

2022



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EIT-Food Startup Guide Hungary



Contact

EIT Food accelerates innovation to build a future-fit food system that produces healthy and sustainable food for all.

We believe inclusive systems innovation, which enables all people and places to participate and benefit, is essential to a strong food system that is better for everyone. With teams on the ground across Europe, we bridge the gap between countries and regions with low innovation capacity and those leading the way. And we put consumers at the heart of our work, helping build trust by reconnecting them to the origins of their food, directly involving them in the innovation process, and working with the food sector to increase transparency. Collaboration is central to all our work, which spans the whole food value chain, and is vital to meet the big challenges we face. Together with our community, we will build an innovative and resilient food system that in turn creates a healthier society and planet.



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Disclaimer: The guide is intended to help entrepreneurs and startups. However, it does not replace seeking professional advice and guidance. As such, although EIT Food has made every effort to ensure that the information in this book is useful, they do not assume any responsibility for the outcome of your business.

In collaboration with



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Welcome to the market!

We are pleased to hand over to you this very latest edition of the EIT-Food's startup guide. Doing business requires strength and resilience, but doing business in agriculture and in the food industry requires passion and willingness to overcome specific challenges. Some of those challenges are nature driven to which we may just need to be able to adapt and manage. The other group of challenges stem from complexity of the markets, regulatory environments or geographical differences. These we can address and that is precisely the aim of this guide. We want to help you in your business location decisions, whether you are at the start of your entrepreneurial journey or already plan to internationalize your business across Central & Eastern Europe.

As an entity building the EIT-Food network in Central & Eastern Europe (as well as in the Nordics region), our Co-Location Centre (North-East) implements a variety of programmes targeting the key challenges and priorities of agricultural and food system development. We are pleased to see your interest in making it happen through products and services brought to our market.

In current macroeconomic environment where supply chains remain volatile and market transparency is hampered, the access to information about the ecosystem is essential. That is why we focus in this guide on helping you quickly determine how a local ecosystem in Hungary in the ag-food sector works. In view of that we give you a picture of top regulators, policy makers and startup community developers. We hope the guide would serve as a reference for your entrepreneurial efforts all across the way from being technology developer to acting as a solid market player on the market.

Wishing you all the best for your ag-food business,

Marja-Liisa Meurice
Director of EIT-Food CLC North-East

EIT-Food Startup Guide Hungary 2022

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EXECUTIVE SUMMARY

GDP: **EUR137,472.9m/USD156,777.1m** (2020)

Registered unemployment rate (end year, %) **3.5%** (2022 May)

Share of agriculture of GDP: **3.6%** (2020)

Share of agriculture of gross value added: **4%** (2020)

Agricultural terms of trade: **101.9%** (2021)

Change in annual rent for arable land, compared to previous year:
HUF4,400 (cca. EUR11)/hectare (2020)

HUF2,973 bn agricultural output (2020)

Fastest-growing agriculture in the EU with output growing **76%**
in 10 years from 2010 to 2020

Agricultural export has increased by **134.8%** between 2010 and
2022. Most prominent trade partners are Germany, Italy, Romania,
Austria and Poland

According to theglobaleconomy.com, in terms of fDi, Hungary is the
number one attractor of foreign direct investments in the world in
percentage of GDP, and with **USD168.93 bn**, the third even
nominally (2020)

212,600 employees in agriculture (2020)

LOCAL AGRIFOOD MARKET INSIGHTS



1



1.1. Introduction

Hungary is situated in the heart of Europe, which makes the country optimal for manufacturing, services and logistics. Hungary is the ideal base for investors who are planning cross-border business developments. Foreign capital is, largely, attracted by the highly skilled and highly educated labour force.

Hungary is a resilient, export-driven economy with lucrative opportunities in agriculture. Cuts in VAT (regarding agricultural products) and very competitive corporate income taxes have helped the profitability in agriculture. Agriculture accounts for 4.3% of total investments in the overall economy and 4.6% of the national employment rate. Of these, the food industry alone accounts for 2.7% and 3.2%, respectively. The country's agricultural trade balance has been firmly positive, and the gross output of the agriculture shows a strong upward trend.

