



BRIS GROUP

HUNGARY

PRIVATE LIMITED LIABILITY COMPANY (KFT.)

CLIENT GUIDE 2026

EU company formation, taxation, accounting and annual compliance

Professional company formation and ongoing corporate administration

BRIS GR LIMITED | 66 Paul Street, London EC2A 4NA, United Kingdom

general.info@bris-group.com | +44 207 206 2487 | +44 775 479 5814 | bris-group.com

Hungary Private Limited Liability Company (Kft.) at a Glance

A Hungarian **Korlátolt Felelősségű Társaság (Kft.)** is a private limited liability company governed principally by the Hungarian Civil Code and registered through the Court of Registration. It is the standard limited-liability form for privately owned Hungarian businesses and can be used by international investors for EU trading, services, technology, holding and other commercial activities.

Topic	Current legal / practical position
Foreign ownership	Foreign individuals and companies may own a Hungarian Kft.; the company may be single-member or multi-member.
Legal personality	Separate legal entity. Members are generally not liable for company obligations beyond their agreed contributions, subject to statutory exceptions.
Minimum capital	HUF 3,000,000 registered capital; an individual member's contribution must be at least HUF 100,000.
Management	Managed by one or more managing directors under the Civil Code and the company's constitutional documents.
Registered office	A registered office in Hungary is required.
Corporate income tax	Standard Hungarian corporate income tax rate: 9% of the positive corporate income tax base.
Local business tax	Municipal local business tax may apply at a maximum rate of 2% .
VAT	Standard Hungarian VAT rate: 27% ; reduced rates/exemptions apply to specified transactions.

Key Benefits for International Clients

- EU-incorporated limited liability company suitable for cross-border business.
- Competitive 9% corporate income tax rate.
- Foreign ownership is permitted.
- Corporate dividends received are generally excluded from the corporate income tax base, subject to statutory exceptions including CFC-related rules.
- Hungary generally does not levy withholding tax on dividends paid to corporate shareholders, including non-resident companies.
- Participation / reported-shareholding rules may provide advantages for qualifying holding structures.
- Access to the EU VAT framework and intra-Community trading rules.

The Tax Position for a Non-Resident Owner

A Hungarian Kft. is NOT a 0% offshore company

A company incorporated in Hungary is generally a Hungarian corporate tax resident and has full Hungarian corporate tax liability covering income from Hungary and abroad. Foreign shareholders, foreign customers or foreign invoicing do **not**, by themselves, create a 0% Hungarian tax result. The ordinary corporate income tax rate is 9%, subject to the Corporate Income Tax Act, treaty relief, exemptions and tax-base adjustments.

The correct BRIS Group position is therefore to present Hungary as a **low-tax EU jurisdiction**, not as a territorial or tax-exempt offshore structure.

Formation / Registration Requirements

Topic	Current legal / practical position
Company name	Proposed Hungarian company name, subject to registration rules and availability.
Legal documentation	Constitutional/formation documents prepared for the registration procedure.
Legal representation	Company-registration applications are filed electronically through legal representation.
Tax registration	Court-registered companies provide core tax-registration data through the company-registration process; the generated tax number also serves as the VAT identification number.

Topic	Current legal / practical position
Shareholder(s)	One or more members; a single-member Kft. is permitted.
Managing director(s)	One or more managing directors. Appointment and representation powers are recorded in the corporate documentation/register.
Registered office	Hungarian registered office required for official correspondence and company registration.
Business activities	Activities must be identified; regulated activities may require separate licences, qualifications or notifications.
KYC / UBO	Identification, ownership/control and source-of-funds/business information should be collected for professional onboarding and relevant AML requirements.

Share Capital

The statutory minimum registered capital of a Kft. is **HUF 3,000,000**. The minimum amount of an individual member's capital contribution is **HUF 100,000**. Contributions may consist of cash and, subject to the Civil Code, non-cash contributions.

Deferred payment requires care

Hungarian law allows the articles of association to provide for payment of cash contributions after registration in certain circumstances. Until the statutory capital position is satisfied, dividend distributions can be restricted and members may remain liable up to the unpaid amount. The exact contribution timetable should be settled with Hungarian legal counsel before filing.

Corporate Taxation

Hungarian corporate income tax is established by self-assessment. The standard rate is **9%**. For a calendar-year company, the corporate income tax return is generally due by the last day of the fifth month following the end of the tax year.

Foreign-Source Income & Double Taxation

Hungarian resident companies are generally taxable on worldwide income. Where foreign income is also taxed abroad, the applicable double-tax treaty and the Corporate Income Tax Act must be reviewed to determine exemption, credit or other relief. Foreign-source income alone does not remove Hungarian corporate tax.

Dividends & Holding Features

- **Inbound dividends:** dividend income received by a Hungarian company is generally deducted from the corporate income tax base, subject to statutory exceptions.
- **Outbound corporate dividends:** Hungary generally does not impose withholding tax on dividends paid to corporate shareholders. Payments to individuals require separate personal-tax analysis.
- **Reported shareholdings:** qualifying acquisitions can fall within Hungary's participation regime if statutory reporting and holding conditions are satisfied.

VAT

Hungary's standard VAT rate is **27%**. Reduced rates and exemptions apply to specified supplies. NAV confirms that the tax number generated on registration also serves as the company's VAT identification number. EU cross-border transactions may involve Community VAT numbers, reverse-charge, intra-Community acquisition/supply and place-of-supply rules.

