

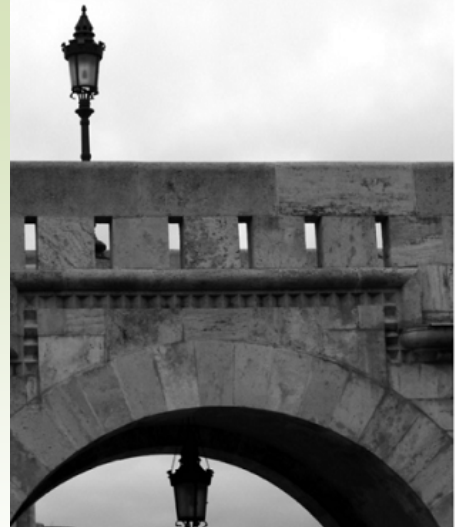
The logo for MGI (Member of the Institute of Chartered Accountants in England and Wales) features the lowercase letters 'mgi' in a bold, blue, sans-serif font. To the right of the text, there are three curved lines in a lighter blue shade, each ending in a solid blue dot, suggesting a global network or data flow.

BUSINESS SOLUTIONS
WORLDWIDE

The background of the entire page is a dark blue world map. Overlaid on the map are several light blue curved lines that connect various geographical locations, representing a global network. The map is rendered in a lighter shade of blue, creating a subtle contrast with the darker background.

Doing Business in Hungary

A worldwide association of independent
auditing, accounting and consulting firms



Doing business in Hungary

**1146 Budapest, Zichy Géza str. 5.
Hungary
Tel: +36 1 4221339
info@bpokft.hu
<http://www.mgi-bpo.hu>**

Doing business in Hungary

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Photos by Samu Czabán and György Czabán

1. Preface

This business brief has been prepared by BPO, the Hungarian member of MGI for the information of anybody interested in doing business in Hungary.

We really hope that after this overview, the reader will be more interested about business opportunities in our beautiful country. If you need more detailed information, please do not hesitate to contact our office in Budapest.

2. Economy

Hungary is an open, export-driven economy. As a consequence, the global slowdown and faltering demand on its main export markets has had a negative impact on economic growth, especially in the export-orientated automotive and consumer electronics sectors.

In 2009, the Hungarian economy shrank by 6.3%. This was attributable to three factors: the slump in agricultural output following the sector's outstanding growth in 2008; the increasingly rapid decline in other sectors that began as early as 2008, and finally, the continuing downturn in the construction sector that began two years ago (although at that stage, it was limited to only 5%).

*Hungary's top twenty export markets
by share in total (%)*

Germany	26.6
Italy	5.3
Romania	5.2
Austria	4.9
Slovakia	4.8
France	4.7
UK	4.5
Czech Rep	4.0
Poland	4.0
Russia	3.6
Netherlands	2.9
Spain	2.8
USA	2.3
Ukraine	2.0
Belgium	1.7
Croatia	1.6
Serbia	1.4
Turkey	1.3
Switzerland	1.2
Slovenia	1.2

Central Statistical Office, Hungary



Much like the rest of the EU, the Hungarian economy is certain to stagnate in 2010. Industry will be the fastest expanding sector with around 3.5% output growth. As a consequence of excess supply of labour, gross earnings will only increase slightly by 1%, but net earnings will be bolstered by a reduction in income tax rates. If the current account surplus is as expected, the overall government deficit is likely to amount to between 4% and 5% of GDP – depending also on the economic policies pursued by the new government.

By the end of 2009, the financial crisis in Hungary had been brought under control and a gradual recovery could have been observed. In Q3 2009, Standard & Poor's upgraded Hungary's credit rating to stable from negative, “in a sign that one of the countries hit hardest by the

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financial crisis may be on the mend”.

