

# Hungary

## Transfer Pricing Country Profile<sup>1</sup>

October 2025

		SUMMARY	REFERENCE
<b>The Arm's Length Principle</b>			
1	Does your domestic transfer pricing framework <sup>2</sup> make reference to the arm's length principle?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<a href="#">Section 18 of the Act LXXXI of 1996 on Corporate Tax and Dividend Tax</a>
2	Does your domestic transfer pricing framework give the OECD Transfer Pricing Guidelines any role or status (e.g. legal binding effect, subsidiary application in the absence of domestic legislation, source of interpretation of domestic legislation and/or treaty provisions, other)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<a href="#">Section 31 (2) (b) of the Act LXXXI of 1996 on Corporate Tax and Dividend Tax</a>  The OECD TP Guidelines are not legally binding in Hungary; however, the Hungarian TP regulations are based on the OECD Transfer Pricing Guidelines. Section 3 1(2) (b) of the Act LXXXI of 1996 on Corporate Tax and Dividend Tax contains reference to the OECD TPG.

<sup>1</sup> Information in transfer pricing country profiles is provided directly by jurisdictions. By publishing the transfer pricing country profiles on the OECD website, the OECD does not certify the accurateness of the information provided therein. Importantly, transfer pricing country profiles published on the OECD website are made available to stakeholders for information purposes only, and are not intended to be used in substitution to a jurisdiction's legal instruments, jurisprudence, or administrative guidance or practice nor relied on as an accurate and complete description of domestic law.

<sup>2</sup> For purposes of transfer pricing country profiles, the term "domestic transfer pricing framework" refers to a jurisdiction's domestic legislation, regulations, administrative guidance or practice, jurisprudence or governing general principles in the jurisdiction.

3	<p><b>Does your domestic transfer pricing framework provide for a definition of related parties applicable for transfer pricing purposes? If so, please provide the definition contained under your domestic transfer pricing framework.</b></p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Non-official English translation of Section 4 (23) of Act LXXXI of 1996 on Corporate Tax and Dividend Tax provides the definition of related parties for transfer pricing purposes:</p> <p><i>23. affiliated company shall mean:</i></p> <p><i>a) the taxpayer and the person in which the taxpayer has a majority control - whether directly or indirectly - according to the provisions of the Civil Code;</i></p> <p><i>b) the taxpayer and the person that has majority control in the taxpayer - whether directly or indirectly - according to the provisions of the Civil Code;</i></p> <p><i>c) the taxpayer and another person if a third party has majority control in both the taxpayer and such other person - whether directly or indirectly - according to the provisions of the Civil Code, where any close relative holding a majority control in the taxpayer and the other person shall be recognized as third parties;</i></p> <p><i>d) the foreign enterprise and its domestic permanent establishment and the permanent establishments of the foreign enterprise, furthermore, the domestic permanent establishment of the foreign enterprise and any person that is in a relationship with the foreign enterprise as defined in points a) to c);</i></p> <p><i>e) the taxpayer and its foreign permanent establishment, as well as the foreign permanent establishment of the taxpayer and any person that is in a relationship with the taxpayer as defined in points a) to c);</i></p> <p><i>f) the taxpayer and another person if due to the equivalence of management between them dominating influence is exercised over business and financial policy;</i></p> <p><i>g) in addition to the provisions of points a) to c) affiliation shall be considered to exist</i></p> <p><i>ga) for the purposes of Point 11, Point 53, Section 8 (1)f), and Section 16/A, if there is at least 25% direct or indirect voting right, or at least 25% direct or indirect equity participation, or at least 25% profit entitlement between the taxpayer and another person, or if a third person holds at least 25% direct or indirect voting right, equity participation, or profit entitlement in both the taxpayer and the other person, provided that compliance with point f) does not need to be examined in the application of this provision;</i></p> <p><i>gb) for the purposes of Section 2 (7) and Section 16/B, if there is at least 50% direct or indirect voting right, equity participation, or profit entitlement between the taxpayer and another person, where the influence of persons acting in concert must be aggregated for the purposes of voting rights and equity</i></p>	<p><a href="#">Section 4 (23) of the Act LXXXI of 1996 on Corporate Tax and Dividend Tax</a></p>
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		<p>participation, and in the case of taxpayers belonging to a group preparing consolidated financial statements, compliance with point f) must also be examined.</p> <p>.</p>													
<b>Transfer Pricing Methods</b>															
4	Does your domestic transfer pricing framework provide for transfer pricing methods to be used in respect of transactions between related parties?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If affirmative, please check those provided for in your legislation:</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <th>CUP</th><th>Resale Price</th><th>Cost Plus</th><th>TNMM</th><th>Profit Split</th><th>Other (If so, please describe)</th></tr> <tr> <td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr> </table> <p>Other methods should be used if the arm's length price cannot be determined by none of CUP, resale price, cost plus, TNMM, or profit split method.</p>	CUP	Resale Price	Cost Plus	TNMM	Profit Split	Other (If so, please describe)	<input checked="" type="checkbox"/>	<a href="#"><u>Section 18 (2) of the Act LXXXI of 1996 on Corporate Tax and Dividend Tax</u></a>					
CUP	Resale Price	Cost Plus	TNMM	Profit Split	Other (If so, please describe)										
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>										
5	Which criterion is provided for in your domestic transfer pricing framework for the application of transfer pricing methods?	<p>Please check all that apply:</p> <p><input type="checkbox"/> Hierarchy of methods</p> <p><input checked="" type="checkbox"/> Most appropriate method</p> <p><input type="checkbox"/> Other (if so, please explain)</p> <p>The most appropriate method should be interpreted as in the TPG.</p>	<a href="#"><u>Section 31 (2) (b) of the Act LXXXI of 1996 on Corporate Tax and Dividend Tax</u></a>												

