

HUNGARIAN WATCH

Winter 2015



Masters of Collaboration

Hungarian Watch Winter 2015

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Hungarian Watch is a quarter yearly issued brochure. It contains comprehensive, up-to-date information about Hungary, focusing on breaking news in the fields of law, economics, business and other situations which could have a major impact on the course of Hungarian events.

Hungarian Watch is primarily prepared for those who are thinking about Hungary from an investment point of view. The investment perspective runs through this brochure by leading the reader through the actual Hungarian business climate including current business and investment opportunities.

We hope that Hungarian Watch will keep you regularly informed on relevant Hungarian news, enabling you to know how and when to seize a business opportunity before it vanishes.

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Summary



[Budapest a potential candidate for Summer Olympic Games](#)

[Major construction projects ahead in 2015](#)

The Agenda 2020 creates a historic opportunity for Budapest to host Summer Games. It remains to be seen whether Budapest will grab this opportunity, but the government's commitment to the Hungarian sports industry will remain firm. Several big-ticket projects are already scheduled for 2015 to support the possible hosting of Summer Games and other major sporting events. The future is challenging, so investors should keep an eye on forthcoming tender developments. **Read more...**



[The new Silk Road leads to Hungary](#)

[The mega railway deal signed](#)

The several thousand years old Silk Road that connected Asia and Europe is now entering a new era. After long term negotiations the agreement on the reconstruction of Budapest-Belgrade railway line has been finally signed. The new railway track will enable Chinese goods to reach western parts of Europe faster than ever through Hungary. The investment volume is estimated to reach USD 2.89 billion. The call for tenders for one of the largest railway deals in Central Europe and the Balkans may be published this year. Stay tuned. **Read more...**



[Be profitable or leave the market](#)

[Foreign retail chains could be driven out of Hungary](#)

The Hungarian parliament passed a bill which can seriously hit foreign chains. The bill practically states that fast moving good retail chains with an annual turnover of more than HUF 15 billion shall close if they fail to report a profit over two successive years. Spar, Auchan, Aldi and Metro could immediately be driven out of Hungary if the law is applied retroactively. It seems that the government is sending a sharp ultimatum: either be profitable or check out from the Hungarian market. The ball is in the court of the foreign chains. **Read more...**



[Arab investors give a boost to the Hungarian five-star business](#)

[Luxurious hotel deals out in front](#)

Arab investors are ready to give a boost to the Hungarian five-star hotel business in exchange for highly lucrative opportunities in the long term. In 2014 alone, three major hotels were sold to Arab investors. If this course continues we may expect further rise of luxurious hotel deals. **Read more...**

[Hungarian Residency Bond Program is very popular](#)

[Hungary raised the price of the residency government bonds](#)

The Hungarian Residency Bond Program offers non-EU nationals permanent residency if they invest into government bonds. The Program has become very popular. The Government sold more than 2,200 residency government bonds by the end of 2014. The Hungarian state therefore considered it reasonable to raise the price of the residence government bond from EUR 250,000 to EUR 300,000 from 1 January 2015. VJT & Partners, which was bestowed with the Best Immigration Law Firm award, will continue to provide legal advice and assistance in Residency Bond Program. **Read more...**



[Revival of Hungarian real estate investments](#)

[More investors considering the Hungarian real estate market](#)

The Hungarian real estate market is finally showing signs of recovery after the financial crisis. Increasing office demand, falling vacancy and rising investment activity is expected for 2015. Although we are still not achieved the investment volume of the pre-financial crisis period, there are several high profile projects to be implemented in 2015. This is the right time for investors to seize new opportunities. **Read more...**



Budapest a potential candidate for Summer Olympic Games

Major construction projects ahead in 2015

The Agenda 2020 creates a historic opportunity for Budapest to host Summer Games. It remains to be seen whether Budapest will grab this opportunity, but the government's commitment to the Hungarian sports industry will remain firm. Several big-ticket projects are already scheduled for 2015 to support the possible hosting of Summer Games and other major sporting events. The future is challenging, so investors should keep an eye on forthcoming tender developments.