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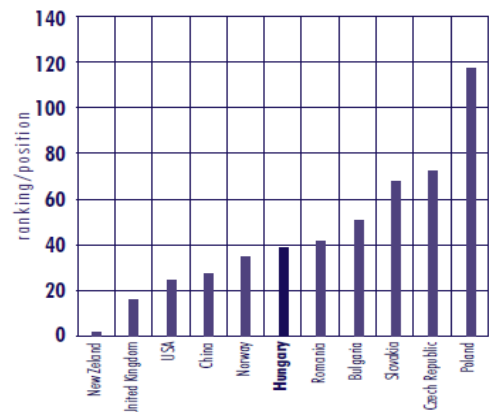
In a J.P. Morgan report entitled “The Convergence Of CEEMEA Countries As Optimism On Global Growth Improves”, Michael Marrese, AC Head of CEEMEA Economic Research and Sovereign Strategy, concluded that tight credit conditions and sharp fiscal tightening explained much of Hungary’s under-performance in 2009. However, while “the rest of the world has loosened fiscal policy, Hungary’s cyclically adjusted primary budget balance has improved to 4.5% of GDP in the past two years. As a result, Hungary is in the unique position of not being required to tighten fiscal policy as growth recovers, suggesting that medium-term growth prospects are particularly favourable.”

3. Business Start Ups

According to the prevailing laws, no special permit is required to establish a business enterprise in Hungary. Companies can be founded by natural or legal entities, Hungarians and foreign nationals alike. Even a single person can found a joint-stock company (JSC; either Nyrt. or Zrt. in Hungarian, depending on whether it is public or private, respectively) or a limited liability company (LLC, or Kft. in Hungarian); the only requirement is that the headquarters of such companies must be located within Hungary.

A Hungarian lawyer must countersign the articles of association, although this may be an electronic signature for an electronic registration. Documents executed in Hungary require additional specialities like notary and/or apostil. Foreign persons registered in the Company Register must have a delivery agent with an address in Hungary.

*Ranking on the ease of setting up a business
(smallest value ranks highest)*



Source: World Bank, Doing Business, 2010

No.	Procedure	Time to Complete	Associated Costs
1.	Hire lawyer who represents the company, creates company deeds, and prepares other legal documents.	1-2 days	HUF 100,000-260,000 ; varies according to the complexity
2	Pay at least 50% of subscription amount (at least HUF 250,000) into the bank account designated at the time of subscription.	1 day	no charge
3	Apply for registration at the Registration Court (simplified electronic registration)	1 day	HUF 20,000
4	Register for social security	1 day	no charge

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4. Corporate legislation

The Company Act determines five different corporate forms that may serve for investors as a basis to carry out business activity in Hungary. All of these forms can exclusively be established and operated by foreign owners and management:

- limited partnership (Bt. in Hungarian)
- limited liability company (Kft. in Hungarian)
- company limited by shares, which may be privately founded (Zrt. in Hungarian) or publicly founded (Nyrt. in Hungarian)

Limited partnership (Bt)

A limited partnership must have at least one general partner and at least one limited partner. The general partner's liability is unlimited for the partnership's obligations (multiple general partners are jointly and severally liable) while the limited partner's liability is limited to the extent of his capital contribution. By law, only the general partner is entitled to represent the partnership unless its articles of association state otherwise.



Limited liability company (Kft)

A Kft is established with a predetermined amount of initial capital provided by its founders, and may have only one member (a sole-member Kft). The liability of its members is limited to the provision of the company's initial capital (and, if so stated in the articles of association, other contributions). As a general rule, members are not otherwise responsible for the company's liabilities. A Kft's members may not be recruited through public offerings. The members' rights and their title to the company's assets are represented by quotas in the company. No securities may be issued in respect of the quotas, which may be (i) ordinary quotas (quotas providing identical membership rights) or alternatively (ii) preferred quotas (only if the company's articles of association so provide), which may entitle their holders to, for example:

