

Translated from the Icelandic

Regulation [No. 470/1991](#), on the refund of Value Added Tax to foreign diplomatic agents
^{*1)}

^{*1)} Cf. Regulations No. [186/1993](#), [305/1996](#), [557/2002](#), [243/2004](#), [691/2008](#) and [998/2009](#).

Article 1

(1) When purchasing goods and services on domestic territory, Value Added Tax (VAT), and other indirect taxes under rules generally applied to such transactions in Iceland, shall be payable by diplomatic missions and diplomatic agents.

(2) Diplomatic missions and diplomatic agents are granted a refund of VAT on goods, with the exception of food products, in so far as it has been declared that the goods in question are either exclusively for the use of the diplomatic mission, or for the personal use of diplomatic agents and relations who form part of their household.

(3) [The VAT refund scheme applies to construction work carried out on-site on a new official residence of an ambassador or on an office building of a diplomatic mission, including work carried out on the grounds of such buildings, underground conduits around buildings, fences, garages and gazebos. The VAT refund scheme shall also apply to all work on improvements and maintenance of the above-mentioned housing] ¹⁾ [Furthermore, VAT shall be refunded for rent payments for housing serving as the official residence of an ambassador or the office building of a diplomatic mission. VAT shall not be refunded for service charges related to the operating costs of the property.]²⁾

¹⁾ [Cf. Article 1 of Regulation No. 186/1993](#). ²⁾ [Cf. Article 1 of Regulation No. 305/1996](#).

Article 2

(1) The Ministry for Foreign Affairs handles refund claims and claims shall be made in the form determined by the Ministry for Foreign Affairs. Originals of invoices on which the refund claim is made must be submitted to the Ministry for Foreign Affairs together with each claim. Invoices shall be in accordance with the provisions of Article 20 of the Value Added Tax Act No. 50/1998, with subsequent amendments. The Ministry for Foreign Affairs verifies that the refund claim conforms to the criteria set forth in this Regulation and sends the original of an approved claim to The Financial Management Authority, which handles refund payments. A copy of an approved refund claim is sent to the claimant, accompanied by the originals of submitted invoices.

(2) Refund will not be granted unless the total value of each invoice is at least ISK 7,000 including VAT. The Ministry for Foreign Affairs shall authorise the refunding of invoices submitted on account of fixed monthly transactions if the total amount of such invoices is at least ISK 7,000, including VAT.

(3) The Ministry for Foreign Affairs shall process refund claims on February 1, May 1, August 1 and November 1 each year. The right to a refund according to this Regulation shall be discontinued if the refund claim is received by the Ministry for Foreign Affairs later than six years after the right to refund was established.

(4) The invoices on which a refund claim is based must be paid. Paid invoices shall be accompanied by receipts of payment.

(5) VAT refund under this Regulation is subject to the requirement that the home country of the diplomatic mission or diplomatic agents in question provides reciprocal refund rights to Icelandic diplomatic missions or diplomatic agents.]⁵⁾

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¹⁾[Cf. Article 1 of Regulation No. 557/2002.](#) ²⁾[Cf. Article 1 of Regulation No. 243/2004.](#) ³⁾[Cf. Article 1 of Regulation No. 691/2008.](#) ⁴⁾[Cf. Article 2 of Regulation No. 691/2008.](#) ⁵⁾[Cf. Article 1 of Regulation No. 998/2009.](#)

Article 3

The provisions of Article 3 of the Customs Act No. 55/1987 apply, with subsequent amendments.

*1)[See now the Icelandic Customs Act No 88/2005.](#)

Article 4

This Regulation, set out under the provisions of [Article 47 of The Value Added Tax Act No. 50/1988](#), with subsequent amendments, to come into force on October 1 1991. At the same time, Regulation No. 532/1989 on the same subject is repealed.

*[This translation is published for information only.
In case of a possible discrepancy, the original Icelandic text applies.]*