



## **Registration of the Companies in Hungary**



### **Description**

- Hungary is a modern European country that attracts more and more foreign investments year by year thanks to reliable corporate law and beneficial taxation;
- The company in Hungary is an excellent solution for those businesses that prefer to cooperate with a European company with a minimum corporate income tax rate in the EU;
- The most popular form of the company is a private limited liability company (Kft) - analogue of Ltd.

### **Advantages of Hungarian Company (Kft):**

- Is not an offshore;
- Fast registration of the company: the procedure takes about 5 business days;
- Opportunity for remote registration of the company;
- Low corporate tax: only 9% - one of the lowest in Europe;
- There is no tax on dividends;
- Initial capital can be paid within a year;
- Low costs for registration and maintenance of the company;
- Ownership of Kft facilitates the process of becoming a permanent resident in Hungary



### **Requirements for the registration of the company in Hungary:**

- The number of founders is not regulated; at least one;
- There are no requirements for the residence of the directors;
- There is no need for the participation of Hungarian citizens;
- The size of the authorized capital starts from 3 000 000 HUF (about 9500 EUR) - The capital is allowed to be paid within a year

### **What is required to register the company in Hungary?**

- To send us an application for an e-mail, by specifying:
  - General description of the business activity that the company plans to be engaged in;
  - At least three versions of the name;
  - Degree of responsibility of all persons (shareholders in percent);
  - Maiden name and surname of the director's mother
- To send us a package of documents for registration:
  - Confirmation of the place of residence (scan of the document confirming the place of residence, for example: stamp of registration of the place of residence, receipt for utility bills or a copy of another similar document);
  - Certified copy of the passport of the director (s) and shareholder (s);
  - If a legal entity is establishing the company, information about the company
  - In case of remote registration, power of attorney certified by a notary or Hungarian consul and a sample of a signature

### **What is included in the registration package?**

- Legal address for the year
- Minimum annual accounting package (12 hours)
- Assistance in opening a bank account in one of the banks of Hungary
- Corporate package of documents (without apostille), including postal expenses



### **Taxation:**

- Corporate tax (profit tax) - 9%
- Municipal business tax - up to 2% (depending on the place of registration of the company) on the company's income \*
- VAT - 27%;
- Income tax on individuals - 15% \*\*
- There is no tax on received and paid dividends. \*\*

*\* But at the same time, income from dividends, royalties and capital growth is not subject to municipal business tax.*

*\*\* If you withdraw profits from dividends, royalties, interest from Hungary in favor of a foreign legal entity, then you do not pay income tax*

### **Accounting services and employment taxes:**

- The main feature of accounting services in Hungary is the invoicing system. The Hungarian company is obliged to issue invoices only through a certified electronic system that is coordinated with the tax administration;
- The cost of accounting consists of two factors:
  - Connection to the accounting system - 250 EUR (should be paid once)
  - Regular maintenance: depends on the number of transactions per month, activity of the company and other factors. The average cost (up to 50 transactions per month) is 600 EUR per quarter;
- Salary:
  - The company is obliged to pay 22% social tax on the employee's salary \*\*\*
  - The employee pays about 30-35% payroll tax.

*\*\*\* IMPORTANT: the company should pay for the employee at least 250 EUR per month, regardless of whether he receives salary or not (if the director is employed in another jurisdiction of the EU, the payment should not be made);*

**The cost of the company registration package: 3000 EUR**

**The cost of the prolongation of the company: 1500 EUR**


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
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### Why it is worth choosing PREMIUM LEGAL SOLUTIONS:

- Fast registration of the companies;
- Opportunity to buy a ready-made company;
- Opportunity to appoint nominee directors and shareholders;
- After the registration of the company, we provide services for its further support;
- We provide services associated with the preparation and delivery of financial statements and audit;
- Personal lawyer for each client;
- Full confidentiality;
- Counselling on tax planning;
- We work without intermediaries;