Hungarian Watch already called your attention in the Spring edition 2014 that Hungary is determined to bid for Summer Olympic Games. Hungary has always been committed to Olympic Games. Over the years Hungary has won more than 480 Olympic medals. In the history of the Olympics Hungary has applied to host the Summer Games

six times. Among the countries that founded International Olympic Committee it is the only country which is yet to hold the Summer Games.

Under these circumstances, the idea to organise the Olympic Games in Hungary has strongly revived in the last 10-15 years. In 2005 the Budapest Olympic Movement was founded to prepare the applications for Olympic bids. In addition, Pricewaterhouse Coopers was recruited (PWC) to prepare the feasibility studies. In 2010 PWC in its study identified more than 120 projects to be implemented in the field of infrastructural developments and facilities.

Now at the beginning of 2015, the potential application of Budapest for the Summer Games has again become a burning issue. The International Olympic Committee (IOC) adopted Agenda 2020 which brings an end to giant and over-luxurious Olympic Games. Instead, the key concept of the Agenda is to reduce the cost of bidding and ensure sustainability in all aspects of organization of the Olympic Games. This creates a historic opportunity for smaller capitals as Budapest to hold Summer Games in a cost-efficient manner.

Market rumours suggest that the IOC considers Budapest as one of the major candidates for one of the upcoming Olympic Games. The Hungarian Olympic Committee will pass the final decision on bidding for Summer Games of 2024 in February 2015.

More than 120
potential investment
projects

Historic opportunity
for Budapest

The deadline for confirming bids for Summer Games of 2024 is September 2015. The final decision about the winner will be brought in September 2017 in Peru.

Time will tell whether Hungary will be successful in bidding for the Summer Games. Nevertheless, the government's commitment to sports remains firm. Namely, several big-ticket projects are already scheduled for 2015 to support the possible hosting of the Summer Games and other major sporting events. Let's look closer what kind of projects we can expect in the near future.

Significant projects
are scheduled for
2015

The project of Puskás Ferenc stadium – The biggest construction project related to the construction of Puskás Ferenc stadium. This huge complex with approximately 68,000 visitor places would serve as an Olympic Centre (for the potential Summer Games) and one of the major stadiums for the UEFA 2020 championship. The call for tenders to choose the contractor may be announced in the first half of 2015. The investment volume is estimated to be more than EUR 400 million.

The project of Dagály water complex– This complex would ensure the facilities for World Aquatic Championship in 2021. It would accommodate approximately 13,000 visitors. The final deadline for its completion is the end of 2016, which means that there is already a significant delay in the process. This also means that potential participants can expect the announcement of the call for tenders any time. The investment volume is expected to be more than EUR 50 million.

The project of Csepel Centre of Rowing and Kayak-Canoe – Hungary plans to implement this project, despite the fact that it already has a Kayak-Canoe Centre outside of Budapest, in the countryside, in Szeged which is absolutely capable to serve the European Championships and other major sporting events. Szeged however, is far from the planned Summer Games which would take place in Budapest. So, the construction of this centre in Budapest serves as a good example that the government does not want to give up its Olympic dream.

This project may start during 2015/2016 and it should be completed in 2017/2018. There is no detailed information about the call for public tenders, but it may be published sometime in 2015. The investment volume is expected to be close to EUR 30 million.

The project of the Millenary Velodrom – The reconstructed Millenary Velodrom would include an indoor 250-metre long bicycle track meeting international standards, a BMX court, whilst the middle section is meant to house the centre of Hungarian gymnastic. The call for tender to choose the contractor may be published in the first half of 2015. The investment volume is expected to be close to EUR 15 million.

Stadium development program - Under the stadium development program more than 20 football stadiums shall be renovated from more than EUR 80 million in the 2014-2016 period. The call for tenders will be continuously announced for these projects.

Overall, it seems that Hungary will strongly support sporting events in the upcoming years. Such events may bring outstanding investment opportunities for early birds. So investors should keep a close eye on the forthcoming events in the Hungarian sports industry.

The new Silk Road leads to Hungary

The mega railway deal signed

The several thousand years old Silk Road that connected Asia and Europe is now entering a new era. After long term negotiations the agreement on the reconstruction of Budapest-Belgrade railway line has been finally signed. The new railway track will enable Chinese goods to reach western parts of Europe faster than ever through Hungary. The investment volume is estimated to reach USD 2.89 billion. The call for tenders for one of the largest railway deals in Central Europe and the Balkans may be published this year. Stay tuned.



