

UNITED NATIONS OFFICE ON DRUGS AND CRIME
QUESTIONNAIRE ON BENEFICIAL OWNERSHIP INFORMATION

1. Definition of beneficial ownership & mechanisms for obtaining beneficial ownership information

1.1 Please provide the definition of “beneficial ownership” in your country for: (a) legal persons; and (b) legal arrangements, including the relevant legislation (if applicable). Please describe criteria and thresholds that are applied to determine beneficial ownership, including any criteria for exercising control without legal ownership (e.g. voting rights, right to appoint or remove board of directors).

Pursuant to Clause 38 of Section 3 of Act LII of 2017 on Preventing and Combating Money Laundering and Terrorist Financing

“38. beneficial owner:

a) the natural person who holds, either directly or indirectly, at least 25% of the voting rights or capital of a legal person or organisation without legal personality in accordance with Section 8:2(4) of Act on the Civil Code (hereinafter referred to as: “Civil Code”) or otherwise exercises the actual control over the legal person or organisation without legal personality, if the legal person or organisation without legal personality is not a company listed on a regulated market subject to the publication rules set out in Community legislation or other equivalent international regulations,

b) the natural person who has dominant influence over a legal person or organisation without legal personality in accordance with Section 8:2(2) of the Civil Code,

c) the natural person on whose behalf a transaction is executed or who otherwise exercises actual control over the activity of a customer who is a natural person,

d) in regards to foundations, the natural person

da) who is the beneficiary of at least 25% of the foundation’s assets, if the prospective beneficiaries have already been specified,

db) for whose benefit the foundation was established or is operated, if the prospective beneficiaries have not been specified yet,

dc) who is a member of the foundation’s management body or exercises dominant influence over at least 25% of the foundation’s assets, or

dd) who acts as the representative of the foundation in the absence of a natural person specified in Subparagraphs da)-dc),

e) in regards to trust agreements, the following persons:

ea) the trustor(s); where the trustor is not a natural person, its beneficial owner in accordance with Paragraph a) or b),

eb) the trustee(s); where the trustee is not a natural person, its beneficial owner in accordance with Paragraph a) or b),

ec) the beneficiary or group of beneficiaries; where the beneficiary is not a natural person, its beneficial owner in accordance with Paragraph a) or b),

ed) the natural person who otherwise controls the managed assets, and

ee) as the case may be, the person(s) controlling the trust activity; where the person controlling the trust activity is not a natural person, its beneficial owner in accordance with Paragraph a) or b), and

f) in the absence of a natural person fitting the description set out in Paragraphs a) and b), the executive officer of the legal person or organisation without legal personality;”

2. Access to basic information on legal persons

2.1 Please describe the process for obtaining basic information on legal persons created or registered in your country, including the role of the company registry.

The most important legal persons are the companies and the non-governmental organizations (NGO-s).

Companies (businesses, cooperatives, etc.) are officially established once they are entered in the business register. The company court only registers companies, of which there are 20 legal forms in total, most relevant in economic life are the general partnerships (“Kkt.”), limited partnerships (“Bt.”), limited liability companies (“Kft.”) or companies limited by shares (“Rt.”). Company information and corporate documents are stored electronically. The information of companies registered at any Hungarian court of registration are available free of charge on the website of the Service of Company Information and Electronic Company Registration of the Ministry of Justice.

Other types of entities (e.g. sole traders, NGO-s) are entered in different registers. NGO-s (foundations, associations, sports associations, etc.) are registered in a nonlitigious procedure at the general court with competence as per the registered seat of the organisations. The basic information of registered organisations is freely accessible online.

2.2 Please list the categories of basic information on legal persons that is obtained and recorded by the company registry (or other relevant registries), e.g. name of entity, date of incorporation, tax ID number, etc.

The following information (existing or no longer valid) is present in the company register:

- corporate registration number;
- company name (and where applicable the concise name of the company, the company’s name in foreign languages consistent with the Hungarian name);
 - address of the registered office and if the company’s registered office and main office of central business administration are not the same, the office of central business administration (and where applicable business facility(ies), branch(es));
- the date of the instrument of constitution;
- activity(ies);
- the company’s subscribed capital;
- the mode of representation (independent or joint, or if the executive officer has no power of representation, and indication thereof)
- the name, tax identification number, in the case of natural persons their home address, place of birth, mothers birth name, in the case of legal persons their registered office, registered number or register number, and the positions of the company’s executive officer, and/or the person vested with power of representation, the date of entering into such relationship, including the date of expiration if it is for a fixed term, or if the

authorization is terminated before the time indicated in the companies register, the actual date of termination, as well as an indication if the signature registration certificate of the company's authorized representative, witnessed and executed by a notary public, or the signature specimen countersigned by an attorney or bar association legal counsel had been submitted;

