

Act CCXX of 2012
amending Act II of 2007 on the Entry and Residency Requirements of Third-Country Citizens

Section 51 The Act II of 2007 on the Entry and Residency Requirements of Third-Country Citizens was amended with the following Section 35/A-35/C:

“Section 35. (1) **National permanent residence permits** may be issued to third-country nationals, whose investments in Hungary qualify their entry and stay as being in the interest of the national economy, as well as the spouse of a third-country national, a dependent descendant, or dependent parent, if there is no exclusion against them according to Section 33 (1) c), or Section 33 (2) and Section 35 (5), and fulfill the conditions set out in the Section 33 (1) a) and b).

“ Section 33 (1) The third-country nationals applying for interim permanent residence permit, a national permanent residence permit or an EC permanent residence permit must satisfy the following conditions:

- a) must have a place of abode and subsistence in the territory of Hungary secured;
- b) must have full healthcare insurance or sufficient financial resources for healthcare services; and
- c) must be exempt from any reason for rejection set out in this Act.

(2) No interim permanent residence permit, national permanent residence permit or EC permanent residence permit shall be issued to any third-country national:

- a)
- b) whose residence in the territory of Hungary constitutes a threat to public security or national security;
- c) who is subject to expulsion or exclusion from the territory of the Republic of Hungary or for whom an alert has been issued in the SIS for the purposes of refusing entry.
- d) who has disclosed false information or untrue facts in the interest of obtaining the permit, or misled the competent authority;”

(2) For the purposes of Subsection (1), a third-country citizen’s stay in Hungary is considered to be “in the interest of the national economy” in particular if

a) the third-country citizen who applies verifies that he/she or a company in which he/she holds a majority stake (the third-country citizen and/or his/her company hereinafter collectively referred to as: “third-country entity”) own(s) a security with a total value of at least EUR 300,000 and with a maturity of at least five years which security is issued by an enterprise that meets all the following conditions:

aa) the enterprise invests exclusively in zero-coupon Hungarian government bonds issued for this particular purpose with a face value of EUR 50 000 and a maturity of at least five years, with a total value described in Paragraph b); this bond, which will be repaid by the issuer at face value upon maturity, is issued at a discount price, less interest, where the discount interest rate at the time the bond is issued is 1.5 percentage points lower than the secondary market yield of the euro-denominated bond issued by the Hungarian State with the remaining maturity closest to five years, but no less than 2 per cent;

ab) the enterprise has a contract with the State Debt Management Agency concerning the activity specified in Subsection aa);

ac) the enterprise issues only registered securities; and

ad) the enterprise has all of the necessary licenses to carry out the above activity according to the laws of the relevant country [of origin of the applicant]; and

b) the applicant attaches the (final and irrevocable) declaration of the enterprise specified in Section a) that it will use the applicant’s contribution for subscribing the government bond specified in Subsection aa) of Section a) for a total value of at least EUR 300 000, and will do so within 45 days of the issue date of the applicant’s national permanent residence permit.

(3) The contract specified in Subparagraph ab) of Paragraph a) of Subsection (2) may be concluded only with enterprises approved by Parliament’s Permanent Committee for Economic Affairs.

(4) The Parliament’s Permanent Committee for Economic Affairs shall approve only one such enterprise to serve each third country [of origin of applicants].

(5) The authorization granted under Subsection (3) shall be withdrawn, in particular, if the company in question has provided untrue information or if breaches the commitment of subscription. The authorization granted under Subsection (3) must be withdrawn also, if it is proved that the company carries out security sales activity directly or by using agent on the territory of the country different from

Subsection (4), or the company diverges from the authorization described in Subsection (4) in the case of application submitted in Hungary.

(6) The Parliament's Permanent Committee for Economic Affairs shall notify the immigration authority and the State Debt Management Agency if an enterprise's approval has been withdrawn. In this case, the State Debt Management Agency will terminate the contract specified in Subparagraph ab) of Paragraph a) of Subsection (2).

(7) In order to help monitor the number of applicants entitled to residency or permanent residency, the enterprise issuing the securities shall submit a consolidated report to the immigration authority by the tenth day of every month. The report should include the number of securities issued in the given month, the personal details of the buyers of the securities, and, in case the third-party entity is a company, the personal details of the majority shareholder, the number of government bonds subscribed by the enterprise in total, and data as to which applicants' contributions were used for bond subscriptions. The immigration authority shall keep the data provided by the enterprise for six years.

Section 35/C. (1) The national permanent residence permit submitted according to Section 35/A. will be considered

- a) by authority acting in the first instance in thirty days,
- b) by authority acting in the second instance in fifteen days.

(3) With the exception of cases where appearance in person is stipulated by law, legal representation is compulsory in the procedure specified in Section 35/A.

(4) If a third-country citizen in the interest of the national economy holding a national permanent residency permit or family members do not live in Hungary, his legal counsel shall be act as a delivery trustee.”

Section 52 (1) The Paragraph c) Subsection (1) Section 37 of Act II of 2007 on the Entry and Residency Requirements of Third-Country Citizens is replaced by the following:

(The immigration authority may withdraw any authority to reside, a national permanent residence permit or immigration permit in the following cases:)

“c) the third-country national has departed from the territory of Hungary and remained absent for a period of over six months, **except if a national permanent residence permit was issued pursuant to Subsection (1) of Section 35/A.**”

(2) The Paragraph e) Subsection (2) Section 37 of Act II of 2007 on the Entry and Residency Requirements of Third-Country Citizens is replaced by the following:

(The immigration authority shall withdraw permit:)

“e) the subscription of government bonds need for the permit was not done within the time limit set out in Paragraph b) Subsection (2) Section 35/A.”

*Settle down in Hungary,
live in the European Union!*

