

ABOUT AIRON & HUNGARY

EXPERIENCE

AIRON is one of Hungary's leading trust companies. We have placed great emphasis on maintaining our client relationships. This high degree of experience in international trust and company and tax law combined with the professionalism and knowhow of our experts guarantees comprehensive client service.

Our professionals are strongly committed to applying their broad range of experience and exceptional qualifications to the service of our clients.

TRUST

Mutual trust establishes the foundation for a successful, long-term partnership. We earn the trust of our clients by realising their interests reliably, responsibly and discreetly.

OUR COUNTRY

Hungary distinguishes itself through its legal stability and solidity while maintaining flexibility at the same time. It combines a modern infrastructure with professional services and institutionalised protection of privacy.

The wide array of high-quality products and services conforms to international standards, and financial intermediaries are subject to modern and impartial supervision.

The accession to the European Union in 2004 acted as a catalyst for numerous groundbreaking changes and facilitated the access to foreign markets. At the same time, membership in the EU assures that the regulation of the Hungary financial centre conforms to European standards.

The foremost advantages of Hungary are:

- liberally constructed corporate law
- a safe economic and political environment in the centre of Europe
- free movement of capital with the European Union
- a business-friendly tax environment and attractive taxation conditions for individuals and legal entities
- an efficient banking system
- modern infrastructure, good transport connection
- a high degree of discretion combined with the adherence to international legal
- standards for the prevention of money laundering and organised crime.

SERVICES

INTERNATIONAL TAX ADVICE AND TAX PLANNING

For international companies and individuals, tax planning and optimization of tax burdens within the legal framework play an important role. We offer expert advisory services in national and international tax law, including advice on VAT. We make preliminary clarifications regarding the selection of appropriate company locations, negotiate with national and international authorities, handle tax matters and assist our clients in filing their tax returns.

TRUSTS AND COMPANIES, FIDUCIARY ASSET MANAGEMENT, LONG-TERM INVESTMENT AND ASSET PROTECTION.

We advise our clients on the selection of appropriate legal forms. Thanks to our worldwide partnership network we can support them with a view to the establishment of trusts, private and non-profit foundations and companies in Hungary and abroad.

For our clients we also take on the administration and management of companies, trusts and foundations, which we represent before authorities in Hungary and abroad. AIRON TRUST is one of the few licensed trust companies in Hungary.

ACCOUNTING AND AUDITING

We support our clients in structuring and recording their financial and operational accounting: We draw up monthly, quarterly and annual reports, handle tax calculations for VAT payments, record the payroll accounting and file tax returns. Our accountants undertake all relevant services.

On request, we carry out the accounting in-house at our clients' companies. Selection of a suitable banking institution Thanks to our long-standing cooperation with numerous banks in Hungary and abroad, we can support our clients selecting the most appropriate institution and help them build banking relationships which cater to their individual needs.

CHANGE OF RESIDENCY

We support our clients in selecting their residency and provide answers to their questions about a change of residency. Some of these questions are those pertaining to taxation, the procedures for obtaining the required permits, familial considerations and questions in connection with property ownership.

Asset

TRUST – Fiduciary Management in Hungary

The new Civil Code 2013 introduced the concept of the trust as fiduciary asset management contract (FAMC or trust) in 2014. The concept of this new type of contract was drawn up on the basis of the model of the trust in English law and that of the Treuhand in German law. The regulation of the FAMC is dispositive, contracting is principally for consideration.

LEGAL BACKGROUND OF TRUST IN HUNGARY

According to the general provisions, the trustee has the duty to manage the property transferred to his ownership by the settlor in his own name, for the benefit of the beneficiaries and for which the settlor obliged to pay fee but contract can be free of charge as well. The assets transferred to the trustee can be rights, tangible and intangible assets or claims.

The trust is taxable entity, it has own tax registration number and object of the corporate income tax, local business tax, but not for the VAT. The trust tax resident in Hungary. The settlor, the trustee and the beneficiary can be legal of physical person, resident or non-resident in Hungary.