- dividend preference,

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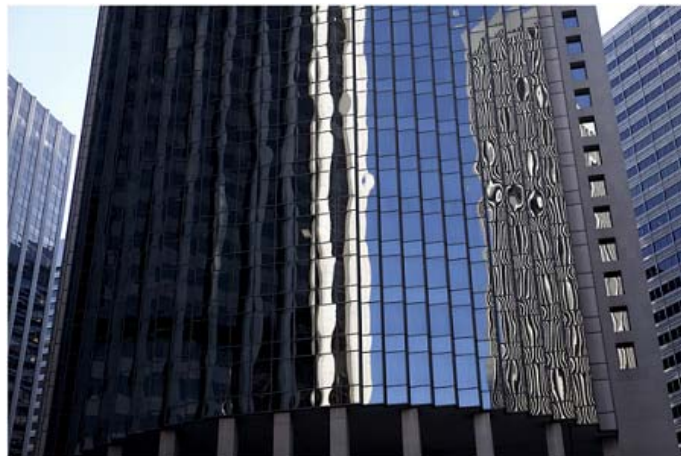
- preference in voting rights etc.

The minimum capital is HUF 500,000. The registration procedure requires that at least half of the cash contribution is paid prior to submission. It is possible to establish a company with an in-kind contribution or a combination of cash and in-kind contribution.

The owners of the Kft. are recorded in the articles of association and at the Court of Registration. The ownership quotas have a minimum per value of HUF 100,000. The amount of the capital must be divisible by HUF 10.000.

The members meeting can decide to elect one or more managing directors.

A supervisory board is optional except the number of employees exceeds 200. A supervisory board must have at least 3 members. If the supervisory board is mandatory because of the number of employees, one-third of the members must be elected by the employees. There is no restriction about nationality or residency of a supervisory board member.



Company limited by shares (Rt)

An Rt is established with a predetermined amount and nominal value of shares. The liability of its members is limited to the provision of the nominal or issue value of the shares.

An Rt may be established via a private offering (its shares are offered only to its founders) or a public offering (its shares are offered to the public). The difference must be indicated in the company's name as “Zrt” (private) or “Nyrt” (public).

Shares are securities that embody a shareholder's membership rights in the company. Only private Rts may issue printed share certificates, public Rts may only have dematerialized shares (registered in the shareholders security account held by a financial institution).

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Shares may be (i) ordinary shares, (ii) employee shares, (iii) interest-bearing shares, (iv) redeemable shares, or (v) preference shares, which have the following sub-categories:

- dividend preference shares,
- preference with respect to the liquidation ratio,
- preference with respect to voting rights,
- (only in the case of private Rts) preference with respect to the appointment of executive officers or members of the supervisory board,
- (only in the case of private Rts) shares ensuring pre-emption rights.

The minimum capital of an “NyRt” is HUF 20 million and HUF 5 million of a “ZRt”. It is possible to establish an Rt with an in-kind contribution or a combination of cash and in-kind contribution.

The shares of a public Rt must be dematerialized, but in case of a private Rt the printed shares are also acceptable. There is no limitation for foreigners acquiring shares. The shares can be permissible, like: voting, dividend preference, management appointment rights, employee shares, interest bearing and convertible shares. Bearer shares are not permitted in Hungary.

The management of an Rt is elected by the shareholders at the shareholders meeting. The management – so called board of directors – consists of 3 to 11 members. They are responsible for preparing the annual financial statements of the company and the annual business report. There are no restrictions related to residence or nationality for directors. It is possible to elect a chief executive officer instead of a board in case of private Rts.

Only public a Rt is required to have a supervisory board which is elected at the shareholders meeting. In case of a private Rt the 5% of the shares with voting rights can request the setup of the supervisory board. It is also mandatory to setup a supervisory board if the number of employees exceeds 200, just like in case of Kft.

Branch office

Foreign companies must establish either a locally registered company or a branch office if they are operating in Hungary.

Non resident companies must register their branches at the Court of Registry. The registration procedure is similar to those for a limited liability company. Hungary treats domestic companies similar to foreign branches. The establishment, operation and taxation are also similar. The branch and the foreign founder have joint and several liabilities for the obligation of the branch.

