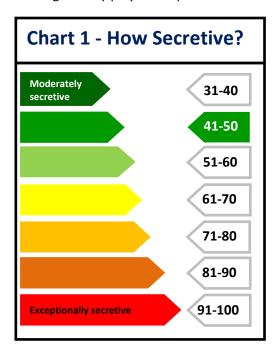
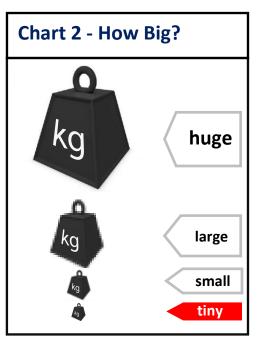
Report on Hungary

Hungary is ranked at 57th position on the 2011 Financial Secrecy Index. This ranking is based on a combination of its secrecy score and a scale weighting based on its share of the global market for offshore financial services.

Hungary has been assessed with 47 secrecy points out of a potential 100, which places it in the lower mid range of the secrecy scale (see chart 1 below).

Hungary accounts for under 1 per cent of the global market for offshore financial services, making it a tiny player compared with other secrecy jurisdictions (see chart 2 below).



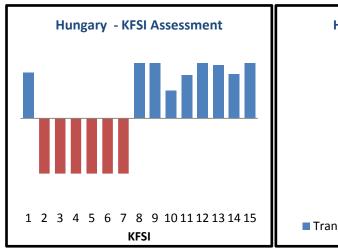


Next steps for Hungary

Hungary's 47 per cent secrecy score shows that it must still make major progress in offering satisfactory financial transparency¹. If it wishes to play a full part in the modern financial community and to impede and deter illicit financial flows, including flows originating from tax evasion, aggressive tax avoidance practices, corrupt practices and criminal activities, it should take action on the points noted where it falls short of acceptable international standards. See 2 below for details of Hungary's shortcomings on transparency. See this link http://www.secrecyjurisdictions.com/kfsi for an overview of how each of these shortcomings can be fixed.

Secrecy Scores

The secrecy score of 47 per cent for Hungary has been computed by assessing the jurisdiction's performance on the 15 Key Financial Secrecy Indicators, listed below.





The numbers on the horizontal axis of the bar chart on the left refer to the Key Financial Secrecy Indicators (KFSI). The presence of a blue bar indicates a positive answer, as does blue text in the KFSI list below. The presence of a red bar indicates a negative answer as does red text in the KFSI list. Where the jurisdiction's performance partly, but not fully complies with a Key Financial Secrecy Indicator, the text is coloured violet in the list below (combination of red and blue).

This paper draws on key data collected on Hungary. Our data sources include regulatory reports, legislation, regulation and news available at 31.12.2010². The full data set is available here³. Our assessment is based on the 15 Key Financial Secrecy Indicators (KFSIs, below), reflecting the legal and financial arrangements of Hungary. Details of these indicators are noted in the following table and all background data can be found on the Mapping Financial Secrecy web site. This data is the basis on which the Financial Secrecy Index is compiled.

The Key Financial Secrecy Indicators and the performance of Hungary are:

TRA	TRANSPARENCY OF BENEFICIAL OWNERSHIP – Hungary		
1.	Banking secrecy: Does the jurisdiction have banking secrecy?		
	Hungary does not adequately curtail banking secrecy		
2.	Trust and Foundations Register: Is there a public register of Trusts and Foundations?		
	Hungary does not put details of trusts on public record		
3.	Recorded Company Ownership: Does the relevant authority obtain and keep updated		
	details of the beneficial ownership of companies?		
	Hungary does not maintain company ownership details in official records		

 Public Company Ownership: Does the relevant authority make details of ownership of companies available on public record online for less than US\$10? Hungary does not require that ownership of companies is put on public record Public Company Accounts: Does the relevant authority require that company accounts are made available for inspection by anyone for a fee of less than US\$10?	KEY	ASPECTS OF CORPORATE TRANSPARENCY REGULATION – Hungary
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Hungary partly complies with international anti-money laundering standards	11.	
		recommendations?
12. Automatic Information Exchange: Does the jurisdiction participate fully in Automatic		Hungary partly complies with international anti-money laundering standards
	12.	
Information Exchange such as the European Savings Tax Directive?		Information Exchange such as the European Savings Tax Directive?

	Hungary participates fully in Automatic Information Exchange
13.	Bilateral Treaties: Does the jurisdiction have at least 60 bilateral treaties providing for broad information exchange, covering all tax matters, or is it part of the European Council/OECD convention?
	As of June 30, 2010, Hungary had few tax information sharing agreements complying with basic OECD requirements
14.	International Transparency Commitments: Has the jurisdiction ratified the five most relevant international treaties relating to financial transparency? Hungary has partly ratified relevant international treaties relating to financial transparency
15.	International Judicial Cooperation: Does the jurisdiction cooperate with other states on money laundering and other criminal issues? Hungary cooperates with other states on money laundering and other criminal issues

 $\underline{http://www.secrecyjurisdictions.com/PDF/13-Bilateral-Treaties.pdf}.$

¹ Our definition of financial transparency can be found here: http://www.secrecyjurisdictions.com/PDF/FinancialTransparency.pdf.

² With the exception of KFSI 13 for which the cut-off date is 30.6.2010. For more details, look at the endnote number 2 in the corresponding KFSI-paper here:

³ That data is available here: http://www.secrecyjurisdictions.com/sj database/menu.xml.

⁴ http://www.secrecyjurisdictions.com.

⁵ http://www.financialsecrecyindex.com/.