

ADMITTING THIRD-COUNTRY NATIONALS FOR BUSINESS PURPOSES

HUNGARY

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The European Migration Network (EMN) is co-ordinated by the European Commission with National Contact Points (EMN NCPs) established in each EU Member State plus Norway.



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EMN FOCUSSED STUDY 2014

Admitting third-country nationals for business purposes

Top-line “Factsheet” (National Contribution)

Overview of the National Contribution – introducing the study and drawing out key facts and figures from across all sections of the Focussed Study, with a particular emphasis on elements that will be of relevance to (national) policymakers.

The study addresses policy frameworks and legal conditions for entry and stay of third-country nationals choosing to enter and to stay in Hungary for business purposes. The study in particular introduces the Hungarian national schemes and legal provisions concerning three target groups: immigrant investors, immigrant business owners and other business persons, this latter category including - but not limited to - the temporary admission of third-country nationals under international trade agreements (i.e. the pre-defined six “Mode 4” categories tackled by the EU free-trade agreements listed in Annex 2).

The study explores the national rules and restrictions in place to regulate the admission of each of the three focus groups, as well as the effectiveness of legislation and policies to facilitate it, whilst preventing abuse. The aim is to discover whether there are comprehensive national policies in place covering all the aspects that governments should pay attention to, among other the attractive features of the scheme for business migrants on the one hand, and the interests of the state, including keeping the chances of abuse at a minimum level, on the other hand.

As for immigrant investors a new and comprehensive policy is shown attracting high net worth third-country national investors by a set of competitive rules in the European environment. The initial results of the investors settlement programme shows that on the one hand it fulfils the expectations concerning the direct help to the financing of the country, while on the other hand it provides a relatively cheap and advantageous scheme for third-country national investors, in the meantime keeping the chances of abuse low.

Contrary to immigrant investors, provisions on immigrant business owners do not demonstrate a single, comprehensive policy, but rather a complex set of rules adjusted continuously to the tendencies of abuses detected in immigration procedures. It also reflects the fact that many of the abuses of legal channels of migration are observed in cases of foreigners establishing a company in Hungary. Therefore it is even more important in this case to fulfil the challenging task of creating a balance between the economic needs and simple administration on the one hand, and avoiding abuses on the other hand.

The most complex and most indefinable group in the context of the Hungarian legal provisions is the group of business persons, among others including business visitors for establishment purposes (BVEP), intra-corporate transferees (ICT), business sellers (BS), independent professionals (IP), contractual services suppliers (CSS), and graduate trainees (GT). None of these categories are covered by special national immigration provisions formulated for their needs, therefore legal provisions drafted for a wider personal category should be applied for such business persons. It results in the fact that their special needs and/or characteristics are not necessarily taken into account either by the legal provisions or by their implementation.

Nevertheless, the Migration Strategy adopted in 2013 sets out the aim of making Hungary more attractive for

third-country nationals, who intend to make an investment or start an enterprise of significant importance for the national economy without wishing to settle in Hungary. Therefore it will be the task of the competent policy makers to create concrete rules of incentives for investing. Additionally, the problems hindering the investment purposes that third-country nationals face in visa procedures should be assessed. As for the provisions pertaining to long-stays of business persons arriving through intra-corporate transfers need to be formulated as a result of the obligation of transposing Directive 2014/66/EU by the second half of 2016.

Section 1: National frameworks for admitting third-country nationals for business purposes

For the national policies, the questionnaire asks first for information about the national policies in relation to **immigrant investors** (Sections 1.1 – 1.2), then for **immigrant business owners** (1.3 – 1.4) and finally for **other business persons** (Sections 1.5 – 1.6)

Section 1.1: Immigrant investors: overview of national policies

*This section asks for information on the national institutional framework and the main policy objectives in relation to **immigrant investors** from third-countries. It will provide a mapping of the national stakeholders involved in the design and implementation of the policies to attract such investors, and the incentives that apply.*

EMN NCPs are asked to answer the following questions, at times guided by a non-exhaustive list of prompts.

Q1. How does the national legislation of your Member State define immigrant investors?

Section 28 (3)¹ of Act II of 2007 on the entry and residence of third-country nationals (hereinafter referred to as 'Third-Country Nationals' Act') sets out that a residence permit may be issued to a third-country national whose entry and residence in Hungary is in the interest of the national economy for reasons related to the investments made by such person in Hungary, and if able to meet the requirements set out in Paragraphs a), c)-i) of Subsection (1) of Section 13, such as justifying the purpose of entry and stay; having a valid travel document, accommodation or a place of residence in the territory of Hungary, sufficient means of subsistence, full healthcare insurance or sufficient financial resources for healthcare services; not being subject to expulsion or exclusion; not being considered to be a threat to public policy, public security or public health, or to the national security of Hungary, and not being a person for whom an alert has been issued in the SIS for the purposes of refusing entry.

Q2a. Does your Member State have a specific policy, programme or scheme for immigrant investors?

Yes

Q2b. If yes, please provide more information about the specific policy, programme or scheme, including a) the name of the policy / programme / scheme: b) its main policy objectives (Neutral, pro-active); whether it targets c) specific investment types e.g. real estate, transfer of capital, national funds / bonds, business investments, endowment to public projects, mixed investments, joint ventures, etc. or d) economic sectors / geographical areas / strategic partners; and whether e) a quota / limitation system is in place to govern the number of entries or permits that can be issued to migrant investors?

a) Name of policy / programme and legal basis

Investor settlement, the legal basis of which is set out in Section 28 and Section 35 of Act II of 2014. In

¹ Enacted: by Section 1 of Act CCXX of 2012. In force: as of 28. 12. 2012.

addition the Ministry for National Economy Decree 4/2013 (II.19) on the specific rules for issuing the government bonds specified in the Entry and Stay of Third-Country Nationals Act also set out further provisions of such programme.

b) Main policy objectives

On 27 October 2012 Bill No. T/8879² was submitted as an independent initiation of a Member of the Parliament, the justification of which stated that the purpose of the bill is that – based on the international examples and experiences – Hungary would create the institution of the so-called investor settlement, which defines the acquisition of a long-term residence permit to buying state bonds, because the financing of the state is wished to be helped as a result. Moreover those applying for a long-term residence permit this way can also make a leverage effect on the domestic real estate market, trade and investment markets by further direct investments.

c) Type of investment (e.g. real estate, transfer of capital, national funds / bonds, business investments, endowment to public projects, mixed investments, joint ventures, etc.)

Section 28 (4) of Act II of 2007 sets out that in the application of Subsection (3), national interest shall, in particular, mean:

a) if the third-country national provides evidence that they themselves have, or a business association in which they have a majority stake has, securities with a maturity of not less than five years, with a nominal value of at least 250,000 euros³, issued by a company which fulfils all the following conditions:

aa) the company invests exclusively in zero bonds issued by the Hungarian Government for this particular purpose under the conditions decreed by the minister in charge of public finances, with a maturity of not less than five years, of a nominal value of at least 250,000 euro, where the issuer undertakes the commitment to repay the nominal value at the end of the maturity period, and that the bonds are issued at a discount price, with less interest, where the discount rate is 1.5 per cent below the secondary market rate of the Hungarian government bond, denominated in euro, with remaining maturity closest to the five-year period at the time of issue of the bond, but at least 2 per cent,

ab) has a contract - in respect of the activity defined in Subparagraph aa) - with the Government Debt Management Agency,

ac) issues registered securities exclusively, and

ad) has all permits and authorizations under the law of the given country, which are required for the activity in question; and

² <http://www.parlament.hu/irom39/08879/08879.pdf>

³ A recently negotiated Bill (T/1168) on the modification of Act II of 2007 intends to raise this sum to 300,000 EUR from 1 January 2015.

b) if the applicant provides a - final and irrevocable - guarantee made by the company referred to in Paragraph a) to subscribe within forty-five days following the date of issue of the applicant's residence permit the government bonds defined in Subparagraph aa) of Paragraph a) above, with a nominal value of at least 250,000 euros, from the funds made available by the applicant.

The contract referred to in Subparagraph ab) of Paragraph a) of Subsection (4) may be concluded by a company so authorized by the Standing Parliamentary Committee for Economic Affairs.⁴ The above-specified authorization by the Standing Parliamentary Committee for Economic Affairs shall be limited to one company from any given country.⁵ The list of authorized companies can be viewed online.⁶

The conditions of issuing of such bonds are specified in the Decree of the Ministry for National Economy 4/2013 (II.19) on the specific rules for issuing the government bonds specified in the Entry and Stay of Third-Country Nationals Act. The Settlement Hungarian State Bonds are issued below par at a discount price and at their expiration the nominal value is paid back. Consequently the difference between the discount price and the nominal value provides the profit calculated according to the legal provisions.

d) Priority national economic sectors / priority national geographical areas / countries of origin targeted / strategic partners required.

One of the MPs submitting the Bill concerning the investor settlement, Antal Rogán in his speech⁷ during the general debate of the bill said that the idea of introducing such a legal institution has come up while he was negotiating with China as the president of the Chinese-Hungarian Friendship Association, yet the investor settlement is not only offered for Chinese citizens, but also for any other citizens of non-EU and not Atlantic states.

e) Quotas in place

None, Hungary can only apply quotas on permits issued for purposes of employment.

Q3a. What is/are the main actor(s) and institution(s) involved in the development of policies to attract immigrant investors? If multiple authorities are involved, how are they coordinated? Is there an official mandate – e.g. an Action Plan - governing the involvement of these authorities?

The Bill was submitted by three MPs (Antal Rogán, Mihály Babák, Krisztián Kapus) from the governing party, Fidesz and it was modified by the Standing Parliamentary Committee for Economic Affairs. The Act creating

⁴ Section 28(5) of Act II of 2014

⁵ Section 28(6) of Act II of 2014

⁶ <http://www.akk.hu/object.b61e5dc4-a342-4a5e-b69a-0b6239feba2c.ivy>

⁷ Speech of Antal Rogán at the general debate of the bill, Parliamentary Meeting Day No. 231, 29.10.2012:
http://www.parlament.hu/web/kulturalis-bizottsag/a-bizottsag-ulesei?p_auth=FdZfw6p&p_p_id=pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_p_col_id=column-1&p_p_col_count=1&pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2FcpIsqI%2Fogy_naplo.naplo_fadat_aktus%3Fp_ckI%3D39%26p_uln%3D231%26p_felsz%3D284%26p_felszig%3D332%26p_aktus%3D61

the institution of the investor settlement was adopted by the Hungarian Parliament.

As the authorization for an intermediary company is given by the Standing Parliamentary Committee for Economic Affairs, this Committee also has an effect on the practical implementation of this policy.

Q3b. Which actor / institution is responsible for the promotion of the policy with the target group?

The special scheme of investor settlement is enhanced by companies that are authorized to buy these special Settlement Hungarian State Bonds, it is therefore primarily their task to promote the policy with the target group. It also occurs that certain law firms⁸ take part in promoting such policies to potential clients.

Furthermore, the Hungarian Investment Promotion Agency (HIPA) was established under a Government Decree⁹ to provide professional help to foreign companies intending to invest in Hungary. Their task is to support the implementation of the Government's key investment promotion targets and to foster bilateral and multilateral international economic relations. To this end, HIPA seeks and maintains contacts with potential foreign investors, helping them to prepare and implement strategic investment decisions, as well as providing post-decision support and encouraging their intention to re-invest. HIPA offers company and sector-specific consultancy, attends professional events, recommends locations, and organizes site visits.¹⁰

Péter Szijjártó, the new Minister of Foreign Affairs and Trade announced¹¹ that 136 foreign trade attachés will work at 106 stations. Their tasks¹² – among others – will include encouraging participation in the implementation of the government's policy in attracting capital, contributing to finding companies investing in Hungary and investment opportunities of Hungarian companies in the host country, as well as to the realization of such investments.

Q4a. Does your Member State have specific measures in place to attract immigrant investors?

Yes

Q4b. If yes, Please complete the table below with regard to the (applicable) policy measures in place to attract immigrant investors in your Member State.

Measures	Brief description of the measure in the Member State
What do these specific measures entail? (active promotion / information dissemination /	In December 2012, the Hungarian Parliament adopted the Act CCXX of 2012 on amending Act II of 2007 on the Entry and Stay of Third-Country Nationals with the aim of enhancing investment migration. As a result any

⁸ See e.g. the promotion video of VJT & Partners, a Hungarian commercial law firm advising international and domestic corporate clients and entrepreneurs: <https://www.youtube.com/watch?v=c3u5hc7jvmk>

⁹ 183/2014. (VII. 25.) Government Decree on the Hungarian Investment Promotion Agency

¹⁰ Source: <http://hipa.hu/en/Content.aspx?ContentID=acecbc06-9776-4d34-874b-01e7639b61a8> (accessed: 30.10.2014.)

¹¹ 1 October 2014, <http://www.kormany.hu/hu/kulgazdasagi-es-kulugyminiszterium/hirek/vegleg-es-visszafordithatatlanul-lerakjuk-az-uj-magyar-kulpolitika-alapjait>

¹² Call for application for the position of foreign trade attaché: <http://hipa.hu/hu/Content.aspx?ContentID=1f57499d-349a-4ea3-b159-cfa189e4fa19>

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<i>campaigns / events including in third countries, etc.)</i>	third-country national whose investments in Hungary qualify his or her entry and stay as being "in the interest of the economy at large" may receive a residence permit. For such purposes, a third-country national's stay in Hungary is considered to be "in the interest of the economy at large" in particular if the third-country national verifies that he/she or a company in which he/she holds a majority stake owns a security with a nominal value of at least EUR 250.000 and a duration of at least five years. The security is issued by an enterprise that invests exclusively in zero-coupon Hungarian government bonds issued for this particular purpose with a nominal value of EUR 250.000 and a duration of at least five years, and does so only under the conditions specified in the Ministry for National Economy Decree 4/2013 (II.19) on the specific rules for issuing the government bonds specified in the Entry and Stay of Third-Country Nationals Act.
Does a list of specific procedural facilitations for admission exist? If yes, please explain what they entail (reduced costs, shortened processing time, reduced documentary requirements, minimum residence period required (per year), possibility of renewal, etc.)	Third-country national fulfilling the conditions described above may receive a residence permit for "other" purpose. Having obtained this specific type of residence permit for 6 months, they may apply for a national long-term residence permit, which allows its holder to establish permanent residence in Hungary for an indefinite time. The application for the national long-term residence permit may be submitted at a consulate of Hungary abroad, and the issued national long-term residence permit cannot be withdrawn based on the holder's permanent absence from Hungary.
Are there specific tax incentives? (benefits, exemptions, etc.)	Not specifically connected to this scheme.
Does the possibility exist for immigrant investors to be accompanied by family members? Are family members allowed to access the labour market?	Yes, Hungary does not set out any compulsory waiting period for the sponsor to be able to reunify with their family members, therefore family members may submit their residence permit applications parallel to the submission of the sponsor's first residence permit application. Yes, but according to the general rule only after a labour market test is carried out and the employment authorities issue a positive opinion on the employment. As an exception those family members, who have stayed in Hungary for at least one year, and if their sponsor can be applied without an employment authorization, the family member is also exempted from having to gain an employment authorization for being employed (see Article 15(1) Point 23 of 445/2013 Government Decree).
Are immigrant investors granted access to social benefits?	Only after gaining national long-term residence permit.
Are immigrant investors granted access to citizenship?	Not immediately. After gaining national long-term residence permit they need to live – according to the main rule - at least for eight years in Hungary in order to be able to apply for citizenship. Therefore the specific measures for investors only facilitate the gaining of long-term residence permit and with it the establishment of permanent address in Hungary that is a precondition for applying for citizenship.
Other (please state)	

Q5a Does your Member State have any bilateral or other agreements in place with Third Countries to attract immigrant investors?