6	<p><b>Does your domestic transfer pricing framework contain specific guidance on commodity transactions?</b></p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> For controlled transactions involving commodities, the guidance contained in paragraphs 2.18-2.22 of the TPG is followed.</p> <p><input type="checkbox"/> Domestic transfer pricing framework provides for the use of a specific method for controlled transactions involving commodities (<i>if so, please explain</i>)</p> <p><input type="checkbox"/> No</p>	<p><a href="#">Section 31 (2) (b) of the Act LXXXI of 1996 on Corporate Tax and Dividend Tax</a></p>
Comparability Analysis			
7	<p><b>Does your jurisdiction follow (or largely follow) the guidance on comparability analysis outlined in Chapter III of the TPG?</b></p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	<p><a href="#">Section 31(2) (b) of the Act LXXXI of 1996 on Corporate Tax and Dividend Tax.</a></p>
8	<p><b>Is there a preference in your jurisdiction for domestic comparables over foreign comparables?</b></p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
		<p>Local companies are preferred in comparability analyses. The geographic selection criteria is as follows: Hungary, Visegrád countries (HU, SK, CZ, PL) and if necessary, the scope can be extended further.</p>	
9	<p><b>Does your domestic transfer pricing framework permit the use of secret comparables for transfer pricing assessment purposes?</b></p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	
10	<p><b>Does your domestic transfer pricing framework allow or require the use of an arm's length range and/or statistical</b></p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	<p><a href="#">Section 18 (9) of the Act LXXXI of 1996 on Corporate Tax and Dividend Tax.</a></p>

	<b>measure (e.g. the interquartile range or other percentiles) for determining arm's length remuneration?</b>	Non-official English translation of Section 18 (9) of Act LXXXI of 1996 on Corporate Tax and Dividend Tax is the following: <i>(9) If considered justified in the application of the methods provided for in Subsection (2) (having regard in particular to functionality analysis, sample composition or extreme values), the taxpayer shall apply additional filters relying on the median range covering half of the sample components (interquartile range), taking into consideration the ministerial decree laying down provisions for the obligation to keep records relating to the determination of fair market value adopted under authorization by this Act.</i>	
11	<b>Are comparability adjustments required under your domestic transfer pricing framework?</b>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	<a href="#"><u>Section 7 of the Decree No 32/2017. (X.18) of the Ministry for National Economy on transfer pricing documentation requirements.</u></a>
<b>Intangible Property</b>			
12	<b>Does your domestic transfer pricing framework contain guidance specific to the pricing of controlled transactions involving intangibles?</b>	<p><input type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VI of the TPG?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input checked="" type="checkbox"/> No</p>	<a href="#"><u>Section 31(2) (b) of the Act LXXXI of 1996 on Corporate Tax and Dividend Tax.</u></a>
13	<b>Are there any other rules outside your transfer pricing framework that are</b>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	<a href="#"><u>Section 31(2) (b) of the Act LXXXI of 1996 on Corporate Tax and Dividend Tax.</u></a>

