

Hungarian trusts and taxation

	Hungarian natural person beneficiary	Non Hungarian natural person beneficiary	Hungarian legal person beneficiary	Non Hungarian legal person beneficiary
Personal income tax	<p>Distribution of the trust assets: no tax liability.</p> <p>Distribution of the yield of the trust assets: distribution of the yield is treated as dividend distribution, which is taxed at 15 per cent personal income tax and 14 per cent healthcare contribution levy capped at HUF 450,000 (approximately USD,800)</p>	<p>Distribution of the trust assets: no liability in Hungary. Liability may arise abroad depending on the tax residence of the natural person.</p> <p>Distribution of the yield of the trust assets: distribution of the yield is treated as dividend distribution, which is taxed with 15 per cent personal income tax and 14 per cent healthcare contribution levy capped at HUF 450,000 (approximately USD 1,800) in Hungary. Additional liability or relief may arise depending on the tax residence of the natural person.</p>	Not applicable	Not applicable
Value-added tax	<p>Nationality, taxability of the natural person and the location, as well as the type of transfer of the trust assets and from where they will be transferred by the trustee, must be considered</p>	<p>Nationality, taxability of the natural person and the location, as well as the type of transfer of the trust assets and from where they will be transferred by the trustee, must be considered</p>	<p>Nationality, taxability of the natural person and the location, as well as the type of transfer of the trust assets and from where they will be transferred by the trustee, must be considered</p>	<p>Nationality, taxability of the natural person and the location, as well as the type of transfer of the trust assets and from where they will be transferred by the trustee, must be considered</p>
Corporate income tax	Not applicable	Not applicable	<p>Distribution of the trust assets: trust assets amount to extraordinary income, which increases the pre-tax profits of the legal person. The corporate income tax rate is 9 per cent flat. However, if the settlor and the beneficiary are the same person, no tax liability is generated.</p> <p>Distribution of the yield of the trust assets: yield amounts to dividend, which is tax free</p>	<p>Distribution of the trust assets: no tax liability in Hungary. Liability abroad may arise depending on the tax residence of the legal person.</p> <p>Distribution of the yield of the trust assets: yield amounts to dividend; in Hungary, there is no withholding tax levied, so there is no tax liability in Hungary. Liability abroad may arise depending on the tax residence of the legal person</p>
Local taxes	Not applicable	Not applicable	Not tax liability	Not applicable