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The special scheme of investor settlement is not enhanced by international agreements but through companies that are authorized to buy these special Settlement Hungarian State Bonds.

For the list of international investment agreements that Hungary is involved in please see Annex 3.

Q5b. Does your Member State share information with other Member States? Does your Member State consult other

Not within the settlement investor programme.

Section 1.2: Immigrant investors national policies: pre-arrival stage (admission criteria) and stay (renewal) (Maximum 3 pages)

Section 1.2 aims at providing an overview of the admission criteria applied by Member States in order to admit immigrant investors from third-countries to the national territory. The section also examines whether Member States require investors to submit an investment plan and the specific procedures in place with regard to this. Finally, this section touches upon also criteria linked to the renewal / withdrawal of their residence permit / long-stay visa.

EMN NCPs are asked to provide their answers to the questions below.

Q6a. Please indicate which of the list act as criteria to admit immigrant investors in your Member State in the table below. All listed requirements imply a Yes/No answer: in affirmative cases, EMN NCPs are asked to describe the criteria. If possible, EMN NCPs should also explain whether the same criteria apply to third-country nationals admitted to the national territory under a different immigration channel (family reunification, study, etc.) but willing to change their status into immigrant investors.

Admission criteria	Explanation	Do the same criteria apply to third-country nationals present in your Member State who have another status and are willing to change it into investor?
Minimum financial amount to invest (please indicate the financial amounts applied to each of the investment types identified above in Question 2b point c)	The third-country national shall verify that he/she or a company in which he/she holds a majority stake owns a security with a nominal value of at least EUR 250.000 and a duration of at least five years. The security is issued by an enterprise that invests exclusively in zero-coupon Hungarian government bonds issued for this particular purpose with a nominal value of EUR 250.000 and a duration of at least five years, and does so only under the conditions specified in the Ministry for National Economy Decree 4/2013 (II.19) on the specific rules for issuing the government bonds specified in the Entry and Stay of Third-Country Nationals Act.	Yes

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Investment plan <i>If Yes, please complete the table in Q6b</i>	No.	
Expected Impact of proposed investment in the Member State <i>(economy, public life etc.)</i>	The primary purpose is that the financing of the state is wished to be helped. Moreover those applying for a long-term residence permit by being a high net worth investor can also make a leverage effect on the domestic real estate market, trade and investment markets by further direct investments.	
Minimum Education / Professional skills	No.	
Language knowledge <i>(certification, pre-entry tests, mandatory courses, etc.)</i>	No.	
Age requirement for applicants <i>(minimum / maximum)</i>	No.	
Security / health / background checks in place <i>(origin of investment, fraud checks, previous bogus activities, etc.)</i>	<p>According to Section 97 of Government Decree 114/2007, the Constitution Protection Office and the Counter Terrorism Center issue their official opinion on whether the applicant means a threat to the national security of Hungary in all applications for long-term residence permit.</p> <p>According to Section 97/A of Government Decree 114/2007, the Police issue their official opinion on whether the applicant means a threat to the public security of Hungary in all applications for long-term residence permit.</p> <p>It is therefore primarily the criminal background as well as involvement in activities threatening public and national security that is checked by these special authorities.</p> <p>Furthermore, it should be noted that such checks are only compulsory in cases of long-term residence permit applications, in cases of applications for residence permits, such checks are only carried out in special cases according to</p>	

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	Section 50 of Government Decree 114/2007.	
Other (please state)	Section 47(5a) of Government Decree 114/2007 facilitates the administration of applications of residence permits of investors and their family members by setting out that such applications shall immediately be forwarded by the consuls to the Budapest and Pest County Regional Directorate of the Office of Immigration and Nationality (hereinafter referred to as 'OIN'), which holds exclusive competence in adjudicating such applications.	

Q6b. In case an investment plan is required, EMN NCPs are asked to complete the table below. All listed requirements imply a Yes/No answer: in affirmative cases, EMN NCPs are asked to describe the requirements with additional information.

N.a.

Investment plan requirements	Explanation
Information required on legal aspects of the investment.	N.a.
Information required on the commercial and financial aspects (nature of the investment, origin of the capital to invest, target groups, preliminary contracts, performance indicators, etc.)	N.a.
National institution responsible for the assessment/ approval	N.a.
Duration of examination / due diligence phase	N.a.
Documentation required (If a list exists, please report it here)	N.a.
Review period	N.a.
Other	N.a.

Q7. If the criteria for admission are satisfied what initial document is issued? Please provide any detail on:

- type of document issued (e.g. short-stay visa, authorisation to stay, long-stay visa, residence permit, etc.)

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- *its duration*
- *whether it is longer than the usual duration which applies to other categories of third-country nationals*
- *whether its validity differs (and how) from its renewal.*

A third-country national fulfilling the conditions described above may receive a residence permit for “other” purpose. It is issued for the validity period of the state bonds, so for five years.

Its validity differs from the average validity period of residence permits, which is in most cases two years, but certain other purposes of stay, such as research or family reunification can also justify the issuance of residence permit for five years.

An entry-visa – applied for and granted together with the permit – is issued by the foreign representation. The entry visa is valid for 30 days allowing its holder to enter into the country and receive the residence permits at the competent Regional Directorate of the OIN within this period.

There are no specific provisions on renewal, instead as a next phase of stay for investors, the gaining of national long-term residence permit is made available after six months based on preferential provisions.

Q8. Where and by which institution / organisation (internal or abroad) are the documents issued? (e.g. diplomatic mission in the third country; other responsible representative; intermediary agency, etc.)

An entry-visa – applied for and granted together with the permit – is issued by the foreign representation, the entry visa is valid for 30 days allowing its holder to enter into the country and receive the residence permit at the competent Regional Directorate of the OIN within this period. The residence permit is issued by the Central Office for Administrative and Electronic Public Services, but is given to its holder by the OIN.

Q9. EMN NCPs are asked to provide information on the criteria to be met in case of extension of the document issued for the stay of immigrant investors. Please provide details of the type of document issued and its duration.

Renewal criteria	Explanation
<i>What are the requirements related to the purpose of stay (investment) that need to be met in order to prolong/extend the initial authorisation of stay/ long-stay visa/residence permit?</i>	<p>As a next phase of stay for investors, the gaining of national long-term residence permit is made available based on preferential provisions. According to these provisions after holding the residence permit issued for investors, the third-country national can submit an application for national long-term residence permit. It provides preferential treatment for high net worth investors as the general rule of having to spend a three-year-long uninterrupted stay in Hungary does not apply to such investors.</p> <p>Apart from the above mentioned preferential conditions further criteria for the issuance of national long-term residence permit also apply in case of an investor applicant. These are the following:</p> <ul style="list-style-type: none"> - adequate accommodation; - sufficient financial resources and subsistence means; - health insurance. <p>The applicant should also present personal documents:</p> <ul style="list-style-type: none"> - birth certificate; - documents proving marital status; - a clean criminal record from the previous country of permanent stay.

	The third-country national cannot mean a threat to public or national security, and cannot be the subject of an expulsion order, entry ban or alert in the Schengen Information System (hereinafter referred to as 'SIS'). A positive official opinion on gaining the national long-term residence permit is also needed from the Hungarian Police as well as from the Constitution Protection Office.
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Section 1.3: Immigrant business owners: overview of national policies (Maximum 1 page)

*This section asks for information on the national institutional framework and the main policy objectives in relation to **immigrant business owners** from third-countries. It will provide a mapping of the national stakeholders involved in the design and implementation of the policies to attract business owners, and the incentives that apply.*

EMN NCPs are asked to answer the following questions, at times guided by a non-exhaustive list of prompts.

Q9. How does the national legislation of your Member State define immigrant business owners?

According to Section 20(1)c) of the Third-country Nationals' Act, a residence permit may be issued for the purpose of gainful activities to third-country nationals whose nature of stay is to engage in any gainful activity in the capacity of the owner or director of a business association, cooperative or some other legal entity formed to engage in gainful employment, or is a member of the executive, representative or supervisory board of such entity other than lawfully performing work in a self-employed capacity for remuneration.

Q10a. Does your Member State have a specific policy, programme or scheme for immigrant business owners?

No

Q10b. If yes, please provide more information about the specific policy, programme or scheme, including a) the name of the policy / programme / scheme: b) its main policy objectives (Neutral, pro-active); whether it targets c) specific type of businesses and / or d) economic sectors / geographical areas / strategic partners; and whether d) a quota / limitation system is in place to govern the number of entries or permits that can be issued to immigrant business owners?

a) Name of policy / programme

N.a.

b) Main policy objectives

N.a.

c) Type of business (e.g. any specific sector, knowledge-based sector, start-up / spin-off, etc.)

N.a.

d) Priority national economic sectors / priority national geographical areas / countries of origin targeted / strategic partners required.

N.a.

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e) Quotas in place

N.a.

Q11a. What is/are the main actor(s) and institution(s) involved in the development of policies to attract immigrant business owners? If multiple authorities are involved, how are they coordinated? Is there an official mandate – e.g. an Action Plan – governing the involvement of these authorities?

N.a.

11b. Which actor / institution is responsible for the promotion of the policy with the target group?

N.a.

Q12a. Does your Member State have specific measures to attract immigrant business owners?

Yes

Q12b. If yes, Please complete the table below with regard to the policy measures in place to attract immigrant business owners in your Member State.

Measures	Brief description of the measure in the Member State
<i>What do these specific measures entail?</i> (active promotion / information dissemination / campaigns / events including in third countries, etc.)	The overall environment for foreign investment in Hungary is very good. Foreigners may have up to 100% ownership in Hungarian legal entities. Repatriation of Hungarian profits in resident foreign entities is permitted. In addition, there are no minimum investment requirements and no trade restrictions for foreign investors. Foreign companies, as with all companies in Hungary, must register with the local court of registration, the tax authorities and the social insurance authorities.
<i>Does a list of specific procedural facilitations for admission exist? If yes, please explain what they entail</i> (reduced costs, shortened processing time, reduced documentary requirements, minimum residence period required (per year), possibility of renewal, etc.)	Within 30 days after the conclusion of the Articles of Association the establishment of the company must be notified at the competent court. The notification means the submission of the application for registration by a representative of the company. If the prospective company established needs an official permit, the application must be made within 30 days of receipt of the permit. In addition to the mandatory registration form specified attachments shall also be submitted and the application shall be accompanied by the proof of payment of the publication fee. According to Article 33(4) of Act V of 2006 on company information, the court registration procedure and voluntary liquidation (hereinafter referred to as Company Act) the company fulfils its obligation to notify to the registry electronically. The notifications are received by the

Company Information Service. The person submitting the application may choose to have the Company Information Service forward the necessary information to the tax authority as well as to the Central Office of Statistics in order to fulfil the obligations through this one-stop-shop system.¹³

One of the main tasks of the Company Information Service, operating as an organizational unit of the Ministry of Justice, is to check the electronic registration (registration of changes) application from an IT point of view, as well as to examine the authenticity of the electronic signatures and the integrity of the electronic documents, and thus to forward the controlled electronic application – completed with the outcome of such control – to the competent Court of Registration.¹⁴ If the registration application and its annexes are inaccurate or incomplete, the Company Information Service sends the documents back to the legal representative with an electronic certificate; and the registration (registration of changes) request shall be deemed unsubmitted.

The Court of Registration will consider whether the documents were submitted by an entitled person and whether they are properly filled in, then the Court will electronically record the name and head office of the company. The prospective company will receive a 10-digit registry number, which is used to uniquely identify the company. The Court of Registration shall issue a certificate containing the following: company name, head office, company registration number, tax identification number, statistical number. Bearing this certificate the company can already start its work as a preliminary company, with certain restrictions and by indicating the fact that it is still under registration.

Within eight working days after the filing of the application for registration (within less than 1 hour after the tax registration process in the simplified procedure), the court examines whether the fee has been paid, and whether the mandatory annexes have been attached. If the application for registration is appropriate and the deadlines are kept, the court shall register the company within fifteen working days.¹⁵

In the simplified company establishing procedure¹⁶ the company founder has a more limited room for manoeuvre than usual. In practice, the specimen in the Annex of the Companies Act specified in Annex shall be used, which makes the examination of the legal requirements easier for the Court of Registration. Consequently the deadline for registering the company is reduced to one hour from receiving the tax number, which practically amounts to 4-12 days from the application of registration. The law also provides for further advantages in this procedure, such as

¹³ Article 36(4) of the Company Act

¹⁴ <http://ceginformacioszolgalat.kormany.hu/eljaras-menete>

¹⁵ Article 46 of the Company Act

¹⁶ Article 48 of the Company Act

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	not having to pay the 100,000 HUF procedural fee, but only a 50,000 HUF fee and no publication charges shall be paid either. ¹⁷
Do specific support measures exist? (financial / logistic, business support to applicants to establish a business plan, recognition of qualification etc.)	<p>The Hungarian Investment Promotion Agency (HIPA) supports investments with a one-stop-shop service. As part of the support package, HIPA undertakes all-inclusive project management for projects granted direct cash subsidies (EKD) by a discretionary government decision, and provides VIP treatment and comprehensive information about other subsidies available.¹⁸</p> <p>It is not necessary to be in Hungary in order to sign the Articles of Association; the procedure can be done at any Hungarian Embassy abroad but this can be a slow process.</p>
Are there specific tax incentives? (benefits, exemptions, etc.)	<p>Tax incentives¹⁹ are available for future transactions of the companies. Applications have to be submitted to the competent Authority in Hungary or to the competent EU institution before projects start.</p> <p>Development Tax incentives</p> <p>Each development tax incentive may be claimed for a 10-year period (beginning once the development is completed) in Corporate Income Tax ("CIT") returns within a maximum period of 14 years from the original application for the incentive.</p> <p>In any given tax year, the tax incentive is available for up to 80% of the tax payable but, in total, up to the state aid intensity ceiling. Applications for tax incentives have to be submitted to the Ministry for National Economy, and the Hungarian Government has the right to grant permission if the aggregate eligible costs of the investment exceed EUR 100 million. If the investment is below this threshold, taxpayers need only notify the Ministry for National Economy before starting the investment.</p> <p>Tax incentives are available for investments if, among other conditions:</p> <ul style="list-style-type: none"> • the current value of the investment is at least HUF 3 billion (cca. EUR 10 million) [at least HUF 1 billion (cca. EUR 3.33 million) in certain designated areas]; or • the eligible costs come to at least HUF 100 million (cca. EUR 0.33 million) in the case of environmental protection projects, broadband Internet services, R&D projects, and motion picture and video production; or • the company carries out an investment resulting in job creation. In the case of job creation projects, the tax incentives are calculated based on 24 months' salary for new employees employed within the