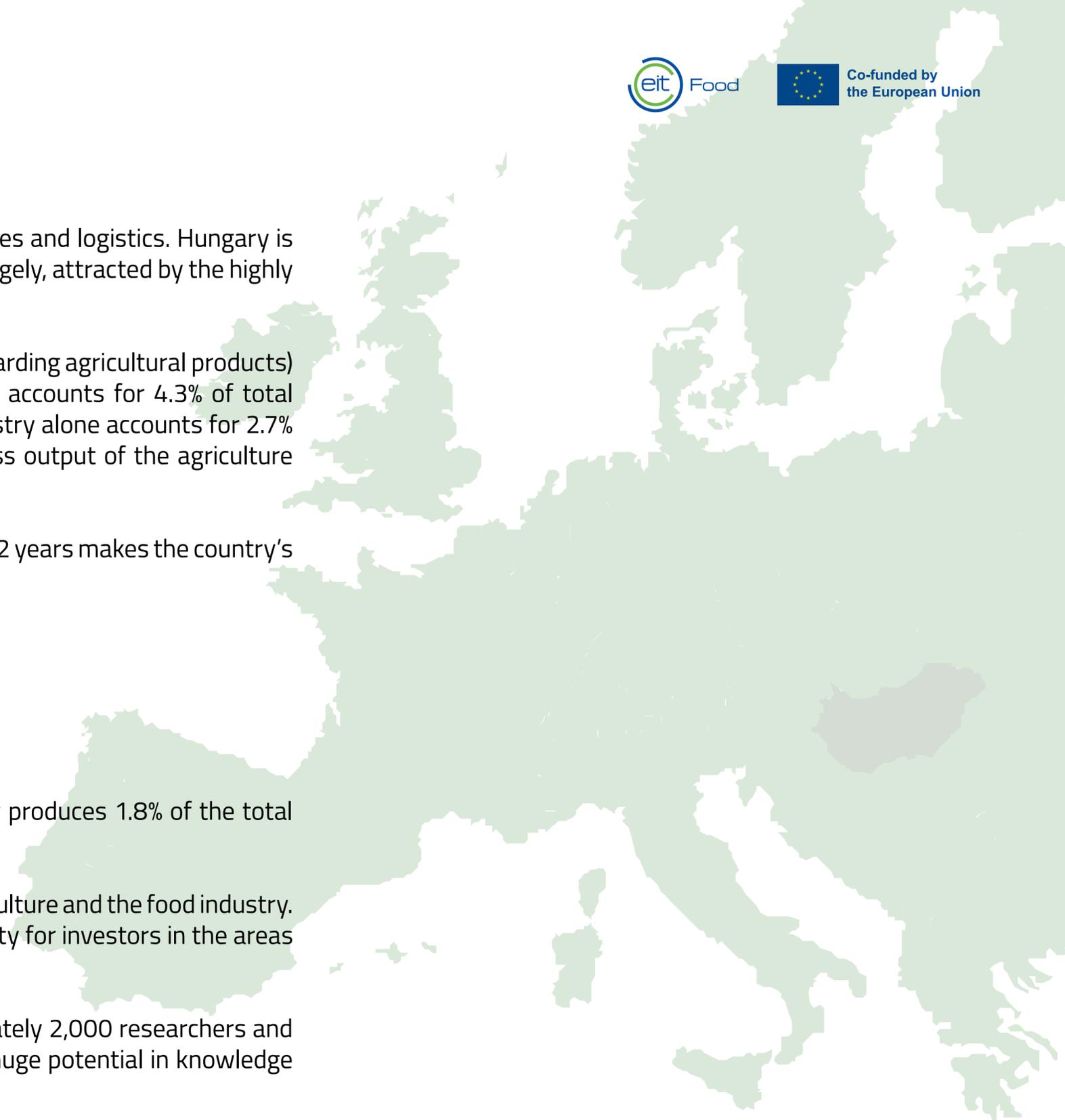
Also, the fact that the Hungarian currency has weakened by nearly 50% compared to the euro in the last 12 years makes the country's investment opportunities even more lucrative.

1.2. Simplified overview of the Hungarian agri-food industry

Since the 2010s the sector has been on a promising development curve. The Hungarian food industry produces 1.8% of the total national GDP, employing 3.2% of the total employment.

The country's excellent geolocation provides a unique and remarkable opportunity for investment in agriculture and the food industry. Hungary has a stable system of land tenure, which is based on tradition and provides a great opportunity for investors in the areas of precision farming and the introduction of new technologies.

There are approximately 220 R&D centres working in various fields of agriculture employing approximately 2,000 researchers and scientists; however, Hungarian agriculture is still based on traditional technologies, therefore there is huge potential in knowledge and technology transfer.

