Article I(b) or (c) or Article XIV of the Paris Protocol or established by an international treaty with the status of an international military headquarters);
- b) armed forces
  - ba) of the North Atlantic Treaty stationed in the domestic territory - other than the Hungarian Armed Forces;
  - bb) of any State that is a party to the North Atlantic Treaty stationed in another Member State of the Community - other than the armed forces of this Member State outside the domestic territory;
  - bc) of a Member State stationed in the territory of a Member State with a view to the conduct of the Union's activities in the framework of the common security and defence policy, with the exception of the national armed forces
  - bd) of a Member State stationed in another Member State of the Community with a view to the activities of the Union in the framework of the common security and defence policy, except the armed forces according to the State of the tax warehouse
- c) US contractors.

### Authority to certify exemption

The authorities designated to certify the tax exemption of the entitled person/organization are defined in Section 3 of FM Decree.

On this basis, for a member of the armed forces or an armed force, international military headquarters or an international military organization established with such status, the status of the authorized person, entity or US contractor is *certified by MD*.

## **Use of the exemption certificate**

The form 'MENTESIG' duly completed and signed by MD can be used as follows:

### **1. VAT exemption**

#### **1.1. Direct VAT exemption**

If the VAT exemption is granted for the supply of goods, services *without charging the VAT* according to Section 107(2) and (3) of the VAT Act (furthermore referred to as direct VAT exemption), the person, organization entitled to VAT exemption hands over the original copy of MENTESIG form to the person, organization obligated to supply goods, services, that keeps it in its records, not later than the delivery time determined according to the stipulations of VAT Act. In case of advance payment the form MENTESIG shall be handed over not later than crediting, receiving the advance.

During the validity period of the exemption certificate, the MENTESIG form only needs to be submitted to the same supplier of goods and/or services once, for the first time.

According to the Act on VAT direct VAT-exemption is the granted

- if the goods supplied are dispatched as a consignment in the domestic territory or transported from the domestic territory at the time the goods are supplied or within not more than ninety days from the date of the chargeable event - addressed to the name of the person/organization entitled (customer) - with proof of exportation, where - within the said time limit - the goods supplied may not be used or consumed, with the exception of sampling and trial production, with a consignment note or any other document accompanying the goods supplied attached except for the supply of goods in the common defense effort to the armed forces of any State that is a party to the North Atlantic Treaty stationed in the domestic territory - other than the Hungarian Armed Forces or if the international convention expressly provides otherwise;
- for the use of services, where an international treaty expressly so provides
- if the supply of goods, services are made in the common defense effort to the armed forces of any State that is a party to the North Atlantic Treaty stationed in the domestic territory - other than the Hungarian Armed Forces.

**So, if the entitled person, organization provides an original MENTESIG certificate on which the MD certified the direct VAT exemption and a copy of which is handed over to the seller of the goods, provider of services by the entitled person, organization before the**

**delivery, and the conditions defined in Section 107 (2)-(3) of the Act on VAT, the issuer of the invoice is entitled to issue a VAT exempt invoice.**

### **1.2. Indirect VAT exemption**

The person, organization if not entitled to direct VAT exemption *may refund the VAT on the refund form (IDIPL) submitted to the NTCA* to which the original copy of MENTESIG form shall be attached. The mandatory attachment can only be waived within the validity period of the previously submitted MENTESIG form.

## **2. Excise tax exemption**

### **2.1 Direct exemption**

Section 9 (1) n)-o) of the Excise Act determine the cases when goods can be purchased excise tax exempt. Based on this, following cases are *exempt from liability for the payment of tax*:

- a) authorized tax warehouse operators and person receiving excise goods under entitlement to exemption in connection with supplies of excise goods for the civilian staff of the armed forces of any State party to the North Atlantic Treaty, other than the Member State where the tax warehouse is located, and for supplying their messes or canteens, and to the armed forces of any other State under international agreement promulgated by an act, other than the Member State where the tax warehouse is located
- b) authorized tax warehouse operators and person receiving excise goods under entitlement to exemption in connection with supplies of excise goods for the civilian staff of the armed forces and for supplying their messes or canteens when such forces take part in a defense effort carried out for the implementation of a Union activity under the common security and defense policy, other than the Member State where the tax warehouse is located

### **2.2 Indirect excise tax exemption**

Section 12 of the Excise Act stipulates the cases of the *refund of paid tax* based on which the following persons/organizations are entitled to tax refund:

- a) who uses taxed excise goods for an activity that may be exempted from liability for the payment of tax;
- b) that are not covered by Paragraphs a)-h), exempted under international agreement promulgated by an act.