Representative office

Special rules relate to foreign companies that setup a representative office in Hungary. Such an office has a limited operation and entitled only to provide direct commercial representation for non-resident firms that include arrangements of trade agreements with foreign partners, the preparation and signing of trade contracts on behalf of their foreign partners, and the provision of information and advertising services.

5. Tax legislation

Hungarian taxation operates under a self-assessment system. Taxpayers are required to register, determine their tax obligation, make advance payments, file tax returns on their own behalf, make corrections to the tax returns as needed, keep records and supply information as required by law.

Tax laws in Hungary are enacted by Parliament. Double taxation treaties override the local income tax legislation.

5.1. Corporate Income Tax

Pursuant to the Corporate Tax Act, the following are deemed resident taxpayers:

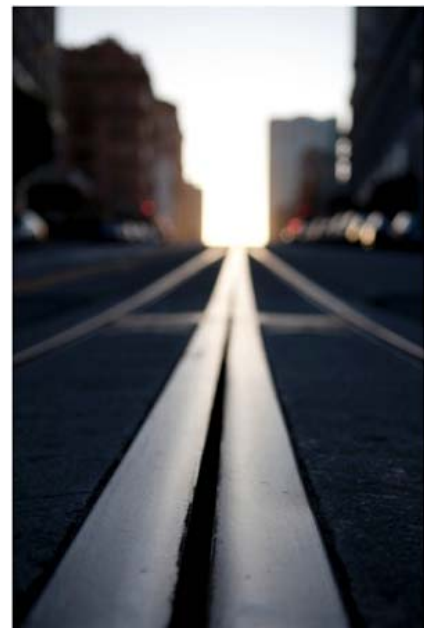
- companies established under Hungarian law (thus, firms established under the Act on Business Associations (Gt.): joint stock company, limited liability company (Kft.), limited partnership (Bt.) and other organisations (e.g. foundations, associations)
- non-resident taxpayers performing entrepreneurial activities at business premises in Hungary.

No group taxation is permitted under Hungarian law.

In general the tax year corresponds to the calendar year. Pursuant to the Accounting Act, taxpayers, however, may under certain conditions, exercise discretion in deciding on a financial year that differs from the calendar year.

Tax rate

The corporate income tax rate is 10% up to 500.000.000 HUF (~1.800.000 EURO with 275 HUF/EURO FX rate), above this tax base it is 19%.



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10% is the lowest tax rate in the EU!

Losses as per the currently effective regulations, deferred losses of previous tax years (negative tax base), in an amount of the taxpayer's choice, can be deducted from the tax base or rolled on without limitations.

Transfer price

Transfer price regulations have been established in accordance with OECD guidelines. Under the transfer price regulations if prices applied in related-party transactions differ from arm's length prices applied by unrelated parties, the company must take the difference between the two and

- deduct it from the company's pre-tax profit, if
 - its taxable profit were higher than if the arm's length principle were applied;
 - the related company is also a resident company in Hungary, or, if it is a non-resident company, it must be a corporate taxpayer in the country of its primary place of business (this does not apply to controlled foreign companies) and
 - it holds a document signed by both parties establishing the difference, or
- add it to its pre-tax profit if the taxable income was lower than if the arm's length principle were applied.

The above transfer price regulations need not be applied to long-term agreements concluded by SME's if the related company in question has been established for the purpose of sale and purchase, and if the voting rights of the small and medium-size enterprises concerned in the related company exceed 50 per cent of the aggregate.

Exclusion of double taxation

Double taxation may be excluded unilaterally or on the basis of a treaty. Unilateral tax-withholding applies to 90 per cent of the tax amount paid (payable) abroad and it may not exceed the amount of the tax calculated in accordance with the Hungarian regulations.

If a treaty is to be observed, tax allowance serving the purpose of excluding double taxation can be granted in accordance with the treaty.



Thin capitalization

Interest on debt exceeding three times the equity is non deductible from the corporate income tax base.

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Equity consists of the average amount of registered capital, retained earnings, capital reserves and tied-up reserves calculated on a daily basis. Debt incurred with a financial institution is exempt from the thin capitalization rule.