¹⁷ Source: National Employment Services Entrepreneurship Portal, <http://vallalkozas.munka.hu/web/vallalkozasok/19>

¹⁸ Further information on subsidies for investment projects in Hungary:
<http://hipa.hu/Content.aspx?ContentID=220482e5-5231-4d5f-bf8a-bbe11268d14a>

¹⁹ Investing Guide in Hungary 2014 by PWC and the Hungarian Investment and Trade Agency, pp. 35-36.:
<http://hipa.hu/Download.aspx?AttachmentID=9fc4ab43-205a-48b4-8b75-63b4974e50d8>

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	<p>implementation phase and the subsequent three-year period.</p> <p>There are limitations neither on the amount of the eligible costs nor the number of newly created jobs.</p> <p>The investment projects can only be subsidised if</p> <ul style="list-style-type: none"> the investment results in the creation of new facilities or the extension of existing facilities; or the investment results in substantially changed products/services provided or production/service processes (excluding investments in basic research, applied research and experimental development). <p>In the case of HUF 3 billion (HUF 1 billion in certain designated areas) investments, the tax incentive is available provided that in the four years following the year in which the tax incentive is first used against the tax base:</p> <ul style="list-style-type: none"> the annual average number of employees has increased by at least 150 (excluding the number of employees who are employed by a foreign branch) compared to either the year before the investment was made or the average number of employees for the three years preceding the investment (by 75 in certain designated areas); or annual wage costs have increased by 600 times the minimum wage (excluding the wage costs of the employees who are employed by a foreign branch) effective on the first day of the tax year (by a multiple of 300 in certain designated areas) compared to either the annual wage costs of the year before the investment was commenced or the average annual wage cost for the three years preceding the investment.
Are immigrant business owners granted access to social benefits?	Only to contributory social benefits, non-contributory social benefits can only be accessed after gaining long-term residence permit.
Are immigrant business owners granted access to citizenship?	Only after they gain long-term residence permit.
<p>Does the possibility exist for immigrant business owners to be accompanied by family members?</p> <p>Are family members allowed to access the labour market?</p>	<p>Yes, Hungary does not set out any compulsory waiting period for the sponsor to be able to reunify with their family members, therefore family members may submit their residence permit applications parallel to the submission of the sponsor's first residence permit application.</p> <p>Yes, but according to the general rule only after a labour market test is carried out and the employment authorities issue a positive opinion on the employment. As an exception those family members, who have stayed in Hungary for at least one year, and if their sponsor can be employed without an employment authorization, the family member is also exempted from having to gain an employment authorization for being employed (see Article 15(1) Point 23 of 445/2013 Government Decree).</p>
Other (please state)	N.a.

Q13a Does your Member State have any bilateral or other agreements in place with Third Countries to attract immigrant business owners?

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For the list of international investment agreements that Hungary is involved in please see Annex 3.

Q13b. Does your Member State share information and coordinate its policies with other Member States? Does your Member State consult other Member States on the issuing of the documents listed in Q15 to immigrant business owners?

No information is known on this.

Section 1.4: Immigrant business owners national policies: pre-arrival stage (admission criteria) and stay (renewal)

Section 1.4 aims at providing an overview of the admission criteria applied by Member States in order admit immigrant business owners from third-countries to the national territory. The section also examines whether Member States require business owners to submit a business plan and the specific procedures in place with regard to this. Finally, this section touches upon also criteria linked to the renewal / withdrawal of their residence permit / long-stay visa.

EMN NCPs are asked to provide their answers to the questions below.

Q14a. Please indicate the criteria to admit immigrant business owners in your Member State in the table below. All listed requirements imply a Yes/No answer: in affirmative cases, EMN NCPs are asked to describe the criteria. If possible, EMN NCPs should also explain whether the same criteria apply to third-country nationals admitted to the national territory under a different immigration channel (family reunification, study, etc.) but willing to change their status into immigrant investors. If possible, EMN NCPs should also explain whether the same criteria apply to third-country nationals admitted to the national territory under a different immigration channel (family reunification, study, etc.) but willing to change their status into immigrant investors.

Admission criteria	Explanation	Do the same criteria apply to third-country nationals present in your Member State who have another status and are willing to change it into business owners?
Evidence of entrepreneurial skills (experience in running businesses, turnover of activities in the country of origin, etc.)	<p>Section 59(2) of Government Decree 114/2007 (V. 24.) on the Implementation of Act II of 2007 on the Admission and Right of Residence of Third-Country Nationals sets out that the purpose of entry and residence specified in Paragraph c) of Subsection (1) of Section 20 of Act II of 2007 shall be considered verified if:</p> <p>a) the business association, cooperative or other legal entity established to engage in gainful operations (for the purposes of this Subsection hereinafter referred to collectively as "business association") has been employing at least three Hungarian citizens or persons with the right of free movement and residence in full time employment for at least six</p>	Yes.

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	<p>months without interruption; or</p> <p>b) the stay of the applicant third-country national in Hungary is essential for the business association, and the business plan enclosed with the application contains sufficient information to ascertain that the business association will prosper to ensure the applicant's subsistence.</p> <p>Information stated in the business plan shall be credibly supported by documentary evidence such as by submitting management contract, commission contract, agreement, sale and purchase contract.²⁰</p>	
Minimum level of educational achievement / professional skills (please specify)	None.	N.a.
Evidence of capital (minimum sum required)	Minimum sum is required when establishing the company (see Annex 4). Documents proving the official registry of the company is needed for immigration procedures.	Yes.
Contribution to the economy / employment of the Member State (national interest, "jobs - created", contribution to specific sector, innovativeness of activity, introduction of new technologies, etc.) Business plan If a business plan is required, please complete the table in Q14b	<p>Section 59(2) of Government Decree 114/2007 (V. 24.) on the Implementation of Third-country Nationals' Act (hereinafter referred to as 'Implementing Decree of Third-Country Nationals' Act') sets out that the purpose of entry and residence specified in Paragraph c) of Subsection (1) of Section 20 of the Third-country Nationals' Act shall be considered verified if:</p> <p>a) the business association, cooperative or other legal entity established to engage in gainful operations (for the purposes of this Subsection hereinafter referred to collectively as "business association") has been</p>	Yes.

²⁰ Section 59(3) of Government Decree 114/2007 (V. 24.) on the Implementation of Act II of 2007 on the Admission and Right of Residence of Third-Country Nationals

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	<p>employing at least three Hungarian citizens or persons with the right of free movement and residence in full time employment for at least six months without interruption; or</p> <p>b) the stay of the applicant third-country national in Hungary is essential for the business association, and the business plan enclosed with the application contains sufficient information to ascertain that the business association will prosper to ensure the applicant's subsistence.</p>	
Language knowledge (certification, pre-entry tests, mandatory courses, etc.)	Not required.	N.a.
Age requirement for applicants (minimum / maximum)	Not specified.	N.a.
Insurance requirement (personal and/or for the investment)	As an admission condition it should be verified that the applicant has full healthcare insurance or sufficient financial resources for healthcare services. ²¹	Yes.
Security / background checks in place (fraud checks, tax avoidance, previous bogus activities, money origin / money laundering, etc.)	The competent regional directorate of the OIN requests the opinion of the Constitution Protection Office and the Counterterrorist Center concerning certain cases of applications for a residence permit for reasons of public security and national security. ²² Nevertheless, it is not carried out on a regular basis.	Yes.

Q14b. In case a business plan is required, EMN NCPs are asked to complete the table below. All listed requirements imply a Yes/No answer: in affirmative cases, EMN NCPs are asked to describe the requirements with additional information:

Business plan	Explanation
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²¹ Section 13(1)g) of Act II of 2007

²² Section 50(1) of Government Decree 114/2007

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National institution responsible for the approval / Self-assessment	Competent Regional Directorate of the OIN.
Information required on legal aspects of the business (form of the business, principal activity, subsidiary of existing activity)	Not specified in legal provisions.
Information required on the commercial and financial aspects (type of business / services, origin of the capital to invest, target groups, preliminary contracts, nature of the investment, performance indicators, feasibility analysis, etc.)	Not specified in legal provisions.
Duration of examination of the business plan	Included in the general deadline, which is 21 days.
Documentation required (please provide a list of the documents required)	Information stated in the business plan shall be credibly supported by documentary evidence such as by submitting management contract, agency contract, agreement, sale and procurement contract. ²³
Review period	Not specified in legal provisions.
Other	

Q15. If the criteria for admission are satisfied what initial document is issued? Please provide any detail on:

- type of document issued (e.g. short-stay visa, authorisation to stay, long-stay visa, residence permit, etc.),
- its duration
- whether it is longer than the usual duration which applies to other categories of third-country nationals
- whether its validity differs (and how) from its renewal.

In case the applicant intends to stay in Hungary for longer than 90 days within a 180-day period, third-country national fulfilling the conditions described above can receive a residence permit for the purpose of gainful activities. The validity period of a residence permit granted for this purpose shall be a maximum of three years, and it may be extended by three additional years at a time. Its validity differs from the average validity period of residence permits, which is in most cases two years.

An entry-visa – applied for and granted together with the permit – is issued by the foreign representation, the entry visa is valid for 30 days allowing its holder to enter into the country and receive the residence permit at the competent Regional Directorate of the OIN within this period.

²³ Section 59(3) of Government Decree 114/2007 (V. 24.) on the Implementation of Act II of 2007 on the Admission and Right of Residence of Third-Country Nationals

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When renewing a residence permit for the purpose of gainful activities, the competent regional directorate of the OIN takes into consideration all the circumstances especially the functioning of the company on which the third-country national financially relies. The OIN has a discretionary power to decide what validity period the renewed permit is issued for within the maximum validity period of three years reflecting all circumstances. Consequently it can occur that while the initial residence permit is only issued for a year, the renewal procedures may result in a permit issued for two or three years if the performance of the company is good.

Q16. Where and by which institution / organisation (internal or abroad) are the documents issued? (e.g. diplomatic mission in the third country; other responsible representative; intermediary agency, etc.)

An entry-visa – applied for and granted together with the permit – is issued by the foreign representation. The entry visa is valid for 30 days allowing its holder to enter into the country and receive the residence permit at the competent Regional Directorate of the OIN within this period. The residence permit is issued by the Central Office for Administrative and Electronic Public Services, but is given to its holder by the OIN.

Q17. EMN NCPs are asked to complete the information requested in the table below in relation to registration of businesses by immigrant business owners in your Member State:

Registration of businesses by immigrant business owners in your Member State	Explanation
<i>National institution responsible for the registration of the business in the Member State</i>	Foreign companies, as with all companies in Hungary, must register with the competent court of registration, the tax authorities and the social insurance authorities. The company fulfils its obligation to notify to the registry electronically. The notifications are received by the Company Information Service. The person submitting the application may choose to have the Company Information Service forward the necessary information to the tax authority as well as to the Central Office of Statistics in order to fulfil the obligations through this one-stop-shop system. ²⁴
<i>Type of business</i> (main business, subsidiary or branch. Please explain whether it is a transparent or non-transparent entity for tax reasons, i.e. determining if the business owners registers himself/herself as an individual or as a legal entity).	Foreigners may have up to 100% ownership in Hungarian legal entities and may gain ownership or establish any type of business that Hungarian citizens can. For the four main types of business associations most commonly established in Hungary see Annex 4.
<i>Place of registration of business</i> (in the Member State or in the country of origin / a third country. Is it mandatory for a third country national to be present in a country when registering a business or can this be done outside (using an	Within 30 days after the conclusion of the Articles of Association the establishment of the company must be notified at the competent court. The notification means the submission of the application for registration by a representative of the company. It is not necessary to be in Hungary in order to sign the Articles of Association;

²⁴ Article 36(4) of the Company Act

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agent / third party)?	the procedure can be done at any Hungarian Embassy abroad but this can be a slow process.
Main requirements for registration of business (capital, employees. Please state whether the requirements is different from that applied to EU nationals)	For the four main types of business associations most commonly established in Hungary see Annex 4.
Does your Member State impose restrictions to admit immigrant business owners based on the type of business, the specific sector or their country of origin?	No.
Other (Health, etc.)	

Q18. EMN NCPs are asked to provide information on the criteria to be met in case of extension of the document issued for the stay of immigrant business owners. Please provide details of the type of document issued and its duration.

Renewal criteria	Explanation
What are the requirements related to the purpose of stay (business) that need to be met in order to prolong/extend the initial authorisation of stay/ long-stay visa/residence permit?	Same as described above according to Section 59(2) of Government Decree 114/2007.
Is there a requirement that a business is active during the extension of permits? If so, what indicators are used to assess this? (Volumes of turnover, amount of paid taxes, staff employed, compliance of immigrant investors and their investment, etc.) Who assesses this information?	<p>Since the purpose of stay of gainful activities by running a business, it is necessary to keep the business active.</p> <p>Therefore criteria set out in Section 59(2) of Government Decree 114/2007 shall be fulfilled at the time of renewal, as well.</p> <p>The assessment is carried out by the competent regional directorate of the OIN.</p>
Are there time-related requirements during which a business needs to have been started up, taxes paid and staff employed in order to get the validity of the document extended?	<p>Section 59(2)a) of Government Decree 114/2007 (V. 24.) sets out an alternative condition including a time-related requirement:</p> <p>the business association, cooperative or other legal entity established to engage in gainful operations should be employing at least three Hungarian citizens or persons with the right of free movement and residence in full time employment for at least six months without interruption.</p> <p>The legal nature of functioning is also verified by checking if the business has any public debt at the time of adjudication.</p>

Section A1.5: Other business persons: overview of national policies

This section examines the conditions for the admission of **other third-country nationals who travel to the EU for business reasons** ("*other business persons*"). These categories include (but are not limited to) the temporary admission of third-country nationals under international trade agreements (i.e. the pre-defined six "Mode 4"

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categories tackled by the EU free-trade agreements listed in Annex 2). Other business persons may be admitted either on a short-stay visa or long-stay visa. EMN NCPs are asked to indicate if and how these categories are defined by the national legalisation of their Member State. They are required to indicate whether they are targeted by specific policies (programmes, schemes), whether they are admitted and registered as such in their administrative practices and/or separately from those entering via different migration channels.

EMN NCPs are also requested to provide information on current admission criteria, including the length of their stay, any other specific eligibility condition and collect available data.

Q19. How are the following categories (listed in Annex 2) defined under the national legislation of your Member State?

