



TOP HNZPRÁVY

	Trestní oznámení na ministra Blažka		Odboráři: prodáváte dopravní podnik		Holinky jako český fenomén		Sýrie: povstání přidává Al-Káid
--	-------------------------------------	--	-------------------------------------	--	----------------------------	--	---------------------------------

[Slovak entrepreneurs regard Hungary as a tax haven and relocate the registered seat of their companies to there](#)

Slovak companies discovered a new tax haven. Surprisingly, this place is Hungary. The number of companies with a registered seat or an owner/co-owner resident in the Southern neighbouring country of Slovakia increased by 680 in the last six months.

[Ivana Sladkovská](#)



Budapest – illustration
photo: Wikimedia

More and more Slovak companies relocate their seat to Hungary, despite the fact that Viktor Orbán's government adopted several unforeseeable economic measures that were also criticized by Brussels.

Companies that changed their registered seat during the last months include Speed Finance, Megastavebniny, United Green Energy and Daro Košice.

[Czech companies are also affected by the trend of relocation to Hungary: 150 firms relocated during a period of one and a half years. Click here to see the largest companies.](#)

‘The corporation tax of legal persons is lower in Hungary than in Slovakia,’ pointed out Boglárka Papp, Ferrobeton’s employee responsible for communication matters.

Petra Štěpánová, analyst of the Czech Capital Information Agency (Česká kapitálová informační agentura – Čekia) studying the migration of company seats for a long time, also mentions the abolition of dividend tax as a reason for company relocation.

It seems that not only companies having their parent company in Hungary, such as OTP Bank or SLOVNAFT, relocate their registered seat but also other firms specifically seeking more favourable conditions for their activities. The total number of these companies almost amount to 10,000.

Attractive conditions

Hungary cannot be regarded as a classic tax haven; moreover, it has the highest tax and contributions rates in the region. However, among the countries of the Visegrad Four, Hungary offers small and medium-sized enterprises the most favourable tax conditions.

According to experts, this trend may also be multiplied because companies tend to make efforts to discover further saving opportunities

[Small companies are reluctant to borrow. Instead, they prefer covering their investments from their savings. Click HERE to read more.](#)

‘The Ministry does not expect different future trends in this field,’ says Radko Kuruc, advisor of the Slovak Minister of Finance, despite the fact that the corporation tax to be paid by legal persons are planned to be further increased in Slovakia.

The changing of the registered seat of companies entails various administrative costs, pointed out Kuruc. In contrast to this, Michal Friedberger, analyst of the company Akont, thinks that parallel with the deepening credit crisis we will see a continuing trend of companies seeking better conditions.

A large number of Czech companies also relocate their registered seat to Hungary. In the case of Slovak companies, we cannot determine the exact number of companies that relocated their registered seat to the Southern neighbouring country or established as a result of investments financed from Hungary. This can be determined exactly in the case of Czech companies: 150 firms have already relocated to Hungary during the first half of the year.

Similarly to Hungary, no tax is imposed on dividends in Slovakia. In Slovakia, the rate of corporation tax is 19% at present. However, the Ministry of Finance plans to increase this tax rate to 23%. This would be the highest rate in the whole region.

The rate of health contribution imposed on dividends is planned to be increased from 10 to 14 per cent. In Hungary, there are two corporation tax rates, 19% and 10%, applicable to legal persons. In the case of companies not achieving a tax base of HUF 500 million (approx. EUR 1.76 million or CZK 44 million), the rate of corporation tax is 10%.

The tax burden is the same in the favourite tax haven, Cyprus. ‘It is also attractive that 0 per cent health contribution should be paid after dividends, but the lower corporation tax rate is most attractive above all,’ emphasised Friedberger.

Authors: [Ivana Sladkovská](#), [fas](#), [Hospodárske noviny](#)