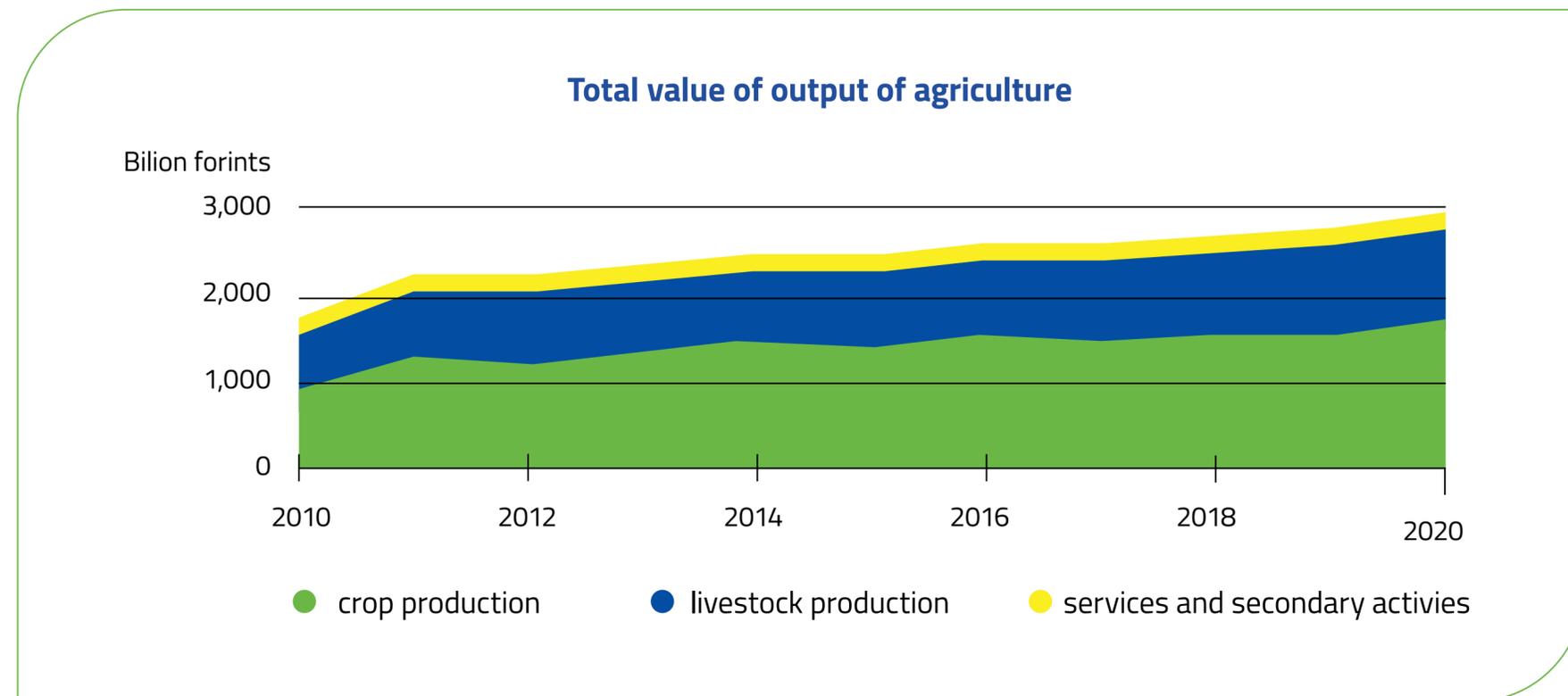


1.3. The Hungarian agricultural sector in numbers

According to preliminary data, the total output of Hungary’s agriculture reached HUF2,973 billion in 2020. This amounts to a net increase of 4.8% in the total value of output compared to 2019, when the total output value was HUF2,837 billion. Crop production contributed to the performance by 58% and livestock production by 34%. Agriculture, forestry and fishing as a whole contributed by approximately 3.5% to gross domestic product (GDP).

Factor income increased by 10.73% and entrepreneurial income was 17% higher than in the previous year (2019). Labour input in agriculture was reduced by 5.9%. Real factor income per work unit (indicator A) rose by 12%.

The growth of the total value output of the Hungarian agriculture displays a steady annual growth, as shown in the chart below. Food makes up about 26.4% of the cart of the average consumer, according to the Hungarian Central Statistical Office (2018), which shows the importance of the sector.



Source: Hungarian Central Statistical Office (KSH)



1.4. Opportunities in the Hungarian agriculture sector

Technological modernization

Agriculture has always been an important sector in Hungary with good capabilities, appropriate arable land size and great traditional expertise. Technological advancements, therefore, are also welcome here. Precision farming, agricultural informatics, digitalization, smart solutions and biotechnological solutions are all important opportunities for the Hungarian agricultural sector. Anything that improves efficiency and scalability or even solutions breaking with current production technologies or methodologies (like robotization) are welcome.

The agricultural sector receives substantial subsidies from the central government as well as from the EU to cover R&D costs and invest in future technologies. Nevertheless, Hungary is lagging behind other EU member states. The opportunities here can vary. From training digital competencies to establishing much-needed databases to helping decision-making and innovation, one can find many areas to enter.

Subsidies

The system of subsidies is such that approximately 75% of Hungarian farmers would be in the red had it not been for EU agrarian subsidies. This means that a lot of Hungarian farmers are behind the technological modernization. The 2023–2027 period could be a great opportunity for technological developments, especially now that the new EU Common Agricultural Policy also has higher climate ambitions, by introducing fairer, greener and more animal-friendly and flexible agricultural policies as well as a fairer distribution of CAP support, the winners of which are small and medium-sized family farms and young farmers, who can expect a much larger portion of the CAP subsidies.

Income and production security

In order for us to secure the yield and also keep and/or increase income, we need to withhold surface waters, and the expansion of irrigated land size. The currently irrigated land size is about 80,000 hectares, which the Chamber of Hungarian Agriculture is intent on increasing to a million hectares. This requires massive investment and development in irrigation technologies and rainwater reuse and redistribution technologies. Another opportunity for this area is technologies that help mitigate damages from frost.

Circular agriculture

Similarly to organic farming, circular agriculture is on the rise and can be one of the avenues towards higher efficiency and cost-effectiveness. Using biomass as energy is one of the most important solutions that is being worked out.

Diversification

One of the unfortunate specificities of the Hungarian agricultural sector is the fact that crop production comprises about 54% of its total output. Moving to productions that provide higher added value may be a welcome change. One of the missing links is the poor knowledge transfer from better-performing actors.

Cooperation with food processing sector

The central government (as of 2021) also has a strategic aim to raise the Hungarian-owned food processing and distribution sector over 50%. This means that though it may be more difficult to enter this market as a player of the food processing and distribution industry, it is definitely easier to succeed as a service provider for the food processing and distributing sector.

Since Hungarian-owned companies are on the lookout for technological opportunities that may give them the edge in the long run, and foreign-owned players behave the same to keep their advantage, any kind of technological innovation that makes processing and/or distributing food more efficient can expect a warm welcome.

The most important demands from the market are the following:

- Highly processed products
- Products with high added value
- Products with an extended expiry date
- Products with customisable packaging (from a “one person” package to a “family package”)
- Fast foods (consumable right away, or consumable after heating)
- Foods with special ingredients or without certain ingredients (with especial emphasis on customers with food sensitivities and intolerances), while still keeping the range of choice.

