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Company formation in Hungary

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Flag



Coat of arms

Common form	Kft. (korlátolt felelősségű társaság) [1]
Registry	Company register (cégnyilvántartás), via the court of registration [1]
Minimum capital	HUF 3 million [1]
Directors	1 managing director [1]
Local director	Not required [1]
Corporate tax	9% [2]
VAT / sales tax	27% [2]
Typical timeline	1 working day (simplified procedure) to about 2 weeks [1]
Tax treaties	Domestic rates and treaty list [7]
Currency	Hungarian forint (HUF)

In short: To set up a company in Hungary, most founders form a Kft., registered with the company register (cégnyilvántartás), via the court of registration. [1] Minimum capital: HUF 3 million. Corporate tax: 9%. Registration: 1 working day (simplified procedure) to about 2 weeks (as of November 2026).

Hungary's **Kft.** is registered electronically through a lawyer with the court of registration. Hungary has the EU's lowest corporate tax rate, 9%, but also its highest standard VAT rate, 27%. Local business tax of up to 2% applies in most municipalities.

Business structures

Most founders in Hungary form a Kft., registered with the company register (cégnyilvántartás), via the court of registration. [1] **Other forms are listed below.**

- **Kft.** – limited liability company, HUF 3 million capital
- **Zrt. / Nyrt.** – private and public joint-stock companies
- **Egyéni vállalkozó** – sole trader

Requirements

Minimum share capital in Hungary (2026): HUF 3 million. Directors required: 1 managing director. Local resident director: not required. [1]

- A company name that is available, checked with the registry.
- Share capital: HUF 3 million.
- Directors: 1 managing director.
- Local residency: not required.
- A registered office address in Hungary.
- Articles of association; standard templates are often available.
- Beneficial owners reported to the beneficial ownership register.

Registration process

Typical time to register a company in Hungary (2026): 1 working day (simplified procedure) to about 2 weeks. [1] **The usual steps are:**

1. Choose the company form and check that the name is available.
2. Prepare and sign the articles of association.

3. File the registration with the Company register (cégnyilvántartás), via the court of registration.
4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax and VAT or sales tax with the National Tax and Customs Administration (NAV).

Taxation

The corporate tax rate in Hungary in 2026 is 9%. [2] Standard VAT or sales tax: 27%. [2]

Tax	Rate and notes
Corporate income tax	9%
VAT / indirect tax	27%
Withholding tax on dividends to non-resident companies	0%

Ongoing compliance

Annual compliance in Hungary: Companies file annual reports through the electronic company information service and tax returns with the NAV, including local business tax with the municipality. [1]

Double tax treaties

Hungary has a network of double tax treaties. A double tax treaty decides which country may tax cross-border income and usually caps the withholding tax the paying country can charge.

Domestic withholding tax on payments to non-resident companies

Dividends	Interest	Royalties
0%	0%	0%

Hungary levies no withholding tax on payments to foreign companies.

Within the EU, the Parent-Subsidiary and Interest and Royalties Directives can reduce these rates to 0% for qualifying group payments.

The reduced rate for each partner country is set by the treaty concerned; PwC's withholding tax summary for Hungary lists them.

Domestic rates from the PwC Worldwide Tax Summaries withholding tax quick chart (November 2026). Treaty benefits require proof of tax residence and are subject to anti-abuse rules.

Frequently asked questions

How long does it take to register a company in Hungary?

Typical registration time in Hungary: 1 working day (simplified procedure) to about 2 weeks (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

What is the minimum share capital for a company in Hungary?

Minimum share capital in Hungary: HUF 3 million (as of November 2026).

What is the corporate tax rate in Hungary in 2026?

The corporate tax rate in Hungary in 2026 is 9%. See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in Hungary?

Yes. There is no nationality requirement for shareholders. Local director rule in Hungary: not required.

What withholding tax applies to dividends paid from Hungary?

Hungary charges no withholding tax on dividends paid to non-resident companies under domestic law. See the Double tax treaties section.

Official registries and resources

- Company register (cégnyilvántartás)
- National Tax and Customs Administration (NAV)

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

See also

- Comparison of company formation by country
- Company formation in the United Kingdom
- Company formation in Germany
- Company formation in Poland
- Company formation in Ireland
- All countries

References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.

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2. Official National Tax and Customs Administration (NAV) . Government of Hungary. Accessed November 2026.
3. Hungary: Corporate – Taxes on corporate income (reviewed 01 July 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.
4. Quick charts: Corporate income tax (CIT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
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