Categories of other business persons	Definitions
<i>Business visitors for establishment purposes (BVEP)</i>	No specific definition.
<i>Intra-corporate transferees (ICT)²⁵</i>	<p>Point 8 of Section 2 of Government Decree 445/2013. (XI. 28.) on the authorization of employment of third-country nationals in Hungary in procedures other than the single application procedure, on the exemptions of such authorization obligation, on the involvement of the metropolitan and county government offices as opinion makers in single application procedures, and on the notification of employment of third-country nationals' authorization free employment in Hungary and salary reimbursement sets out the definition of 'key personnel'.</p> <p>It covers only one group of ICTs of Directive 2014/66/EU, that is the group of managers:</p> <p>Key personnel: is an individual employed by foreign-owned enterprise founded in Hungary who does not qualify a chief executive as set out in the Civil Code, and</p> <p>a) directs or controls (including the exercise of employment rights) the enterprise as a whole, as well as one or more of the entities, which is under the direct control or supervision of the owner, the supreme body or executive officers of the enterprise, or</p> <p>b) has appropriate qualifications for a job or profession, which requires a high level or exceptional technical skills, or otherwise has an exceptional knowledge required for the service activities, research equipment, techniques or management of the organization, provided that in case of applying for employment authorization for the first time there is at least one year employment relationship or other legal relationship, with regard to which he/she is regarded as an employed person in accordance with the laws of that country, with the founders of the foreign firm as defined in section 5.</p>
<i>Business sellers (BS)</i>	No specific definition.
<i>Independent professionals (IP)</i>	There is no specific definition for such a target group although certain acts mention similar groups or activities. Point 4 of Section 8:1. Act V of 2013 on the Civil Code

²⁵ For intra-corporate transferees, please indicate where the scope of current legislation and the definition used therein differ from Directive 2014/66/EU on intra-corporate transferees.

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	defines enterprise as a person acting in their job, independent or business activities. Act CXVII of 1995 on personal income tax differentiate independent activities ²⁶ and not independent activities ²⁷ . A typical way of acting as an independent professional is being a private entrepreneur. ²⁸
<i>Contractual services suppliers (CSS)</i>	No specific definition on the supplier, Hungarian Civil Law sets out the elements of certain agreements in which a party may be a contractual services supplier.
<i>Graduate trainees (GT)</i>	The definition of graduate trainees does not exist presently in the Hungarian legislation, yet there is a plan to modify the Ministerial decree on labour market services that would set out provisions concerning the service of trainee-organization that would necessitate setting out the definition of graduate trainees, as well. The European Commission's latest recommendations ²⁹ to Hungary also include the following: "Support the transition between different stages of education and towards the labour market, and closely monitor the implementation of the vocational training reform." Presently the elements of the definition of graduate trainees can only be determined by differentiating it from other, similar definitions. Graduate trainees are not covered by Act CLXXXVII of 2011 on vocational training, as it applies to trainees who are pursuing undergraduate vocational studies.
<i>Other (please describe)</i>	N.a.

Q20. Does your Member State have a specific policy (programme, scheme) for other business persons as defined by the study template? EMN NCPs are asked to complete only the sections that are relevant to their national context.

Categories of other business persons	Is there a specific policy, for this categories of other business persons? Is it based on tailored multilateral/bilateral trade agreements with third countries?	Name of policy / programme	What are its main policy objectives (include info on priority national economic sectors / geographical areas / countries of origin if relevant)	Are there any quotas in place?
<i>Business visitors for establishment purposes (BVEP)</i>	As for admission criteria or admission policy, there are no specific provisions on such categories of business persons either for short or long stays. Consequently, for stays not exceeding 90 days within a 180-day	Letter of invitation	To provide a regulated way of issuing an invitation letter, which certifies that the statement of the	No.

²⁶ Section 16(1) of Act CXVII of 1995 on personal income tax

²⁷ Section 24 of Act CXVII of 1995 on personal income tax

²⁸ See Act CXV of 2009 on the private entrepreneur and the private company

²⁹ Recommendation for a COUNCIL RECOMMENDATION on Hungary's 2014 national reform programme and delivering a Council opinion on Hungary's 2014 convergence programme, Brussels, 2.6.2014, COM(2014) 418 final, Point 6

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	<p>period, the rules of the Schengen Visa Code apply; as for stays exceeding 90 days, a residence permit for remunerated activities may be applied for.</p> <p>In compliance with Annex II (Non-exhausting list of supporting documents) Point 1 of Part A of the Schengen Visa Code the supporting documents referred to in Article 14, to be submitted by visa applicants may include an invitation from a private firm or an authority to attend meetings, conferences or events connected to trade, industry or work.</p> <p>Similarly, in proceedings for the issuance of residence permits, the requirement of subsistence and/or accommodation may be verified by a valid letter of invitation with an official certificate affixed.</p> <p>Hungary has a special scheme for issuing an official invitation letter, according to which a 'host', who is any natural or legal person, or business association lacking the legal status of a legal person, undertakes a commitment in a letter of invitation - with an official certificate affixed - to provide room and board and financial support for the invited third-country national during his stay in the territory of Hungary, and, unless an international treaty provides otherwise, to cover the costs of medical care and the costs of exit of such third-country national.³⁰</p> <p>As for the future the Migration Strategy of Hungary needs to be taken into account. Purpose No.</p>	<p>Migration Strategy</p>	<p>host on being able to fulfil the obligations deriving from the invitation are officially verified.</p> <p>The letter of invitation also serves as a legal basis for making the host repay the costs of expulsion advanced by the competent authority.³¹</p> <p>To make Hungary more attractive for those who</p>	
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³⁰ Explanation derived from the definition of the 'host' in point I) Article 2 of Act II of 2007 on the entry and stay of third-country nationals.

³¹ Section 50(4)b) of Act II of 2007

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	<p>II.11. of the Migration Strategy and the seven-year strategic document related to Asylum and Migration Fund established by the European Union for the years 2014-20 that Hungary adopted in 2013 sets out the aim of making Hungary more attractive who intend to make an investment or start an enterprise of significant importance for the national economy without wishing to settle in Hungary.</p> <p>Related activities include: With the involvement of competent bodies the concrete rules of incentives for investing or creating employment to be implemented in third countries should be defined. Moreover the problems hindering the investment purposes that third-country nationals face in visa procedures should be assessed.</p>		<p>intend to make an investment or start an enterprise of significant importance for the national economy without wishing to settle in Hungary</p>	
<i>Intra-corporate transferees (ICT)</i>	<p>According to Section 9(1) and Section 118(1) of 445/2013 Government Decree, the work permit or in case of single application procedure the labour authority's opinion shall be issued without carrying out a labour market test. As set out in Article 13(2) of 445/2013 Government Decree the deadlines of making such decisions are also shorter than the general deadlines: five days compared to the general deadline of thirty days.</p>	<p>Preferential employment authorization</p>	<p>To provide preferential and accelerated access to the labour market.</p>	<p>Article 7(6) Act IV of 1991 on the Promotion of Employment and on Unemployment Benefits authorizes the minister responsible for employment to determine in a degree the maximum number of those third-country nationals, who can be employed in Hungary at a given time in total, or on the jurisdiction of the individual state employment agencies, as well as</p>

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				<p>in the field of certain professions.³²</p> <p>Since 1 January 2014³³ the method of calculation shall take place when determining the maximum number of third-country nationals employed in Hungary has not yet been determined, but there is a will to do so. Consequently, presently there is no maximum set out; yet, based on the provisions to be set out, a quota for the maximum number of third-country nationals employed is also expected to be set out in 2015.</p>
<i>Business sellers (BS)</i>				
<i>Independent professionals (IP)</i>				

³² The maximum number of authorization for employment that may have been issued in line with the above described formula in the previous years is a multiple of the actually issued authorizations. Consequently, the ceiling, thus set, imposed no impediment whatsoever in the way of the employment of third-country nationals.

³³ Provisions applied before 1 January 2014: According to Article 3(1)-(3) of 16/2010. (V. 13.) Decree of the Ministry of Social Affairs and Employment on the authorization of employment of third-country nationals set out that the total number of third-country nationals employed at the same time with work permit and/or EU Blue Card may not exceed a monthly average of free vacancies reported in the preceding year. This shall be understood as a number of unfilled vacancies in the beginning of the month and the number of vacancies reported during the month rounded to the nearest thousand. The number of third-country nationals employed on the basis of a permit issued under international agreements on the exchange of employment shall also be included in the number of third-country national whose employment is allowed at the same given time. Such maximum number is published by the minister responsible for employment by 1 February of the given year.

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<i>Contractual services suppliers (CSS)</i>	According to Point 6, Section 15(1) of 445/2013 Government Decree, no authorization is needed for the employment in Hungary for a third country national, who performs installation, service and warranty work occasionally, not exceeding fifteen working days within a thirty-day period under a private contract concluded with an undertaking established in a third country.	Exemption from employment authorization	To provide preferential and accelerated access to the labour market for temporary service suppliers	None.
<i>Graduate trainees (GT)</i>	According to Point 18, Section 15(1) of 445/2013 Government Decree, no authorization is needed for the employment in Hungary for a third country national, who takes part in a traineeship through the Comenius, the Erasmus, the Leonardo da Vinci and the Grundtvig Programmes.	Exemption from employment authorization	To facilitate the knowledge based migration of third-country nationals and their intra-EU mobility	None.
<i>Other (please describe)</i>	The Migration Strategy and the seven-year strategic document related to Asylum and Migration Fund established by the European Union for the period of 2014-20 that Hungary adopted in 2013, sets out policy aims related to its policy called "Opening to the East". Consequently, in the case of those countries which present a lower migration risk (e. g. Turkey, the Gulf States, Russia, Azerbaijan, Kazakhstan) Hungary endeavours to simplify entry conditions and provide facilitations within the framework of the EU Visa Code (e.g. waiving the visa fee). Furthermore, it supports their visa-free travel at EU level, hoping that the number of businessmen, investors travelling from there, will increase.	Migration Strategy	To contribute to the implementation of the policy called "Opening to the East"	None.

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Q21. Considering the specific policy (programme, scheme) in the previous question, what are the actor(s) and institution(s) involved in the development and implementation of policies on other business persons? If multiple authorities are involved, how are they coordinated? Is there an official mandate – e.g. an Action Plan – governing the involvement of these authorities? Which actor / institution is responsible for the promotion of such policy abroad?

Categories of other business persons	Actors/institutions involved in the development of these policies	Actors/institutions involved in the implementation of these policies	If multiple authorities are involved, how do they coordinate?	Is there an official mandate governing their roles?	Actors/institutions responsible for the promotion of such policy abroad
<i>Business visitors for establishment purposes (BVEP)</i>	Letter of invitation: OIN, Ministry of Interior Migration Strategy: Working party set up by a Government decision, led by the Ministry of Interior	Letter of invitation: OIN Migration Strategy: various Ministries and authorities	Through administrative consultation channels		
<i>Intra-corporate transferees (ICT)</i>	Preferential employment authorization: Ministry of National Economy	Preferential employment authorization: competent employment authorities			
<i>Business sellers (BS)</i>					
<i>Independent professionals (IP)</i>					
<i>Contractual services suppliers (CSS)</i>	Exemption from employment authorization: Ministry of National Economy	Implementation does not need direct activities			
<i>Graduate trainees (GT)</i>	Exemption from employment authorization: ministry of National Economy	Implementation does not need direct activities			

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<i>Other (please describe)</i>	Migration Strategy: Working party set up by a Government decision, led by the Ministry of Interior	Migration Strategy: various Ministries and authorities	Through administrative consultation channels		
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Section 1.6: Other business persons national policies: pre-arrival stage (admission criteria) and stay (renewal)

Section 1.6 aims at providing an overview of the admission criteria applied by Member States in order admit subcategories within other business persons from third-countries to the national territory.

Q22. What are the criteria for the admission of other business persons to your Member State? Please answer by completing the table below entering in the last column also useful information on any pre-entry assessment which may be required (labour market test, proof of minimum period of employment, evidence of commitment to return after the temporary stay, minimum education / professional skills, language knowledge, qualifications/certifications, entry quotas, age requirement, insurance requirement, etc.).

Categories of other business persons	Are these categories admitted/endorsed in your systems (under a different name)? (Yes/No)	If yes, under which name are they registered in your systems?	What is the maximum duration of their stay?	What kind of document is issued when admitting other business person?	Is there a (exhaustive) <u>list</u> of admission criteria? If yes, please indicate the criteria.
<i>Business visitors for establishment purposes (BVEP)</i>	No.	N.a.	<p>In case of short stays, it is a maximum of 90 days within a 180-day period.</p> <p>In case of longer stays, the residence permit can be issued for a maximum period aligned with the purpose of stay: one year for visit,</p>	<p>In case of stays not exceeding 90 days within a 180-day period, a C type Schengen visa is issued.</p> <p>In case of stays exceeding 90 days within a 180-day period, a residence permit for the purpose of 'visit', 'gainful activities' or 'other' is issued.</p>	<p>Article 13 of the Third-Country Nationals' Act set out the following general admission criteria applied in case of entry into the territory of Hungary and for stays in the territory of Hungary for an intended duration of more than ninety days within any 180-day period, the entry conditions for third-country nationals shall be the following:</p> <ul style="list-style-type: none"> - they are in possession of a valid travel document;

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			<p>three years for gainful activities, five years for 'other' reason. Except for the purpose of visit, the residence permit may be renewed. In all cases the purpose of stay may be modified while staying in Hungary. Consequently, there is no absolute period set out as a duration of stay.</p>		<ul style="list-style-type: none"> - they are in possession of the necessary permits for return or continued travel; - they justify the purpose of entry and stay; - they have accommodation or a place of residence in the territory of Hungary; - they have sufficient means of subsistence and financial resources to cover their accommodation costs for the duration of the intended stay and for the return to their country of origin or transit to a third country; - they have full healthcare insurance or sufficient financial resources for healthcare services; - they are not subject to expulsion or exclusion, they are not considered to be a threat to public policy, public security or public health, or to the national security of Hungary; - they are not persons for whom an alert has been issued in the SIS for the purposes
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					of refusing entry.
<i>Intra-corporate transferees (ICT)</i>	No, they are issued a C type Schengen visa for short stays and residence permit for gainful activities for long stays.	N.a.	See above.	They are issued a C type Schengen visa for short stays and residence permit for gainful activities for long stays.	See above.
<i>Business sellers (BS)</i>	No, they are issued a C type Schengen visa for short stays and residence permit for the purpose of 'visit', 'gainful activities' or 'other' for long stays.	N.a.	See above.	They are issued a C type Schengen visa for short stays and residence permit for the purpose of 'visit', 'gainful activities' or 'other' for long stays.	See above.
<i>Independent professionals (IP)</i>	No, they are issued a C type Schengen visa for short stays and residence permit for gainful activities for long stays.	N.a.	See above.	They are issued a C type Schengen visa for short stays and residence permit for gainful activities for long stays.	See above.
<i>Contractual services suppliers (CSS)</i>	No, they are issued a C type Schengen visa for short stays and residence permit for gainful activities for long stays.	N.a.	See above.	They are issued a C type Schengen visa for short stays and residence permit for gainful activities for long stays.	See above.
<i>Graduate trainees (GT)</i>	No, they are issued a C type Schengen visa for short stays and	N.a.	See above.	They are issued a C type Schengen visa for short	See above.

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	residence permit for gainful activities for long stays.			stays and residence permit for gainful activities for long stays.	
<i>Other (please describe)</i>					

Q23. EMN NCPs are asked to provide information on the criteria to be met in case of extension of the document issued for the stay of other business persons. Please provide details of the type of document issued and its duration.

