

# HUNGARY



## RESIDENCY BOND PROGRAM

Your Safe Pass To Europe

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# About ABHINAV

*We are the change makers in people's lives where it matters the most. Bridging geographical barriers and connecting worlds is our motto. We believe in helping you and your family to live a good quality life. So, as global immigration and visa specialists, we play an important role in helping people select their new settlement destination.*

Established in 1994, ABHINAV is an Immigration and Visa Consultancy Company catering to possible immigration needs of its clients. We have a network of offices with experienced staff and seasoned international associates including professionals, lawyers and authorized representatives for major immigration destinations. We are ideally positioned to assist our clients in choosing the right immigration destination and handholding them through the entire immigration process. Our understanding of concurrent immigration rules and procedures and learning through past precedents in managing various immigration and visa situations ensures proper presentation of application forms and the overall credentials of our clients.

ABHINAV caters to those seeking living and work options to all major countries such as Canada (Federal and Quebec), Australia, UK, Denmark, Singapore, Hong Kong and other popular destinations. Our USP is our transparency with clients at all stages of application process.

Our services include all forms of immigration and visa applications such as Permanent Resident and Skilled Migrant visas, Investor and Business immigration applications, Temporary Work Permits and so on. Filing pleas and appeals against rejected and refused applications is our forte.

Ajay Sharma is the Principal at ABHINAV. In his vast industry experience, he has worked with an array of clients from both India and abroad and continues to gain respect for his solution-oriented approach to complicated immigration and visa issues. His blog at [www.abhinav.com](http://www.abhinav.com) on immigration and visa matters is among the most read across the nations.

With our solution – based approach, all we need is our clients to think beyond limits so that we can put our best foot forward. This provides us the challenge to perform better and exploit our expertise making each of our cases, a big success.

**So, let experience stand by your side in this life-changing decision called Immigration!**

# About Hungary

The stunningly beautiful European nation of Hungary has a total land area of 93,033 square km. It is basically a landlocked nation and strategically located in Central Europe. The nation is rather small in area and measures just 524 kilometers from east to west & 250 kilometers from north to south.

The nation shares its borders with Romania, Serbia, Slovakia, Ukraine, Croatia, and Austria, besides Slovenia. By and large, Hungary is flat dotted with not-too-high Mountains in its northern regions. The famous, also the biggest lake in Central Europe, Lake Balaton, is situated in Hungary.

Budapest is the capital city, also the country's largest city, and was initially two different cities, namely, Buda & Pest. The same bestrides the renowned River Danube, and is quite rich in history and culture even as it is also celebrated for its restorative springs.

Roughly, 13.1–14.7 million Hungarians are spread across the world today, and close-to 8.5–9.8 million of them reside in the present Hungary. The nation has a national assembly or single-chamber parliament, and voters, select by ballot, its 386 members every 4 years.

Since the beginning of the 1980s, the country has significantly lost its people. In 1999, its total population stood at roughly 10,065,000--48,000 less than what the same had been just 1 year before. Much like many European nations, the populace of the aged is on the rise & that of kids on the decline across the country.

The people of Hungary, called Hungarians, belong to an ethnic faction who converse in the Hungarian language even while they are principally linked with Hungary. Hungarian is the country's official language, and the most extensively used non-Indo-European language in the whole Europe.

Significantly, prior to the World War II, German happened to be the most crucial and commonly employed second language. All through the socialist era, Russian was binding in the national schools & universities. Now English has emerged as the most treasured second language, chiefly for younger public with entrepreneurial aspirations, and in the academic world, the sciences, and different services & businesses.

## Hungary Economic profile

- Historically, Hungary has been associated with many innovations, i.e. even while being under the communist iron curtain the idea of market economy or rather the "goulash Communism" was envisaged by Janos Kadar at the end of the 1960s and this gradually evolved into innovative market socialism. This country was first to transform successfully into market economy and today, 80% of GDP is contributed by the private sector.
- 45 of the top 50 global companies have their offices in this country.
- Foreign direct ownership and foreign investment in Hungarian firms is expansive and when totaled with FDI the funds infused into the Hungarian economy are more than \$70 billion.
- The focus of foreign investments has shifted to manufacturing of high-end automobile, renewable energy generation systems, high-end tourism, and IT.
- Hungary has 31 058 km of roads, motorways of 1118 km and railroad system was 7685 km long
- The electrification is complete in the country
- The contribution of tertiary sector is increasing in the GDP and employment while that of manufacturing sector is also growing
- The future development plans of the government are ambitious and offer greater freedom to private and foreign investments
- Member of UNO, WTO, EU and Schengen Treaty