## **Other procedural rules**

The exemption certificate MENTESIG may be validly used without a certified Hungarian translation and diplomatic authentication if it is issued by an authority of a Member State of the



European Union and is issued in an officially recognised language of that Member State or in a working language of the European Union (English, French, German).

The original copy of the exemption certificate MENTESIG must be submitted together with the application for a tax refund, unless the validity of the MENTESIG implies otherwise. In the latter case, the exemption certificate MENTESIG may be submitted only once during its period of validity, for the first time, provided that the conditions for the right to a refund laid down in the VAT Act and the Excise Act are still fulfilled.

If the period of the posting (accreditation) in Hungary indicated in the MENTESIG exemption certificate is shortened, MD will, on the basis of the information available, withdraw the exemption certificate and notify the NTCA without delay.

## Completion of the form

*The form shall be completed by computer or in capital letters.*

### **Block (A) - HATÓSÁG**

The Block (A) of the main page of the form contains the information to which authority the exemption form shall be submitted to.

### **Block (B) - AZONOSÍTÁS**

The **items of information needed to identify** the person, organization entitled shall be given in Block (B) *AZONOSÍTÁS*.

You have to mark in **point 1** whether you submit the form as a person or as an organization.

Choose “1” if you submit the form as an entitled person or “2” if you submit it as an entitled organization.

In **point 2** you shall give the tax identification: TIN of the entitled person or tax number of the organization assigned by the NTCA for the entitled person/organization.

If you have a TIN of the entitled person or tax number of an entitled organization, please write it in this box. The tax number shall be given without any separators, dashes.

### **Point 3 shall be completed by entitled person only**

The information of the entitled person shall be given in this box:

- ***surname and forename of the entitled person***

You have to write your surname and forename here. *If the form is submitted by the entitled person, it is a mandatory field.*

- ***number of the official ID card of the entitled person***

You must enter the number of the ID card issued by the MD

consisting of the characters and number of the ID card (international military residence card) determined in Section 5 (1) of the FoAF Act.

- ***address of the entitled person***

(In the first place, please give the address of your permanent residence, branch, place of business, office or registered office in the State of posting, or, in the absence of a permanent residence, branch, place of business, office or registered office in the State of posting, please write the address of your permanent residence or registered office.)

- ***other address***

Please specify in field box if e.g. you have a P.O. Box.

- ***designation of the armed force***

The designation of the international military organization, armed force, the member of which the entitled person is shall be given in this field.

**Field 4 may be completed by the entitled organization only.**

The items of information of the entitled organization shall be given in this field:

- ***designation of the entitled organization***

*It is a mandatory field if the form is submitted by an entitled organization*

You have to write the designation of the entitled organization in this field.

- ***address of the entitled organization***

(In the first place, please give the address of your permanent residence, branch, place of business, office or registered office in the State of posting, or, in the absence of a permanent residence, branch, place of business, office or registered office in the State of posting, please write the address of your permanent residence or registered office.)

- ***other address***

*Please specify in this field if e.g. you have a P.O. Box.*

The postcode is required in the fields containing geographical addresses. Foreign addresses can also be entered in this field, in which case the country list can be accessed by ticking the box "Foreign address". When entering an address in Hungary, the postcode must be aligned to the left. The name of the municipality (e.g. town, village) cannot be abbreviated. For address data, the name of the public place (street, square, etc.) should be given together with the name (e.g. Petőfi).

### **Block (C) NYILATKOZATOK**

#### **Declaration in subpoint a) of point 5**

Clicking in the box under this point, you must select from a drop-down menu which status of the personal/official use of an entitled person or organization the exempt goods/services are intended for.

*You can choose from the below value list:*

##### ***1) Personal use for the members of a foreign armed force***

This point shall be used to certify the tax exemption of purchases for personal use of members of a foreign armed force based on DCA agreement.

2) ***Official use of NATO member state's armed force stationed in the territory of Hungary, not including the Hungarian Army***

It is to certify here the tax exemption of purchases for the use of the armed forces and accompanying civilian staff, or for the provision of their messes and canteens, in the context of the common defence effort, for the armed forces of the NATO member state stationed in the territory of Hungary, excluding the Hungarian Army.

