

One-stop-shop: Why to consider Hungary as an ideal location for investing?

Tax benefits and incentives

From 1 January 2017, the standard rate of **corporate income tax** for Hungarian and, in some cases, foreign companies decreased to **9%**.

As Hungary is a member of the European Union, various financial sources for investment or development supported by the EU are available for companies. There are certain tax credits available as well.

One of the most important tax incentives for companies is the **development tax allowance** which can be deducted from the amount of corporate income tax (up to 80 percent of the calculated corporate income tax). This type of allowance can be claimed depending on the amount of the investment, the industry and the region in which the investment is performed. Besides the development tax allowance, there are additional **tax allowances or tax credits** for companies providing **support for cultural, sport and film-making purposes**. Tax base deduction is available also for investing in **startup** companies and up to the direct costs of **research and development**.

Advantages of investing in Hungary

Hungary has a **central position** in Europe with **well-developed infrastructure and excellent transportation connection** to each neighboring country. The country is well-known for its **highly skilled workforce** and long tradition in education of **technical universities**. The relatively cheap and educated labor force guarantees the **best value for money** for investors. The **multilingual workforce** makes the communication for the foreign investors easier.

Costs of setting up a company

The costs of setting-up a business varies based on the form of business to be established. The most common forms are the limited partnership, limited-liability company and company limited by shares.

Costs include administrative charges and minimum contribution. Administrative charges are similar for each form, however the minimum capital requirements to establish a business with are significantly different. For a limited partnership, **no minimum initial capital** is required. Meanwhile a limited-liability company can be established with a **minimum capital of HUF 3 million**, a company limited by shares can be unquoted with a minimum capital requirement of **HUF 5 million**, or quoted with a minimum capital requirement of **HUF 20 million**.

The minimum administrative charges of establishing a business consist of duty payable on the registration application (HUF 100,000 i.e. approx. EUR 330), duty payable on the simplified registration application (HUF 50,000 i.e. approx. EUR 165), disclosure fee for publication in the Company Gazette (HUF 5,000 i.e. approx. EUR 17) and registration at the Chamber of Commerce and Industry (HUF 5,000 i.e. approx. EUR 17). There can also be other charges for signature specimens, official translations etc., but these out-of-pocket costs vary case-by-case.

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- Auditing financial statements of Hungarian companies
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- Auditing of EU and government grants
- Due diligences (financial and tax)
- Auditing of company transitions
- Interim Management

Education:

- Certified Auditor in England, Member of the ACCA
- Certified Auditor in Hungary, Member of the Chamber of Hungarian Auditors
- Certified Tax Advisor
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