

Q: DO I NEED TO DEPOSIT THE SHARE CAPITAL AMOUNT TO THE COMPANY'S BANK ACCOUNT?

A: One of the advantages of incorporating a company in Hungary is that there is **no obligation to deposit the share capital** in the bank, and **100% of this capital can be spent** immediately after incorporation on company-related expenses. The amount of the share capital is **HUF 3 000 000 (ca. EUR 10,000)**. For example, the start-up costs of the company formation and all related services (e.g. accounting services, registered office, or a resident permit application for the director) can be deducted from the share capital, so in case of a tax audit (which is common for foreign owned companies in the first few months) the authorities will not question the whereabouts of the funds. Alternatively, if the share capital is not spent by the time of the audit (on start-up expenses or other deductibles such as wages or office/material costs), you may have to present this amount in cash/on the bank account.

Q: CAN I SET UP THE COMPANY WITHOUT TRAVELING TO HUNGARY?

A: You can set up the company via POA ([Apostilled](#), or authenticated by a Hungarian Consulate) and we can arrange the company registration without your presence. However the director of the company has to travel to Budapest at least for one day to open the bank account for the company. Alternatively you can schedule a 3-4 business day long trip and complete the procedure during your stay.

Q: CAN I SET UP THE COMPANY AS A SUBSIDIARY TO MY EXISTING BUSINESS?

A: You can set up a subsidiary to any Hungarian or foreign company, in this case we will need:

- a company registration document that contains the parent company's name, seat address, registration number, and the director(s) name(s) - this document needs to be apostilled or authenticated by a Hungarian Consulate and translated into Hungarian (the latter we can arrange).
- the details of the director of the parent company (date and place of birth, mother's maiden name, address)
- a POA from the director of the parent company (in case he/she is not going to be present in Budapest) - once we have all the details, we can draft this and send it to you - this document also needs to be Apostilled or authenticated by a Hungarian Consulate
- a POA from the director (and any shareholder) of the Hungarian subsidiary - this document also needs to be Apostilled or authenticated by a Hungarian Consulate

Q: WILL MY COMPANY RECEIVE AN EU VAT NUMBER?

A: The company will automatically receive an EU VAT number as well as a local tax number - no need for further paperwork!

Q: WHAT IS THE REGISTERED ADDRESS AND WHY DO I NEED IT?

A: Having a registered seat is essential for a Hungarian company. This is where authorities will expect to find you, therefore it is crucial that a competent person is there to handle any incoming mail or enquiry. The registered seat should usually not be located at the same address as your office or store, since as your company keeps growing, you will probably want to move your office, while your seat should remain the same. This is why it's worth having a virtual office as your company seat.

At your company seat (which can be a virtual office as well):

The name of your company has to be indicated near the entrance, so the authorities can reach you when they need to. Our service enables this, even at times when you are not in Budapest, or even in Hungary.

Incoming mail has to be processed. Hungarian authorities often send mail that requires prompt action, giving a deadline of only 8 calendar days. These letters have to be forwarded without delay, meaning within one day of receipt, so that necessary action can be taken. Most cases your accountant will do that for you. Also, non-urgent letters, such as bank account statements and invoices, should be forwarded to your accountant at least once a month.

A competent person has to be there to take action as necessary. As most of these letters are all in Hungarian, the contact person there has to speak the language.

If authorities are unable to find you in absence of the above, they may revoke your EU VAT number as well as liquidate your company.

You should also know that changing a company's registered seat requires a change of the official company documents at the authorities. This takes ca. 2-3 weeks of time and considerable legal fees. As a result, it makes more sense to have your seat registered at a service provider (that is, to have a virtual office) than changing it every time you move your office, store or warehouse.

The registered seat and mail forwarding service by Helpers Hungary offers all of the above, which makes this service a comfortable, reliable, and cheap (only EUR 1,000/year) solution for any foreign-owned company in Hungary. Your seat will be registered in a historical building in downtown Budapest (5th district), while all your urgent mail will be forwarded within 1 business day (non-urgent mail is forwarded weekly).

In practice, most of your mail will be dealt with by Helpers or your accountant, since it consists of lengthy documents in Hungarian, requiring data or advising about deadlines relevant to your accountant. These will be directly forwarded to the responsible person, and you will not have to worry about it at all – in most cases, you don't even need to see them. Moreover, if a document does need to be forwarded to you, we offer a concise explanation of what needs to be done and why, all free of any surcharge.