	<b>relevant for the pricing of controlled transactions involving intangibles?</b>	The TPG is followed in general.	
<b>Hard-to-Value Intangibles<sup>3</sup></b>			
14	<b>Does your domestic transfer pricing framework contain guidance specific to hard-to-value intangibles (HTVI)?<sup>4</sup></b>	<p><input type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow the guidance on HTVI in Chapter VI of the TPG?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input checked="" type="checkbox"/> No</p>	<a href="#"><u>Section 31 (2) (b) of the Act LXXXI of 1996 on Corporate Tax and Dividend Tax.</u></a>
<b>Intra-group Services</b>			
23	<b>Does your domestic transfer pricing framework provide guidance specific to intra-group services transactions?</b>	<p><input type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VII of the TPG?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input checked="" type="checkbox"/> No</p>	
24	<b>Does your domestic transfer pricing framework provide for or allow the</b>	<p><input checked="" type="checkbox"/> Yes. If so, does it follow (largely follow) the low value-adding services approach in Chapter VII?</p> <p><input type="checkbox"/> Yes</p>	<a href="#"><u>Section 5 of the Decree No 32/2017. (X.18) of the Ministry for National Economy on transfer pricing documentation requirements.</u></a>

<sup>3</sup> Please note that questions in this section are imported from the HTVI questionnaire and integrated into this TPCP to centralise all jurisdiction-related transfer pricing information.

<sup>4</sup> In the case of jurisdictions that do not apply the HTVI approach (i.e. they responded “no” to question 14), it is not necessary to respond to the remaining questions in the HTVI section and these questions will not be published as part of jurisdiction’s transfer pricing country profile.

	<p><b>application of a simplified approach for low value-adding intra-group services?</b></p>	<p><input checked="" type="checkbox"/> No (please provide further explanations below)</p> <p><input type="checkbox"/> No</p> <p>Legislation is based on OECD TPG and the guidelines on low value-adding intra-group services of the EU Transfer Pricing Forum with certain additional restrictions.</p>	
25	<p><b>Are there any other rules outside your transfer pricing framework for pricing intragroup services?</b></p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>There are a number of direct, indirect, and municipal tax legislation that include rules for the tax treatment of controlled or uncontrolled transactions involving services. These are not transfer pricing rules therefore these do not fall within the scope of the transfer pricing country profile.</p>	
<b>Financial Transactions</b>			
26	<p><b>Does your domestic transfer pricing framework provide guidance specific to financial transactions?</b></p>	<p><input type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter X of the TPG?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input checked="" type="checkbox"/> No</p> <p>The TPG is generally followed.</p>	<p><a href="#"><u>Section 31(2) (b) of the Act LXXXI of 1996 on Corporate Tax and Dividend Tax.</u></a></p>
27	<p><b>Are there any other rules outside your transfer pricing framework that are relevant for the tax treatment of financial transactions? (e.g. whether your jurisdiction has implemented the measures in BEPS Action 4 to limit</b></p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Interest deduction limitation in corporate income tax is harmonised to EU directives 1164/2016 and 952/2017, which are issued by the EU on the basis of BEPS 4.</p>	<p><a href="#"><u>Section 8 (1) (j) of the Act LXXXI of 1996 on Corporate Tax and Dividend Tax.</u></a></p>