1.5. Challenges when investing in agriculture in Hungary

Arable land costs

The central government (as of 2021) is intent on keeping the ownership of arable lands in Hungarian hands. One of the main doctrines applied here is “the land should be owned by those who cultivate it”. The Act of “2013. évi CXXII. törvény” that regulates who can purchase arable land imposes some restrictions on potential buyers. Citizens of non-EU countries may not buy arable lands, but even citizens of EU countries need to face these restrictions (along with Hungarian buyers). These restrictions may include a certain number of years the land has to be cultivated from the date of purchase, and even restrictions to renting. Regardless, many EU citizens try to buy arable land as investments. The [table here shows](#) the prices (latest official data from 2019) concerning arable land ownership and/or rental.

Land ownership

A major challenge in Hungarian agriculture is the fragmented ownership of arable lands. Approximately 6.2 million hectares of arable land are in the hands of almost 0.5 million owners. Although several factors are working against the concentration of ownership (very small lands are not cost-effective to sell), the concentration of ownership is to be expected in the next decade or so, which, in turn, will increase the demand for technological solutions for efficiency.

Databases and data services

Making informed decisions requires knowledge of market processes and developments, and tracking of daily market changes. The level of knowledge, the level of know-how, the market size and the level of access to current market data of the market actors show high heterogeneity. The uneven access to technologies and the skill requirements for obtaining up-to-date market data widen the gap between agricultural market actors. In the current system, most data to be obtained are very fragmented, as they are provided by different authorities. Gathering data imposes considerable administrative costs that only large actors can afford. Even then, without carefully processed market data, it is extremely difficult to get a good fact-based overview on agricultural sectors, despite the fact that such data would be needed to efficiently develop and innovate in certain sectors.

It seems that we should make the provision of data minimal, processing them automatically, and access to such data should be cost-effective and easy. Creating a central database that can serve the needs of certain sectors within agriculture could also be a great opportunity for entering the market.

Research & development

While the highest-performing countries (USA, Japan, South Korea, Israel, etc.) spend about 2.8–4.3 % of their GDP on research and development, in Hungary, such spending, though considerable, only amounts to approximately 1.2% of the national GDP. This is far less even than the EU average, which is currently about 2%. The following factors pose a challenge to the sector:

- Uneven infrastructural background. Not every institute has an appropriate level of infrastructure for high-level research and development.
- Inadequate supply of researchers. Most researchers have wide responsibilities (ranging from actual research to teaching, project management, expert counselling, etc.) and a low income, which results in brain drain.
- Obsolete agrarian training.
- The gap between the research and the practice. More often than not, researchers do not provide research relevant to the market, and therefore, the applicability of the research remains questionable.

In comparison to other EU countries, the Hungarian research and development landscape is very underdeveloped. Opportunities here can fall to a wide variety of service providers that might help the knowledge transfer.

EU comparison:

Within the EU, with its growth of 12%, Hungary has become one of the best-performing countries.

Among the member countries, the largest growths compared to the previous year were in Ireland and Hungary, and these countries performed above the trend too.

**MAIN
STAKEHOLDERS IN
THE LOCAL AGRIFOOD
INDUSTRY**

2



2.1. Public institutions

Association of Hungarian farmers' circles and farmers' cooperatives

The Association of Hungarian Farmers' Circles and Farmers' Cooperatives is the largest interest protection organization of Hungarian farmers. Bio-garancia Magyarország Ltd. This was established in the year 2000 and operates as an independent, accredited certification body for organic producers.

Biokontroll Hungária Inspection and Certification Nonprofit Ltd

By performing the inspection and certification of the activity of the organic producers, processors and traders Biokontroll Hungária Nonprofit Ltd plays an important role in the organic certification system.

BME-FIEK- Budapesti Műszaki és Gazdaságtudományi Egyetem – Felsőoktatási és Ipari Együttműködési Központ

This pilot lab for companies provides further ideas for project proposals for food stakeholders with their displaying of IT and technological solutions. It is a pilot demonstration technology centre, which demonstrates Industry 4.0 solutions and facilities, which are adapted for food applications and specific training facilities.

Campden BRI Magyarország Nonprofit Ltd

This is an independent R&D centre that has skills and experience in knowledge transfer, training, networking, fostering innovation in FSCM, transparency and food safety risk assessment, application of transdisciplinary knowledge and solutions from ICT, advanced manufacturing sectors for solving technological problems in the modernization of the food industry by using their enabling functions. This is supported by practical experience in food and process development, and legal, consumer and sensory research.

EIT Food

Established by the European Institute of Innovation & Technology (EIT), it builds an inclusive and innovative community of diverse food sector partners, to drive innovation and entrepreneurship across Europe.

Federation of Hungarian Food Industries (FÉSZ)

Established by the European Institute of Innovation & Technology (EIT), it builds an inclusive and innovative community of diverse food sector partners, to drive innovation and entrepreneurship across Europe.

[Hungarian Chamber of Agriculture \(Nemzeti Agrárkamara\)](#)

The HCA covers the whole domestic food chain, the agricultural production activity and the field of rural development through its members. As a flexible and professionally qualified public body, the HCA has been working since its foundation to give a new impetus to the Hungarian agrifood economy.

[Hungarian Federation of Food and Drink Industries \(ÉFOSZ\)](#)

This is a national food industry professional association representing the interest of Hungarian food industry enterprises with more than 400 members.