3) ***Official use for armed forces stationed in a non-domestic NATO member state, not including the armed forces of that state***

It is to certify here to certify the tax exemption of purchases for the use of the armed forces and accompanying civilian staff, or for the provision of their messes and canteens, in the context of the common defence effort, for armed forces stationed in a non-domestic NATO member state.

4) ***Official use for the domestic armed forces of a member state stationed domestically in view of EU activities under the common security and defence policy except for inland armed forces***

It is to certify here the tax exemption of purchases made for the use of the armed forces of a Member State of the Community other than Hungary stationed in the territory of that country, for the use of the armed forces or of the civilian staff accompanying them, or for the provision of their canteens and messes, and for the performance of a defence task in the framework of the common security and defence policy of the European Union.

5) ***Official use for the armed forces of a Member State stationed in another Member State in the Community with regard to EU activities under the common security and defence policy, except for the armed forces located where the tax warehouse is***

It is to certify here the tax exemption of supplies to the armed forces of a Member State other than the Member State of destination, for the use of the armed forces or the civilian staff accompanying them, or for the supply of their canteens or messes, and for the performance of a defence task in the framework of the common security and defence policy of the European Union.

6) ***U.S. contractors for or on behalf of U.S. forces***

It is to certify here the tax exemption of transactions carried out by US contractors.

US contractors are entities, and their employees, as defined in Article II.4 of the DCA, who are not Hungarian individuals, citizens of Hungary and have a direct or subcontracting relationship with the US Department of Defense.

**Declaration in subpoint b) of Point 5**

By submitting the application, the entitled person/organization declares that the services and products covered by the invoices attached to the application comply with the exemption conditions and restrictions in force in the host Member State.

*This declaration may be completed exclusively by the entitled person, by entering an "X" in the box in front of the declaration.*

**Declaration in subpoint c) of Point 5**

By submitting the application the entitled person/organization declares that the information has been provided in good faith and undertakes and to return any tax that has been refunded to it, whether legally or by a mistake due to any reason.

*This declaration shall be completed both by the entitled person and the entitled organization, by entering an "X" in the box in front of the declaration.*

The block NYILATKOZATOK shall be duly signed by the entitled person/organization. In the case of an authorised person, a certified signature of the armed force of which the authorised person is a member/officer is also required.

**Block (D) HITELESÍTÉS**

The block (D) *HITELESÍTÉS* is reserved for the competent authority of the host state, in this case *the MD*, please do not enter any data in this block.

It is necessary to indicate here whether the person/organisation is entitled to VAT or excise tax exemption, and for which period the exemption is valid, and if so, whether it is in force until it revoked.

**Block (E) BESZERZÉS**

It is to disclose detailed information on goods and services for which VAT and/or excise duty exemption is requested.

Please give the **information on authorized warehousekeeper in point A)** as follows:

- ***Name/Designation***

Please specify here the name/designation of the authorized warehousekeeper.

- ***Address***

Please specify here the address of the authorized warehouse.

- ***Member State***

Please specify here in which Member State the authorized warehousekeeper has the registered office, place of business.

- ***Tax number***

Please specify here the tax number of the authorized warehousekeeper.

- ***Excise number***

Please specify here the excise number of the authorized warehousekeeper. *It is not a mandatory field.*

The chart in point **B)** is for the details of the goods for which tax exemption is requested for:

- ***Description of goods or reference to the attached order form***

Please specify here the goods/services to be purchased.

If the order form referring to the products is available, please write its identification number and the order date here, in this case the order form shall be attached to this application since it shall be stamped by the MD.

If the order form is made in a language not recognised by the host Member State, the entitled person/organization shall attach a translation to it.

A recognised language means a language officially used in a Member State or any official language of the Community which that Member State has declared to be used for that purpose.

- ***Quantity***

Please add here the quantity of the goods to be purchased.

- ***Unit price excluding VAT and excise tax***

Please specify here the unit price of the goods excluding taxes, i.e. net unit price.

- ***Total price excluding VAT and excise tax***

Please specify here the total price of the goods excluding taxes, i.e. total net price.

- ***Currency***

Please specify here the currency of the price of the goods. *You can choose the currency from the drop-down list.*

Please complete all lines of the chart for the goods on page 01.

Please note that you are allowed to open a new page in the case if you completed all lines of the chart of the previous page.

**Block (F) Igazolás**

The block (F) *IGAZOLÁS* is reserved for the competent authority of the host Member State, i. e. the MD; no information shall be given by the entitled person/organization.

The MD certifies here that the goods listed in block (E) comply with the rules for VAT and excise tax exemption.

**National Tax and Customs Administration**