One of the largest railway deals in the Central Europe and the Balkans

Beside other great Chinese investments realised recently in Hungary (see Hungarian Watch 2014 Autumn), another major project is being launched with the signing of the agreement on the reconstruction of Budapest-Belgrade railway line on 17th December 2014 in Belgrade. The agreement was concluded in a truly international setting, signed by the prime ministers of four countries: China, Hungary, Serbia and Macedonia.

The reconstruction of the Budapest-Belgrade will be one of the largest railway deals not only in Hungary, but in the entire Balkan and the CEE region. The project is clearly of pivotal importance for

several compelling reasons.

China under the Silk Road concept wants to ensure swift transit of Chinese goods from the Greek port, Pireus to Western Europe. Pireus is already under the control of China Ocean Shipping Company who constantly modernizes and expands the port's capacity in order to increase the quantity of containers passing through the port.

China has the ultimate goal to develop the whole system and not only single parts thereof. The systematic development will also include the other parts of the railway to Skopje and Athens, so the complete railway line will become capable of carrying goods from Pireus to Western Europe on advanced speed and quality.

Hungary is positioned between Pireus and Western Europe and the Budapest-Belgrade railway presents one of the shortest routes to Western destinations. So this project will help Hungary to become central transit country of Eastern goods heading to Western Europe.

The Budapest-Belgrade railway line also constitutes part of Trans-European Transportation Network. This means that the new Budapest-Belgrade railway line will also

Primary transit corridor to Western Europe

need to include the installation of European Train Control System level 2(ETCS2). Huge works will be made therefore to convert the electrified, but outdated, one-track railway line into a modern double-track system.

As a result the trains will operate at 160 km/h. In this context, the Serbian Prime Minister stresses that the running time of this railway line – 374 kilometres distance – will be reduced from the current 7-8 hours to 2.5 hours, and rail will become faster than the public road transport.

The project will be financed by the Chinese party. The investment volume is estimated to be USD 2.89 billion. It is expected that Hungary will receive a credit offer covering 85% of the total investment value.

USD 2.89 billion
worth project

As a next step the Serbian, Hungarian and Macedonian railway companies shall prepare the execution plan and China shall prepare the feasibility study. The parties expect that the modernized railway track may start its operation at the end of 2017. So it is reasonable to expect that the call for tenders may be published this year.

The call for tender
may be published in
2015

Given the high complexity (e.g. installation of ETCS2 and building of railway bridges) this project will involve players not just from the railway construction market, but also from other construction sectors and players specializing in railway electricity system building. So, key players may be involved in this project, such as Swietelsky, Strabag, Közgép, Bombardier and Alstom. But as the largest Hungarian railway investment in the last 25 years it will certainly need the contribution of plenty of other enterprises apart from the biggest Hungarian and international players.

Potential players:
Swietelsky, Strabag,
Közgép, Bombardier
and Alstom

Now every potential player is waiting for the publication of tenders for the construction. Of course, VJT & Partners will keep the readers of Hungarian Watch informed about every news in connection with this project. Stay tuned.

Stay tuned

Be profitable or leave the market

Foreign retail chains could be driven out of Hungary

The Hungarian parliament passed a bill which can seriously hit foreign chains. The bill practically states that fast moving good retail chains with an annual turnover of more than HUF 15 billion shall close if they fail to report a profit over two successive years. Spar, Auchan, Aldi and Metro could immediately be driven out of Hungary if the law is applied retroactively. It seems that the government is sending a sharp ultimatum: either be profitable or check out from the Hungarian market. The ball is in the court of the foreign chains.



The retail market has been shaken by the new bill. In the middle of December 2014, the Parliament passed a bill which practically says that fast-moving consumer good (FMCG) retail chains with an annual turnover more than HUF 15 billion shall close if they fail to report a profit over two successive years. This means that the FMCG retail chains have to become profitable in the next two years in order to continue their operation in 2017.

The government argues that this measure is necessary to protect local players from being pushed out of the market. The government claims that large foreign chains have been deliberately operating with losses using low prices, to increase their market share.