Categories of other business persons	What are the requirements related to the purpose of stay (business) that need to be met in order to prolong/extend the initial documents issued?
<i>Business visitors for establishment purposes (BVEP)</i>	<p>Same as for the issuance of the first residence permit, except for</p> <ul style="list-style-type: none"> - the documents on accommodation, if the address has not changed and the lease contract is for an indefinite period, and - the business documents originally submitted and still valid.
<i>Intra-corporate transferees (ICT)</i>	
<i>Business sellers (BS)</i>	
<i>Independent professionals (IP)</i>	
<i>Contractual services suppliers (CSS)</i>	
<i>Graduate trainees (GT)</i>	
<i>Other (please describe)</i>	

Section 2: Measures to prevent misuse / abuse of immigration channels for business purposes

This section aims to provide an overview of the measures carried out by Member States for monitoring, detecting and preventing misuse of the migration channels in place for **immigrant investors, immigrant business owners and other business persons** and to explore and map the specific mechanisms in place. EMN NCPs are asked to describe the procedures involved and to provide information on the challenges associated to the detecting, monitoring and preventing misuses, and to distinguish where relevant between the different categories (if the mechanisms are different). This Sections aim to identify also the criteria for withdrawing

Q24. Please provide the following information with respect to the prevention and detection of misuse abuse of immigration channels for immigrant investors, business owners and other business persons at admission stage and during stay. EMN NCPs are first asked to provide the definitions of misuse and abuse according to their national legislation and identify differences where possible.

Issue	Immigrant investors	Business owners	Other business persons
<p>Does your national legislation provide for a definition of misuse and and/or abuse?</p> <p>If yes, do they differ? Please describe</p> <p>If no, how are they defined in practice?</p>	<p>Concerning misuse or abuse from an immigration point of view, Section 18(1) b) of the Third-Country Nationals' Act sets out that unless otherwise prescribed in this Act, new residence permits or the extension of existing ones shall be refused, or if already issued shall be withdrawn from third-country nationals, who have disclosed false information or untrue facts to the competent authority in the interest of obtaining the right of residence, or misled the competent authority in respect of the purpose of residence.</p>		
<p>What are the specific measures in place in the Member States to monitor, detect and prevent misuse/abuse at <u>admission stage</u>? (in addition to the criteria to be satisfied as reported under Sections 1.2)</p>	<p>Section 67(1) of the Third-Country Nationals' Act the immigration authority shall have powers to control compliance with and enforce the provisions of this Act.</p> <p>Section 146(1) of Government decree 114/2007 sets out that in the application of the provisions of Subsection (4) of Section 67 of Act II of 2014, the police shall take into custody the third-country national:</p> <p>a) if his/her documents, which are to verify his/her legal status in Hungary, are expired or invalid, or if unable to verify his/her lawful right of residence in Hungary, and shall take him/her:</p> <p>aa) to the local branch of the Police of jurisdiction by reference to the place where the check was carried out, if the Police is vested with authority to order an expulsion measure under Subsection (2) of Section 114;</p> <p>ab) to the competent regional directorate of the OIN in other cases;</p> <p>b) if unable to produce proof of identification, and shall take him/her to the local branch of the Police of jurisdiction by reference to the place where the check was carried out if the person in question cannot be indicted in criminal proceeding by virtue of specific other legislation, or may keep the person under custody.</p>		

<p>What are the entities responsible for the monitoring of compliance of immigrant business owners and immigrant investors and what are their specific responsibilities? (Labour Inspectorate, Labour Exchange office, Tax authorities, Ministry of Interior, Migration services)</p> <p>Does a national referral mechanism (or its equivalent) exist? (Yes/No).</p> <p>If yes, how is information shared between stakeholders involved?</p> <p>Is there an obligation to inform about misuse/abuse identified by other institution (migration services, police, tax authority, etc.)</p>	<p>Immigrant authorities, including the OIN and its regional directorates as well as the Police are primarily responsible for detecting abuses carried out by third-country nationals.</p> <p>In case the abuse is related to the employment, it is the competence of the Hungarian Labour Inspectorate³⁴ to detect the abuse and respond to it.</p> <p>The Hungarian Competition Authority³⁵ is responsible for detecting and sanctioning abuses related to free market competition.</p> <p>The State Audit Office of Hungary (SAO)³⁶ is the supreme financial and economic audit organisation, whose primary objective is that with their findings and recommendations they assist the regular, economical, effective and efficient management of public funds and property.</p>		
	<p>Section 28(9) of Act II of 2014 sets out that in case of immigrant investors in order to monitor the right of residence, the intermediary company shall report to the immigration authority by the tenth of each month and shall supply the necessary data and information, such as the number of securities issued during the month, the natural identification data of the holders of such securities or of the majority owners of the business association, where</p>		

³⁴ http://www.ommf.gov.hu/index.html?akt_menu=123&set_lang=123

³⁵ <http://www.gvh.hu/en/>

³⁶ <http://www.asz.hu/en/home#>

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	applicable, including the amount of government bonds subscribed by the company, and an indication of the applicants who provided the funds for the subscription. The immigration authority shall store the data supplied by the company for a period of six years.		
What is the frequency of control?	The frequency of control differs by each authority.		
What are the main sectors where misuse/abuse occurs? (real estate, transfer of capital, national funds / bonds, business investments, etc.) Please list the top three	As the application for a special residence permit may be initiated after the commitment to subscribe the bonds in a given period, the abuses might be detected in cases when subscription of the government securities according to the commitment does not take place within the time limit.	Abuses occur primarily by carrying out fictitious business activities: ³⁷ either the foundation of the company is sham or certain activities of it are carried out in order to bypass certain legal provisions, such as those on manpower leasing.	
If misuse/abuse is detected, what are the penalties imposed on the third-country national concerned (withdrawal of long-stay visa/residence permit, loss of any other related right/benefit, loss of the certificate of establishment, legal proceedings, fines, removal order, confiscation of activities/revenues, etc.)	Section 28(10) of Act II of 2014 sets out that the residence permit shall, furthermore, be withdrawn if subscription of the government	Section 18(1) of Act II of 2007 set out that, unless otherwise prescribed in this Act, new residence permits or the extension of	Depending on the type of the case, Office of Economic Competition (Hereinafter referred to as 'OEC') interventions might

³⁷ See Migration Strategy of Hungary, Point II/B/e: <http://moszlap.hu/uploads/files/migrstrat0416.pdf>

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	<p>securities according to the commitment did not take place within the time limit specified in Paragraph b) of Subsection (4).</p>	<p>existing ones shall be refused, or if already issued shall be withdrawn from third-country nationals:</p> <ul style="list-style-type: none"> a) who fail to comply with either of the requirements set out in Paragraphs a), c)-i) of Subsection (1) of Section 13; b) who have disclosed false information or untrue facts to the competent authority in the interest of obtaining the right of residence, or misled the competent authority in respect of the purpose of residence; c) who suffer from any disease that is considered to constitute a threat to public health, and who refuse to submit to the appropriate compulsory medical treatment, or who fail to abide by the Hungarian health regulations while staying in the territory of Hungary; d) who established the family relationship 	<p>result in different types of decisions:³⁸</p> <ul style="list-style-type: none"> ◦ Establishment of the infringement - This type of decision obliges the undertaking to terminate the illegal practice or eliminate the unlawful situation and may impose a fine on it. ◦ Termination of the proceeding after a suspension - During a suspension period, the party must fulfil an obligation imposed on it by a decision of the competition authority to have the proceedings terminated by the competition authority. (For proceedings initiated after 1 November 2005, the institution of suspension was replaced by that of the commitment decision within the meaning of Article 75 of the Competition Act in force.) ◦ Refusal to grant, or granting a
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³⁸ See: http://www.gvh.hu/en/for_professional_users/statistics

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		<p>for the purpose of obtaining a residence permit on the grounds of family reunification.</p>	<p>conditional, authorisation - This includes the voluntary acceptance of the objections of the OEC through the withdrawal of the application or the modification of the proposed transaction. - In such cases, due to the intervention of the OEC, the plans of the undertakings will not be realised or will be realised in a modified form.</p> <p>In line with Section 18(1) b) of the Third-Country Nationals' Act a residence permit shall be withdrawn from third-country nationals, who have disclosed false information or untrue facts to the competent authority in the interest of obtaining the right of residence, or misled the competent authority in respect of the purpose of residence. Therefore, misuse or abuse detected and sanctioned only lead to the withdrawal of the permit if such a misuse or abuse was carried out with the intention of obtaining a residence permit, or if as a result of the economic sanctions, the business, upon which the third-country national based his/her subsistence, is no longer able to fulfil this task and therefore the third-country</p>
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			<p>national fails to comply with the admission conditions.</p> <p>In case the third-country national based its application on a letter of invitation, according to Section 72 of the Third-Country Nationals' Act hosts shall be held liable for damages they cause to others resulting from any infringement of their obligations.</p>
<i>What other circumstances might result in the withdrawal / non-renewal of a long-stay visa / residence permit?</i>			

Q25a. Is there any evidence of the effectiveness of the measures used in your Member State to monitor, detect and prevent misuse / abuse and the problems/challenges faced (lack of instruments, lack of cross-analysis, access to data, etc.)?

Yes

Q25b. If yes, please indicate to which business persons the evidence refers to (investors, business owners, other business people) and please summarise the main findings here and include a reference to the source in an annex to your national report.

As for the monitoring, detecting and preventing work of immigration authorities, it is quite difficult to measure their effectiveness. The situation is even more difficult taking into account the fact that if a means of abuse is eliminated by new legal provisions, new means of abuse could arise, therefore the effect of tackling present abuses cannot necessarily be measured by the numbers available.

On the other hand, there are some possibilities of carrying out some calculations concerning the work of other authorities. By protecting competition, the Hungarian Competition Authority (OEC) creates financial benefits for consumers, which can be at least partially quantified. The quantification is carried out via a so-called ex-ante impact assessment which applies easy-to-use but comprehensive methods to reach approximate results which are in aggregate not exaggerated. The OEC partially quantified the direct benefits derived from its competition cases closed in the 2008–2012 period related to anticompetitive practices and mergers. The exercise revealed that in the aforementioned period, consumers saved at least 58 billion Forints as a result of

the work of the OEC.³⁹

³⁹ Ex-ante assessment of the welfare gains achieved by the GVH (ex-ante impact assessment) – Cases involving anticompetitive practices and mergers, 2008-2012 (GVH 10.05.2013):
http://www.gvh.hu/en/analyses/gvh_studies/quantifying_welfare_gains_achieved_by_the_gvh_ex_a.html

Section 3: Evaluation of policies to admit third-country nationals for business purposes, challenges and barriers

*This section aims to explore the impact of policies to admit **immigrant investors** (Section 3.1), **business owners** (Section 3.2) and **other business people** (Section 3.3) on the economy / society of the Member States. In particular, the questions below aim to understand to what extent such policies (programmes or schemes) have been evaluated and what are the results achieved.*

Section 3.1: Immigrant investors

Q26a. Have any evaluations or studies in your Member State considered the effectiveness of national policies to attract immigrant investors?

Yes

Q26b. If yes, please summarise the main findings here and include a reference to the evaluation or study in an annex to your national report.

If no, please provide also any other evidence/indicator that may be available in your Member State in this regard (media reporting, media debates, assessment by experts etc.).

An evaluation has taken place, although not officially, but by certain MPs. Namely Antal Rogán, the President of the Standing Parliamentary Committee for Economic Affairs presented⁴⁰ an informal assessment on the state of play of the Hungarian investor settlement programme when introducing the bill submitted by him on the modification on legal provisions concerning the investor settlement.

In this speech the President of the Committee said that since the implementation of the programme 1102 state bonds have been sold, which means a 275,500,000 HUF nominal value resulting in an approximately 250 billion HUF income for the Hungarian State. The original plans were to sell 4,000 state bonds and reach an income of approximately 1,000 billion HUF. The President stated that pro rata Hungary has reached its goals and the programme is considered successful.

The evaluation by the President of the Committee also contained a comparison of the Hungarian programme with other European schemes. Two important characteristic features of the Hungarian programme were highlighted by the President in this sense. One is that the Hungarian scheme provides a channel through which an entry into the Schengen area is ensured compared to that of the Bulgarian scheme. Secondly, the Hungarian programme does not give citizenship right after the investment, but first residence permit and then long-term residence permit, thus it is more in line with the expectations of the European Union. The fact that the preferential immigration rules apply for those investing in state bonds instead of other forms of investment also contributes to the purpose of not allowing for abuse possibilities in this programme.

As a result of the comparison made and consequently, due to the fact that the Hungarian programme can be seen as an expressively cheap one, the Bill presented in order to modify the national provisions included the suggestion of raising the sum to be invested in state bonds, from 250,000 EUR to 300,000 EUR.

⁴⁰ Minutes of the meeting of the Standing Parliamentary Committee for Economic Affairs on 25 September 2014: <http://www.parlament.hu/documents/static/biz40/bizjkv40/GAB/1409251.pdf>

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Q27a. Have any evaluations or studies in your Member State considered the effectiveness of the national policies to attract immigrant investors to the growth of the national economy and/or in competing with other larger economies, and have specific indicators been developed?

Yes

Q27b. If yes, please summarise the main findings here and include a reference to the evaluation or study in an annex to your national report.

If no, please provide also any other evidence/indicator that may be available in your Member State in this regard (media reporting, media debates, assessment by experts etc.).

See above.

Q28a. Have any evaluations or studies in your Member State considered the impact of the national policies to attract immigrant investors on other social issues (employment, access to housing, discrimination, etc.) and have specific indicators been developed?

Yes

Q28b. If yes, please summarise the main findings here and include a reference to the evaluation or study in an annex to your national report.

If no, please provide also any other evidence/indicator that may be available in your Member State in this regard (media reporting, media debates, assessment by experts etc.).

Family members of high net worth investors can also gain residence and long-term residence permit under preferential rules. During the introduction of the Bill on modifying the present rules on the Hungarian scheme at the meeting of the Standing Parliamentary Committee for Economic Affairs László Felkai, the state secretary of the Ministry of Interior shared information⁴¹ on the number of family members, who took the opportunity to gain residence in Hungary through this channel, was 1880.

Consequently it was concluded that on average less than two family members accompanied such high net worth investors, which proves that such legal channel is not used so intensively that it would reflect any abuse concerning this programme.

Q29. What evidence exists (policy documents, political discourses, media coverage, NGO campaigns, case law examples etc.) that immigrant investors are perceived as abusing national migration rules in your Member State?

It is not immigrant investors, but rather authorized companies selling the state bonds that are criticized by the opposition party, MSZP, in the Hungarian scheme: they question the necessity of such intermediary companies because of their offshore nature and because of the amount of commission (approximately 40,000 EUR per

⁴¹ Minutes of the meeting of the Standing Parliamentary Committee for Economic Affairs on 25 September 2014: <http://www.parlament.hu/documents/static/biz40/bizjky40/GAB/1409251.pdf>

case) they ask for.⁴²

Section 3.2: Business owners

Q30a. Have any evaluations or studies in your Member State considered the effectiveness of national policies to attract immigrant business owners?

Not specifically.

Q30b If yes, please summarise the main findings here and include a reference to the evaluation or study in an annex to your national report.

If no, please provide also any other evidence/indicator that may be available in your Member State and provide any examples of good practice in this regard.

