



CREATING VALUE ACROSS GENERATIONS

The Hungarian Connection

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**МИНИСТЕРСТВО ФИНАНСОВ
РОССИЙСКОЙ ФЕДЕРАЦИИ**
Официальный сайт

Изменения, которые планируются в части повышения ставки налога у источника на доходы в виде дивидендов и процентов, коснутся только так называемых транзитных юрисдикций. Как правило, компании в таких юрисдикциях созданы для целей применения пониженных ставок, установленных соглашениями об избежании двойного налогообложения.

Это относится, в первую очередь, к Кипру и ряду других аналогичных юрисдикций.

Указанные изменения не затронут процентов доходов, выплачиваемых по еврооблигационным займам, облигационным займам российских компаний, займам, предоставляемым иностранными банками.

Планируется, что данные изменения вступят в силу с 1 января 2021 года и не будут распространяться на доходы, выплачиваемые из Российской Федерации в 2020 году.

- Russia is to impose extra withholding tax (WHT) on outbound dividend, interest and royalty payments.
- Increased 15% WHT will primarily apply to outbound payments to transit jurisdictions like Cyprus.
- It is highly probable that other transit jurisdictions like Luxembourg, The Netherlands and Switzerland will also be approached in the near future.
- Russia intends to amend its existing double taxation treaties (DTT) with these countries increasing the rates of WHT to 15%.
- „Take it or leave it!” – if the said countries reject the proposal, Russia reserves the right to terminate the DDT unilaterally.
- The increased WHT is likely to be implemented from 2021.





**"Что мне теперь
делать?"**

"What should I do now?"



Hungary is the only country which **offers a comprehensive solution for restructuring**

- Hungary is a member of the EU and maintains strong economic and political relations with Russia.
- Hungary has a vast DTT network with 89 countries, including Russia.
- Hungary doesn't have offshore and conduit connotations.
- Hungary is not considered as a transit jurisdiction by Russia.
- Hungary even passes the Limitation on Benefits test, meaning Primus Trust's solution is court ruling proof.
- Hungary has a vast investment protection treaty network, including Russia.
- Both Hungary and Russia are members of MIGA (Multilateral Investment Guaranty Agency).
- According to the Russian - Hungarian DTT, the applicable WHTs for Russian sourced income are:

10% on dividend

0% on royalty

0% on interest

0% on capital gain

- In Hungary, the general corporate income tax rate is 9% flat. However, a vast range of tax benefits are applicable.
- Primus Trust opens a bank account for its clients in 2 banking days.



ASSET PROTECTION

WORLD'S No. 1. ASSET PROTECTION REGIME

- Bilateral investment protection treaty between Russia and Hungary
- Membership in multilateral investment protection conventions and organisations (ICSID, MIGA)
- EU Law protection
- Rule of Law
- European Court of Justice is the final forum
- Hungarian trust and asset management foundation regime provides absolute protection against creditors





WORLD'S No. 1. PRIVACY PROTECTION REGIME

- In the case of a qualified trust, both the settlor and the beneficiary enjoy absolute privacy.
- The trustee of the qualified trust is subject to full confidentiality.
- In the case of qualified trust, due to the Hungarian asset management regime, only the trustee is classified as beneficial owner, therefore, CRS rules are not applicable, resulting in no reporting obligation.





HUNGARY PROVIDES TAX COMPLIANCE AND THE LOWEST CORPORATE AND PERSONAL INCOME TAX RATES IN THE EU

- Incoming dividend and capital gain are tax exempt on corporate, trust and asset management foundation levels in Hungary.
- Russia may impose only 10% WHT on outgoing dividend distribution.
- Russia is not allowed to tax outgoing interest, royalty and capital gain if the beneficiary is a Hungarian entity.
- Capital gain and interest deriving from Russia fall under double non taxation.
- General corporate income tax rate is 9% flat.
- Personal income tax rate is 15% flat.
- Certain qualified royalty income enjoys 50% tax deduction, resulting in a 4,5% effective corporate income tax rate.





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