This measure has a very serious impact on the FMCG sector, but only on the foreign players. All of them reach the threshold and most of them also operate with losses. Spar, Auchan, Aldi and Metro should immediately close their Hungarian business if the law applied retroactively. The position of the big Hungarian chains (such as CBA or Coop) is rather different on the other hand. They remain intact as Hungarian chains – unlike the foreign players – operate in the form of separate franchise units enabling the parents to escape the threshold.

Two other punches shake the sector

Apart from the profit rule two other measures punch foreign chains and seem to favour local players:

- the major hike of the inspection fee, and
- the Sunday closure law.

First, the tax law was passed in November which significantly raised the inspection fee, a special sector tax adopted in 2012. In 2014 players in the FMCG sector had to pay a flat rate of 0,1%. From 2015 a new regime applies. From 2015 whilst the rate will be zero for firms making annual revenue below 500 HUF million, 6 % rate will

Spar, Auchan, Aldi
and Metro in trouble

apply for firms making annual revenue above HUF 300 billion. This means that Tesco and Spar will pay sixty-fold compared to previous tax obligation.

Sixty-fold tax hit
Tesco and Spar

Second, a Sunday closure law has been passing banning FMCG shops larger than 200 sqm to be open on Sunday. This law would result in significant loss of revenue for the affected chains. More than 10% of the retail turnover is realized on Sunday according to official statistics.

Sunday closure
may hit 10% of
retail turnover

In both cases, the Hungarian chains – unlike the foreign chains - could escape the thresholds because – as we have already said – they operate in a franchise-like system, so many of their shops are rather small.

What will the turmoil bring?

What shall foreign chains do in this tricky position? Experts envisage three possible scenarios:

I) The first option is to try to operate lucratively. But it shall be noted that achieving a positive balance may be a very challenging task under the new regulatory measures.

II) The second option is to circumvent the regulation and follow the franchise pattern of the Hungarian chains, i.e. to reorganise every single store into separate franchise business.

III) The third option is simply to decide to check out from the Hungarian market.

The ball is in the
court of the foreign
chains

Right now the sector is undergoing major changes, and this turmoil therefore may create some major investment opportunities.

The ball is in the court of the foreign chains.

Data of the main foreign retail chains

Results of commercial retail chains in Hungary (bn HUF)				
Company	Revenues		Net profit	
	2012	2013	2012	2013
Tesco	608	601	1.0	-43.1
Spar	357	385	-12.8	-11.8
Auchan	253	272	-10.1	-6.3
Lidl	201	228	-7.7	2.2
Penny	153	160	1.0	2.0
Metro	148	105	-1.2	-2.7
Aldi	69	80	-5.1	-5.0
Source: Justice Ministry company data				

Arab investors give a boost to the Hungarian five-star business

Luxurious hotel deals out in front

Arab investors are ready to give a boost to the Hungarian five-star hotel business in exchange for highly lucrative opportunities in the long term. In 2014 alone, three major hotels were sold to Arab investors. If this course continues we may expect further rise of luxurious hotel deals.

Luxurious hotel
deals in 2014



Intercontinental
Budapest sold

Whilst a couple of years ago no one thought that the acquisition of five-star hotels could be a swift process, three major hotel deals took place in 2014. They have a lot of common. In all three cases, the hotels were highly luxurious properties and purchased by Arab investors. The biggest deal of the year was that Khalaf Ahmad Al Habtoor bought the riverside, renowned five-star Intercontinental Budapest. Also this year, Zuhar Awad and Sammer Hamdan were involved in the purchase of Paris Garden

with plans to turn it into a hotel. Finally, a member of the Qatari ruling family Hamad Bin Jassim Bin Jabr Al Thani bought the Ballet Institute, another historic building also with plans to turn it into a hotel.

Arab investors are evidently becoming dominant players in the Hungarian five-star hotel business. In this context, it is worth noting that official statistics do not show Middle East countries on the top of the list of foreign direct investment only because Arab investors are usually present in Hungary via their Western European based companies.

How can we explain this remarkable market change? Market tendencies in the five-star business can serve as a good explanation.

Western players dominated the five-star business for years. They usually implemented hotel deals via credit finance. But after the credit crunch, the access to finance was tightened and the decrease of hotel guests generated insufficient level of annual yield. The Hungarian hotel business became therefore rather unattractive to some Western players.