Tax allowances

Investment tax allowance

Taxpayers investing in socially and economically disadvantaged regions are eligible for tax relief. Eligible investments include:

- capital investments valued at least at HUF 3 billion at current prices and serving the purpose of manufacturing,
- capital investments put into operation in countries with a high unemployment rate.

In order for the criteria of eligibility for tax relief to be met, further conditions must also be satisfied, for instance, the number of staff must be increased.

Development tax allowance

Among others, the following capital investments are eligible for tax allowance:

- projects started and operated within the administrative jurisdiction of a preferential local self-government, valued at HUF 1 billion or more at current prices,
- projects aimed at the provision of broad band Internet services,
- projects valued at HUF 100 million or more at current prices exclusively for motion picture and video production,
- projects serving the creation of new jobs.

5.2. Value Added Tax (VAT)

In most cases, Hungarian Value Added Tax is payable at a rate of 25%. There are reduced rates of 18%, relating to hotels and basic food, and 5% rate that relates mainly to products and services such as books and medicines.

Tax Agent and Financial Representative

It is possible for non-resident companies without being required to establish a resident business to engage a financial representative with its Hungarian tax liabilities. The financial representative must have an equity capital of at least fifty million HUF or bank guarantees for the same amount, with no outstanding tax debts owed to the tax authority. The non-resident company and the financial representative shall be subject to joint and several liabilities for the company's tax obligations.

Place of delivery

The determination of place of delivery is up to the service taken by a subject of tax or a non-subject of tax.

If cultural, art, scientific, educational, entertainment and sport services are provided for a subject of tax or similar services, the standard for the place of delivery, according to the main rule, is the

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establishment settled for economic purposes of the one for whom the service is provided. The tickets for the above mentioned events are exceptions. For those who are not subjects of tax, the effective place of the service will be the standard.

VAT return submit

If the VAT return is submitted to the state tax authority and it reaches or exceeds, in terms of absolute value:

- 1,000,000 HUF in the case of taxable persons required to submit a VAT return monthly;
- 250,000 HUF in the case of taxable persons required to submit a VAT return quarterly;
- 50,000 HUF in the case of taxable persons required to submit a VAT return annually.

VAT applied at the preceding stage generally may not be deducted in connection with the following transactions:

- | | |
|--|--|
| <ul style="list-style-type: none"> - supplies of motor fuels; - supplies of passenger cars; - supplies of motorcycles above 125 cubic centimetres of displacement capacity; - supplies of yachts; - supplies of residential properties; - supplies of goods and materials for the construction or remodelling of residential properties; - supplies of foods; - supplies of beverages; | <ul style="list-style-type: none"> - services ancillary to the operation or maintenance of passenger cars; - services ancillary to the construction or remodelling of residential properties; - taxi services; - parking services; - highway toll services; - services of restaurants and other public catering services; - entertainment services. |
|--|--|



Thirty percent of the VAT may not be deducted in connection with the following additional transactions:

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- telephone services;
- mobile telephone services;
- Internet-protocol-based voice transmission services.

Deduction and non deduction of the above services and goods may also depend on the nature of the business and the transaction.

5.3. Local Business Tax

The local municipalities have the right to levy business tax at up to 2%. The base of the tax is the net revenue less the cost of goods sold, transmitted services, the cost of materials and direct R&D cost. The municipality can give tax benefits according to an increase of the average number of employees or investments. The local business tax rate is 2% in Budapest.

5.4. Special tax on certain sectors

The new tax was accepted to revise the balance of public finance by the Parliament.

The subjects of tax are the companies doing retail, telecommunication and energy supplier activity. The tax base is their net margin of the previous activities. The rate of tax: up to 500 million HUF 0%; from 500 million HUF to 30 billion HUF 0,1%; from 30 billion to 100 billion HUF 0,4%; above 100 billion 2,5%.

The tax base of 2010 is the net margin of the activity in 2009. In the case of enterprises with a business year differing from the calendar year, it is the net margin calculated to 20th December 2010 in the last closed business year.