## Hungary - Other Main Facts

- Hungary is a country blessed with a great mix of scenic beauty in natural environment and evidences of rich cultural heritage and truly urbanized contemporary world
- The culture of Hungary varies across Hungary, starting from the capital city of Budapest on the Danube, to the Great Plains bordering Ukraine.
- It has a rich folk crafts tradition and is also popular for some of the most well known architectural masterpieces of Europe and the world.
- Budapest is considered to be majestic, regal, and breathtaking, which is known for its rich history and elegant buildings and the lovely and friendly people who are flowing with youthfulness make the city special.
- The country is not known for extreme climate
- Politically stable
- Personal safety guarantee due to lower crime rate
- Good ethnic mix
- English language is widely spoken



# Cost of Doing Business in Hungary

Hungary has made the most of its more than perfect geographical location to fruitfully emerge as an industrialized, and logistics, not to mention services powerhouse even as the **cost of doing business in Hungary** is neither too high nor exorbitant.

The overall business opportunities across the nation, more so in the capital, Budapest, are ever-growing even as these have been radically augmented in recent years, thanks to the unexpected swell of global firms setting-up organizations in the nation.

While a reduction in unemployment has been noticed, a present shortage of specifically trained people in industries, comprising the metallurgy, car manufacturing & construction business has been also seen. Almost 33% of almost each and every business done in the nation is carried-out in Budapest. Given this--in case you are eager to launch a company in Hungary--you will not get a better option than the capital.

Now let's take a swift look at the **cost of doing business in Hungary** under these heads!

## **Tax Benefits**

At only 10%, the nation has possibly the least corporate tax rate across the whole Europe, and this makes it pretty sensible to shift proceeds to the many Hungarian subsidiaries.

## **Trained, Committed Individuals**

Its qualified, creative manpower is accessible for just 33% of the cost of their Western European matching parts. The administration's attempts to boost employment have formed a rather supportive atmosphere for recruiters, with noninterventionist employment rules & regulations. Robust employer rights make it quite simple to use only those one requires. Against this backdrop, the labour market conditions of Hungary are appreciably more flexible and fairly priced, in relation to those in Western Europe.

## **Not Too High Costs**

The prices of real estate have nose-dived by close-to 30% since 2008 even as the costs of business services are incredibly low, vis-à-vis Western Europe.

The overall **cost of doing business in Hungary** is not too high even as the nation has taken advantage of its just right geographical setting to emerge as a manufacturing, and logistics, besides services powerhouse.

# Cost of Living in Hungary

The **cost of living in Hungary** may not be very low-priced in every manner, but the country, overall, is a practically good value for those who wish to enjoy a good life without spending much in Europe. People shifting to Budapest, the state capital, from a comparable sized European city, North America, or for that matter Australia, may reduce their general operating costs by as much as 50% even as the remaining regions of Hungary cost comparatively less.

Now let's take a look at the **cost of living in Hungary** under these heads!

## Accommodation

The occupants give their rent expenses in 100s, and not 1000s, and one will hardly come across any single person or pair shelling-out more than \$500 every month, even in Budapest. When one moves into comparatively smaller towns, he can get a big home for that.

## Healthcare

In Hungary, the medical care is overall good even while dental care is awesome. Against the backdrop of cross-border medical care becoming a common thing in several places across the globe, Hungary has joined the party with full enthusiasm. Several people from Europe and elsewhere land on the nation's soils for dental work performed or to benefit from nice medical care at a concession.

## Food & Drink

One may usually have an incredibly fine dinner complete with wine for just \$15 in the country. In case one enjoys food at more modest places, a soup will cost maybe a dollar, and chief food-items somewhere between \$3 and \$7.

## Transportation

Getting around the nation is moderately not expensive by train or bus when one wishes to go out of town. For a journey of two hours one will become poorer by roughly \$10-\$12 in the country. Seniors & young kids do not have to pay anything, and they take a trip free.

Though the **cost of living in Hungary** may not be awfully inexpensive in every manner, the nation, by and large, is a fairly good value for those who wish to get pleasure from a good life, without having to spend much in Europe.