The new market environment on the other hand created a golden opportunity for Arab investors. Unlike Western players, Arab players are willing to finance huge hotel deals from their own sources. It is also frosting on the cake that Arab investors do not have to worry about short-term profits. They are cash-rich investors who can afford to plan for ten years, expecting long-term profits.

Such long term expectations may be reasonable. *"Trophies like the Paris Garden*

Key Arab players:
Oman state fund,
Al-Habtoor, Mellow
Mood

or Gresham Palace ... [purchased by an Oman state fund in 2011] are worth ten times as much in Western Europe as in Budapest. In the mid-term therefore there is a serious chance that if the Budapest real estate market catches up to Western European prices these properties may yield 300-400% profits” noted Ákos Balla, the director of valuation and advisory services at Colliers International Hungary.

Golden opportunity
for Arab players

The Hungarian five-star business is undergoing significant changes. Arab investors rapidly expand in this business, so further deals may be materialized in the close future. The international setting and the rapid changes in this industry make it worthwhile for investors and business law firms to keep a close eye on the upcoming developments.

New deals ahead

Hungarian Residency Bond Program is very popular

Hungary raised the price of the residency government bonds

The Hungarian Residency Bond Program offers non-EU nationals permanent residency if they invest into government bonds. The Program has become very popular. The Government sold more than 2,200 residency government bonds by the end of 2014. The Hungarian state therefore considered it reasonable to raise the price of the residence government bond from EUR 250,000 to EUR 300,000 from 1 January 2015. VJT & Partners, which was bestowed with the Best Immigration Law Firm award, will continue to provide legal advice and assistance in Residency Bond Program.



The Hungarian Parliament adopted a regulation regarding 'investor residency' in Hungary in 2012. This Program offers permanent Hungarian residency under preferential conditions for non-EU nationals willing to invest into the government bonds.

The Program has become quite popular. Whilst only 430 residency government bonds were sold by 2013, more than 2,200 residency

government bonds were sold by the end of 2014. This generated a significant revenue for the state, close to half a billion EUR.

At the launch of the Program the goal was to sell 4,000 bonds over a four-year period, so far everything has gone according to schedule.

As the program has become very popular, Hungary has decided to raise the required investment from EUR 250,000 to 300,000 as from 1 January 2015. But why has this Program become so popular?

Highly attractive Program

The Program is highly attractive in the world as it offers numerous compelling benefits for non-EU investors:

- Free travel to the Schengen area,
- Fast process to life-long Hungarian permanent residency (approximately eight months),
- Family members (spouse and minor children) are also included (under the same investment),
- Flexible procedure (minimum number of documents are required),
- Special exemption from physical residence requirement,
- Special exemption from tax obligations,

The Residency Bond Program generated to the state close to half billion EUR revenue

The price of the residence government bond has been raised to EUR 300,000

Unique program in the world

- No language requirements for permanent residency,
- Access to the Hungarian public schools and health care.

How can VJT & Partners assist in the Program?

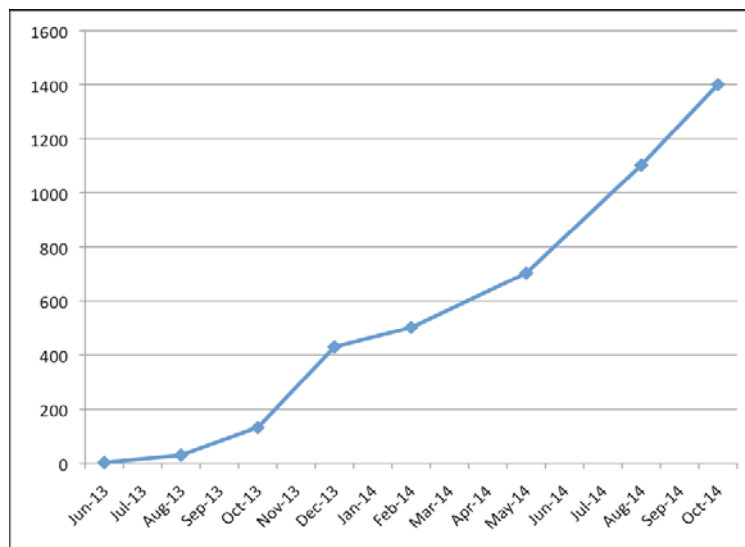
The popularity of this Program shows that business immigration could be a very lucrative practice.