In 2011, tax advance of 2011 must be paid on the bases of the tax of 2010, in two equal instalments on 20th July 2011 and 20th October 2011.

5.5. Personal Income Tax

Consolidated tax base from 2011

27% of the income must be added as a tax base increaser item (supergross) to incomes belonging to the consolidated tax base, so, the base of personal income tax becomes income increased by 27%.

- From 1st January 2011, the tax rate will be uniformly 16%.
- 16% tax rate must be applied to the consolidated tax base and to all kinds of separately taxed incomes (income from the sale of movable assets and real estate, non-wage employer-sponsored benefit, capital income, and other incomes from interest allowance or prize).

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Example:

Monthly 400.000 HUF income * 1,27 % = 508.000 HUF *12 months = 6.096.000 HUF is the tax base

6.096.000 * 16%: 975.360 HUF/year

975.360/12= 81.280 HUF/month

Tax credit

This is 16% of the sum of salary earned in the tax year and the tax base completion determined according to the salary, but maximum 12.100 HUF (145.200 HUF per year) per eligibility month. The full amount of tax credit may be applied up to a total annual income of 2.750.000 HUF (eligibility limit), at a decreasing rate up to 3.960.000 HUF.

Example No.1:

100,000 HUF * 1,27 * 12 months = 1,524,000 HUF * 0.16 = 243,840 HUF, but maximum 12,100 HUF * 12 = 145,200 HUF.

Example No. 2:

250,000 HUF * 1.27 * 12 months = 3,810,000 HUF > 2,750,000 HUF, therefore the tax credit can be applied at a decreasing rate 3,810,000 HUF – 2,750,000 HUF = 1,060,000 HUF * 0.12 = 127,200 HUF; 12,100 HUF * 12 = 145,200 HUF – 127,200 HUF = 18,000 HUF can be applied in the tax year 2011.

Family tax allowance

The Act on PERSONAL INCOME TAX includes significant benefits for families. The allowance can be validated without income limitation even after one child. It will be 62.500 HUF after one or two children and 206,250 HUF after three children. The allowance can be deducted from the income increased with supergross tax base completion monthly and per children. It means a tax reduction of 10.000 HUF per child in families having one or two children and 33.000 HUF per child in families having three or more children.



Dividend tax

The income from dividend has a tax rate of 16% in all cases. The preferential 10% rate of the dividend of exchange papers ceases.

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Sale of movable asset

From 1st January 2011 the tax is not to be paid after selling movable assets if its value does not exceed 32.000 HUF. It means that the income from the selling of movable asset is henceforward free of tax up to 200.000 HUF, but from now on, the amount of tax has a rate of 16%.

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Rental of real estate

From 1st January 2011, the private person's income from rental – if he or she is not a private entrepreneur – must always be considered as part of the consolidated tax base and is taxable as an income from independent activity.

The optional choice of the taxation of rental income as a special tax ceases.

Voluntary mutual pension fund and retirement savings account allowances

In 2011, a private individual can require the credit entry of a further 20% of the amount paid for the voluntary mutual pension fund on the charge of the taxpayer's annual PERSONAL INCOME TAX (contrary to the 30% in previous year). This opportunity also exists for the voluntary mutual pension fund accounts.

TAX ALLOWANCES

- Henceforth, small-scale agricultural producers can validate their tax allowance without an incoming ceiling up to maximum 100.000 HUF.
- From 2016: tax allowance that can be claimed on the basis of transitional rules can be accounted according to the tax of 2015 at the latest. The claimable credits that are carried over to a subsequent tax year are the tax allowances on tuition, adult education and the allowance on home purchase loan.

Family tax allowance in 2011:

Claimable after the first child:

- the upper ceiling income of claiming is cancelled,
- it can be claimed as a reduced tax base allowance beside the previous tax allowance,
- it can be claimed by spouses together or by the wage-earner.