# Main Industries

The **automotive segment** is a top industry of the nation even as it produces nearly 21% of its total exports. Over 600 firms, hiring a combined total of 100,000 persons, are currently in the business, in the field. And four leading automotive Original Equipment Manufacturers, namely, Audi, Suzuki, Daimler, and Opel have manufacturing facilities in the nation.

The **electronics business** is yet another major industrial sector in the nation, even as it is responsible for 22% of the country's whole manufacturing production. Hungary is - by far - the biggest electronics maker in the CEE region, and is behind 26% of the entire regional manufacture. Close-to 112,000 persons are presently working in the segment.

In the field of **Pharmaceuticals & Medical Technology** also Hungary has a fairly good presence. Actually, its pharmaceutical business is a top and highly well-organized and flourishing division of the country's economy. Courtesy the most developed pharmaceutical & biotechnology segments in the entire Eastern & Central Europe, the nation proffers a perfect launch pad for the life science firms keen to grow in the area, or expand towards the states of the Balkan region, and also the more far-away Asian & Eastern European markets.

Even in the **food industry**, Hungary's presence is rather remarkable. Despite the fact its share in the output of national industry has somewhat nose-dived, through the decade gone by, the business of food processing continues to be a key sub-division of the Hungarian economy. The food industry's export revenues are crucial to the nation's general trade balance. The country is the sole net exporter of agricultural & food goods in the entire CEE area. And, the business produces 6% of the nation's total exports.

The **ICT segment--comprising telecommunications**, IT services, IT outsourcing, and software and hardware manufacturing--is another vital cog, and one of the main businesses of the Hungarian economy. The ICT segment is responsible for 10%, or one-tenth, of the whole Hungarian GDP even as it hires 100,000-plus persons. During the past some years, the Hungarian ICT market has developed speedily, and heads the field in communications tools manufacturing & computer assembly.

The automotive division is a leading industry of the country even while it is behind close-to 21% of its entire exports.



# “The Residency Bond Program”

## Hungary - Immigration Scheme with a Difference!

Hungary, the former eastern bloc country was a trendsetter even in the communist Soviet era, has not failed its reputation and the government has continued with its policies of making Hungarian economy a truly innovative phenomenon. The authorities had converted the economy of this country into a true mix of market socialism back in 1960. Owing to that trend, the Hungary was quick to convert its economy from a planned one into a market based economic system. Now the government of this central European nation has come up with yet another outstanding scheme called “The Residency Bond Program” to facilitate immigration of qualified foreign nationals into country on permanent basis.

### **Hungary Residency Program: Overview**

The Hungarian Investment Immigration Program, “The Residency Bond Program” is one innovative scheme that makes all the difference and it is pulling in lot of attention of the willing investors across the globe. This distinctly only of its kind scheme was incorporated in 2012 and is laden with multiple advantages that other contemporary investment scheme of other global locations may not be able to offer.

Some of the scope and salient features of the “Hungarian Residency Bond Program” are

- The policy is intended to attract willing investors of countries other than nationals of European Union, i.e. the authorities would prioritize selection of the investors from countries other than EU.
- The government is offering permanent residential permit to the willing investing individuals in lieu of infusion of funds in Special Hungarian Government Bonds that have a minimum 5-year lock in period. The investment does not yield any interest.
- After the lock in period, the investment can be liquidated and the investors would be able to retain their permanent residential status in the country.
- The applicants gaining entry into the country would have open access to Schengen treaty zone by virtue of Hungary being a fulltime signatory of the Schengen treaty.
- The new entrants would also have unimpeded access to vast market of EU.
- The spouse and children under the age of 18 years would be included in the application without any extra charges.
- This program has NO specific stipulations connected to Language, Age, Work experience and requirement for furnishing/substantiating proofs of source of money or any other tax return or auditor reports
- In addition, procurement of landed property or establishment of companies is not mandatory under the Hungarian Investment Immigration Program.

### **Hungary Residency Program: Progress**

The popularity of this policy has risen manifold and in the period from June 2013 till August 2014 interested immigrant investors have procured over 1100 Residency Government Bonds. The initial success has encouraged the Hungarian authorities to raise the threshold non-refundable investment by Euro 60,000 from January 2015.