- the tax number and statistical code of the company, also if the company's tax number is withdrawn, the resolution ordering the withdrawal, or if such resolution is annulled or abolished, and the operative dates of these resolutions;
- all bank accounts of the company and the name and seat of the payment service providers carrying such accounts;
- the company's address for electronic service of process;
- the company's registered contact point provided for in the E-government Act;
- the status of the company, e.g. when bankruptcy, liquidation or final settlement proceedings have been initiated;
- details of the member or representative subject to disqualification.

The following information can be obtained relating to NGO-s:

- organisation registration number;
- the number of the decision to register the organisation, the date on which it became final;
- the date of the instrument of incorporation;
- organisation name (and where applicable the concise name of the organisation, the organisation's name in foreign languages consistent with the Hungarian name);
- the registered seat
- the name and home address of the representative
- the extent and manner of representation
- type of organisation
- the status of the organisation, e.g. when bankruptcy, liquidation or final settlement proceedings have been initiated;

2.3 Is the company registry available publicly @ online in your country? **YES / NO**

If **YES**, please provide links to the company registry and any other relevant registries of legal persons, or provide details about how the public can access them.

company registry:

<https://www.e-cegjegyzek.hu/?cegkereses>

register of NGO-s

<https://birosag.hu/ugyfeleknek/civil-szervezetek/civil-szervezetek-nevjegyzeke>

3. Access to beneficial ownership information of legal persons

3.1 Through which mechanism(s) can competent authorities (such as law enforcement, police, financial intelligence unit and tax agencies) access beneficial ownership information on companies and other legal persons created or registered in your country. Please select all that apply.

X Through a registry/registries with beneficial ownership information

- Through a different mechanism
- Competent authorities do not currently have access to beneficial ownership information

If **REGISTRY**, please provide further details on such register(ies). including:

- Authority(ies)/agency(ies) responsible for obtaining and maintaining beneficial ownership information and for maintaining the register(ies). Please list if more than one;

According to Section 3/C. of the Government Decree No. 485 of 2015. (XII. 29.) the National Tax and Customs Administration is appointed to carry out the tasks in connection with the BO Registry and manage the BO data. This includes obtaining BO data from the financial institutions and the maintaining the BO Registry that contains the beneficial ownership information of the legal entities.

It is the financial institutions that forward the BO data to the Registry that the financial institutions receive the BO information as a result of their customer due diligence conducted for their clients, that is, the legal entities. The legal entities themselves are not entitled to supply their BO data directly to the BO Registry.

- Categories of beneficial ownership information (data fields) obtained, recorded and maintained on the registry(ies), e.g. name, nationality, date of birth, address, etc.;
- national registration number of the legal entity
- name, abbreviated name of the legal entity
- registered office address of the legal entity, address or habitual residence in the absence of thereof of the natural person trustee
- tax number of the legal entity, where available
- the registration number of the legal entity listed in the company registry, or the number of the decision relating to its establishment (entry into the records, registration) of other legal entities, or their registration number
- European Unique Identifier of the legal entity, where available
- the following data of the beneficial owner or owners of the legal entity:
 - surname and forename
 - surname and forename at birth
 - nationality
 - place and date of birth
 - home address, or habitual residence in the absence thereof
 - the nature and extent of ownership interest
 - BO index (reliability index) of the beneficial ownership data
- Types of legal entities covered within the scope of the beneficial ownership registry(ies), including any exempt entities;
 - limited partnerships