The amount:

The supergross consolidated tax base can be reduced:

- in the case of 1-2 children: 62.500 HUF/month/child,
- in the case of 3 or more children: 206.250 HUF/month/child.

The scope of those who can claim the allowance has not changed.

The personal tax allowance of disabled people remains the same next year also, its rate will be similar to this year: 5% of the minimum salary level. In connection with this allowance there is no income ceiling as stated in the Act on PERSONAL INCOME TAX.



ALLOWANCES IN KIND FROM 1ST JANUARY 2011

Non-wage employer-sponsored benefit

The tax on non-wage employer-sponsored benefit payable by the payer is 16%, and the 16% has to be paid according to the value of the benefit calculated with a 1,19 multiplier.

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According to the value of the above part of the reduced taxed non-wage employer-sponsored benefit calculated with a 1,19 multiplier, as well as 16% PERSONAL INCOME TAX, the payer must pay 27% health contribution(HC).



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Allowances in kind	For whom?	Note
Hot and cold meal tickets	Employee, member of business partnership	The part not exceeding 18.000 HUF/month
Travel passes	Employee, member of business partnership	Local travel pass for the employee purchased with an invoice entitled to the employer
Back-to-school voucher	Employee, member of business partnership	Up to the 30% of the minimal salary level per child, 60 days before and 60 days after the first days of school-year for course books, school equipment, and clothes
Vacation voucher (Magyar Nemzeti Üdülési Alapítvány)	Employee, employee's relative, member of business partnership	Maximum, the amount of the valid minimal salary of the first day of the year per person
Holiday service provided by the employer for the employee or for the employee's near relative	Employee, employee's relative, member of business partnership	If the holiday resort is the employer's property, a maximum up to the amount of the monthly minimal salary level

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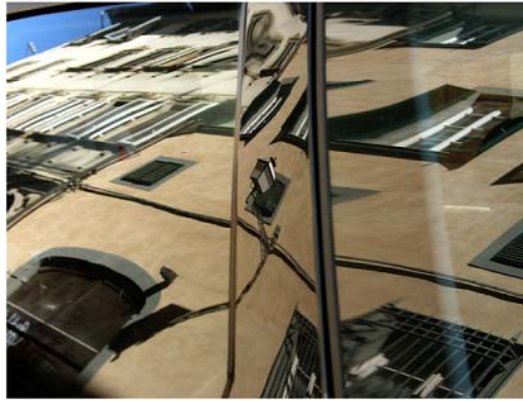
Voluntary contribution to health funds and employer contribution to mutual funds together	Employee	Up to the 30% of the minimal salary level
Voluntary contribution to pension	Employee	Up to the 50% of the minimal salary
Qualification in school-based system	Employee	Education strongly related to the scope of activity up to the 2,5 times the minimal salary level
Internet allowance	Employee	Internet use financed by the employer up to 5.000 HUF per month

Certain allowances not determined as non-wage employer-sponsored benefits

According to the value of these allowances using 1,19 as a multiple, the payer has to pay beside the 16% personal income tax, 27% HC, as well.

- Taxable income of the private person received from the payer for meal or other services in connection with office, business travel,
- private use of the telephone,
- group life insurance,
- taxable part of entertainment, business gift,
- hospitality not determined as entertainment,
- a product or service given to the employee free of charge or at a preferential rate by the payer based on law,
- allowance that do not exceed 1% of the minimal salary level, has no commercial purpose or is not considered as free of tax and business gift,
- and the part of the above mentioned non-wage employer-sponsored benefits that is above the preferentially taxed amount.

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Certain undefined allowances not determined as non-wage employer-sponsored benefits

These benefits are taxed as part of the consolidated tax base, so, after its 27% increased supergross amount, the private individual pays the tax at a rate of 16%. The social security liabilities are determined by the legal relationship between the private person and the giver.

- The completion of private pension fund given by the employer unilaterally based on commitment,
- cultural institutional service (e.g. theatre ticket),
- a free of charge or discounted gift or the provision of a service given by the employer to all their employees covered under the same terms
- a free of charge or preferentially provided sport service,
- a free of charge or preferential passenger transportation service provided by the payer.