[Hungarian National Food Technology Platforms](#)

The National Food Technology Platforms is an agro-industrial network born in 2007 with the European Technology Platform “Food For Life” and based on the national institutions engaged in research, development and innovation in food, promoted by the national federations of the food and drink industry.

[Hungarian National Food Safety Office](#)

The National Food Chain Safety Office (NÉBIH) is the food chain safety authority of Hungary with control responsibilities covering the whole food chain from farm to fork, including soil protection, agricultural production, forestry, food processing, retail and catering. Besides this, the most significant suppliers of the food chain are also registered by the NFCSO (for instance, private laboratories, input material suppliers).

[Innoskart Cluster](#)

This is a silver medal-accredited innovation cluster with members from the ICT, food processing, farmers, medical devices and pharmaceutical industries.

[Industry 4.0 National Platform Association \(Ipar4.0\)](#)

Support the application and implementation of an S3 of Industry 4.0 in the food chain. The coordinator of this association (SZTAKI) is also a planned member of the EIT Food Hub in their own right.

[National Agricultural Research and Innovation Centre \(NAIK\)](#)

Employing nearly 200 researchers, this is of significant size even at international level. It is able to join the world’s scientific circulation and increase the recognition of Hungarian agricultural research.

[National Research, Development and Innovation Office \(Nemzeti Kutatási, Fejlesztési és Innovációs Hivatal\)](#)

The Office is a national strategic and funding agency for scientific research, development and innovation. It is the primary source of advice on RDI policy for the Hungarian government, and the primary RDI funding agency.

[Ministry of Agriculture](#)

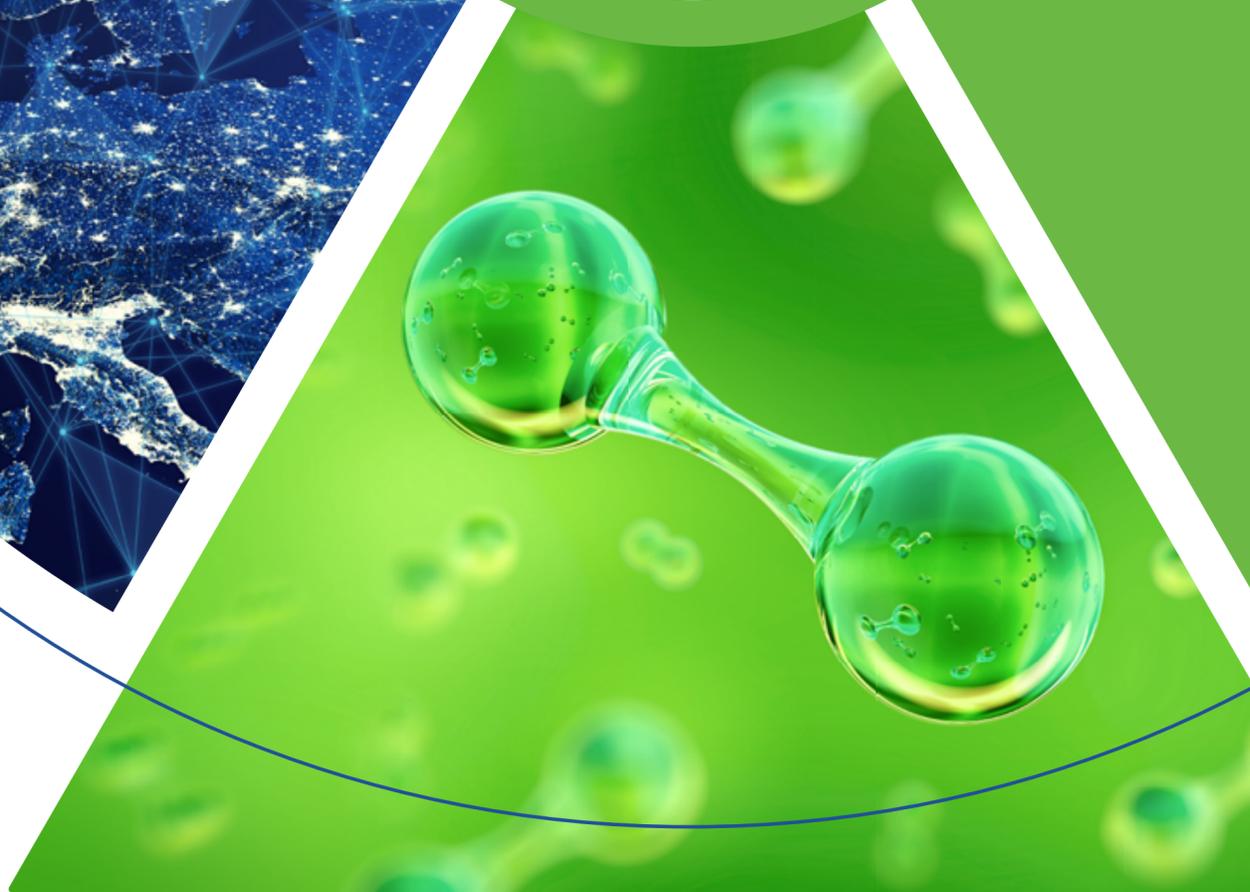
[Ministry of Innovation and Technology](#)

2.2. Key Hungarian companies

There are thousands of food-system-related businesses in Hungary, listed on several sites in English (for example, [here](#) and [here](#)). We have only listed here a few examples.

