



# BUSINESS LEGAL STRUCTURES IN HUNGARY

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ESZTER KOVÁCS & VAJNAI VIKTÓRIA – BGRG & FOUNDATION OF KNOWLEDGE

# SELF-EMPLOYMENT/SOLE PROPRIETOR EV.

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- Those who are Hungarian natural persons/citizens or citizens in the European Union can be registered self-employed persons
- People with disabilities and criminal record are excluded
- Tax payment: given percentage of the income( personal income tax) or KATA, which allows the individual to have an annual 12 million Forints ca. 3000 Euros, with a monthly fixed total only can work for individuals not for companies
- It is for entrepreneurs who have few employees



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- Advantages:

- Cheap, easy and quick to set up
- Working hours are flexible
- Easy accounting

- Disadvantages:

- Unlimited power and responsibility
- Responsible with their whole wealth
  - Leaving you completely open to potential legal issues
- Cannot inquire allowance for their employees

# EXAMPLES OF SELF-EMPLOYMENT

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- Hairdresser
- Painters
- Insurance agents
- Cosmetician
- Accountant
- Personal trainer



# INSET PARTNERSHIP BT.

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- Founded by two people: inside person & outside person
- Inside person who works for the company
- Outside person who is the benefactor/investor
- Usually the two members of the partnership are husband and wife
- Only the inside person is responsible but! with their whole private fortune
- Advantage: can be founded with small amount of capital

# LIMITED LIABILITY CORPORATION KFT.

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- Operated by one person or a group with few members
- „Silent Mates” (investors,)
- Minimal capital is 3 million Forints ca. 7500 Euros
- Founded by Corporation Contract with a lawyer
- Only responsible with the capital
- Advantage: only responsible with the capital not with the private fortune

# GENERAL PARTNERSHIP KKT.

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- Founded by few people, ususally family members
- With Corporation Contract where a lawyer registers the amount of money the family members separately gave in
- All the members are responsible with their whpole private fortune proportionately



# SHARE CORPORATION RT.

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- Founded by the shareholders, all of them give money or other property ( equipment, land, house, machines)
- Closed share corporation (Zrt.):
  - min. 5 million Forints capital ca. 12.000 Euros
  - only a specific group of people can be shareholders
  - Szerencsejáték Zrt.
- Open share corporation (Nyrt):
  - Min. 20 million Forints capital ca. 50.000 Euros
  - the shares can be bought by anyone on the stock market
  - only the founders are responsible
  - MOL Nyrt.





# THANK YOU FOR YOUR ATTENTION!

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