

ATLAS
BY BNP PARIBAS

CASH MANAGEMENT
www.cashmanagement.bnpparibas.com/cg

BNP PARIBAS

The bank
for a changing
world

Disclaimer

This document has been prepared by BNP PARIBAS for informational purposes only. Although the information in this document has been obtained from sources which BNP PARIBAS believes to be reliable, we do not represent or warrant its accuracy, and such information may be incomplete or condensed. This document does not constitute a prospectus or solicitation.

All estimates and opinions included in this document constitute our judgement as of the date of the document and may be subject to change without notice. Changes to assumptions may have a material impact on any recommendations made herein.

This document is confidential and is being submitted to selected recipients only. It may not be reproduced (in whole or in part) to any other person without the prior written permission of BNP PARIBAS.

Make sure to always check the latest updates on the Atlas website

© 2024 BNP PARIBAS. All rights reserved.

With a population of 9.5 million and a forecasted GDP of $237bn in 2025,Hungary belongs to the group of high-income countries. It is a member of the European Union, but remains outside the Eurozone.

Hungary’s GDP contracted in 2023 due to high inflation and interest rates and weaker external demand. A gradual recovery is expected as economic activity began to recover in 2024-Q1, with inflation at 3.7% mid 2024. In 2023, public debt was down to 73.5% of GDP from 80% in 2020, but it is expected to slightly rise to 74.3% in 2024. Nevertheless, GDP is expected to grow by 2.4% in 2024 and 3.5% in 2025.

A notable economic weakness lies in Hungary's fiscal deficits and rising public debt — government debt is projected at ?73.5?% of GDP in 2024, rising further to about 79?% by 2030 unless corrective measures are taken. Fiscal deficits remain elevated, with the headline deficit expected at around 4.8?% in 2025, and structural deficit projections of ?4.6?% in 2026.
Hungary’s strong export sectors—notably automotive, pharmaceuticals, and electronics — support growth, while household and government consumption components are robust. Inflation has cooled sharply from 17?% in 2023 to forecast ~3.5?% by 2025. Unemployment is low (?4.1?%).

Summary

BNP Paribas presence

BNP Paribas has been established in Hungary since 1978, with a business centre in Budapest. Customers benefit from a dedicated corporate customer service team including Hungarian, French and English language support, and flexible, tailored solutions.

Currency

Currency

- Hungary uses the Hungarian forint (HUF).

Exchange rates

	2016	2017	2018	2019	2020
Exchange rate HUF per USD	281.52	274.43	270.21	290.66	308.00

Source: IMF, International Financial Statistics, July 2021.

Central Bank

- The Hungarian central bank is the Magyar Nemzeti Bank (MNB – www.mnb.hu).
- The MNB is a member of the European System of Central Banks (ESCB).

Bank Supervision

- Hungarian banks are supervised by the MNB's Directorate for Credit Institutions and Financial Enterprises Supervision.

Bank accounts

Resident / non-resident status

- A company is considered resident in Hungary if it is incorporated under Hungarian law and has a resident registered office.

Bank accounts for resident entities

	Within HUNGARY	Outside HUNGARY
Local Currency	Permitted without restriction, fully convertible.	Permitted without restriction, fully convertible.
Foreign Currency	Permitted without restriction, fully convertible.	Permitted without restriction, fully convertible.

Bank accounts for non-resident entities

	Within HUNGARY	Outside HUNGARY
Local Currency	Permitted without restriction, fully convertible.	Permitted without restriction, fully convertible.
Foreign Currency	Permitted without restriction, fully convertible.	Not applicable.

Lifting fees

- Lifting fees vary from bank to bank.

Factoring

Legal framework

Hungary is serviced from Poland.

Please consult the Polish pages.

BNP Paribas Cash Management Capabilities

Collections

Cash collections	✓
Cheque collections	✓
Direct debit collections	✓

Domestic incoming transfers	✓
Virtual IBAN	✓
Virtual accounts	
International incoming transfers	✓
Card acquiring	

Payments

Cash withdrawals	✓
Cheque payments	
Direct debit payments	✓
Domestic outgoing transfers	✓
Commercial cards	
Virtual cards	✓
International outgoing transfers	✓
SWIFT gpi	
Real-time international payments through BNP Paribas' network	
Card issuing	✓

Channels

Local e-Banking	

Global e-Banking - Connexis	✓
SWIFT/ host to host	✓

Payments & collections

Market overview

There has been a shift towards greater use of electronic payment instruments in Hungary, with a rapid growth in the use of both electronic credit transfers and payment cards, particularly debit cards. Ninety-two percent of all cards issued are contactless.

In March 2020, the MNB launched an instant payments service (AFR) to enable consumers to initiate payments with a value up to HUF 10 million (approximately EUR 28,000) using only the mobile phone number of the recipient. In 2020, 94 million transactions were processed with a value of HUF 14,414 billion.