Company Name	Scope of the activity	Operating revenue in HUF in 2019
Bonafarm Group	Specializing in crop production, feed manufacturing, livestock production, manufacture of dairy and meat products, and wine making, the group integrates nine companies that have a total of 8,400 employees, and 34,000 hectares of arable land, and produce 40,000 tonnes of meat products.	276 bn
KITE Zrt.	KITE Zrt. is currently the biggest agricultural integrator in Hungary. Its main activities are the sales and servicing of agricultural and technical input materials, crop trade, as well as the sales and servicing of investment products.	386 bn
Univer Products Zrt	A prominent player in Hungary's food industry and trade field, with its 1,300 employees, it gained recognition due to manufacturing typical Hungarian products. Among them, processed vegetables, fruits, baby foods and bakery are the most prominent.	276 bn
Goodmills Magyarország Kft	This is Hungary's leading milling company, processing 320,000 tons of grain annually.	386 bn

AGRIFOOD ECOSYSTEM



3.1. Funding opportunities for agrifood start-ups

Hiventures

<https://www.hiventures.hu/en/>

Hiventures is an investment fund management company that provides seed, pre-seed and growth investments through its venture capital programmes. Hiventures' mission is to support the cutting-edge ideas of freshly established start-ups and innovative businesses, to strengthen the entrepreneurial culture and to protect the values of its community.

Impact Ventures

<https://en.impactventures.hu/>

Impact Ventures has two social impact funds under management with a focus on social innovation. Their aim is to achieve measurable positive social impact alongside a financial return. In order to achieve this, they invest in and provide business development support for social enterprises with sustainable, scalable business models also from the agrifood sector.

Vespucci Partners

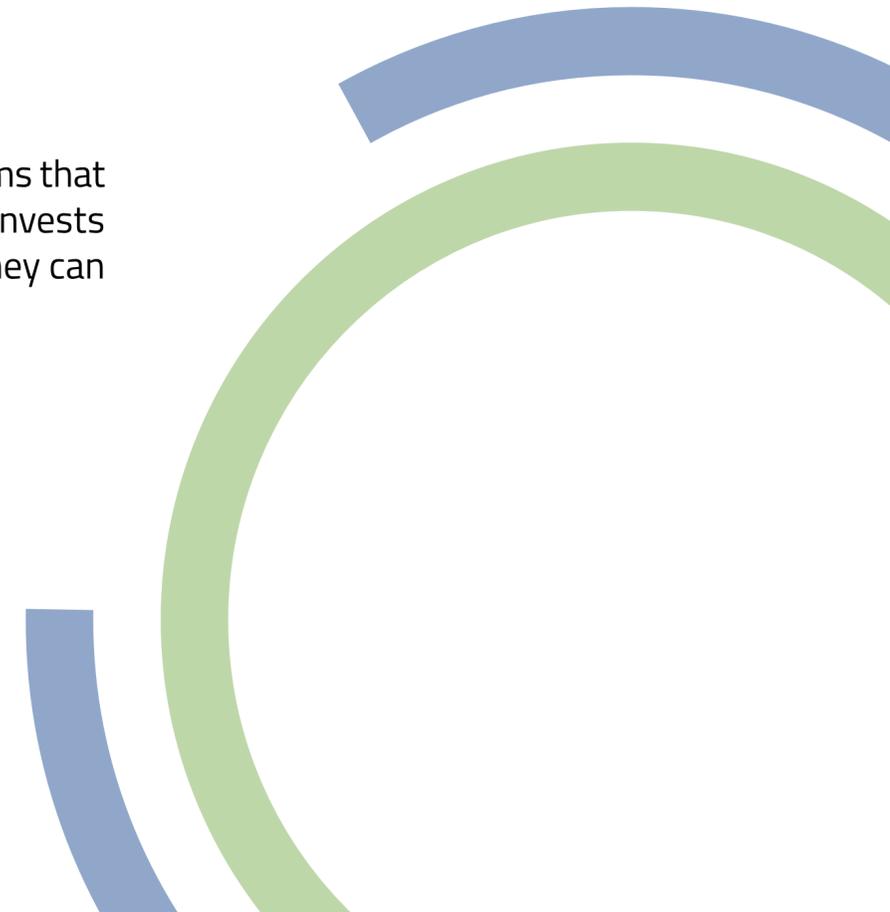
<https://vespuccipartners.com/index.php>

Vespucci Partners is a Budapest-based venture capital fund that aims to find and support those start-up teams that have a truly disruptive product and are capable of achieving success in the global market. Vespucci Partners invests in seed and series A start-ups that have global potential. Their goal is to find outstanding start-ups whom they can actively support in their international growth. They have a very clear and transparent investment process.

OXO Labs

<https://oxolabs.eu/#services>

OXO Labs offers funding up to EUR200,000 for early-stage projects and provide further incubation services, including various expert and mentoring activities, financial advice and office infrastructure. For those projects that perform successfully they offer the next round of growth funding via later-stage investor group members. They also have among their target sector agricultural technologies.



3.2. Local incubators and accelerators that support agrifood start-ups

The only Hungarian incubator for agrifood start-ups, launched by the National Chamber of Agriculture, is called NAK TechLab. The incubator aims to help find the place of the most innovative solutions in the domestic agricultural sector and food industry. Through this they are making the industry and the market more competitive, sustainable and environmentally conscious. The three-month programme helps to identify practical and real market problems by involving market participants. Participating start-ups get business training and intensive workshops, and they can work together with mentors from the agro industry, business and large corporations. The official language of the training is Hungarian.