	<p><i>interest deductions and other financial payments or any similar rules)</i></p>	
<b>Cost Contribution Arrangements</b>		
28	<p><b>Does your jurisdiction allow cost contribution arrangements?</b></p>	<p><input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VIII of the TPG?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input type="checkbox"/> No</p> <p>The TPG is generally followed.</p>
<b>Transfer Pricing Documentation</b>		
29	<p><b>Does your domestic transfer pricing framework require the taxpayer to prepare transfer pricing documentation?</b></p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><i>If affirmative, please check all that apply:</i></p> <p><input checked="" type="checkbox"/> Master file consistent with Annex I to Chapter V of the TPG</p> <p><input checked="" type="checkbox"/> Local file consistent with Annex II to Chapter V of the TPG</p> <p><input checked="" type="checkbox"/> Country-by-country report consistent with Annex III to Chapter V of the TPG</p> <p><input checked="" type="checkbox"/> Specific transfer pricing returns (separate or annexed to the tax return)</p> <p><input type="checkbox"/> Other (specify):</p>

30	<p><b>Please briefly explain the relevant requirements related to each transfer pricing documentation requirement (i.e. timing for preparation or submission, languages, etc.)</b></p>	<p>The preparation deadline of the transfer pricing documentation and the transfer pricing data reporting obligation is the filing deadline of the corporate income tax return, which is the last day of the fifth month following the end of the respective tax year. However, if the Master file is not available due to the legislation applicable to the ultimate parent company of the group, then the deadline for preparing the Master file is no later than 12 months after last day of the taxpayer's tax year.</p> <p>The language of the transfer pricing documentation is any language chosen by the taxpayer. Upon request, the taxpayer shall be obliged to hand over the Hungarian translation of the transfer pricing documentation.</p> <p>All domestic entities of MNEs under the scope of CbC Reporting are required to file a notification before the end of the reporting fiscal year, in which they indicate their filing status. Both the notification and the CbC Report need to be filed electronically, using the Hungarian domestic form. CbCR shall be submitted within 12 months after the last day of the financial year reported.</p>	<p><a href="#">Decree No 32/2017. (X.18) of the Ministry for National Economy on transfer pricing documentation requirements.</a></p> <p><a href="#">Annex 3 of the Act XXXVII of 2013 on the rules of international administrative cooperation related to taxes and other duties.</a></p>
31	<p><b>Does your domestic transfer pricing framework provide for specific transfer pricing penalties and/or compliance incentives regarding transfer pricing documentation?</b></p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p><b>Master File and Local File:</b> Default penalty may be imposed up to HUF 5 million with regard to incomplete or inaccurate information, non-filing or late filing of the Master file and/or Local file. In case of a repeated infringement the taxpayer may be subject to a default penalty four times the amount imposed in the first instance. If the documentation obligation is fulfilled prior to bringing the decision due to the repeated failure, the default penalty may be reduced or waived.</p> <p><b>CbCR:</b> If the CbC Report is incomplete or contains inaccurate information, or it is submitted after deadline, a default penalty up to HUF 20 million may be imposed.</p>	<p><a href="#">Section 230 of the Act CL of 2017 on the Rules of Taxation.</a></p> <p><a href="#">Section 43/S. of the Act XXXVII of 2013 on the rules of international administrative cooperation related to taxes and other duties.</a></p>
32	<p><b>Does your domestic transfer pricing framework provide for exemption</b></p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>	<p><a href="#">Section 18 (3) and (5) of the Act LXXXI of 1996 on Corporate Tax and Dividend Tax.</a></p>

<p><b>from transfer pricing documentation obligations?</b></p>	<p><b>Local file and Master file:</b> The following transactions are number of exempt from the transfer pricing documentation obligation:</p> <ul style="list-style-type: none"> <li>a) a contract concluded with a private individual who is not an individual entrepreneur,</li> <li>b) the related party transaction covered by an Advance Pricing Agreement,</li> <li>c) cost recharge transactions in an unchanged amount or value, provided that the person providing the service or selling the goods is not a related entity with the taxpayer, foreign person, or the party bearing the cost,</li> <li>d) the transfer and receipt of monetary funds free of charge,</li> <li>e) if the value of the transaction does not exceed HUF 100 million at the fair market price excluding VAT, provided that when determining the value threshold the rules of aggregation must be taken into account, i.e. the value of the aggregable transaction should be determined jointly</li> <li>f) the stock exchange transaction according to the Act on the Capital Market,</li> <li>g) the transaction realized by applying a price fixed by the authorities or a specific price individually determined in a legislation.</li> </ul> <p><b>CbCR:</b> Multinational enterprises are not required to prepare CbCR if their consolidated revenue is under EUR 750 million in the financial year preceding the financial year reported.</p>	<p><a href="#"><u>Section 1 (2) of the Decree No 32/2017. (X.18) of the Ministry for National Economy on transfer pricing documentation requirements.</u></a></p> <p><a href="#"><u>Section 4 (7) of the Act XXXVII of 2013 on the rules of international administrative co-operation related to taxes and other duties.</u></a></p>
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### Administrative Approaches to Avoiding and Resolving Disputes

