

Founding a limited liability company (LLC) in Hungary

(Part 1)

For the sake of simplification and expedited procedure it is recommended to establish a limited liability company in Hungary by way of a simplified registration procedure. In this case, an official sample (form) shall be used as articles of association. This official form is made and supported by the court of registration; therefore, the time frame and the official administrative costs for the establishment are more favorable.

The statutory registered capital may not be less than 3 000 000 HUF (ca. 9 200 EUR). As a main rule, all contributions shall be made available to the company before the application for registration is submitted to the court of registration. After the registration, the paid amount of registered capital can be used up. Furthermore, it is also possible to pay only a part of the contributions before application and to complete the remaining amount of contribution later.

Fortunately, in 2017 the lawmakers abolished the legal fee for company registration which was to be paid to the court of registration and the administration.

An administrative fee of 5 000 HUF (ca. 13 EUR) is still mandatory however to be paid to the chamber of commerce for the obligatory registration of a legal entity in their administrative records.

The articles of association of a limited liability company must be in Hungarian; a translated version of the document or a bilingual version may be submitted to the court of registration. If the two latter version is required, translation costs arise, naturally.

The articles of association shall be countersigned by an attorney-at-law. The attorney is further obliged, as part of countersigning the articles of association, to identify the private person establishing the company, if the founder is a private person, and (if the private person is Hungarian) check the authenticity of the personal documents, such as identity card and card certifying the domicile, used for the foundation.

Further required documents and/or information for establishing a company are as follows:

- Articles of association (or deed of foundation in case of a single-shareholder-company)

- List of members
- Signature specimen of the managing director
- Declaration of acceptance by the managing director
- Authorization to accept postal deliveries from foreign legal or natural member (delivery service agent)
- List of contributions in kind (if any)
- Certified extracts from the commercial register of members being legal entities, if any, with official Hungarian translation
- Certificate of the bank about the payment of the share capital / declaration by managing director that the share capital is paid up
- Application for registration at court of registration

(To be continued in Part 2)