



DEPARTMENT OF DEFENSE
USA CUSTOMS AGENCY-EUROPE
UNIT 3720
APO AE 0126

MEMORANDUM FOR 52 FSS/CC

FROM: USA Customs Agency-Europe Field Office Spangdahlem

SUBJECT: MEMORANDUM OF UNDERSTANDING (MOU) for Home Based Business Applicant (Name of applicant)

1. This MOU provides basic United States customs and taxation related guidelines for personnel assigned to Spangdahlem AB, GE, Tenant Units of Spangdahlem AB, GE and/or their dependents who are afforded Status of Forces Agreement (SOFA) privileges between the U.S. and Germany and wish to operate a Home Based Business (HBB). Members and their dependents are authorized to establish and operate HBBs on U.S. installations as a “home enterprise,” as determined by the Installation Commander. They are not authorized to use SOFA privileges or associated tax relief programs to assist or benefit their HBB.
2. The applicant requesting HBB authorization has been made aware they may **not**:
 - a. Use U.S. Forces-registered privately owned vehicles (POVs) in support of an HBB;
 - b. Use U.S. Forces-registered POVs to bear signs advertising HBB goods or services;
 - c. Use tax- and duty-free gasoline, whether purchased with an AAFES Gas Card or at AAFES service stations, for HBB activities;
 - d. Purchase goods for demonstration, resale, or for operation of the HBB (for example, ledger books, computers) from AAFES, the AAFES catalog, a DoD commissary, or any other tax or duty-free sales facility;
 - e. Use AE Form 550-175A to import tax- and duty-free goods for demonstration, resale, or for operation of an HBB;
 - f. Use value-added tax (VAT) deduction forms to purchase goods for demonstration, resale, or for operation of the HBB;
3. The Applicant has been made aware:
 - a. They may not use the Military Postal Service (e.g., APO mail boxes) to send or receive mail or merchandise connected with an HBB – they may use their personal address so long as they comply with U.S. and Host Nation regulations for the importation of goods;
 - b. They may not use Government-owned or -leased quarters as a factory or workshop for the production of goods for commercial resale, nor use as showroom, store, or storage area for goods intended for commercial resale outside of the scope and intent authorized by the DoD and Installation Commander as a “home enterprise” (ref DoD 4165.63-M);
 - c. They will not solicit door-to-door on US Forces installations, including Government-owned or leased housing, except at the personal invitation of an individual residing in the area;
 - d. They will not solicit or make appointments with military personnel in dormitories and dayrooms or when they are on duty, nor will they solicit civilian employees during duty hours;
 - e. They will not take legal title to merchandise for commercial resale to comply with this regulation while, in fact, allowing any unauthorized company or person (including active duty U.S. military personnel and DOD civilians limited by DOD 5500.7-R) to operate a commercial enterprise under the guise of my commercial activity privileges; and,
 - f. They will not employ or use the services of active duty U.S. military personnel or DOD civilians contrary to the provisions of DOD 5500.7-R as agents, brokers, or salespersons in the operation of a commercial activity.

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4. German law requires all HBBs to register with applicable Host Nation business authorities. Personnel residing on-base are not normally required to register their HBB with the Host Nation; however, residing on-base does not necessarily afford the Applicant special privilege or exemption and it is incumbent upon the Applicant to ensure they comply with local requirements. The Host Nation also maintains the authority to request additional permits, licenses or certifications from an HBB.
5. The Host Nation reserves the right to tax an HBB for income earned. The Applicant must coordinate with the Host Nation's tax authorities at the end of each calendar year or no later than 8-weeks prior to departing the country (whichever comes first) for the purpose of tax reporting. If the HBB is taxed by the German government, the Applicant is still required to report the same HBB income to the U.S. Internal Revenue Service.
6. The applicant understands their HBB activities may require the advice of attorneys to ensure their business activities are in compliance with local and/or U.S. law. The Spangdahlem Legal Office is not authorized to provide personal legal advice for HBBs and the Applicant is encouraged to identify their legal support resources prior to engaging in operations.
7. This MoU is not an authorization to operate a HBB. The Applicant must obtain the Installation Commander's approval prior to conducting HBB activities. Installation Commanders, or their delegates, have the prerogative to restrict or prohibit commercial activities on or in connection with their installation. The issuance of an HBB approval letter does not entitle the Applicant to any type of logistic support from the United States Government aside from entitlements that may already be provided as a DoD employee, contractor or Dependent.
8. The Applicant understands violations of this guidance may result in fines, penalties, or loss of privileges from either the Host Nation or the U.S. Government. This MoU is not all inclusive and it the Applicant's sole responsibility to understand the rules and regulations that apply to their HBB. The U.S. Government holds no liability or responsibility in the execution or operation of the Applicant's HBB.
9. Questions or concerns for the content of this MoU should be addressed to the USA Customs Agency-Europe Field Office Spangdahlem, building 139, room 106. DSN: 314-452-4500.

Signature / Date (Customs Inspector)

MEMORNDUM FOR RECORD

I have read and understand the guidance in the above MoU. I acknowledge it is my responsibility to understand and comply with the rules and regulations of both the U.S. and German governments that apply to my Home Based Business and that I am solely liable for my compliance with those guidelines.

Signature / Date (HBB Applicant)
(Name of Applicant)