- general partnerships
- private limited-liability companies
- limited companies - except for limited companies listed on a regulated market subject to disclosure requirements consistent with Community legislation or subject to equivalent international standards
- Societas Europaea (SE) - except for Societas Europaea listed on a regulated market subject to disclosure requirements consistent with Community legislation or subject to equivalent international standards
- groupings
- European economic interest groupings
- cooperatives
- housing cooperatives
- European cooperative societies (SCE)
- water management associations
- forestry associations
- Hungarian branch establishments of companies established abroad
- state-owned companies provided that the percentage of their state or municipality ownership does not reach 75% either directly or indirectly in the manner set out in Subsection (4) of Section 8:2 of Act V of 2013 on the Civil Code (hereinafter referred to as Civil Code)
- other state-owned economic operators
- companies of certain legal persons
- joint ventures
- bailiff's offices
- notary offices
- law firms
- patent offices
- voluntary mutual insurance funds
- private pension funds
- sole proprietorships
- associations - except for political parties, trade unions and mutual insurance associations
- foundations - except for public foundations and party foundations
- public law corporations, and
- legal persons applying the rules pertaining to the financial management of budgetary organisations by law provided that the percentage of their state or municipality ownership does not reach 75% either directly or indirectly in the manner set out in Subsection (4) of Section 8:2 of the Civil Code
- fiduciary asset management relationships provided that the trustee
 - performs its fiduciary asset management activity in the territory of Hungary
 - does not perform its fiduciary asset management activity in the territory of Hungary or in another Member State of the European Union, and the trustee establishes a business relationship or acquires real estate in the territory of Hungary within the framework of the fiduciary asset management relationship
 - performs fiduciary asset management activity in the territory of Hungary within the framework of a legal relationship other than those specified above and establishes a business relationship or

acquires real estate in the territory of Hungary within the framework of the said legal relationship

- Details of the registry's(ies)' access policy:
 - Is the information on the registry(ies) available to the public? **YES / NO**
 - If **YES**, please include the link(s) to the registry(ies).

<https://nav.gov.hu/penzmosas>

<https://kny.nav.gov.hu/informations>
 - If **NO**, please list the authorities/agencies that have access to this information, or that can request access.
 - Does accessing beneficial ownership registry(ies) entail any costs?

Access is free of charge for authorities and service providers, while access for third parties is subject to a fee of 1.500 HUF/entity

- Does the registry(ies) provide features to search information by different types of information, e.g. legal entity name, name of director, name of beneficial owner, by first or last name, by business address, by registered agent? Is it possible to search for a combination of information (Boolean searches)?

The search options depend on the roles mentioned above:

- authorities can start a search by providing data of the entity searched (e.g. tax number, company registry number, name of the entity etc.) or by providing data of the beneficial owner of the entity searched (more data of the owner have to be given in order to identify the person and extensive search is not allowed)

- Frequency of updates of information and triggers for updates;

The BO information included in the BO Registry are updated monthly, the financial institutions forward the BO data by the 5th of every month, based on the data available in their registers on the last day of the preceding month.

- Any mechanisms to verify beneficial ownership information submitted to the registry(ies) by legal persons or their representatives (if they exist).

Legal entities and their legal representatives are entitled to submit an application in order to get to know the BO data on the entity in the BO Registry. Should the data be incorrect in any way in the opinion of the entity, they can initiate the correction of the BO data by their financial institutions. The beneficial owner is also entitled to submit an application via the legal entity in which he or she is in a beneficial owner position. But there is no possibility to file an application in

which the natural person would like to know the information in which entities he or she is in a beneficial owner position.

3.2 Please describe any sources (mechanisms) through which competent authorities/agencies can access beneficial ownership information in your country. In each case please describe beneficial ownership information on companies and other legal entities is made available to authorities and/or the public (if applicable).

After a successful registration the natural persons can access the BO Registry via their Client Gates (in Hungarian: Ügyfélkapu), the authorisation is based on the authorities and connected to the registered natural persons on behalf of the authorities. The access is provided via the webpage mentioned above (kny.nav.gov.hu). During the registration the National Tax and Customs Authority (NTCA) being the registration body and managing the BO Registry automatically examines whether the authority fits for the definition of the BO Act.

The authorities (law enforcement bodies, prosecutors, supervisory bodies, police, the financial intelligence unit and tax agencies) have the broadest access to the BO Registry. These organizations can fully acquaint themselves not only with the actual but also with the historical data contained in the Registry, furthermore they are entitled to know the data-supplier financial institution and the data of the so-called discrepancy reports made by the service providers or the authorities if they detect a substantive difference regarding the beneficial ownership between the beneficial ownership information known to them and the information recorded in the beneficial ownership registry.

Examples may include through private-public partnerships (e.g. involving financial institutions, notaries and/or corporate service providers), though stock exchange or security exchange commission, or disclosure obligations for participation in public procurement processes, etc.

One way of a disclosure obligation is that the NTCA has to release the name(s) and tax number(s) of those entities, whose beneficial ownership data are uncertain or unreliable due to the discrepancy reports that modify the BO index (reliability index) of the BO information. These entities (if they fail to modify or confirm their beneficial ownership data through their financial institutions) are subject to sanctions (the registration body publishes on its website that the BO data are unreliable or uncertain, and in case of unreliable entities the financial institutions are obliged to refuse the performance of these entities' initiated transfers in the value of 4.500.000 HuF or more).