33	<p><b>Which mechanisms are available in your jurisdiction to prevent and/or resolve transfer pricing disputes?</b></p>	<p>Please check those that apply:</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Rulings</li> <li><input type="checkbox"/> Enhanced engagement or cooperative compliance programmes</li> <li><input checked="" type="checkbox"/> Advance Pricing Agreements (APA) <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Unilateral APAs</li> <li><input checked="" type="checkbox"/> Bilateral APAs</li> <li><input checked="" type="checkbox"/> Multilateral APAs</li> </ul> </li> </ul>	<p><a href="#"><u>Sections 174 – 183 of the Act CL of 2017 on the Rules of Taxation</u></a></p> <p><a href="#"><u>Sections 111 – 116 of the Government Decree No. 465/2017. on the Detailed Rules of Tax Administration Procedures</u></a></p> <p><a href="#"><u>Act XXXVI of 2006 on the Promulgation of the Arbitration Convention</u></a></p> <p><a href="https://net.jogtar.hu/jogsabaly?docid=a0600036.tv"><u>https://net.jogtar.hu/jogsabaly?docid=a0600036.tv</u></a></p>
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		<input type="checkbox"/> International Compliance Assurance Programme (ICAP) <input checked="" type="checkbox"/> Mutual Agreement Procedures <input type="checkbox"/> Other (please specify):  For the APAs and MAP, please see the link on the left.	<a href="#"><u>Section 42 of the Act XXXVII of 2013 on the rules of international administrative co-operation related to taxes and other duties</u></a>
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### Simplified and Streamlined Approach for Baseline Marketing and Distribution Activities

34	<p><b>Does your domestic transfer pricing framework allow the application of the simplified and streamlined approach for baseline marketing and distribution activities in the relevant Annex of Chapter IV of the TPG?</b></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Other (please elaborate)  The application of the Simplified and Streamlined Approach is still under consideration in Hungary.	
35	<p><b>If your domestic transfer pricing framework allows the application of the simplified and streamlined approach, how is it implemented?</b></p>	<input type="checkbox"/> In-scope tested parties resident within the jurisdiction can elect to apply the simplified and streamlined approach (i.e. safe harbour) <input type="checkbox"/> In-scope tested parties resident within the jurisdiction are required to follow the simplified and streamlined approach for in-scope qualified transactions and tax administrations are allowed to impose the application of the simplified and streamlined approach to in-scope qualified transactions of tested parties resident within their jurisdiction (i.e. rule) <input checked="" type="checkbox"/> N/A	
36	<p><b>If your domestic transfer pricing framework allows the application of the simplified and streamlined approach, what is the operating expense to sales (OES) upper bound chosen by your jurisdiction regarding scoping criterion 13.b?</b></p>	<input type="checkbox"/> 20% <input type="checkbox"/> 30% <input type="checkbox"/> Other (please specify) <input checked="" type="checkbox"/> N/A	

37	<p>Does your jurisdiction respect the outcome of the application of the simplified and streamlined approach by a covered jurisdiction in line with the Inclusive Framework political commitment?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
38	<p>If your domestic transfer pricing framework allows the application of the simplified and streamlined approach for resident in-scope tested parties, does your jurisdiction respect the outcome of the application of such approach by another jurisdiction that is not a covered jurisdiction?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Safe Harbours and Other Simplification Measures</b>			
39	<p>Does your jurisdiction provide for any safe harbours or other simplification measures in respect of certain industries, types of taxpayers, or types of transactions (not listed in other sections of this questionnaire)?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Other Legislative Aspects or Administrative Procedures</b>			
40	<p>Does your domestic transfer pricing framework allow downward corresponding adjustments in the</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<a href="#"><u>Section 18 (1) of Act LXXXI of 1996 on Corporate Tax and Dividend Tax</u></a>

