

Table of Contents

Why Choose Hungary?	7
Introduction	10
An Overview of Hungary	11
Geography	12
History	13
Economy	15
General Economic Information	15
Current Economic Situation	16
Prognosis for 2019	17
Political Environment	19
The Hungarian Judicial System	20
FAQ	22
EU Membership and the Schengen Agreement	23
Useful Information about Hungary	24
Useful Business Practice Information	24
Business Etiquette	25
Useful Links	26
Establishing a Business Entity	28
How to Invest?	30
Guidelines for the Decision on the Form of the Investment	30
Companies	33
General Partnership (Hungarian abbreviation: “kkt.”)	33
Limited Partnership (Hungarian abbreviation: “bt.”)	34
Limited Liability Company (Hungarian abbreviation: “kft.”)	35
Private Company Limited by Shares (Hungarian abbreviation: “zrt.”)	36
Public Company Limited by Shares (Hungarian abbreviation: “nyrt.”)	37
Sole proprietor	38
FAQ	40
Setting up an Office	41
Registered Office – Property required	41
Opening a Bank Account	42
FAQ	43
Branch Office and Commercial Representative Office	44
Branch Office	44
Commercial Representative Office	45

The Difference between the Branch Office and the Commercial Representative Office	46
FAQ	47
Mergers & Acquisitions	48
Benefits and Forms of M&A Transactions	48
General Process of an M&A Transaction	48
Typical Mandatory Buyer's Obligations in an M&A Transaction	49
FAQ	50
Real Estate Law	52
Real property information / formalities	52
Ownership of real property / restrictions	52
Lease of business premises	53
Construction Law Regulations	53
Operating Regulations	54
FAQ	55
Financial Stability	56
Exchange Control in Hungary	56
Central Bank of Hungary	56
Supervision of Financial Institutions	56
FAQ	56
Strictly Regulated Sectors	58
Financial Industry	58
Energy Sector	62
Pharmaceutical Sector	67
Telecommunications Sector	71
FAQ	73
Operating a Business Entity	80
Taxation	82
General Overview	82
Tax Authorities	82
Personal Income Tax	83
Corporate Income Tax	84
Value Added Tax (VAT)	86
Miscellaneous Taxes	88
Anti-avoidance Rules	91
Tax Treaties	93
Recommendation	94
FAQ	94

Accounting	96
General Overview	96
Bookkeeping	96
Financial Reporting	96
Annual Report	97
Filing and Publication	99
Recommendation	99
Auditing	100
General Overview	100
Auditing Tasks	100
Auditor	101
Recommendation	101
FAQ	102
Working in Hungary	104
Employment of Foreigners	104
Work Conditions	106
Termination of Employment	110
Transfer of an Undertaking	112
FAQ	114
Financing Matters	116
Access to Finance	116
Repatriation of Profit	117
Incentives for Investment	118
Insolvency: Bankruptcy, Liquidation and Fraudulent Conveyance	121
FAQ	122
Other Issues in Business Life	128
Competition Law	130
Agreements Restricting Competition	130
Abuse of Dominant Position	131
Merger Control	133
EU Competition Law	135
FAQ	137
National Security Screening of Foreign Investment	140
Sectors	140
Foreign Investment	140
Procedure	141
FAQ	142
Intellectual Property	144
FAQ	148

Data Protection	150
FAQ	151
Glossary	154
List of Abbreviations	155
Index	156
Why Choose VJT & Partners?	158
We are experts	158
We understand business	158
We act in line with our values	158
We are ranked highly	159