VJT & Partners advises and assists the applicants and their family with all aspects of immigration to Hungary and obtaining Hungarian residency through this Program. Our expert team is highly motivated to meet the needs and expectations of the clients to the very highest standards. Our efforts have been recognized by the Best Immigration Law Firm Hungary award.

We hope that together we can exploit the great opportunities of this Program.

VJT & Partners
received the Best
Immigration Law
Firm award

Number of sold government residence bonds between 2013-2014



Revival of Hungarian real estate investments

More investors considering the Hungarian real estate market

The Hungarian real estate market is finally showing signs of recovery after the financial crisis. Increasing office demand, falling vacancy and rising investment activity is expected for 2015. Although we are still not achieved the investment volume of the pre-financial crisis period, there are several high profile projects to be implemented in 2015. This is the right time for investors to seize new opportunities.



Anglo Saxon and Middle Eastern players active in Hungary

The Hungarian real estate market shows some life following hard times of the financial crisis. International real estate funds re-emerged after the economic downturn and wide range of players have become active, particularly Anglo-Saxon and Middle Eastern player.

Apart from the favourable macroeconomic environment, the increasing investment activity can also be

contributed to the affordable products of the market. As an example, according to a survey the average price of one sqm in Budapest is around EUR 1140 which is the second lowest in the region, while the average price in London is EUR 10000 per sqm.

Budapest, as one of the most attractive and affordable capitals in the CEE region, may become a very good place for real estate investments. Let's look closer at the submarket developments and the projects to keep an eye on.

Submarket developments

In all submarkets, we can see an encouraging sign of growth. This may be the time for investors to step in. The investment appetite has become stronger. The commercial real estate investment volume reached EUR 650-700 million which has been the highest level since the economic downturn. It is expected that this trend will continue to rise in 2015.

Office – In 2014 the vacancy level has decreased to its lowest rate of 17%. So vacancy is back to pre-crisis level and forecasts suggest that it will continue to decrease. The prices of offices are very affordable. The demand is particularly strong from the key players of the shared service centre industry

Industrial market – The warehouse and logistic development also shows signs of recovery. Budapest and its surrounding area provide 1.85 million sqm space with a high vacancy of 19%. However, this vacancy rate is the lowest in the last six years. Experts highlight that the sector is under a change as there is an increasing need for new spacious modern warehouses which are still missing in the market. This could drive the tenants to opt for new pre-lease and build-to-suit developments.

Strong office demand from the shared service centres

New pre-lease and build-to-suit developments

Retail market – Although the retail spending increased, and retailers are expanding, there have been no significant shopping centre developments. Still, this year two major construction projects could be implemented: the construction of Mundo Centre, and Etele shopping centre. Experts highlight the shopping centre density of Budapest is one of the lowest in the CEE region, so there is still room for developments.

Construction of new shopping centres ahead

Major projects ahead

Several regeneration projects and infrastructural developments may materialize in 2015. The following projects are worth to keep an eye on.

Museum quarter – This will be a truly high profile project. Under this project, the City park will be renovated and five museum buildings will be built to create a museum quarter. The investment volume of the project is expected to reach EUR half billion. The construction work may start in 2016.

EUR half billion project in the near future

Corvin promenade – Corvin promenade is considered to be one of the largest urban rehabilitation projects in Budapest. The developer of this project Futureal says that already 1,200 apartments, 50,000 sqm office space and more than 100 retail units have been created. Futureal plans to implement the 4th phase of this project soon.

The 4th phase of Corvin project may start in 2015

Budapest ONE Office Park - The huge project of Budapest One is about to build office complex with 70,000 sqm at the terminal of the recently completed new metro line, M4. This project is considered as a part of the redevelopment of the road, metro and rail transport hub. The project clearly shows that apart from real estate hubs like Váci Corridors, investors also expand to completely new development areas. The work is expected to start in 2015.

Budapest One project may start in 2015

Who will be the winner?

Experts highlight that unlike markets such as London or Paris where the competition is extremely high, in Budapest the market interest is still limited, so exceptional opportunities can be exploited. They also highlight that even for the best assets, investors may conclude deals which would be very difficult to ensure in a more competitive market environment.

