



CREATING VALUE ACROSS GENERATIONS

The Hungarian safe haven

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The proposed legislation, which could be in place as early as August 2020, is meant to “prevent, stop and punish” threats to national security by outlawing acts and activities of secession, subversion, terrorism and foreign interference in the city's affairs.

In drafting the new law, Beijing will bypass Hong Kong's legislature. The bill will be drawn up and passed by the **National People's Congress** Standing Committee before being added to Annex III of the **Basic Law**, Hong Kong's mini-constitution.

There have been concerns raised about its impact not only on freedoms enjoyed by residents, but also on the workings of Hong Kong's government and courts.

When these concerns arise, the trust in legal protection trembles.

Experience shows that no territory can resist, and the central power limits freedoms step by step.

The endgame will probably influence the free movement of capital from and to Hong Kong and result in a currency control system.





“我现在该怎么办？”

“What should I do now?”



Hungary is the only country which offers a comprehensive solution for asset and privacy protection

- Hungary is a member of the EU and maintains strong economic and political relations with South-East Asian countries, including China.
- Hungary has a vast investment protection treaty network, including China.
- Hungary is a member of MIGA (Multilateral Investment Guaranty Agency).
- Hungary has a double tax treaty network with 89 countries, including China.
- Hungary doesn't have offshore and conduit connotations.
- Hungary even passes the Limitation on Benefits test, meaning Primus Trust's solution is court ruling proof.
- According to the China - Hungary DTT, the applicable maximum WHTs for Chinese sourced income are:
 - 10% on dividend
 - 10% on royalty
 - 10% on interest
- In Hungary, the general corporate income tax rate is 9% flat. However, a vast range of tax benefits are applicable. Chinese sourced dividend, royalty, interest and capital gain are tax exempt in Hungary.
- Primus Trust opens a bank account for its clients in 2 banking days.



WORLD's No. 1. ASSET PROTECTION REGIME

- Bilateral investment protection treaty between China and Hungary
Membership in multilateral investment protection conventions and organizations (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 dividends and capital gains are tax exempt on corporate, trust and asset management foundation levels in Hungary.
- China may impose only 10% WHT on outgoing dividend, royalty, interest distributions.
- Chinese sourced income is tax exempt in Hungary.
- 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.





Dr. Ákos Menyhei LL.M., TEP

managing partner

+36 20 971 6668

menyhei.akos@primustrust.hu



Dr. B. Szabó Gábor, TEP

managing partner

+36 30 922 0164

bszabo.gabor@primustrust.hu



Dávid Pálmai-Pallag

managing partner

+36 70 421 3633

ppd@primustrust.hu

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Contact us

1023 Budapest, Szepvolgyi ut 6.
Hungary

www.primustrust.hu
info@primustrust.hu

