

Founding a private limited company (PLC) in Hungary (Part 2)

Foundation of a private limited company

Shareholders and capital may not be solicited for the foundation of a private limited company by way of public invitation. The articles of association shall, in addition to the generally binding content elements, stipulate the declaration of the founders concerning their commitment to subscribe for all shares, and on the division of the shares among themselves; the amount of the share capital, the number and nominal value or accounting par value of the shares to be issued upon foundation, and the type of shares; the procedure for calling general meetings, as well as the conditions and method of exercising voting rights; and the name of the first auditor.

A private limited company may be registered only if, prior to the submission of the application for registration: the founders who agreed to provide contributions in cash have paid at least twenty-five per cent of the nominal value or accounting par value of the shares which they have committed to subscribe for in the articles of association; and asset contributions have been made available to the company, with the exception if the value of such asset contributions is less than twenty-five per cent of the share capital.

Shareholders shall pay up the nominal value or accounting par value of the shares to the limited company in full within one year from the date when the limited company is registered, and shall place asset contributions at the limited company's disposal in whole within three years from the date of registration. Any and all provision of the articles of association providing for a later date than what is prescribed here in connection with capital contributions shall be null and void.

Simplified companies' registration procedure

You may found a private limited company using a sample published in the act on companies' registration procedure. This way the registration procedure may be concluded within an hour after submitting the request at the court competent in accordance with the seat of the private limited company. The fee for the registration procedure at the court of registration costs HUF 15.000 (approx.. 46 EUR) and an additional HUF 3.000 (approx. 9 EUR) shall be paid as publication fee.