



Hungary has introduced a
new kind of residency
permit for "guest investors"



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Act XC of 2023 on general regulations on the entry and residency of nationals of third countries, which introduced a new kind of residence permit, went into effect on January 1, 2024.

As a "guest investor," a citizen of a third country may now permanently stay in Hungary provided they meet the requirements outlined in the Act and are granted an individual residence visa. The holder of a "guest investor residence permit" is allowed to live in Hungary and work for pay as an independent contractor or as a legally recognized management of a business, cooperative, or other legal entity.

The main need is getting a "guest investor visa," which, in addition to filing for a "guest investor residence permit," enables its owner to stay in Hungary for more than ninety days within one hundred and eighty days and to make multiple entries. Third-country citizens whose presence and stay in Hungary serve the country's economic interest in light of their investments are awarded "guest investor visas," which entail making at least one of the following investments:

- acquisition of investment units worth at least EUR 250,000 from a real estate fund registered with the Hungarian National Bank (to take effect on July 1, 2024);
- acquisition of ownership of a residential property worth at least EUR 500,000 located within the borders of Hungary and registered in the Land Register, free from liens, encumbrances, and claims (to take effect on January 1, 2025);
- contribution of at least EUR 1,000,000 to a higher education institution run by a public trust with a public-service mission in order to support education, scientific research, or artistic creation (to take effect on July 1, 2024).

Later this year, a legislative change is anticipated that will impose the same restrictions on investors who acquire a EUR 250,000 equity fund.

Other requirements stipulated by the Act include possessing legitimate travel documents. "Guest investor visas" have a six-month maximum validity period that ends when the residence permit is granted.

Within three months of arriving in Hungary, a "guest investor" is required to provide proof that the investment made in accordance with the Act was made. A "guest investor residence permit" can be valid for up to ten years, renewable once for an additional ten years solely for that purpose. Additionally, the Act permits "guest investors" to live with their family members, including their spouse or children, by granting residency permits to those family members.

Should you need more information on the detailed regulations, the colleagues of our Legal Partnership are at your kind disposal to provide you with some more information either at balazs@bakolegal.com or office@bakolegal.com.

