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RESIDENCE PERMIT FOR INVESTORS IN HUNGARY

Non-EU nationals may obtain a residence permit and a permit for an indefinite stay in Hungary on the investment of EUR 250,000 into Hungarian government bonds. However, the existence of certain further general requirements (such as accommodation and healthcare) still has to be verified.

Since December 2012, there is a possibility for non-EU citizens to obtain a permit for an indefinite stay in Hungary by the investment of EUR 250,000 into Hungarian government bonds. However, other conditions also need to be met in order to obtain the permit, among which the most important are to prove the existence of accommodation in Hungary (and the financial coverage for that) and the existence of healthcare insurance or the ability to pay for healthcare. Investment can be made indirectly, via one special investment company for each country, upon the approval of the Economics Committee of the Hungarian Parliament. However, no such company has been approved yet, thus a residence permit for investors is a theoretical possibility currently.

The rules on non-EU citizens' staying in Hungary is newly regulated in Act II of 2007 on the Admission and Right of Residence of Third-Country Nationals (the "Third Party Nationals Act"). According to the amendments, it is possible to grant residence permits and long-term national residence permits to non-EU citizens, who do not possess an actual reason to stay in Hungary, if they invest at least EUR 250,000 into Hungarian government bonds.

An "investor residence permit" entitles the investor to stay in Hungary for more than 3 months, but not for longer than 5 years. A long-term national residence permit for investors entitles the investor to stay in Hungary for an unlimited time.

The new regulation did not abolish all other requirements for the permits. For an "*investor residence permit*", the applicant shall have – among other things – valid travel documents; accommodation or a place of residence in the territory of Hungary; sufficient means of subsistence and financial resources to cover the accommodation costs for the duration of their intended stay and for the return to their country of origin or transit to a third country; and they should have full healthcare insurance or sufficient financial resources for healthcare services. In addition, the investment of at least EUR 250,000 shall be proven as the reason for their residence. The investment can be made either by the applicant, or by a company in which the applicant is a majority owner.

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The investment is not made directly into Hungarian government bonds, but into the securities issued by an investment company established in the home state of the applicant. The investment shall be made for at least 5 years, in the amount of at least EUR 250,000. The investment company shall invest the amount received into Hungarian government bonds, on the basis of an agreement with the Hungarian Government Debt Management Agency. Such an investment company shall be approved by the Economics Committee of the Hungarian Parliament, but only one for each country. No investment companies have been approved so far.

The application for the residence permit shall be filed at the consular office, by the applicant personally. Legal representation by a Hungarian lawyer is mandatory.

A *long-term national residence permit* may also be obtained, if the investor has been holding an “investor residence permit” for at least 6 months. It should be emphasized that the law does not require the investor to stay in Hungary, even during that 6 months – as opposed to regular long-term residence permits, which do. The long-term national residence permits for investors grant more restricted rights than the EU long-term residence permit.

The application for the *long-term national residence permit* shall be filed at the Office of Immigration and Nationality, in Hungary.

This summary is a publication of Szecskay Attorneys at Law intended for guidance purposes only. It should not be regarded as legal advice or a legal opinion. Should you have any legal questions on a specific matter or require more information, please contact our colleagues on the contact details below:

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