

ESTABLISHING A COMPANY IN HUNGARY – GENERAL PROCESS STEP-BY-STEP AND COSTS

(10 MINUTE READ)

GENERAL INFORMATION – COSTS AND TIMELINE

Estimated costs that shall be expected with establishing a company are:

- company registry fees (currently **0 (zero)** if you establish a **LLC** (“Kft.”) - **~250 EUR** for a limited company (“Zrt.”))
- legal fees (at our firm usually **in the range of ~600-1200 EUR one time fee**, but largely dependant on services requested – only incorporation, or ancillary services to set up everything you need. Discounted monthly retainer fee also available upon discussion, if you need continuous help.)
- accountant fees (on agreement, usually **starting from ~100 EUR monthly**, depending on operation details. We can recommend English-speaking accountant partners for businesses small or large.)
- Director monthly remuneration (minimum taxes to be paid are around **~200 EUR monthly** even if you do assume director position for free. Details from your accountant.)
- delivery agent services for director and owner if they do not have Hungarian domestic address (our firm assumes this position **for free** if you assign us for further services – otherwise **~50 EUR monthly**)
- fees for your company office / company address service (either you rent/buy an office for market value or you assign an “address service” – every company needs a registered address (address services available for **~15 EUR monthly**)
- taxes as per your chosen tax scheme (detailed to you by your accountant. Let us know if you need one.)

Consultation necessary? No problem- let us know. Fees for prior consultation are hourly billed (HUF 40,000 per hour), unless a company registration will follow.

Timeline:

Ideally, you can be **registered in about 1 week** from signing the company documents. There are **prior tasks which can take about 1-2 weeks** depending on available time and/or effectivity.

If needed everything can be done online. We are fast and flexible. We suggest to involve an attorney from the start.

Do not hesitate to contact us if you have questions, we are here to help:
benedek@sblegal.hu / [+36307221021](tel:+36307221021) / available also on Whatsapp and Viber

DO YOU WANT TO KNOW MORE? SEE BELOW



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The process can be simplified into **3 steps**.

STEP 1 – PRIOR TASKS

Consult your attorney on your planned business activity:

- 1) Do you need a permit or not?** – Some activities need prior government permission.
- 2) Do you have sufficient funds for share capital?** – There are share capital minimum requirements:
 - i) for **LLC** (“Kft.”) – **HUF 3 Million** (~7500 EUR) – **can be paid up within 2 years**, can be also non-monetary contribution (assets)
 - ii) for **limited company** (“Zrt.”) – HUF 5 million (~12500 EUR) – **30% at registration, rest can be paid up within 1 year**, can partly be also non-monetary contribution (assets)
 - iii) for **limited partnership** (“Bt.”) – no minimum, HUF 10 thousand (~25 EUR) is sufficient, but at least two owners are needed, and one is fully liable for all company debts.

3) Are you familiar with the taxes payable?

We can recommend you English-speaking accountants and tax experts for small companies or large. This has to be sorted out before anything else is signed.

4) Do you have a company address?

If you rent an office, you need a written permission from your landlord to place company address into the office. Ideally your contract contains this also.

If you are a new company or do not need an office, choose an **address service provider**. We have partners who provide address service for **~15 EUR monthly**.

5) Do you have a partner bank?

Please look around for your future bank. Every Hungarian company needs a bank account. We recommend to have prior discussions with banks as non-EU residents can face difficulties.

6) Register your director to the tax authority and the government portal:

- i) Tax ID: you need one, but important, this does not make anyone a Hungarian tax resident, it is just for company purposes. Can be done by any “NAV” office or electronically by an accountant.
- ii) Government portal: called “Ügyfélkapu”, is necessary to later operate your company portal. You must go to any Government Office (“Kormányablak”) or Hungarian embassy abroad, and choose Portal Registration (“Ügyfélkapu regisztráció”).



STEP 2 – SIGNING COMPANY DOCUMENTS AND FILING FOR REGISTRATION

Everything is clear? Great, lets see what you need to provide and sign:

- Company name, company address, main business activity and other activities
- director and owner personal data, also if the owner is a company, company extract not older than 3 months, translated to Hungarian (we take care of the translation, costs have to be covered)
- director must be compliant with all legal conditions, and not banned from taking director position (e.g. previously owning deleted company with tax debt, etc.)
- share capital amount and deadline to pay up, company e-mail address (can be any email address)
- Delivery agent name and data if you do not have Hungarian residence as owner or director

If everything is ready, let's book an appointment and sign all the documents. If you are out of the country or the city, no problem – sign all documents, DHL it to our office and we confirm your identity and your signature in a video call.

Subsequently company documents will be submitted to the registry court. Registration is about 1 week.

STEP 3 – TASKS AFTER COMPANY REGISTRATION

We will send you the electronic confirmations of your company Tax ID and your company registration.

- Within 8 days now, you have to **open a bank account**
- You have to report to the **local municipality** that you begin commercial activity
- Let your accountant know** that your company is registered by sending them all relevant documents.
- If **share capital is paid up in full**, let your attorney know – it has to be reported to the company court.

We wish you success in your business in Hungary! Let us know if you need legal help with your business activity.

The above are not to be interpreted as legal advice unless the law firm receives a mandate from the client involved.



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