The Migration Strategy of Hungary adopted in 2013 stated the state of play concerning legal migration in Hungary, including brief information on the admission of business owners. It stated that with regard to certain legal migration channels abuses are detected particularly when migrants wish to base their stay on activities carried out in their own firm.

Q31a. Have any evaluations or studies in your Member State considered the effectiveness of the national policies to attract immigrant business owners to the growth of the national economy, and/or in competing with other larger economies, and have specific indicators been developed?

For this question please consider also the contribution of immigrant business owners who are already present on the territory of your Member State.

Not specifically.

Q31b. If yes, please summarise the main findings here and include a reference to the evaluation or study in an annex to your national report.

If no, please provide also any other evidence/indicator that may be available in your Member State and provide any examples of good practice in this regard.

The Central Statistical Office issues reports e.g. on the activities of the foreign-owned businesses in the regions.⁴³

Q32a. Have any evaluations or studies in your Member State considered the impact of the national policies to attract immigrant business owners on other social issues (employment social security, discrimination, etc.) and have specific indicators been developed?

Not specifically.

⁴² See e.g. the comments of Csaba Tóth (MSZP) in the minutes of the meeting of the Standing Parliamentary Committee for Economic Affairs on 25 September 2014:

<http://www.parlament.hu/documents/static/biz40/bizjkv40/GAB/1409251.pdf>

⁴³ <http://www.ksh.hu/docs/hun/xftp/idoszaki/regiok/orsz/gyorkulfoldierdek.pdf>

Q32b. If yes, please summarise the main findings here and include a reference to the evaluation or study in an annex to your national report.

If no, please provide also any other evidence/indicator that may be available in your Member State in this regard (media reporting, media d <http://www.ksh.hu/docs/hun/xftp/idoszaki/regiok/orsz/gyorkulfoldierdek.pdf>ebates, assessment by experts etc.).

Q33. What evidence exists (policy documents, political discourses, media coverage, NGO campaigns, case law examples etc.) that immigrant business owners are perceived as abusing national migration rules in your Member State?

The National Migration Strategy of Hungary drafted with the participation of the OIN contains references to such abuses.

Section 3.3: Other business persons

Q34a. Have any evaluations or studies in your Member State considered the effectiveness of national policies to attract other business persons?

No

Q34b If yes, please summarise the main findings here and include a reference to the evaluation or study in an annex to your national report.

If no, please provide also any other evidence/indicator that may be available in your Member State and provide any examples of good practice in this regard.

Q35a. Have any evaluations or studies in your Member State considered the effectiveness of the national policies to attract other business persons to the growth of the national economy, and/or in competing with other larger economies, and have specific indicators been developed?

Not specifically.

Q35b. If yes, please summarise the main findings here and include a reference to the evaluation or study in an annex to your national report.

If no, please provide also any other evidence/indicator that may be available in your Member State and provide any examples of good practice in this regard.

Foreign Direct Investment in Hungary increased to 15 EUR Billion in 2013 from 10.48 EUR Billion in 2012. Foreign Direct Investment in Hungary averaged 4.56 EUR Billion from 1999 until 2013, reaching an all time high of 15 EUR Billion in 2013 and a record low of 1.44 EUR Billion in 2009.⁴⁴

⁴⁴ Source: <http://www.tradingeconomics.com/hungary/foreign-direct-investment>

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Q36. Does any evidence exist on the impact of other business persons on increased volume of trade, increased mobility, increased visibility, etc. for your Member State? EMN NCPs are asked to corroborate information provided with any available data or source.

Q37. What evidence exists (policy documents, political discourses, media coverage, NGO campaigns, case law examples etc.) that other business persons are perceived as abusing national migration rules in your Member State?

Section 3.4: Challenges and obstacles to admitting third country nationals for business purposes

This Section examines the existing challenges and obstacles for the design and implementation of specific policies aiming to attract immigrant investors, immigrant business owners and other business persons and those challenges and barriers reported by the business community. EMN NCPs are asked to address any obstacle to their admission (eligibility criteria, investment plan, business plan, obtaining visa, etc.) or to other macro-level areas such as visa policy, education, trade, etc.).

EMN NCPs are asked to present the findings and analysis of any existing studies / evaluations or evidence collected in any other way and to provide any available statistics in the corresponding tables Annex 1.

Q38. What are the main challenges related to the admission of immigrant investors, immigrant business owner and other business persons in your Member State?

Categories of other business persons	Challenges for national stakeholders associated with the design and implementation of policies for other business persons. <i>If possible studies should be included (sourced as appropriate).</i>	Challenges for applicant at both admission (pre-arrival) and stay stages (e.g. documentation required, waiting times, restrictions, etc.) <i>If possible, the views of the business community, of the immigrant community and studies should be included (sourced as appropriate).</i>
<i>Immigrant investors</i>	Hungary applies intermediary companies for promoting special state bonds for third-country nationals interested in the investor settlement programme of Hungary. Problems therefore may occur concerning the lawful activities of such companies. Some have not been able to carry out the subscription of the state bonds in the period	No major challenges are identified as the Hungarian programme provides preferential rules for gaining residence and long-term residence permit for both investors and their family members by investing 250,000 EUR (from 1 January 2015 300,000 EUR) in special state bonds. No continuous residence is needed by such third-country nationals, consequently their

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	set out in legal provisions, therefore their authorization had to be withdrawn. ⁴⁵	permits cannot be withdrawn based on this reason.
<i>Immigrant business owners</i>	The main challenge for the Hungarian authorities is how to avoid the fictitious activities of business owners carried out by establishing a firm in Hungary or by activities of the established firm.	The establishment of a business in Hungary as well as the immigration procedure afterwards are many times considered to be lengthy, complicated and burdensome from an administrative point of view. Following all the required administrative steps mean the biggest challenge for immigrant business owners.
<i>Business visitors for establishment purposes (BVEP)</i>	As there is little evidence that can be validly used for justifying a valid interest in establishing a business in Hungary, immigration authorities face a challenge of making a balance between migration risk assessment and at the same time taking into account the economic needs of Hungary when making a decision in applications concerning stays of business visitors.	In many cases the easiest way to gain admission as a business visitor to Hungary is to have a letter of invitation from a natural or legal business person in Hungary, who is ready to take responsibility as a host for the invited business visitor. Finding such a person while staying in a third-country can become a main challenge. Sometimes it is equally challenging to prove the intention of establishing a business by documents other than a letter of invitation. As no such purpose is specified among the purposes of long stay in the Hungarian law, no specific provisions set out the documentary evidence that could validly prove such purpose of stay, either.
<i>Intra-corporate transferees (ICT)</i>	Only one target group of the three specified in Directive 2014/66/EU is defined in the Hungarian law, therefore the transposition of the ICT Directive will require major changes in national immigration and employment provisions.	No specific rules apply to intra-corporate transferees from an immigration point of view. The employment of managers (key personnel) is facilitated, but multinational companies may still find the single application procedure lengthy and burdensome when they are in urgent need of transferring their personal to the EU.
<i>Business sellers (BS)</i>	As there is little evidence that can be validly used for the justification of being a business seller in Hungary, immigration authorities face a challenge of making a balance between migration risk assessment and at the same time taking into account the economic needs of Hungary when making a decision in applications concerning stays of	In many cases the easiest way to gain admission as a business seller to Hungary is to have a letter of invitation from a natural or legal business person in Hungary, who is ready to take responsibility as a host for the invited business visitor. Finding such a person while staying in a third-country can become a main challenge.

⁴⁵ Minutes of the meeting of the Standing Parliamentary Committee for Economic Affairs on 25 September 2014:
<http://www.parlament.hu/documents/static/biz40/bizjkv40/GAB/1409251.pdf>

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	business sellers.	
<i>Independent professionals (IP)</i>	It is quite difficult to define this group of business persons as the way of carrying out gainful activities as independent professionals can take several forms.	There might be several ways to carry out gainful activities as an independent professional, but finding the right procedure and becoming e.g. a private entrepreneur may be burdensome.
<i>Contractual services suppliers (CSS)</i>	As there is little evidence that can be validly used for justifying being a contractual service supplier in Hungary, immigration authorities face a challenge of making a balance between migration risk assessment and at the same time taking into account the economic needs of Hungary when making a decision in applications concerning stays of contractual services suppliers.	In many cases the easiest way to gain admission as a contractual services supplier to Hungary is to have a letter of invitation from a natural or legal business person in Hungary, who is ready to take responsibility as a host for the invited business visitor. Finding such a person while staying in a third-country can become a main challenge.
<i>Graduate trainees (GT)</i>	As the facilitation of entry of young Hungarian graduates to the labour market is a key concern, it is quite challenging to promote the facilitation of attracting third-country national trainees to the country at the same time.	Graduate trainees are considered as workers in Hungary, therefore they need to submit a application for a single permit and can only receive a permit providing authorization for both work and stay after carrying out a labour market test in Hungary. This procedure can be lengthy and can result in finding a local work force for the position instead of the third-country national applicant.
<i>Other (please describe)</i>		

Section A4: Good practices and lessons learned

This Synthesis report will highlight any good practices of Member States that have successfully attracted and facilitated the arrival of immigrant investors, immigrant business owners and other business persons. This section will also tackle the extent to which these practices have favoured the (positive) contribution of third-country nationals to the national economy and their likelihood to be promoted and replicated in other Member States and also the extent to which has created monitoring mechanisms to detect misuse / abuse of these migration channels.

This section will include also lessons learned from the practical implementation of specific policies, programmes or schemes for the targeted categories of third-country nationals: lessons learned may address also assessments of the expected and/or unintended (positive and negative) consequences of specific policies, programmes or scheme (i.e. A so-called investor programme has facilitated the admission of wealthy third-country nationals to boost national economy in the real-estate sector. However, as consequence, admitted third-country nationals have invested their money but many properties remain empty due to inflated market rates).

If there are specific examples of good practices that you would like to highlight, please do so below:

Since the start of the Hungarian programme of attracting high net worth investors, that is the so-called investor settlement, in late 2012 more than 1000 special state bonds of 250,000 EUR nominal value have been sold as a result of which investors could gain a residence permit and after six months a national long-term residence permit together with their family members.

The direct aim of the programme was to help the financing of the state, while indirectly it is also expected that such investors can also make a leverage effect on the domestic real estate market, trade and investment markets by further direct investments.

Such a scheme in comparison with other European programmes has two important characteristic features. One is that the Hungarian scheme provides a channel through which an entry into the Schengen area is ensured. Secondly, the Hungarian programme does not give citizenship right after the investment, but first a residence permit and then a long-term residence permit, thus it is more in line with the expectations of the European Union. The fact that the preferential immigration rules apply for those investing in state bonds instead of other forms of investment also contributes to the purpose of not allowing for possibilities of abuse in this programme.

Thus, the Hungarian government finds the initial results of the investor settlement programme successful as, on the one hand, it fulfilled the expectations concerning the direct help to the financing of the country, while on the other hand, it provides a relatively cheap and advantageous scheme for third-country national investors, keeping the chances of abuse low in the meantime.

As for the promotion of Hungarian investment opportunities the establishment of the Hungarian Investment Promotion Agency (HIPA) to provide professional help to foreign companies intending to invest in Hungary could be highlighted. Their task is to support the implementation of the Government's key investment promotion targets and to foster bilateral and multilateral international economic relations. To this end, HIPA seeks and maintains contacts with potential foreign investors, helping them to prepare and implement strategic investment decisions, as well as providing post-decision support and encouraging their intention to re-invest. HIPA offers company and sector-specific consultancy, attends professional events, recommends locations, and organizes site visits.

The work of HIPE is complemented well by the activities carried out by foreign trade attachés encouraging participation in the implementation of the government's policy in attracting capital, contributing to finding companies investing in Hungary and investment opportunities of Hungarian companies in the host country, as well as to the realization of such investments.

Section 5: Conclusions

The Synthesis Report will outline the key findings, main observations of the Study, present conclusions relevant for policymakers at national and EU level and identify policy pointers for future actions.

Specific conclusions drawn by Member States should be included in the Top Line Factsheet to prevent duplication of efforts.

Sources

Legal provisions

- Act II of 2007 on the entry and residence of third-country nationals
- Act CCXX of 2012 on amending Act II of 2007 on the Entry and Stay of Third-Country Nationals
- Act V of 2006 on company information, the court registration procedure and voluntary liquidation
- Act IV of 1991 on the Promotion of Employment and on Unemployment Benefits
- 183/2014 (VII. 25.) Government Decree on the Hungarian Investment Promotion Agency
- Government Decree 445/2013. (XI. 28.) on the authorization of employment of third-country nationals in Hungary in procedures other than the single application procedure, on the exemptions of such authorization obligation, on the involvement of the metropolitan and county government offices as opinion makers in single application procedures, and on the notification of employment of third-country nationals' authorization free employment in Hungary and salary reimbursement
- 114/2007 (V. 24.) Government Decree on the implementation of Act II of 2007
- Hungarian Migration Strategy adopted by the 1698/2013. (X. 4.) Government Decision
- Bill (T/1168) on the modification of Act II of 2007

Studies

- Tóttós, Ágnes: A hazai Migrációs Stratégia legális migrációval kapcsolatos biztonsági kérdései (The security issues of legal migration in the national Migration Strategy), In: Pécsi Határőr Tudományos Közlemények XV., Pécs 2014

Internet pages

- Hungarian Government: www.kormany.hu
- HIPA: www.hipa.hu
- Hungarian Parliament: www.parlament.hu
- OIN: www.bmbah.hu
- Government Debt Management Agency Private Company Limited by Shares: www.akk.hu
- Company Information Service: www.ceginformaciosszolgalat.kormany.hu
- Central Statistical Office: www.ksh.hu
- Hungarian Competition Authority: www.gvh.hu

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- Hungarian Labour Inspectorate: www.ommf.gov.hu
- National Employment Services Entrepreneurship Portal: www.vallalkozas.munka.hu
- State Audit Office of Hungary: www.asz.hu
- www.tradingeconomics.com
- www.youtube.com

Admitting third-country nationals for business purposes**Annex 1**

Statistics from Member States will be used in the Synthesis Report to contextualise the statistics provided in this annex.

Table 1: Statistics on immigrant investors and immigrant business owners

Indicators	2009	2010	2011	2012	2013	Source / further information
Statistics on immigrant investors⁴⁶						
Number of visa applications (national D-type visas)						
Number of visa issued (national D-type visas)						
Number of visa refused (national D-type visas)						
Number of applications for residence permits (perhaps an estimate e.g. admissions)	N.a.	N.a.	N.a.	N.a.	440	OIN
Number of residence permits issued (perhaps an estimate e.g. admissions)	N.a.	N.a.	N.a.	N.a.	434	OIN
Number of residence permits refused / withdrawn (perhaps an estimate e.g. admissions)	N.a.	N.a.	N.a.	N.a.	1	OIN
Average age of migrant investors who were granted residence permits (and national D-type visas?)						
Statistics on immigrant business owners⁴⁷						
Number of visa applications (national D-type visas)						
Number of visa issued (national D-type visas)						
Number of visa refused (national D-type visas)						
Number of applications for residence permit						
Number of residence permits issued (perhaps an estimate e.g. admissions)						
Number of residence permits refused / withdrawn (perhaps an estimate e.g. admissions)						
Number of residence permits reflecting a change of status into business owner (specifying, if possible, from which category – i.e. student, family member, beneficiary of international protection, etc.)						
Average age of immigrant business owners						
Statistics on other business persons corresponding to Annex 2 (EU Mode 4 categories) and other business persons as recognised by Member States						

⁴⁶ For Ireland and the United Kingdom, statistics refer to the relevant visas on immigrant investors, but please indicate the name of the visa category to which the data refer to.