Local Business Tax

Hungarian municipalities may impose local business tax on permanent business activities at a rate of up to **2%**. Its tax base is calculated under separate local-tax rules and it should not simply be described as an additional 2% corporate income tax.

Documents Required from the Client

- Certified passport or acceptable government-issued identification for each shareholder/member, managing director and ultimate beneficial owner.
- Recent proof of residential address.
- For corporate shareholders: incorporation, constitutional, management and full ownership-chain documents.
- Proposed company names and detailed description of business activities.
- Countries of customers, suppliers and business operations; expected turnover and banking requirements.
- Source-of-funds and, where appropriate, source-of-wealth evidence.
- Additional certified translations, apostilles or legalisation where required.

Formation Process & Documents Received

1. Structure/tax review
2. KYC/AML approval
3. Hungarian legal documentation
4. Electronic Court of Registration filing
5. Tax/VAT and operational setup
6. Bank preparation and annual-compliance setup

Typical corporate file: company registration extract/certificate; constitutional document; member/shareholder records; managing-director appointment/representation documentation; registered-office information; tax number and other registration records applicable to the company.

Accounting Records & Financial Statements

A Hungarian Kft. is subject to Hungarian accounting legislation and must maintain proper books and supporting records and prepare annual financial statements under the applicable accounting rules. The exact reporting format, publication requirements, audit position and accounting deadlines depend on the company's circumstances and should be confirmed annually with the Hungarian accountant.

Tax & Annual Filing

Annual tax compliance is mandatory

A Hungarian Kft. is not exempt from annual tax and accounting obligations merely because its shareholders or customers are outside Hungary. Corporate income tax, local business tax, VAT, payroll/employment and other filings must be reviewed according to the company's actual activities.

Annual Compliance Checklist

- Maintain the Hungarian registered office and current company-register particulars.
- Maintain proper bookkeeping and supporting accounting records.
- Prepare and file/publish annual financial statements as applicable.
- File the corporate income tax return and pay tax due.
- Review local business tax filing and payment obligations.
- Submit VAT returns and EU VAT reports where applicable.
- Maintain current shareholder/member, managing-director and beneficial-ownership information.
- Report corporate changes through the appropriate registration/tax channels.
- Review payroll, employment and social-contribution obligations if relevant.
- Review licences/notifications for regulated activities and cross-border tax obligations.

Bank Account & Operational Setup

A Hungarian Kft. may seek banking relationships in Hungary or, subject to the provider's policies, elsewhere in the EEA/internationally. Account opening is not automatic. Banks may request UBO information, source of funds/wealth, contracts, invoices, expected turnover, customer/supplier countries, business website and commercial rationale.

Why Hungary Can Be Attractive

Topic	Current legal / practical position
EU company	Hungarian legal entity operating within the EU corporate and VAT environment.
9% corporate tax	One of the principal commercial attractions of Hungary for profitable operating companies.
Holding features	Dividend and qualifying participation rules can be attractive where statutory conditions are met.
Corporate dividend WHT	No general Hungarian withholding tax on dividends paid to corporate shareholders.
International business	Suitable for trading, consulting, technology, e-commerce, import/export and holding activities, subject to regulatory and tax review.

How BRIS Group Supports You

Structure review - Assess whether a Hungarian Kft. is appropriate for the client's business, ownership and tax profile.

Formation - Coordinate Hungarian legal preparation and company-registration filing.

Registered office - Coordinate Hungarian registered-office services where required.

KYC / UBO - Coordinate shareholder, director, controller, UBO and source-of-funds/wealth due diligence.

Accounting & tax - Coordinate bookkeeping, annual accounts, corporate tax, VAT and local business tax support.

Banking preparation - Prepare the corporate/KYC package and coordinate introductions where available.

Annual compliance - Coordinate filings, corporate changes and good-standing maintenance.

Documents - Arrange certified copies, apostille/legalisation and other corporate documents where available.

Professional Fees & Quotations

Tailored quotation

This brochure is an informational guide to Hungarian Kft. formation and maintenance and is not a fee quotation. BRIS Group professional formation and annual administration fees, Hungarian legal fees, registered-office fees, accounting/tax work, certified documents, translations, apostille/legalisation, banking support and other optional services are quoted separately. Clients may request a tailored quotation based on ownership, management, business activity and annual transaction volume.

Important Legal Notes & Official Sources

This brochure is a general commercial guide and does not constitute Hungarian or foreign legal, tax, accounting, regulatory or investment advice. **A Hungarian Kft. is not a blanket 0% foreign-source structure.** A Hungarian resident company is generally subject to Hungarian corporate taxation on domestic and foreign-source income, with treaty relief, exemptions and tax-base adjustments considered separately.

Primary official/legal sources reviewed: Hungary's National Legislation Database (Nemzeti Jogszabálytár), including Act V of 2013 on the Civil Code and Act LXXXI of 1996 on Corporate Income Tax and Dividend Tax; National Tax and Customs Administration (NAV/NTCA), including the 2026 guidance on taxation of business associations, taxpayer registration and VAT; and the applicable Hungarian company-registration framework.

Information reviewed: August 2026. Tax rates, filing procedures, thresholds, company-registration requirements and local municipal taxes should be reconfirmed before formation and during each annual compliance cycle.

PREPARED BY BRIS GROUP



Hungary Private Limited Liability Company (Kft.) - Client Guide 2026

Professional incorporation and corporate administration for international clients.