3.3 Are foreign legal persons, foreign (express) trusts or foreign legal arrangement allowed to operate its/own assets/ and/or register in your country? **YES / NO**
If **YES**

- how is basic information on these arrangements recorded (if at all)?

The recording of beneficial ownership information does not depend on the entities. An application form has been developed for the financial institutions by means of which they can forward the BO data specified under 3.1. The recording of the forwarded data takes place automatically at the BO Registry.

- how is beneficial ownership information on these arrangements recorded (if at all)? Please provide details of the relevant legislation and practices.

See answer above.

4. Access to basic information and beneficial ownership information of (express) trusts and other similar legal arrangements

4.1 Does your country recognize (express) trusts or other similar legal arrangements? **YES** / **NO**

- If **YES**, please provide a broad overview of your country's system and mechanisms for obtaining beneficial ownership information on (express) trusts and other similar legal arrangements created or registered in your country.

See answer under 3.1.

- If **NO**, please skip to question 5

4.2 How is *basic information* on (express) trusts and other legal arrangements obtained and recorded in your country?

See answer under 3.1.

4.3 How is beneficial ownership information on (express) trusts and other legal arrangements obtained and recorded in your country?

- Through a registry/registries with beneficial ownership information
- Through a different mechanism
- Competent authorities do not currently have access to beneficial ownership information

If **REGISTRY**, please provide details on the registry(ies), authority(ies)/agency(ies) in charge of maintaining the registry(ies), type of information collected, and details on the access policy.

See answer under 3.1. and 3.2.

If **ALTERNATIVE MECHANISM**, please provide details on the mechanism, type of information collected, and details on the access policy.

5. Sanctions

5.1 Please describe the types of sanctions, sanctionable conduct, and targets of sanctions for non-compliance with beneficial ownership disclosure regulations (whether on the registry(ies) or through an alternative mechanism).

The service provider shall deem the legal entity having beneficial ownership information classified as “unreliable” in accordance with the disclosure of the registration body to be high-risk and implement the due diligence measures appropriate for the high level of risk.

Based on the disclosure of the registration body, the service provider shall refuse to perform any transaction initiated by the legal entity having beneficial ownership information classified as “unreliable” of or over an amount of four million five hundred thousand forints.

If the legal entity has beneficial ownership information classified as “unreliable”, the registration body shall publish on its website the legal entity’s information and the classification as “unreliable”.

If the legal entity has beneficial ownership information classified as “uncertain” for more than 180 days, the registration body shall publish on its website the data provider’s information and the classification as “uncertain”.

5.2 Please describe the powers available to designated authority(ies)/agency(ies) to enforce sanctions for non-compliance with the beneficial ownership disclosure requirements, **including any statistics on enforcement of such sanctions.**

See answer under 5.1

6. International Cooperation, asset recovery and challenges

6.1 Does your country make beneficial ownership information available to foreign competent authorities (directly or upon request)? Please provide details of the relevant legislative and regulatory framework in your country that allows for the international exchange of such information.

The financial intelligence unit and other law enforcement authorities shall be entitled to independently engage in international exchange of information and cooperation with their foreign counterparts based on the applicable sectoral legislation.

6.2 Please describe how foreign competent authorities may request or access beneficial ownership information on legal persons or legal arrangements formed in your country. Which agency(ies) /authority(ies) is/are responsible for receiving and responding to foreign requests?
Please provide contact information and instructions.

See answer under 6.1

6.3 In your opinion, what are the main challenges faced *by foreign competent authorities* to access beneficial ownership information held in your country? **n/a**

6.4 In your opinion, what are the main challenges faced *by competent authorities of your country* to access/receive beneficial ownership information held in your country? **n/a**

6.5 Do you have any case studies or examples where the transparency of beneficial ownership has *enabled or enhanced the effective recovery and return of proceeds of crime in (or for) your country?* **n/a**

7. Good Practices for Beneficial Ownership Transparency

7.1 Has your country implemented any specific good practices relating to Beneficial Ownership Transparency that you wish to highlight? *Examples could include good practices in verification, data format, searchability, use of technology, enforcement of sanctions, automatic red flagging, use of risk-based approach.* **n/a**

8. Follow-up to the special session of the General Assembly against corruption

8.1 Please describe any other measures, if any, that your country may have taken to implement paragraph 16 of the political declaration adopted by the General Assembly at its special session against corruption held in June 2021. **n/a**