

V. Tax-exempt sale of goods taken by foreign passengers out of the territory of the European Union
Goods purchased by foreign travellers shall be exempt from value added tax if taken out of the territory of the Community as part of their personal or travel luggage. The following are the conditions of the application of the tax-exempt sale:

- the passenger shall take the goods to a country outside the European Union without taking such goods into use, and the customs authority shall confirm this condition using the tax refund form issued by the seller to the passenger,
- the goods shall be taken out of the territory of the European Union within 90 days from the date of purchase,
- taking into use is to be understood strictly, i.e. persons asking for tax return shall not use the product for its intended purpose before leaving the EU customs area, for example: wearing jewellery, watches, clothes purchased as new products in any Member State of the European Union, or using mobile phones purchased in any Member State of the EU. In addition, these products shall not be utilised in any other way, except for testing them. If, when examining the product after the submission of the application for tax return, the customs officer establishes that the product has been taken into use, he/she shall record this fact in the tax return form, irrespectively of the time of taking the goods into use. This fact excludes the possibility of returning the value added tax.
- the total value of the goods sold – including taxes – shall exceed EUR 175,
- the foreign passenger certifies their legal status with a valid travel document or other valid public document for identification recognized by Hungary (henceforward referred to together as travel documents). The term foreign passenger shall refer to any natural person that is not a citizen of any Member State of the European Union and has no title for permanent stay in any Member State of the EU, or, being a citizen of a Member State of the EU, has got their residence outside the territory of the EU. 11 www.nav.gov.hu Residence shall mean any abode serving as a permanent dwelling place and being in the closest personal and economic relation with that particular natural person. When leaving, passengers are required to identify themselves and to present the purchased goods, as well as the tax refund form (two copies), and also the original copy of the invoice. All data stated in the tax refund form and in the invoice shall correspond with the personal data stated in the travel document of the passenger. Each tax refund form shall include the sales data of one single invoice only, and such data shall correspond with the data stated in the invoice. The customs authority may certify the exit of goods from the territory of the Community in the tax refund form upon the request of the passenger, when the goods are taken to a third country. The use of such tax refund forms is mandatory; the issuer of the invoice shall complete the form in three copies when the goods are purchased and shall provide the first two copies to the buyer. Having confirmed the exit of the passenger, the customs authority retains one copy of the tax refund form and returns the other copy to the foreign passenger. If the passenger leaves Hungary but not for a country outside the European Union (for example leaves for Vienna to return to their residence outside the European Union by air), they should request confirmation of the export of the relevant goods from the territory of the EU when actually leaving the European Union (i.e., for the purposes of the above example, at the Vienna Airport). The export of the product from the territory of the European Union can no longer only be verified by endorsing and stamping the tax refund form, but also by digitally stamping the invoice certifying the purchase (hereinafter referred to as “electronic certification”). A tax refund request may be raised at the seller of the product by the foreign passenger personally, or via their authorized representative acting on their behalf. If the foreign passenger is acting personally, they are obliged to present their travel documents, if the foreign passenger is acting via its authorized representative, the authorized person acting on their behalf shall

submit a written authorization made out to their name. In order to request a tax refund, the foreign passenger or their authorized representative shall submit to the seller of the product the first copy of the tax refund form validated and stamped by the customs authority, and shall also present the original copy of the invoice confirming the completion of the particular sales transaction. If the authority of exit uses an electronic certificate to prove that the goods have left the territory of the European Union, the foreign traveller (or his/her authorised representative) shall provide the electronic certificate to the seller of the goods in order to claim the exemption. The foreign passenger shall be entitled to receive the tax refund in HUF, which shall be paid by the seller of the product in cash. The foreign passenger and the seller of the product may however agree to a different currency and method of payment. For further information, please consult the website of the National Tax and Customs Administration of Hungary at www.nav.gov.hu, detailed information is available under the menu item Információs Füzetek (Information Booklets/ Information Booklet no. 15.) or call any of the following numbers 1819 (inland call tariff); or +36 (1) 461-1819 from abroad. National Tax and Customs Administration