

Founding a limited liability company (LLC) in Hungary (Part 2)

Further administrative tasks, miscellaneous registrations, notifications may be required, such as: registration at the tax authority; Central Statistical Office; office of local municipality (mayor's office) as taxpayer; Budapest Chamber of Commerce and Industry (compulsory, see above); establishing electronic company gateway for obligatory electronic correspondence with authorities, courts.

If the company intends to be active in a business field or activity that requires a permit, the company may be registered at the court of registration, however may not start its activity until said permit is granted by the competent authority.

In specific cases, you may need further documents, such as documents regarding supervisory board or auditor.

In case of a simplified proceeding, the registration of the company at the court of registration shall be completed within 1 working day; however, in practice, 3 working days may be required.

If uncertain about the availability of the requested name of the company, a preliminary procedure to check the availability of the name and to reserve it until the registration procedure is completed, is suggested. The court of registration will check for the availability of maximum 5 requested names. The court of registration will reserve the name of the first available one; therefore the order of the list of five names is of importance and shall mirror the preferred order.

The cost of such procedure totals 15 000 HUF (ca. 46 EUR) and is recommended. If the company submits all documents, even in case of a simplified procedure, and the name is not available, the court of registration declines the registration, therefore a new name shall be selected and all documents drawn again – including articles of association or sample signature of the managing director, which of course, delays the registration and generates costs such as attorney's fees.

If you decide to found a company in Hungary, you shall mandate an accountant for tax and accountancy services; further the company shall open a bank account.