The settlor has the rights to transfer the assets and appoint the trustee. If the trustee and the settlor are not the same person, the FAMC can be only bilateral legal act. If the settlor and the trustee is the same, the FAMC is established by an unilateral legal act. The maximum duration of the FAMC is 50 years. The settlor can reserve the right to remove the trustee, appoint new trustee, replace the beneficiaries, modify his declarations or the duration of the FAMC. It is mandatory rule that the settlor may not instruct the trustee but the settlor can monitor the activity of the trustee or appoint protector to do this.

The concept of the protector is not known in the Civil Code 2013, but the creation of the title of the protector is not restricted.

The beneficiary can be named or referred as a group of beneficiaries. The trustee is not able to be beneficiary as well, just in case the FAMC has further beneficiary beside the trustee. The beneficiary can

monitor the activity of the trustee on his own cost but has no right to instruct the trustee similar to the settlor. The creditors of the beneficiary can claim for the assets of the beneficiary when the distribution of the assets or profit is due.

The trustee can be licensed (professional) or private trustee. Their obligations to the settlor and the beneficiaries are the same. The licensed (professional) trustee has to be corporate body, its paid up capital should be at least 70 million HUF, has to create financial security with liability insurance, bank guarantee or collateral which amount depend on the value of their FAMCs, and apply AML + KYC and trust accounting policy. Their licensed by the supervisory authority of the Central Bank of Hungary.

The private trustee has to register the FAMCs with the Central Bank of Hungary and this records of the FAMCs of private trustees are available for the tax authority, the police, the OLAF and the courts, etc. The trust deed (FAMC) is filed the Central Bank of Hungary and available for the competent authorities only if the settlor appointed private trustee. The professional or licensed trustees have to keep their records of the FAMCs and make it available for the competent authorities. The trust deed is not available for third party or creditors.

The tax reporting obligations are almost the same as for holding companies. The trustee have to file corporate tax and local business tax return on behalf of the trust even if the trust has not taxable income. If the trustee have to file annual financial report, the assets of the trust will be reported in separated annual report of the trust what available only for the persons authorized by the settlor and the beneficiaries.

FORMS OF COMPANIES

LIMITED LIABILITY COMPANY LLC (KFT) | is a very popular form of company for small or medium-sized businesses in Europe. The Hungarian Kft. form is very close to the German and Austrian GmbH (Gesellschaft mit beschränkter Haftung) and similar to the British Ltd (private company limited by shares). It is possible to establish a single-member Kft. The Kft. form is the most common company form for wholly owned subsidiaries.

PRIVATE COMPANY LIMITED BY SHARES (ZRT) | The company limited by shares is strictly regulated corporate form in Hungary and it is similar to the German AG or the English limited companies. A limited company may be either a private or a public company. The minimum capital requirement for a public limited company (Nyrt) is HUF 20 million and HUF 5 million for private companies limited by shares (Zrt).

BRANCH OF FOREIGN COMPANIES | Any foreign registered company can register branch office (FBO) in Hungary for business activity. The FBO should be managed by a resident physical person. The registration of a new branch is longer than the company registration, usually takes 3-6 weeks, depend on the registered address of the branch. The FBO should appoint an auditor as well if the mother company is non-resident in other EU country or Norway, Iceland and Liechtenstein.

TRADING AGENCY OF FOREIGN COMPANIES | for marketing and promotional activities non-resident companies can form trading agency in Hungary. The trading agency only promotes the parent company and helps to conclude agreements with customers, but direct trading or service providing is prohibited for this entity.

FOR MORE INFORMATION PLEASE VISIT OUR WEBSITE
OR CONTACT OUR OFFICE!



AIRON

Comprehensive
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TRUST & FAMILY OFFICE
COMPANY FORMATION
BANK ACCOUNTS
TAX PLANNING
ACCOUNTING & AUDIT
LEGAL SERVICES
RESIDENCY PERMIT

We Solve.