So this may be the right time for investors to step into this market. Winning is always about determining the right timing.

About VJT & Partners

The Firm

VJT & Partners is a Hungarian commercial law firm advising international and domestic corporate clients and entrepreneurs. The firm was founded by Janos Tamas Varga, who has created a highly successful team based on values including inspiring leadership, striving for perfection, commitment, courage and harmony.

VJT & Partners is recognised as one of Hungary's leading commercial law firms and also as an excellent collaborative partner, working hand-in-hand with its clients. Clients value the firm's absolute commitment, leading to effective and enduring relationships. The firm combines the highest degree of professionalism, the efficient delivery of legal services with dynamism, flexibility, responsiveness and personal attention.

Lawyers in the firm have developed an in-depth understanding of both the legal and the commercial realities of business. The firm prides itself in giving direct, honest and practical advice, tailored to its clients' needs. The shared values of VJT & Partners are at the very core of the creativity and 'fresh thinking' approach of the firm.

As a member of the EU, but not the single currency, Hungary has a unique language and business culture and a complex legal system bringing particular challenges. All lawyers at VJT & Partners have extensive experience of working with international and domestic companies alike, to help navigate these challenges and to achieve their objectives in Hungary, and to ensure appropriate regulatory approvals.

The leading legal directories rank VJT & Partners highly across a range of practice areas.

VJT & Partners is a full-service law firm that satisfies the needs of clients across a broad range of industries and professions. The firm's legal services include commercial contracts, competition, corporate M&A, data protection, dispute resolution, finance, immigration, employment, intellectual property, outsourcing, private equity, real estate, regulatory, restructuring and insolvency, and technology.

Practice Areas

The firm is especially active and highly ranked in the following areas:

Corporate mergers and acquisitions

VJT & Partners believes that advising on M&A transactions is to provide more than just legal advice. Understanding the logic and dynamics of the industry sector in which the client and other participants operate is a prerequisite for success.

We advise clients on international and Hungarian M&A transactions including acquisitions, disposals, mergers and demergers, from deal inception through due diligence and negotiations to post completion. The expertise of our multi-disciplinary team in the areas of corporate, commercial, competition, real estate, employment and regulatory enables us to provide excellent service.

Employment

The highly-rated employment lawyers at VJT & Partners have a wealth of experience in all aspects of contentious and non-contentious employment matters. Fully appreciated for understanding their clients' business goals, lawyers design structures and procedures that are watertight and defensible in many court proceedings.

We regularly advise employers on general employment matters including drafting employment agreements, internal policies, termination agreements, termination notices and complex mass dismissal structures as well as employee incentive schemes. We have particular expertise in managing work permit and business immigration applications as well as advising on the different employment and labour related issues which arise with commercial transactions such as outsourcing.

Our team has successfully represented employers and executive employees in all types of court proceedings in Hungary. In particular, we represent clients in disputes concerning issues which include unlawful termination, overtime payment and bonus claims.

Business Immigration

Immigration is built upon a system of complex legal rules. It is difficult for non-experts to fully understand the law and identify the best immigration strategy to pursue. VJT & Partners' immigration lawyers handle all aspects of business immigration cases, advising medium to high-net worth foreign individuals and multinational corporations in various matters from dealing with residence permit applications based on investment or setting up a Hungarian business to representing our clients in their Hungarian naturalization procedures.

Immigration lawyers at VJT & Partners have experience in tailoring solutions to the individual needs and circumstances of the client. We have the courage to develop new creative solutions even in the most difficult immigration cases.

How We Work

Lawyers at VJT & Partners are encouraged to develop, to enjoy their work and to become real 'Masters of Collaboration'. Clients comment on the firm's cooperation, communication and its absolute commitment to what they are trying to achieve.

In turn, we find that this leads to effective and enduring relationships. We combine the highest degree of professionalism and the efficient delivery of legal services with dynamism, flexibility, responsiveness and personal attention.

Our Values

The values that lie at the heart of our business ethos are the building blocks of our business. Nurturing the following values brings the 'hearts and minds' of VJT & Partners' lawyers together as one successful team. We would be happy to talk you through them, what they mean to us, to our business and our clients:

- Inspiring leadership
- Striving for perfection
- Commitment
- Courage
- Harmony

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