5.6. Employment related insurance

Social security contributions are mandatory for Hungarian employees, employees who are not subject to this but wish to benefit from the Hungarian social security system may still be allowed to contribute.

- a) The rate of social security contribution paid by the employer and the insured entrepreneur is 27%, from which:
- 24% pension security contribution,
 - 3 % healthcare and labour market contribution, within:
 - 1,5% healthcare contribution in kind,
 - 0,5% healthcare contribution in cash,
 - 1% labour market contribution.

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b) The rate of social security payable by the insured is 17,5%, from this

- 10% pension contribution and the private pension fund contribution is cancelled,
- 7,5% healthcare and labour market contribution.
 - 4% healthcare contribution in kind,
 - 2% healthcare contribution in cash,
 - 1,5% labour market contribution.

6. Human Resources

Hungary's labour force of about 4.2 million is highly educated and highly skilled. About two-thirds of the work force has completed some form of secondary, technical or vocational education. Hungary has great traditions and high standards in many areas including engineering, medicine, economics, and the sciences. Foreign employers find Hungarian workers extremely flexible, highly motivated and very efficient. Most young Hungarians speak English and/or other Western languages.



Doing business in Hungary

Employment within Hungary varies regionally: in the North-West temporary shortages of skilled workers occur, particularly in the financial and marketing sectors. East of the Danube unemployment levels are usually higher than the national average, sometimes exceeding 10%.

The basic elements of employment agreements are regulated by the Hungarian Labour Code (Act XXII of 1992), which is broadly similar to employment law in other European Union countries. The Law provides a basis for organized labour negotiations with trade unions or other representatives of employees (e.g. works councils).

The terms of employment are established by a written labour contract, and may be terminated by mutual consent of the parties. The normal daily working time is eight hours; weekly working time is maximum 48 hours with 2-day rest period. Employees cannot be obliged to work on public holidays. Each employee is entitled to a regular vacation every calendar year. The duration of the vacation is 20 days, but the number of vacation days is increased according to the age of the employee.

An employment agreement may not contradict the Labour Code or any collective agreement in force. An employment agreement can provide more benefits for the employee than those required by the

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Photos by Samu Czabán and György Czabán

Labour Code or a collective agreement.

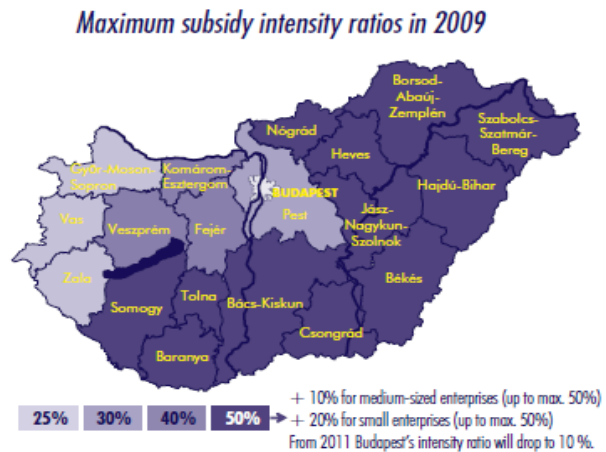
As of January 2011, the minimum gross monthly wage is HUF 78.000 = about 280 EURO, the guaranteed wage for educated personnel is HUF 94.000 = about 341 EURO.

7. Investment

Projects worth at least EUR 10 million (in less developed regions EUR 5 million) can expect a subsidy package with the following elements:

- Non refundable cash subsidy,
- Development tax allowance,
- Job creation subsidy,
- Training subsidy.

According to the actual reform policy in Hungary the subsidy system may change. If you're interested in the actual possibilities, do not hesitate to contact us.



Investment band	as percentage of the maximum intensity ratio
Up to EUR 50 million	100 %
For the part between EUR 50 – 100 million	50 %
For the part over EUR 100 million	34 %

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