	<p><b>absence of a mutual agreement procedure (e.g. unilateral corresponding adjustments)?</b></p> <p>Non-official English translation of Section 18 (1) of Act LXXXI of 1996 on Corporate Tax and Dividend Tax is the following:</p> <p><i>If related parties apply a consideration (excluding value added tax) in their contracts or agreements that is higher or lower than the arm's length price, the taxpayer shall adjust its pre-tax profit by the amount of the difference between the arm's length price and the applied consideration—irrespective of any other pre-tax profit increasing or decreasing items prescribed by this Act —</i></p> <p><i>a) decreases the pre-tax profit, provided that:</i></p> <p><i>aa) as a result of the applied consideration, the taxpayer's pre-tax profit is higher than it would have been if the arm's length price had been applied;</i></p> <p><i>ab) the related party to the transaction is a resident taxpayer in Hungary or a foreign entity (excluding a controlled foreign company) that is subject to a corporate income tax or a similar tax under the laws of its country of residence;</i></p> <p><i>ac) the taxpayer possesses a document, signed by both parties, stating the amount of the difference; and</i></p> <p><i>ad) the taxpayer possesses a declaration from the other party stating that the difference (the amount determined based on the arm's length principle applicable to the other party) has been or will be taken into account in determining its tax base for corporate income tax or an equivalent tax.</i></p>	
41	<p><b>Does your domestic transfer pricing framework allow or require taxpayers to make year-end adjustments?</b></p> <p><input type="checkbox"/> Yes. Year-end adjustments are required.</p> <p><input checked="" type="checkbox"/> Yes. Year-end adjustments are allowed.</p> <p><input type="checkbox"/> No</p>	
42	<p><b>Does your domestic transfer pricing framework provide for secondary adjustments?</b></p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	
43	<p><input type="checkbox"/> Article 7 as it read before 2010.</p> <p><input type="checkbox"/> If so, please indicate in how many treaties:</p>	

	<p><b>Which version of Article 7 of the OECD Model Tax Convention on Income and on Capital do your tax treaties contain?</b></p> <p><input checked="" type="checkbox"/> Article 7 as it reads after 2010.  <input type="checkbox"/> If so, please indicate in how many treaties:  <input type="checkbox"/> Other (please provide additional details)</p> <p>In the vast majority of the double tax treaties of Hungary concluded after 2010 the new version of Article 7 is included. Some of our treaties concluded after 2010 and our older treaties however contain the previous (“old”) version of Article 7.</p> <p>Hungary as a member of the OECD follows the latest standards as a general rule in relation to treaty interpretation. The Corporate Income Tax Act lays down as a basic principle that international agreements promulgated (double tax treaties) shall override the provisions of the Act.</p>	
44	<p><b>For tax treaties containing Article 7 as it read before 2010, does your jurisdiction apply the authorized OECD approach (AOA)?</b></p> <p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No (please explain the approach used and which tax treaties are concerned)</p>	
45	<p><b>Does your domestic transfer pricing framework contain specific guidance for the attribution of profits to permanent establishments of non-resident entities? If so, please provide a summary of the main features of this guidance.</b></p> <p><input type="checkbox"/> Yes, they follow the AOA as described in the 2008 Report on the Attribution of Profits to Permanent Establishments  <input type="checkbox"/> Yes, they follow the AOA as described in the 2010 Report on the Attribution of Profits to Permanent Establishments  <input type="checkbox"/> Yes, they do not follow the AOA (please provide a summary of the main features of these rules)  <input checked="" type="checkbox"/> No</p>	
<b>Other Relevant Information</b>		
46	<p><b>Other legislative aspects or administrative procedures regarding transfer pricing</b></p>	N/A
47	<p><b>Other relevant information (e.g. whether your jurisdiction is preparing new transfer pricing regulations, or</b></p>	N/A

<i>other relevant aspects not addressed in this questionnaire)</i>		
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For more information, please visit: <https://www.oecd.org/en/topics/sub-issues/transfer-pricing/transfer-pricing-country-profiles.html>