



## Tax News+

July

**Below you will find the tasks and potential issues arising from key tax law changes of the past month and recent weeks. We would be ready and glad to discuss with you any of your company specific issues.**

## Amendments to the Labor Code regarding expatriates

The Hungarian Parliament, amongst numerous changes adopted in the tax legislation, has recently amended the Hungarian Labor Code with new regulations. **The new rules introduced in 297 § of the Labor Code impose significant additional administration on Hungarian companies employing foreign expatriates.**

As of **18 June 2016**, Hungarian companies employing expatriates will bear joint and several liability with the foreign employer with regards to recording and compliance obligations if the following conditions are met:

- the employee of a foreign company performs work at a Hungarian company based on a service agreement concluded between the two companies, and
- the Hungarian company was – or with due care – should have been aware that the foreign employer failed to comply with its wage and contribution payment obligations with respect to the employees working in Hungary under the service agreement.

The amendments to the legislation imposes significant additional administration obligations on the Hungarian and the foreign company to ensure compliance with the new rules.

In addition to the fact that the interpretation and practical application of the legislation raise several questions, **the range of potential sanctions remains unclear** in the case of non-compliance. The aim of the legislation is to provide the Hungarian authorities with proper legal basis and appropriate information regarding expatriates working in Hungary in order to extend the recording, compliance and payment obligation in their respect.

Deloitte's professionals monitor the legislative procedure on a regular basis in order to clarify the relevant issues. In addition, we aim to provide our clients with the most updated information based on consultation with the competent authorities.

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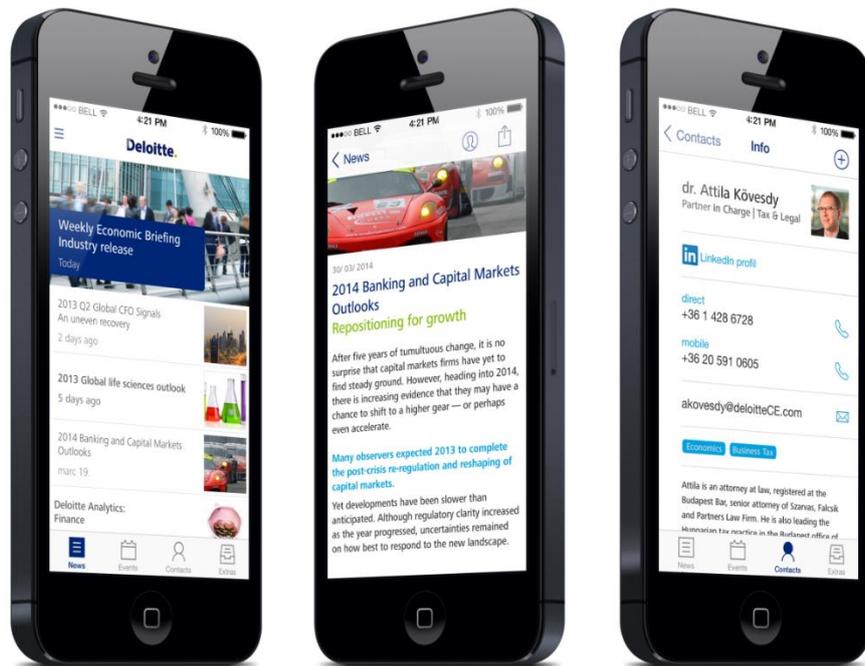
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## Tax and Legal 4Me

Deloitte Hungary has launched its first mobile application focusing on tax and legal issues. The app is available on iOS and Android devices.

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- **Customisable:** choose the topics that are relevant for you
- **Timely,** instant, quick, and up-to-date
- **Interactive:** contact our professionals, save the dates of our events in your calendar or share the news with your co-workers by email

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