Main contact person

Name: Tekla Dömötör

Email: domotor.tekla@nak.hu

Other incubators and accelerators that are available but not exclusively for agrifood start-ups

Design Terminal

Design Terminal is Central Europe's leading innovation agency and builds "innovation champions" through corporate partnerships and talent acceleration. They give corporate leaders and start-up founders the knowledge and access they need to catalyse innovation across any organization. Incubation programmes are up and running in 12 countries including Hungary, and since 2014 the organization has worked with more than 1,000 start-ups and several leading corporations.

Startup Campus

Startup Campus is a global programme for innovative businesses from the idea phase until market entry. It is active in global events, with the aim of increasing the visibility of Hungary, Central and Eastern Europe, encouraging entrepreneurship and connecting the various regional start-up ecosystems.

ClimateLaunchpad

ClimateLaunchpad is also looking for agrifood start-ups with greentech aspects. The programme is mostly for early-stage start-ups or even idea owners. It helps you fast-track the idea into a business with top business coaches.



3.3. Contact details for the hub organization

Organization: **Campden BRI Hungary**
Contact person: András Sebők
Email: a.sebok@campdenkht.com

Organization: **PANNON Pro Innovations**
Contact person: Eszter Pomázi
Email: eszter.pomazi@ppis.hu

3.4. Other important information

- ÉFOSZ – Federation of Hungarian Food and Drink Industries;
- EIP-AGRI Hungarian Network;
- BIOEAST;
- Hungarian Food Bank Association;
- Heroes of Responsible Dining;
- Hungarian Chamber of Agriculture;
- National Research, Development and Innovation Office;
- OMÉK – National Agriculture and Food Exhibition, highlighted section: Food Innovation Competition;
- AGRARIA Expo, which is an important business venue for Hungarian and Romanian trades;
- Sirha Budapest, which unites all branches of food industry services and gastronomy;
- Élelmiszer Online Conference;
- Nagykőrösi canning and freezing industry conference;
- Annual conference of the ÉFOSZ;
- FARMER EXPO Debrecen.



HOW TO SET UP A COMPANY IN HUNGARY



4



4.1. Setting up a legal entity in Hungary

The primary act of law in Hungarian company law is Act 4 of 2006 on Business Associations (Companies Act). The main types of business associations under the Companies Act are identical to those regulated in EU countries.

Under the Companies Act, business associations may be founded by non-resident and resident natural persons, legal persons and business associations without legal personality. The law may require a special permit from the authority for the foundation of a business association (foundation permit), such as, for instance, companies with an interest in financing, insurance or capital market activities, which may only be founded with approval from the Hungarian Financial Supervisory Authority (PSZÁF).

General partnerships, limited partnerships, limited liability companies, single member companies and private limited companies may be founded in a simplified procedure by enclosing with the application for the registration of the company the deed of foundation drawn up on the basis of a template in the annex of the Company Procedures Act.

Of the approximately 1.87 million entrepreneurships operating in Hungary, the vast majority (71.89%) are sole proprietors, and the rest are partnership businesses (2022 May). According to the Hungarian Central Statistical Office, the most popular business entities in 2021 were:

1. Limited liability companies: **77.11%**
2. Limited partnerships: **20.84%**
3. Public limited companies (by shares): **1.58%**
4. Other legal forms: **0.47%**

Since, in terms of procedure, there is not much difference between opening a limited liability company and a limited partnership, we will describe the process in one section. For further information on which suits your purpose the most, consult a local tax advisor.



4.2. Opening a KFT (limited liability company) or BT (limited partnership)

STEP 1

Preparation of corporate documents by a Hungarian attorney-at-law

Founders of the company must sign the company's constitutive document, which, together with some other documents, must be countersigned by a Hungarian attorney).

Time to complete:
minimum one day.

Costs:
Attorney fees range widely: founding cost is approximately HUF500,000 plus HUF 3,000,000 value of initial capital needed (can be assets).

STEP 2

Opening of a bank account

All Hungarian companies have to have a corporate bank account with a Hungarian bank. The account has to be opened in person by the managing director of the company.

Hungary's banking system is much more up to date than in many countries in Western Europe. You can open accounts in all major currencies including EUR, GBP and USD. It is advisable to also have an HUF account to pay taxes and contributions from. Exchanging currencies between your own accounts is usually affordable and available via Internet banking. All the main banking partners provide an English-speaking customer service, as well as Internet banking.

Every bank account can be accompanied by a VISA or MasterCard. While these cards only function as credit cards in some countries, it is common in Hungary to use them as a debit card. The advantage of this is that you only need one card for each account that you can use everywhere, dispensing with the Maestro, Giropay and other limited-use cards common in Western Europe. Getting a company credit card is unlikely for a new company – you will need to demonstrate several years of operation to be considered for one.

You can get help here: <https://helpers.hu/business-solutions/corporate-bank-account-in-hungary/>

The major banks in Hungary are: OTP Bank, K&H Bank, Erste Bank, Budapest Bank, CIB Bank, MKB Bank and Raiffeisen Bank.

Time to complete: one day.

Costs: depending on the bank.