There is no national electronic banking standard in Hungary; most banks offer MultiCash, as well as proprietary services. Spectra, a domestic e-banking system, is also available. Transaction and balance reporting, automated end-of-day sweeping, and some transaction initiation services are available on a domestic and cross-border basis.

Online and mobile banking services are provided by most Hungarian banks. An estimated 8.4 million accounts were accessed online in 2019. Online electronic invoice and bill presentment is increasing used by Hungarian companies.

Payment Systems

VIBER	Type	• Real-time gross settlement.
	Participants	• 38 direct, 7 indirect.
	Transaction types processed.	• High-value and urgent HUF-denominated domestic credit transfers.

	Operating hours	• 07:00–18:00 CET, Monday to Friday.
	Clearing cycle details (e.g. cut-off times)	• Payments are cleared and settled in real time. • Interbank payment cut-off time = 17:00 CET.
	System holidays	• VIBER is closed at weekends and on all Hungarian bank holidays. • Hungary's bank holidays are: • 2nd half 2021: 20 August, 23 October, 1 November, 24–27 December. • 2022: 1 January, 15 March, 15, 18 April, 1 May, 6 June, 20 August, 23 October, 1 November, 24–27 December.
Interbank CLEARING SYSTEM **(ICS)**	Type	• Designated-time gross settlement system: • Three subsystems: • Overnight settlement. • Intraday settlement. • Instant settlement.
	Participants	• 34 direct, 10 indirect.
	Transaction types processed	• Low-value and non-urgent HUF-denominated credit and debit payments.
	Operating hours	• 24 hours a day, Monday to Friday.
	Clearing cycle details (e.g. cut-off times)	• The ICS processes payments on a same-day or overnight basis. • Intraday clearing = 07:30–16:30 CET (takes place in batches at hourly intervals). • Cut-off times for same-day settlement = 15:30–16:00 CET (although it should be noted that exact cut-off times do vary between banks). • Direct debits are only cleared on an overnight basis. • GiroInstant facilitates instant payments, and operates 24 hours a day. • Final settlement takes place across participants' correspondent accounts held at the MNB via VIBER.

	System holidays	• The ICS is closed at weekends and on all Hungarian bank holidays. • Hungary's bank holidays are: • 2nd half 2021: 20 August, 23 October, 1 November, 24–27 December. • 2022: 1 January, 15 March, 15, 18 April, 1 May, 6 June, 20 August, 23 October, 1 November, 24–27 December.

Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers, and to make tax and treasury payments.
- High-value and urgent domestic credit transfers are settled in real time via VIBER.
- High-value and urgent EUR-denominated cross-border credit transfers can be settled with end-of-day value by the Euro Banking Association's EURO1 system. OTP Bank is Hungary's only participant bank in EURO1.
- High-value, cross-border credit transfers in domestic and other currencies can be processed via SWIFT and settled through correspondent banks abroad.
- Low-value and non-urgent credit transfers, known as giro credit transfers, are settled on a same-day or next-day basis via the ICS.
- There are two types of low-value and non-urgent credit transfer in Hungary, the ordinary transfer instruction and the multiple transfer instruction (direct credit). Multiple transfer instructions are typically used to manage bulk payments.
- SEPA credit transfers can be settled via STEP2 (accessed indirectly via international networks). Twenty-five banks in Hungary participate in the SEPA credit transfer scheme.
- The European Payment Council's SCT Inst scheme (a pan-European 24/7 instant payment scheme for SEPA credit transfers) enables the transfer of funds (the maximum threshold value is EUR 100,000) to another account in less than ten seconds.
- EBA Clearing and Italy's SIA Group have developed and implemented a pan-European platform for instant EUR payments called RT1. It is fully compliant with the SCT Insts scheme and is in line with the ISO 20022 global messaging standards for instant payments.
- EBA Clearing has launched a pan-European request to pay (R2P) infrastructure solution with the support of 27 payment service providers from 11 countries. The new 24/7 service is compatible with the SCT and SCT Inst schemes and allows payees to take the initiative to request a specific payment from the payer.
- TIPS is a pan-European service for the settlement of instant payments in central bank money. The service enables payment service providers and ACHs with access to TARGET2 to offer fund transfers 24/7, 365 days a year. TIPS is aligned with SCT Insts. It is primarily focused on EUR payments but is technically capable of settling payments denominated in other currencies.
- The AFR instant payment system is compatible with the SCT Inst scheme and supports domestic credit transfers up to a maximum of HUF 10 million (EUR 32,000). The system operates 24/7/365.

Customers are able to initiate transfers applying secondary account IDs (mobile phone numbers, e-mail addresses, tax ID/tax number) without using the account numbers. In 2020, 94 million transactions were processed with a value of HUF 14,414 billion.

Direct debits

- Direct debits are used for regular payments, such as utility bills.
- Direct debits can be cleared on an overnight basis via InterGIRO, or bilaterally between banks.
- SEPA direct debit CORE and B2B SEPA direct debit schemes are available in Hungary and can be settled via STEP2. Two banks in Hungary participate in the SEPA direct debit scheme.

Cheques

- Cheques are rarely used in Hungary.
- Cheques are cleared bilaterally between banks.

Card payments

- Card payments are increasingly popular, especially for retail transactions.
- There were 9.8 million payment cards in circulations in Q1 2021: 8.6 million were debit cards and 1.2 million credit cards. Of the total, approximately 9.1 million were contactless. The ratio of contactless payments as a percentage of all in-store transactions reached 97% in Q1 2021.
- Visa and MasterCard-branded payment cards are the most widely issued.
- Visa and MasterCard credit card payments can be cleared by the card provider. Net settlement is via MKB Bank.
- Card payments can also be settled via SIA Central Europe.
- All cards issued are SEPA-compliant with EMV chips.

ATM/POS

- There were 4,974 ATMs in Hungary at the end of Q1 2021.
- There were 212,173 POS terminals in Hungary at the end of Q1 2021.
- All ATMs and POS terminals are EMV-compliant.

Electronic wallet

- Reloadable pre-paid cards are available.
- Mobile wallet schemes such as Apple Pay and Google Pay are available although usage is low.
- There were 3.5 million mobile payment accounts registered at the end of Q1 2021.
- Cards registered in mobile wallet apps totalled 814,024 in Q1 2021.

Short term investments

Market overview

Interest payable on credit balances

- Interest-bearing current accounts are permitted for residents and non-residents.

Demand deposits

- Demand deposits are available for residents and non-residents.

Time deposits

- Time deposits are available in HUF or major foreign currencies with terms ranging from one week to one year.

Certificates of deposit

- Domestic commercial banks issue certificates of deposit for terms ranging from one month to three years.

Treasury (government) bills

- The Government Debt Management Agency issues Treasury bills (T-bills).
- Short-term T-bills are issued with terms of three and 12 months.
- The MNB issues its own MNB deposits with fixed rates and terms of three months via weekly auctions.

Commercial paper

- Commercial paper is available but not widely used.

Money market funds

- Money market funds are available.

Repurchase agreements

- Repurchase agreements are available in Hungary.

Banker's acceptances

- Banker's acceptances are rarely used in Hungary.

BNP Paribas Trade Finance Capabilities

Trade payments

Documentary credits	✓
Documentary collections	✓

Guarantees

Bank guarantees	✓
Standby letters of credit	✓

Supply chain management

Receivables	✓

Payables	✓
Inventory	✓

Trade channels

Connexis Trade	✓
Connexis Supply Chain	✓
SWIFTNet Trade for Corporates	
Connexis Connect	
Connexis Guarantee	
SWIFTnet Supply Chain	

- BNP Paribas Global Trade Solutions (GTS) in Hungary is recognised as one of the leading trade finance solution providers to large corporations headquartered in, or operating in Hungary. The local team comprises a trade manager and 2 trade officers.

International trade

General trade rules

- As a member of the EU, Hungary follows the EU customs code and applies all associated regulations and commercial policies.
- Trade with other countries in the European Economic Area (EEA) and Switzerland is exempt from tariffs and other controls.

Trade agreements

- The EU has trade agreements in place with over 30 countries.

- The EU is currently in free trade negotiations with a number of countries, including the Association of Southeast Asian Nations (ASEAN), Australia, Indonesia, Mercosur (the Southern Common Market), Uruguay, and the USA. The EU and the UK are currently negotiating their future trading relationship, following the UK's withdrawal from the EU.
- The EU-UK Trade and Cooperation Agreement came into force on 1 May 2021.

Imports / exports

Imports	Cars and vehicle parts	Packaged medicines	Broadcasting equipment	Integrated circuits	Crude petroleum	
Primary Import sources	Germany (25.0%)	China (6.0%)	Poland (6.0%)	Austria (6.0%)	Czechia (5.0%)	Slovakia (5.0%)
Exports	Cars and vehicle parts	Packaged medicines	Spark-ignition engines	Video displays	Broadcasting equipment	
Export markets	Germany (27.0%)	Romania (5.0%)	Italy (5.0%)	Slovakia (5.0%)		

Import / export volumes

		2016	2017	2018	2019	2020
Exports	**- goods USD m**	88,625	96,583	104,740	104,211	101,467
	- services USD m	24,476	27,017	29,913	30,336	22,364
Imports	**- goods USD m**	83,531	94,465	104,740	107,590	102,397
	- services USD m	16,967	18,812	20,847	22,313	17,855
Current account as % GDP		6.2	2.8	0.4	- 0.9	0.2

Source: IMF, International Financial Statistics, July 2021.



BNP PARIBAS

The bank
for a changing
world