

The second economic package in response to the COVID-19 crisis in Hungary

2020. március 26.
KPMG Legal Tóásó Ügyvédi Iroda

Second economic package



Government decree no. 47/2020. (III.18.) implemented as the first economic package in response to the Covid-19 pandemic outbreak has been supplemented with the following **five government decrees** on additional measures to mitigate the economic fallout in Hungary:

- Government decree no. 57/2020. (III. 23.) on special **enforcement measures**;
- Government decree no. 58/2020. (III. 23.) and no. 59/2020. (III. 23.) on the **prolongation of health insurance and family support services** due to state of emergency;
- Government decree no. 60/2020. (III. 23.) on **the increase of paytouch (pos terminal) payment limits**;
- Government decree no. 61/2020. (III. 23.) on the **specific provisions and new measures regarding tax reliefs** complementing the first economic package.

Main economic measures

Social measures

- **Suspension of eviction and seizure procedures;**
- **Maternity benefits**, including expiring parental leave (gyes) and child care benefits (gyed) shall continue to be paid during the state of emergency.

Paytouch payment

- Increase of paytouch payment (use of pos terminal) limits up to **HUF 15,000** in order to tackle possibly negative health consequences of using cash.

Tax measures

Significant tax relief for the emergency period:

- Exemption from **social security contribution;**
- Exemption from **vocational contribution;**
- **Rehabilitation contribution** decreased by 1/3, and no contribution advances are applicable;
- In relation to taxpayers opted for **small business tax ('KIVA')**, the tax base for the emergency period should not include the employees' costs.

Until June
2020

Enforcement measures

- **Executor delivery services** and **personal consultation with the executor** are suspended for the length of the state of emergency.
- Clients of individual enforcement procedures may obtain **further information** through **video telecommunication services** after appropriate personal identification.
- **On-site procedures, local procedural actions and standard auctions** are suspended for the length of the state of emergency.
- **All evictions, any related measures and on-site procedures** are suspended for the length of the state of emergency.
- The executor suspends all the procedural actions related to the **auctions concerning natural persons' real properties** – including the publishing of the announcement on property auctions – at least until the 15th day after the end of the state of emergency period.
- During the enforcement procedures **no penalties** are to be imposed on persons who were not in the position to perform their legal obligations due to the extraordinary pandemic measures.

Deadlines will start to run again from the 15th day after the end of the state of emergency.

Tax relief measures

Concerned business sectors:

- ✓ Taxi services;
- ✓ Accommodation services;
- ✓ Catering;
- ✓ Creative arts and entertainment activities;
- ✓ Sport, amusement and recreation services;
- ✓ Gambling sector;
- ✓ Film-related services (motion picture, video and television program production services, sound recording and music publishing);
- ✓ Conference and trade show organization;
- ✓ Publishing of newspapers, journals and periodicals;
- ✓ Programming and broadcasting activities.

Tourism development contribution

Business organizations are exempt from the payment of the tourism development contribution for the period of March-June 2020.

Small taxpayers' tax ('KATA')

Tax exemption from the obligation to pay small taxpayers' tax until 30 June 2020.

KATA debts incurred before 1 March are also deferred, thus the taxpayers concerned are allowed to make their relating tax payments, without any surcharges imposed, in 10 equal monthly instalments payable following the quarter of the end of the state of emergency.

Should you have any questions, feel free to contact us!

Contacts:



**dr. Bálint Tóásó MSc LL.M
(Vienna)**

Partner, Head of Legal
T: +36 30 663 6245
E: balint.toaso@kpmg.hu



dr. Ildikó Csák

Director, Attorney-at-Law
T: +36 70 978 934
E: ildiko.csak@kpmg.hu



dr. Boglárka Kricskovics-Béli

Managing Associate, Attorney-
at-Law
T:+36 70 520 4507
E: boglarka.kricskovics-
beli@kpmg.hu



dr. Tamás Tasnádi

Junior Associate
T:+36 70 333 1475
E: tamas.tasnadi@kpmg.hu



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name, logo are registered trademarks or trademarks of KPMG International.

© 2020 KPMG International Cooperative ("KPMG International"), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved



kpmg.com/socialmedia



kpmg.com/app

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name, logo are registered trademarks or trademarks of KPMG International.

© 2020 KPMG International Cooperative (“KPMG International”), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved