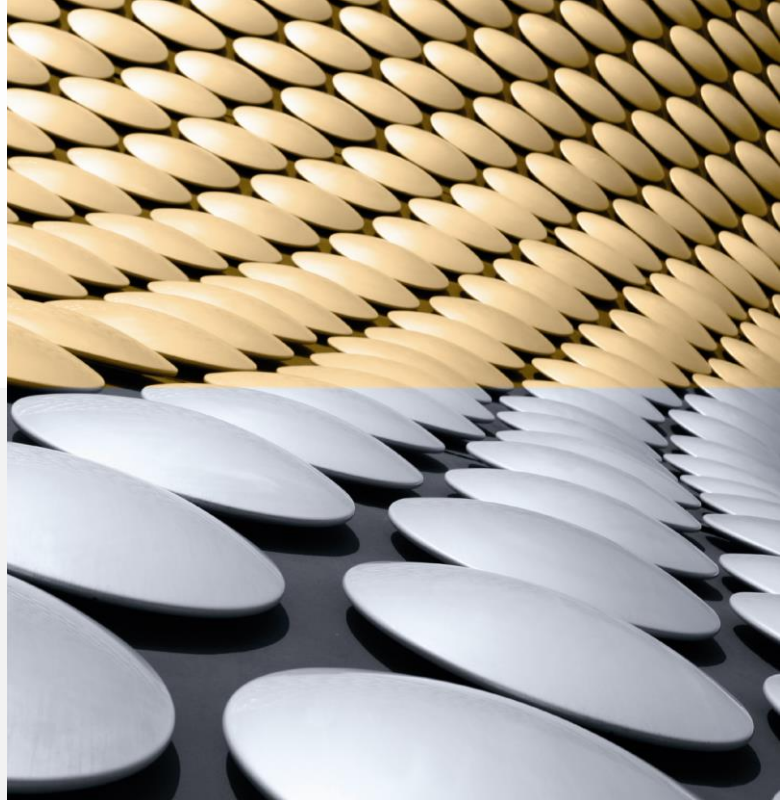




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KRS INFORMATION BROCHURE

STABILITY SAVINGS ACCOUNT



The Stability Savings Account is **an account held by a credit institution** engaged in investment operations, consisting of a **stability savings securities account** and a **stability savings cash account**.

Agreements on keeping the Stability Savings Account must be made **in writing** and on condition that the account holder **simultaneously with the opening of the account deposits a minimum of 5 million Hungarian Forints** to the stability savings account. **Only one deposit** may be made on the same savings account.

The account holding credit institution will **provide data to the state tax authority on the opening of the account and on the deposits made on the account** - without identifying the account holder - as required by the legislation.

It is only :

- a) the **cash deposit** paid or transferred by the account holder,
- b) the **consideration** received from securities transactions, and
- c) the **proceed of investment assets** kept on the securities account

that may be deposited on the Stability Savings Account.

The account holding institution **may not provide interests** on the balance of the Stability Savings Account.

The account holder may order the account provider to execute transactions pertaining exclusively to **government bonds denominated in HUF, issued by the state of Hungary or another country within the European Economic Area**.

The income deposited on the Stability Savings Account, the proceed received on the securities prescribed by the law, and the profit obtained from securities transactions will be **subject to the personal income tax payment liability**, the extent of which corresponds with the rate of taxation imposed on natural persons' income savings effective on the first day of the given year.

The taxes on the income will be **assessed, paid, and declared to the state tax authority by the credit institution** holding the Stability Savings Account.

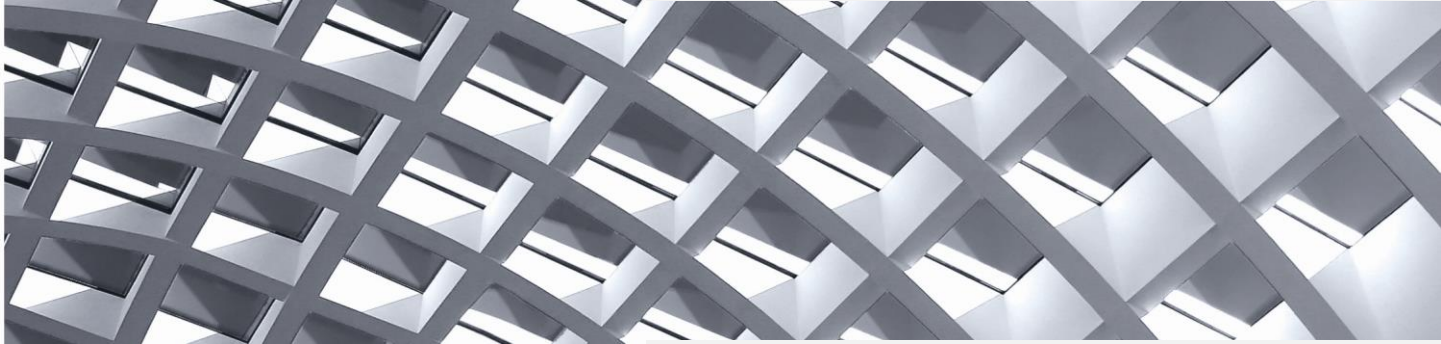
There will be **no additional payment obligation** apart from this tax liability on the aforementioned income.

Such tax liability arises in the event that the account holding institution makes a payment to the account holder from the Stability Savings Account - including withdrawals effectuated from the securities deposited on the account.





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If the time between the occurrence of tax liability and the deposit made to the Stability Savings Account is:

- a) less than 3 years, the tax base shall be **200% of the paid amount;**
- b) minimum 3 years, but no more than 4 years, the tax base shall be **100% of the paid amount;**
- c) minimum 4 years, but no more than 5 years the tax base shall be **50% of the paid amount;**
- d) minimum 5 years, then **no tax liability will arise.**

The account holder may designate **one or more beneficiaries for the event of his death**. In the event that a beneficiary has been designated, **the Stability Savings Account will not be part of the estate**. If payments are made from the Stability Savings Account to beneficiaries or heirs, the beneficiary or heir shall be considered as the account holder, while deposits made to the account shall be considered as deposits made by the beneficiary or heir. No further payment obligation is imposed on payments made from the Stability Savings Account to heirs and beneficiaries, apart from the above defined tax payment liability.

Disclaimer: The above information is a general one, based on the prevailing legislation and practice and shall not be considered as legal or tax advice. For personal, tailor made consultation please contact us!

Contact

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