## **Why Hungarian “The Residency Bond Program”?**

Although the Hungarian government guarantees the scheme, there are other features that talk tall about the long-term viability of investing in this scheme. The key elements that guarantee success of this scheme include:

- Reaps maximum benefits for each penny invested
- Comparably cheaper way of gaining entry into EU\*, i.e. Euro 60,000. Please note that deposit of Euro 300,000 is refunded in full after lock-in period of 5 years. These investments become applicable from January, 2015
- Guaranteed premature refund in case the application for the permanent residence is rejected
- Applicants enjoy unprecedented freedom of deciding whether they would like to land in the country or not with only exception of maintaining a Hungarian residential address while filing for permanent resident visa
- After the grant of permanent residence permit, visa holders are exempt from fulfilling the requirement of maintaining residence in the country. After being granted the permanent residency, there is no residency obligation and no landing requirement. Applicant can decided whether or not they would like to reside permanently in Hungary.
- Allows the children of applicants to take benefits of Hungary’s public education system
- The program permits the visa holders to buy landed properties, establish business or even take up a job in the country

**\* Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the UK.**

## Why Hungary?

- Stable economy with clear intentions of government to facilitate business and investments.
- Hungary can prove to be a launch pad for business as this country is member of European Union, which allows the business oriented people to access a large market segment constituting of about 250 million people within a 1000km radius and the EU common market that comprises of more than 500 million people.
- Being at the heart of Europe and having a well developed infrastructure like business ready industrial sites, offices and science parks makes Hungary a best location for manufacturing, services and logistics business.
- This eastern European country is the best deal when it comes to entrepreneurs and investors intending to establish and develop business enterprise to foray into European markets.
- Literate, efficient training ready and cheap labor force
- Government offers a plethora of sops to investors (cash subsidy, tax allowance)
- Being a full time signatory of Schengen treaty allows the PR visa holders to travel across the Schengen zone without needing special visa.
- Visa free travel Freedom within European Union (EU) member nations\* without visa
- Make application for Citizenship after 8 years of being permanent Resident.
- Family gets a right to live and work in 28 EU countries
- Children can study in Universities throughout Europe at Subsidized and pay highly reduced tuition fee as a EU resident
- Avoid EU import duties on goods and services
- Higher standard of equality and human rights
- Participation in foreign social security programs
- Participation in national health programs
- Access to the largest trading block in the world
- Enhance freedom for you and your family
- Children can stay in Europe after finishing their studies
- Powerful tool for international tax planning
- Lowest tax regime in Europe allows you to keep your wealth – 10%
- Lowest business running costs in Europe
- Low labor costs
- Highly educated work force
- Member of NATO
- Secure banking and financial sector
- 2-3 hours from all main EU airport hubs
- Links Europe and Asia
- Stunning country and friendly people

## Investment Quantum

The investors need funds in tune of Euro 300,000 for investment plus the Euro 60,000 as non-refundable administrative charges. These investments become applicable from January 2015

## Program Schedule

Hungarian “The Residency Bond Program” application process is easily classified in eight phases. The process is completed in less than 12 months.

<b>Phase 1</b>	
DAY 0 (Contacting and Preparing):	Decision to park money in this scheme and contacting us and hiring our services
DAY 1	Collaborate with us on collecting the required data and documents
<b>Phase 2</b>	
DAY 7	Approval for the investment is received and the principal applicant remits the investment funds to the investment broker.  Pay EUR 300,000 investment and EUR 60,000 administrative fee
<b>Phase 3</b>	
	The investment broker issues the Bonds to the applicants
<b>Phase 4</b>	
Day 21.	The principal applicants and his kin (to be included in the application) visit Hungarian consulate and lodge requests for temporary residence visa
<b>Phase 5</b>	
Day 28	The Hungarian Consulate disburses the provisional residence visa cards to applicants
<b>Phase 6</b>	
	Investment broker procures Investor Residency Bonds.
<b>Phase 7</b>	
Month 7	The applicants file requests for PR visa at the Hungarian consulate
<b>Phase 8</b>	
Month 8	Collection of permanent residence Visa (subject to approval)
<b>End of YEAR 5</b>	Redemption of bonds worth EUR 300,000
<b>LIFELONG</b>	Permanent Resident status

Note: All mentioned Investment figures, non-refundable administrative costs, processing delays are subject to change without notice and are not under the control of the advisor/broker/consultant.

# Contact Us



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