⁴⁷ For Ireland and the United Kingdom, statistics refer to the relevant visas on business owners, but please indicate the name of the visa category to which the data refer to.

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Number of third-country nationals admitted under EU Mode 4 categories or equivalent categories indicated in Q22. If available data can be broken down according to the categories in Annex 2, please provide them in a separate spreadsheet.						
Number of visa applications (national D-type visas)*	9937	8515	7946	8348	11444	Ministry of Foreign Affairs and Trade
Number of visa issued (national D-type visas)*	7673	6480	6323	6666	9404	Ministry of Foreign Affairs and Trade
Number of visa refused (national D-type visas)*	1589	1239	1007	965	1368	Ministry of Foreign Affairs and Trade
Number of visa applications (Schengen C-type visas)*	288784	258515	294685	326559	361351	Ministry of Foreign Affairs and Trade
Number of visa issued (Schengen C-type visas)*	271713	244463	278797	314876	347753	Ministry of Foreign Affairs and Trade
Number of visa refused (Schengen C-type visas)*	12023	9248	9643	6900	7458	Ministry of Foreign Affairs and Trade

*The data reflect the complete number of visa applications/issuances/refusals regardless of the purpose of stay.

Table 2: indications of the average length of time needed for each of the following indicators

The table below is not intended as having detailed, 'hard' statistics on the average length of time taken, but rather as approximate indications. In case you concrete statistics or data are available however, please provide them separately.

- Please indicate with 'X' the (approximate) average length of time needed for each of the indicators.

Average length of time expected (<u>in days</u>)	<i>A few days</i>	<i>From a few days to a week</i>	<i>Up to two weeks</i>	<i>Up to a month</i>	<i>More than a month</i>
Average time expected between lodging an application and the final decision for a visa application of an <u>immigrant investor (national D-type visa)</u>				x	
Average time expected between lodging an application and the final decision for a visa application of an <u>immigrant business owner (national D-type visa)</u>				x	
Average time expected for registering a business (from application to establishment)				x	
If possible to change status: the average time expected for third-country nationals already present in the Member State to change their status into <u>immigrant investor</u> (from family reasons, study reasons, asylum, etc.)				x	
If possible to change status: the average time expected for third-country nationals already present in the Member State to change their status into <u>immigrant business</u>				x	

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owner (from family reasons, study reasons, asylum, etc.)					
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Please indicate if statistics are available on businesses established by immigrant business owners and by Business Visitors for Establishment Purposes (BVEP): (such as total number of businesses established by third-country nationals; number of FTEs created by migrant investors and business owners; number of survived / closed businesses; share of businesses per size (share of 1; 2-10, 11-19, 20-49, 50+ employees). If possible, EMN NCPs are asked to indicate whether data refer to newly admitted business owners or they include also those third-country nationals already living in their Member States

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- Please indicate if statistics are available on the economic effects of immigrant investments or businesses (such as the share of migrant investments out of total annual national investments; number of FTEs created/supported as a result of investments by third-country nationals; the tax contribution to the national revenue systems of immigrant business owners and investors; the increased economic ties / trade volumes with specific third countries as a result of immigrant business owners and investors).

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[Annex 2](#)**Table 1: Temporary Movement of Natural Persons under international trade agreements – the EU “Mode 4” categories**

Category	Criteria	Length of stay
BVEP: Business visitors for establishment purposes'	Natural persons - working in a senior position who: - are responsible for setting up an enterprise, - do not offer or provide services or engage in any other economic activity than required for establishment purposes. - do not receive remuneration from a source located within the host Party.	Up to 90 days in any twelve month period
ICT: 'Intra-corporate	Natural persons who: - have been employed by a juridical person or have been partners in it for at least one year	Up to 3 years

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transferees' ⁴⁸	<p>- are temporarily transferred to an enterprise, the host entity, that may be a subsidiary, branch or head company of the juridical person in the territory of the other Party,</p> <p>- belong to one of the following categories:</p> <p>1. Managers:</p> <p>Persons holding a senior position, who primarily direct the management of the host entity, receiving general supervision or guidance principally from the board of directors of the business or equivalent; that position shall include:</p> <ul style="list-style-type: none"> – directing the host entity or a department or sub-division of the host entity – supervising and controlling the work of other supervisory, professional or managerial employees – having the authority to recommend hiring, dismissing or other personnel action;. <p>2. Specialists:</p> <p>Persons working within a juridical person who possess specialised knowledge essential to the host entity's areas of activity, techniques or management. In assessing such knowledge, account shall be taken not only of knowledge specific to the host entity, but also of whether the person has a high level of qualification including adequate professional experience referring to a type of work or activity requiring specific technical knowledge, including possible membership of an accredited profession;</p>	
GT: Graduate trainees / trainee employees ⁴⁹	Natural persons with a university degree who are transferred to a host entity for career development purposes or in order to obtain training in business techniques or methods, and are paid during the transfer;	Up to 1 year
BS:	Natural persons who:	Up to 90 days in any

⁴⁸ Definition as in Directive 2014/66/EU

⁴⁹ Directive 2014/66/EU

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Business sellers	<ul style="list-style-type: none"> - are representatives of a services or goods supplier of one Party, - seeking entry and temporary stay in the territory of the other Party for the purpose of negotiating the sale of services or goods, or entering into agreements to sell services or goods for that supplier - do not engage in making direct sales to the general public - do not receive remuneration from a source located within the host Party - nor are they commission agents. 	twelve month period
CSS: 'Contractual services suppliers'	<p>Natural persons:</p> <ul style="list-style-type: none"> - employed by a juridical person of one Party which itself is not an agency for placement and supply services of personnel nor acting through such an agency, has not established in the territory of the other Party and has concluded a bona fide contract to supply services with a final consumer in the latter Party, requiring the presence on a temporary basis of its employees in that Party, in order to fulfil the contract to provide services - must be engaged in the supply of a service on a temporary basis as employees of a juridical person, which has obtained a service contract not exceeding twelve months. - should be offering such services as employees of the juridical person supplying the services for at least the year immediately preceding the date of submission of an application for entry into the other Party. - must possess, at the date of submission of an application for entry into the other Party, at least three years professional experience in the sector of activity which is the subject of the contract. - must possess a university degree or a qualification demonstrating knowledge of an equivalent level - must possess professional qualifications where this is required to exercise an activity pursuant to the laws, regulations and legal requirements of the Party where the service is supplied. - shall not receive remuneration for the provision of services in the territory of the other Party other than the remuneration paid by the juridical person employing the natural person.. 	A cumulative period of not more than 6 months or, in the case of Luxembourg, 25 weeks in any twelve month period or for the duration of the contract, whichever is less.
IP: 'Independent professionals'	<p>Natural persons:</p> <ul style="list-style-type: none"> - engaged in the supply of a service - established as self-employed in the territory of a Party who have not established in the territory of the other Party - who have concluded a bona fide contract (other than through an agency for placement and supply services of personnel) to supply services with a final consumer in the latter Party, requiring their presence on a temporary basis in that Party in order to fulfil the contract to provide services 	A cumulative period of not more than 6 months or, in the case of Luxembourg, 25 weeks in any twelve month period or for the duration of the contract, whichever is less.

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	<ul style="list-style-type: none">- must be engaged in the supply of a service on a temporary basis as self-employed persons established in the other Party- must have obtained a service contract for a period not exceeding twelve months.- must possess, at the date of submission of an application for entry into the other Party, at least six years professional experience in the sector of activity which is the subject of the contract.- must possess a university degree or a qualification demonstrating knowledge of an equivalent- must possess professional qualifications where this is required to exercise an activity pursuant to the laws, regulations or legal requirements of the Party where the service is supplied.	
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Annex 3**INTERNATIONAL INVESTMENT AGREEMENTS WITH THE PARTICIPATION OF HUNGARY⁵⁰**

Short title	Type	Parties	Date of signature	Date of entry into force	Text
EU-Georgia Association Agreement	Other International Investment Agreements	EU (European Union), Georgia	27/06/2014		Full text: en
EU-Moldova Association Agreement	Other International Investment Agreements	EU (European Union), Moldova, Republic of	27/06/2014		Full text: en
EU-Ukraine Association Agreement	Other International Investment Agreements	EU (European Union), Ukraine	27/06/2014		Full text: en
EU-Central America FTA	Other International Investment Agreements	CACM (Central American Common Market), EU (European Union)	29/06/2012		
EU-Vietnam Cooperation Agreement	Other International Investment Agreements	EU (European Union), Viet Nam	27/06/2012		Full text: en

⁵⁰ <http://investmentpolicyhub.unctad.org/IIA>

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Short title	Type	Parties	Date of signature	Date of entry into force	Text
					vi
Colombia-EU-Peru FTA	Other International Investment Agreements	Colombia, EU (European Union), Peru	26/06/2012	01/06/2013	Full text: en
EU-Iraq Cooperation Agreement	Other International Investment Agreements	EU (European Union), Iraq	11/05/2012		Full text: en
EU-Korea FTA	Other International Investment Agreements	EU (European Union), Korea, Republic of	06/10/2010	01/07/2011	Full text: en
ESA-EU EPA	Other International Investment Agreements	ESA (Eastern and Southern Africa), EU (European Union)	29/08/2009	14/05/2012	Full text: en
EU-SADC Interim Agreement	Other International Investment Agreements	EU (European Union), SADC (Southern African Development Community)	22/01/2009		Full text: en
EU - Cameroon EPA	Other International Investment Agreements	Cameroon, EU (European Union)	15/01/2009		Full text: en
Cote d'Ivoire-EC EPA	Other International Investment Agreements	Côte d'Ivoire, EU (European Union)	26/11/2008		Full text: en
CARIFORUM-EC EPA	Other International	CARICOM (Caribbean Community),	15/10/2008		Full

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Short title	Type	Parties	Date of signature	Date of entry into force	Text
	Investment Agreements	EU (European Union)			text: en
Bosnia-EC Stabilization Agreement	Other International Investment Agreements	Bosnia and Herzegovina, EU (European Union)	16/06/2008		Full text: en
EC-Serbia Association Agreement	Other International Investment Agreements	EU (European Union), Serbia	29/04/2008		Full text: en
EU-Montenegro Association Agreement	Other International Investment Agreements	EU (European Union), Montenegro	15/10/2007	01/05/2010	Full text: en
Hungary - Jordan BIT (2007)	Bilateral Investment Treaties	Hungary, Jordan	14/06/2007	09/03/2008	
Azerbaijan - Hungary BIT (2007)	Bilateral Investment Treaties	Azerbaijan, Hungary	18/05/2007	26/02/2008	Full text: en
Albania-EC Association Agreement	Other International Investment Agreements	Albania, EU (European Union)	12/06/2006	01/04/2009	Full text: en
EC-Tajikistan Partnership Agreement	Other International Investment Agreements	EU (European Union), Tajikistan	11/10/2004	01/01/2010	Full text: en
Hungary - Yemen BIT (2004)	Bilateral Investment Treaties	Hungary, Yemen	18/01/2004	09/04/2006	Full text: en

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Short title	Type	Parties	Date of signature	Date of entry into force	Text
ANDEAN-EC Cooperation Agreement	Other International Investment Agreements	ANCOM (Andean Community), EU (European Union)	15/12/2003		Full text: en
Hungary - India BIT (2003)	Bilateral Investment Treaties	Hungary, India	03/11/2003	02/01/2006	Full text: en
Hungary - Tunisia BIT (2003)	Bilateral Investment Treaties	Hungary, Tunisia	13/05/2003		Full text: en
Chile-EC Association Agreement	Other International Investment Agreements	Chile, EU (European Union)	18/11/2002	01/02/2003	Full text: en
Hungary - Uzbekistan BIT (2002)	Bilateral Investment Treaties	Hungary, Uzbekistan	28/10/2002	03/03/2003	Full text: en
Bosnia and Herzegovina - Hungary BIT (2002)	Bilateral Investment Treaties	Bosnia and Herzegovina, Hungary	26/09/2002	31/08/2005	Full text: en
EC-Lebanon Association Agreement	Other International Investment Agreements	EU (European Union), Lebanon	17/06/2002	01/04/2006	Full text: en
Algeria-EC Association Agreement	Other International Investment Agreements	Algeria, EU (European Union)	22/04/2002	01/09/2005	Full text: en
EC-OCT Association	Other International	EU (European Union), OCT (Overseas	27/11/2001	02/12/2001	Full

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Short title	Type	Parties	Date of signature	Date of entry into force	Text
	Investment Agreements	Countries and Territories)			text: en
EC-Pakistan Cooperation Agreement	Other International Investment Agreements	EU (European Union), Pakistan	24/11/2001	01/09/2004	Full text: en
EC-Egypt Association Agreement	Other International Investment Agreements	Egypt, EU (European Union)	25/06/2001	01/06/2004	Full text: en
Hungary - Lebanon BIT (2001)	Bilateral Investment Treaties	Hungary, Lebanon	22/06/2001	23/07/2002	Full text: en
Hungary - Serbia BIT (2001)	Bilateral Investment Treaties	Hungary, Serbia	20/06/2001	30/03/2005	Full text: en
Hungary - Macedonia, The former Yugoslav Republic of BIT (2001)	Bilateral Investment Treaties	Hungary, Macedonia, The former Yugoslav Republic of	13/04/2001	14/03/2002	Full text: en
EC-Macedonia Association Agreement	Other International Investment Agreements	EU (European Union), Macedonia, The former Yugoslav Republic of	09/04/2001	01/04/2004	Full text: en
Mexico-EC Cooperation Agreement	Other International Investment Agreements	EU (European Union), Mexico	27/02/2001	01/03/2001	Full text: en
Cotonou Agreement	Other International Investment Agreements	ACP (African, Caribbean and Pacific Group of States), EU (European	23/06/2000	01/04/2003	Full text: en

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Short title	Type	Parties	Date of signature	Date of entry into force	Text
		Union)			
Bangladesh-EC Cooperation Agreement	Other International Investment Agreements	Bangladesh, EU (European Union)	22/05/2000	01/03/2001	Full text: en
Cuba - Hungary BIT (1999)	Bilateral Investment Treaties	Cuba, Hungary	22/10/1999	24/11/2003	Full text: en
EC-South Africa Cooperation Agreement	Other International Investment Agreements	EU (European Union), South Africa	11/10/1999	01/05/2004	Full text: en
Hungary - Latvia BIT (1999)	Bilateral Investment Treaties	Hungary, Latvia	10/06/1999	25/08/2000	Full text: en
Hungary - Lithuania BIT (1999)	Bilateral Investment Treaties	Hungary, Lithuania	25/05/1999	20/05/2003	Full text: en
EC-Turkmenistan Interim Trade Agreement	Other International Investment Agreements	EU (European Union), Turkmenistan	25/05/1998		
EC-Yemen Cooperation Agreement	Other International Investment Agreements	EU (European Union), Yemen	25/11/1997	02/07/1998	Full text: en
EC-Jordan Association Agreement	Other International Investment Agreements	EU (European Union), Jordan	24/11/1997	01/05/2002	Full text: en