STEP 3

Registering the company at the Hungarian Court of Registry and obtaining a tax identification number

The company is established by the act of the **Court of Registration**. All companies and sole trader businesses must register at the competent Court of Registration for the company's registered office. Applications for registering or amending details must be submitted **electronically** via a legal representative. The Court of Registration electronically records documents relating to the company and provides an electronic certificate of registration as well as confirmation of any changes made.

The "one-stop shop" during company registration means that the Court of Registration obtains the company's tax number and statistical code using the electronic system created for this purpose. The "one-stop shop" in the process of registering sole trader activities means that the competent authority obtains the tax number and statistical code directly, instead of the applicant, so the applicant does not need to deal in person with the competent state tax authority or the Central Statistical Office before registration (for post hoc registration see the section entitled "Tax registration" below).

Time to complete: in the case of companies established using template constituting documents, one working hour from the issue of the company's tax identification number (NB: this simplified registration procedure is not available for public companies limited by shares), otherwise the registration procedure takes 15 working days. It should be noted that the process could be more time-consuming if the procedure is suspended because the tax authority needs more than one day to provide the court with the tax identification number.

The cost and complexity of the process of company registration in Hungary vary depending on the type of company you choose.

Costs, registration fees:

- for limited partnerships: HUF50,000 (cca. EUR130);
- for limited liability companies and for private companies limited by shares: HUF100,000 (cca. EUR250);
- for public companies limited by shares: HUF600,000 (cca. EUR1,500).

Simplified registration procedure:

- for limited liability companies and for private companies limited by shares: HUF50,000 (cca. EUR130);
- for limited partnerships: HUF25,000 (cca. EUR63) publication fees: uniformly HUF5,000 (cca. EUR13). In the case of the simplified registration procedure, publication is free of charge.
- In the procedure of company registration, legal representation is obligatory.

Required documents:

- Instrument of constitution on a standard form
- Declaration to the Tax Authority to get the company a tax number
- Authorizations of the legal representative (the counsel), or the certification of the right for representation
- Certificate of payment of administration fees and fee of disclosure
- List of members
- Declaration of the CEO not being subject to forbidding. Certificate of the payment service provider for depositing the contribution in cash, as indicated in the instrument of constitution or the official declaration of the CEO for giving free run of the pledged contribution in cash
- Declaration of the CEO for giving free run of contribution in kind as well as the assessment declaration of the members concerning the contribution in kind.

Applications used in company registration shall be submitted by the legal representative via the Governmental Portal (magyarorszag.hu), using a general form fill-out framework program (ÁNYK) that handles the different forms for the process. In the electronic procedure of company registration it is necessary for the counsel to use an electronic signature and time stamp.

Registration (and any other process, which requires authorization) by electric means also requires Client Gateway (Ügyfélkapu) registration by the legal representative. The Client Gateway is the electronic identification and customer entry system of Hungarian governance. After single-sign-on and authentication of identity, the Client Gate allows users to connect with public bodies, which provide e-government services and administration. The legal representatives (counsel) have to convert all records not prepared by themselves (such as copy of property deed, authorization, certification by payment service institutions of deposit, etc.) into an electronic record. Those electronic documents assigned with qualified electronic signatures (QES) can be attached to the application directly.

STEP 4

Registration with the Hungarian tax authority, municipality, chamber of commerce, the Central Administration of National Pension Insurance

A representative of the company or an authorized tax expert can perform the administration required for the registration.

Time to complete: one day.

Costs: free of charge.

Taxpayers who are required to register their company are also required at the same time to report to the state tax authority within 15 days of the submission of the company registration application with regard to information that does not appear in the application for company registration. Similarly, all taxpayers have an obligation to report to the local tax authorities within 15 days of the commencement of activities there by the taxpayer (e.g. with regard to local business taxes).

Pursuant to the Decree Implementing the Act on Social Security Pension Provision, the obligation to provide information relating to the NYENYI (Individual Pension Insurance Record) form may also be fulfilled through electronic administration. The obligation to provide information relating to the Individual Pension Insurance Record Form may be fulfilled using the e-NYENYI service of the Central Administration of National Pension Insurance.

STEP 5

Data provision on employees to the tax authority

Once they have registered at the Client Gateway, employers are obliged to submit electronically on the eugo.gov.hu web page the data stipulated by law relating to their employees, on the form drawn up for this purpose, for the competent state tax authority of first instance, **by no later than the first day of the legal insurance relationship prior to commencement of employment.**



4.3. Required permits for agrifood business

There is no specific requirement for agrifood businesses while setting up a legal entity. Some activities might need permission to operate depending on the field (online sales, distribution, manufacturing, processing, production, retail, etc.). This should be consulted with a local lawyer.

4.4. Organizations providing support in setting up company in hub country

The best option is to get help from a local lawyer. [Dr István Dobos](#), attorney-at-law, has many years of experience with local and foreign start-ups and works together with local start-up incubators.

There are other options to consider like [Helpers](#), where you can get support by email (livia@helpers.hu) or phone (+36-1-317-8570).

[Tower Consulting](#) provides a one-stop-shop service for starting a new business in Hungary. They liaise between your company and the authorities, manage all paperwork and keep deadlines. Their services include providing an official seat for your Hungarian company, filing necessary documents, helping to open a bank account with favourable terms and online access. They also help with taxation and accounting if necessary. Phone: +36 1 808 9402, E-mail: info@towerconsulting.hu

[FIRMAX](#) Hungary provides similar services, and you can find some extra information on their website.

[Silent Rock](#) law firm specializes in corporate and company law.

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