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Short title	Type	Parties	Date of signature	Date of entry into force	Text
Cambodia-EC Cooperation Agreement	Other International Investment Agreements	Cambodia, EU (European Union)	29/04/1997	01/11/1999	Full text: en
EC-Lao Cooperation Agreement	Other International Investment Agreements	EU (European Union), Lao People's Democratic Republic	29/04/1997	01/12/1997	Full text: en
Hungary - Singapore BIT (1997)	Bilateral Investment Treaties	Hungary, Singapore	17/04/1997	01/01/1999	Full text: en
Chile - Hungary BIT (1997)	Bilateral Investment Treaties	Chile, Hungary	10/03/1997		Full text: en es
EC-Palestine Association Agreement	Other International Investment Agreements	EU (European Union), Occupied Palestinian territory	17/02/1997	01/07/1997	Full text: en
EC-Korea Cooperation Agreement	Other International Investment Agreements	EU (European Union), Korea, Republic of	28/10/1996	01/04/2001	Full text: en
Hungary - Slovenia BIT (1996)	Bilateral Investment Treaties	Hungary, Slovenia	15/10/1996	09/06/2000	Full text: en
EC-Uzbekistan Cooperation Agreement	Other International Investment Agreements	EU (European Union), Uzbekistan	21/06/1996	01/07/1999	Full text: en

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Short title	Type	Parties	Date of signature	Date of entry into force	Text
Croatia - Hungary BIT (1996)	Bilateral Investment Treaties	Croatia, Hungary	15/05/1996	01/03/2002	Full text: en
Armenia-EC Cooperation Agreement	Other International Investment Agreements	Armenia, EU (European Union)	22/04/1996	01/07/1999	Full text: en
Azerbaijan-EC Cooperation Agreement	Other International Investment Agreements	Azerbaijan, EU (European Union)	22/04/1996	01/07/1999	Full text: en
EC-Georgia Cooperation Agreement	Other International Investment Agreements	EU (European Union), Georgia	22/04/1996	01/07/1999	Full text: en
EC-Morocco Association Agreement	Other International Investment Agreements	EU (European Union), Morocco	26/02/1996	01/03/2000	Full text: en
Albania - Hungary BIT (1996)	Bilateral Investment Treaties	Albania, Hungary	24/01/1996	01/04/1998	Full text: en
Ankara Agreement	Other International Investment Agreements	EU (European Union), Turkey	22/12/1995	31/12/1995	Full text: en
EC-Mercosur Cooperation Agreement	Other International Investment Agreements	EU (European Union), MERCOSUR (Mercado Común Sudamericano)	15/12/1995	01/07/1999	Full text: en
EC-Israel Association Agreement	Other International	EU (European Union), Israel	20/11/1995	01/06/2000	Full

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Short title	Type	Parties	Date of signature	Date of entry into force	Text
	Investment Agreements				text: en
EC-Nepal Cooperation Agreement	Other International Investment Agreements	EU (European Union), Nepal	20/11/1995	01/06/1996	Full text: en
EC-Vietnam Cooperation Agreement	Other International Investment Agreements	EU (European Union), Viet Nam	17/07/1995	01/06/1998	Full text: en
EC-Tunisia Association Agreement	Other International Investment Agreements	EU (European Union), Tunisia	17/07/1995	01/03/1998	Full text: en
Egypt - Hungary BIT (1995)	Bilateral Investment Treaties	Egypt, Hungary	23/05/1995	21/08/1997	Full text: en
Hungary - Moldova, Republic of BIT (1995)	Bilateral Investment Treaties	Hungary, Moldova, Republic of	19/04/1995	16/08/1996	Full text: en
Hungary - Russian Federation BIT (1995)	Bilateral Investment Treaties	Hungary, Russian Federation	06/03/1995	29/05/1996	Full text: en
Belarus-EC Cooperation Agreement	Other International Investment Agreements	Belarus, EU (European Union)	06/03/1995		
EC-Kyrgyzstan Cooperation Agreement	Other International Investment Agreements	EU (European Union), Kyrgyzstan	09/02/1995	01/07/1999	Full text: en

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Short title	Type	Parties	Date of signature	Date of entry into force	Text
EC-Kazakhstan Cooperation Agreement	Other International Investment Agreements	EU (European Union), Kazakhstan	23/01/1995	01/07/1999	Full text: en
ECT	Other International Investment Agreements	ECT (Energy Charter Treaty)	17/12/1994	16/04/1998	Full text: en
Hungary - Kazakhstan BIT (1994)	Bilateral Investment Treaties	Hungary, Kazakhstan	07/12/1994	03/03/1996	Full text: en
EC-Moldova PCA	Other International Investment Agreements	EU (European Union), Moldova, Republic of	28/11/1994	01/07/1998	Full text: en
EC-Uruguay Cooperation Agreement	Other International Investment Agreements	EU (European Union), Uruguay	04/11/1994	01/01/1994	Full text: en
Hungary - Ukraine BIT (1994)	Bilateral Investment Treaties	Hungary, Ukraine	11/10/1994	03/12/1996	Full text: en
Hungary - Mongolia BIT (1994)	Bilateral Investment Treaties	Hungary, Mongolia	13/09/1994	06/03/1996	Full text: en
Hungary - Viet Nam BIT (1994)	Bilateral Investment Treaties	Hungary, Viet Nam	26/08/1994	16/06/1995	Full text: en
EC-Sri Lanka Cooperation	Other International	EU (European Union), Sri Lanka	18/07/1994	01/04/1995	Full

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Short title	Type	Parties	Date of signature	Date of entry into force	Text
Agreement	Investment Agreements				text: en
EC-Russia PCA	Other International Investment Agreements	EU (European Union), Russian Federation	24/06/1994	01/12/1997	Full text: en
EC-Ukraine Cooperation Agreement	Other International Investment Agreements	EU (European Union), Ukraine	14/06/1994	01/03/1998	Full text: en
Bulgaria - Hungary BIT (1994)	Bilateral Investment Treaties	Bulgaria, Hungary	08/06/1994	07/09/1995	Full text: en
EC-India Cooperation Agreement	Other International Investment Agreements	EU (European Union), India	20/12/1993	01/08/1994	Full text: en
Hungary - Romania BIT (1993)	Bilateral Investment Treaties	Hungary, Romania	16/09/1993	06/05/1996	Full text: en
Hungary - Paraguay BIT (1993)	Bilateral Investment Treaties	Hungary, Paraguay	11/08/1993	01/04/1995	Full text: en
Hungary - Malaysia BIT (1993)	Bilateral Investment Treaties	Hungary, Malaysia	19/02/1993	08/07/1995	Full text: en
Argentina - Hungary BIT (1993)	Bilateral Investment Treaties	Argentina, Hungary	05/02/1993	01/10/1997	Full text: es

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Short title	Type	Parties	Date of signature	Date of entry into force	Text
Hungary - Slovakia BIT (1993)	Bilateral Investment Treaties	Hungary, Slovakia	15/01/1993	19/07/1996	Full text: en
Czech Republic - Hungary BIT (1993)	Bilateral Investment Treaties	Czech Republic, Hungary	14/01/1993	25/05/1995	Full text: en
Hungary - Poland BIT (1992)	Bilateral Investment Treaties	Hungary, Poland	23/09/1992	16/06/1995	Full text: en
Brazil-EC Cooperation Agreement	Other International Investment Agreements	Brazil, EU (European Union)	29/06/1992	01/11/1995	Full text: en
EEC-Mongolia Trade Cooperation Agreement	Other International Investment Agreements	EU (European Union), Mongolia	16/06/1992	01/03/1993	Full text: en
EC-Macao Trade Agreement	Other International Investment Agreements	EU (European Union), Macao, China SAR	15/06/1992	01/01/1993	Full text: en
Hungary - Indonesia BIT (1992)	Bilateral Investment Treaties	Hungary, Indonesia	20/05/1992	13/02/1996	Full text: en
EC-EFTA	Other International Investment Agreements	EFTA (European Free Trade Association), EU (European Union)	02/05/1992	01/01/1994	Full text: en
Hungary - Portugal BIT (1992)	Bilateral Investment	Hungary, Portugal	28/02/1992	08/10/1997	Full

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Short title	Type	Parties	Date of signature	Date of entry into force	Text
	Treaties				text: pt
EC-Paraguay Cooperation Agreement	Other International Investment Agreements	EU (European Union), Paraguay	03/02/1992	01/11/1992	Full text: en
Hungary - Turkey BIT (1992)	Bilateral Investment Treaties	Hungary, Turkey	14/01/1992	01/11/1994	Full text: en
Hungary - Morocco BIT (1991)	Bilateral Investment Treaties	Hungary, Morocco	12/12/1991	03/02/2000	Full text: fr
Hungary - Thailand BIT (1991)	Bilateral Investment Treaties	Hungary, Thailand	18/10/1991	18/10/1991	Full text: en
Canada - Hungary BIT (1991)	Bilateral Investment Treaties	Canada, Hungary	03/10/1991	21/11/1993	Full text: en fr
Australia - Hungary BIT (1991)	Bilateral Investment Treaties	Australia, Hungary	15/08/1991	10/05/1992	Full text: en
China - Hungary BIT (1991)	Bilateral Investment Treaties	China, Hungary	29/05/1991	01/04/1993	Full text: en
Hungary - Israel BIT (1991)	Bilateral Investment	Hungary, Israel	14/05/1991	14/09/1992	Full

Admitting third-country nationals for business purposes

Short title	Type	Parties	Date of signature	Date of entry into force	Text
	Treaties				text: en
Hungary - Norway BIT (1991)	Bilateral Investment Treaties	Hungary, Norway	08/04/1991	04/12/1992	Full text: en
Hungary - Spain BIT (1989)	Bilateral Investment Treaties	Hungary, Spain	09/11/1989	01/08/1992	Full text: en
Hungary - Kuwait BIT (1989)	Bilateral Investment Treaties	Hungary, Kuwait	08/11/1989	01/03/1994	Full text: en
Hungary - Uruguay BIT (1989)	Bilateral Investment Treaties	Hungary, Uruguay	25/08/1989	01/07/1991	Full text: es
Greece - Hungary BIT (1989)	Bilateral Investment Treaties	Greece, Hungary	26/05/1989	01/02/1992	Full text: en
Cyprus - Hungary BIT (1989)	Bilateral Investment Treaties	Cyprus, Hungary	24/05/1989	25/05/1990	Full text: en
Hungary - Korea, Republic of BIT (1988)	Bilateral Investment Treaties	Hungary, Korea, Republic of	28/12/1988	01/02/1989	Full text: en
Hungary - Switzerland BIT (1988)	Bilateral Investment Treaties	Hungary, Switzerland	05/10/1988	16/05/1989	Full text: fr

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Short title	Type	Parties	Date of signature	Date of entry into force	Text
EC-GCC Cooperation Agreement	Other International Investment Agreements	EU (European Union), GCC (Gulf Cooperation Council)	15/06/1988	01/01/1990	Full text: en
Finland - Hungary BIT (1988)	Bilateral Investment Treaties	Finland, Hungary	06/06/1988	12/05/1989	Full text: en
Austria - Hungary BIT (1988)	Bilateral Investment Treaties	Austria, Hungary	26/05/1988	01/09/1989	Full text: de
Denmark - Hungary BIT (1988)	Bilateral Investment Treaties	Denmark, Hungary	02/05/1988	18/10/1988	Full text: en
Hungary - Netherlands BIT (1987)	Bilateral Investment Treaties	Hungary, Netherlands	02/09/1987	01/06/1988	Full text: en
Hungary - Sweden BIT (1987)	Bilateral Investment Treaties	Hungary, Sweden	21/04/1987	21/04/1987	Full text: en
Hungary - United Kingdom BIT (1987)	Bilateral Investment Treaties	Hungary, United Kingdom	09/03/1987	28/08/1987	
Hungary - Italy BIT (1987)	Bilateral Investment Treaties	Hungary, Italy	17/02/1987	06/09/1989	Full text: it
France - Hungary BIT (1986)	Bilateral Investment	France, Hungary	06/11/1986	30/09/1987	Full

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Short title	Type	Parties	Date of signature	Date of entry into force	Text
	Treaties				text: fr
BLEU (Belgium-Luxembourg Economic Union) - Hungary BIT (1986)	Bilateral Investment Treaties	BLEU (Belgium-Luxembourg Economic Union), Hungary	14/05/1986	23/09/1988	Full text: fr
Germany - Hungary BIT (1986)	Bilateral Investment Treaties	Germany, Hungary	30/04/1986	07/11/1987	
China-EC Trade and Cooperation Agreement	Other International Investment Agreements	China, EU (European Union)	21/05/1985	22/09/1985	Full text: en
ASEAN-EU	Other International Investment Agreements	ASEAN (Association of South-East Asian Nations), EU (European Union)	07/03/1980	01/10/1980	Full text: en
EU Treaty	Other International Investment Agreements	EU (European Union)	25/03/1957	01/01/1958	Full text: en

*Admitting third-country nationals for business purposes*Annex 4Four main types of business associations most commonly established in Hungary⁵¹

	Limited partnership (Béti társaság)	Limited liability company (Korlátolt felelősségű társaság)	Private company limited by shares (Zártkörűen működő részvénytársaság)	Public company limited by shares (Nyilvánosan működő részvénytársaság)
MAIN CHARACTERISTICS	<ul style="list-style-type: none"> • Business association with legal personality; • At least one member with unlimited liability; • At least one other member is only obliged to provide a capital contribution (limited liability). 	<ul style="list-style-type: none"> • Business association with legal personality; • Established with an initial capital contribution, the amount of which is predetermined by law; • The members are only liable up to the amount of their capital contribution (limited liability). 	<ul style="list-style-type: none"> • Business association with legal personality; • Established with share capital consisting of shares of a pre-determined number and face value. • Invitations to the public to subscribe for shares are prohibited. 	<ul style="list-style-type: none"> • Business association with legal personality; • Only existing private companies limited by shares can be transformed into this type of business association. • The shares can only be subscribed publicly.
FOR WHOM RECOMMENDED	Founders who do not have the minimum capital required for a limited liability company.	Generally recommended because of limited liability.	Founders who have the required minimum capital and intend to provide different rights to the members of the company in the form of preference shares (i.e. preferred dividends, preference related to voting rights, etc).	It is usually recommended only if the company's activity requires public founding.
MINIMUM NUMBER OF FOUNDERS	Two	One	One	Two
MINIMUM AMOUNT OF INITIAL CAPITAL	HUF 1/member	HUF 3,000,000 (cca. EUR 10,000)	HUF 5,000,000 (cca. EUR 16,667)	HUF 20,000,000 (cca. EUR 66,667)

Source: PwC
Applied exchange rate: 300 HUF/EUR

⁵¹ Investing Guide in Hungary 2014 by PwC and the Hungarian Investment and Trade Agency, p. 37:
file:///C:/Users/user/Downloads/Investing_Guide_2014.pdf