



Hungary Expense Reimbursement Procedure

This guide outlines the rules and conditions for reimbursing business-related expenses in Hungary. All reimbursements must comply with Hungarian tax legislation (including the Personal Income Tax Act), social security regulations, and Native Teams' internal accounting standards.

General principles

- Employers may reimburse employees for necessary and justified business-related expenses incurred while performing their duties.
- Reimbursements for travel and remote work are generally non-taxable up to specific legal limits, provided they are properly documented and directly connected to business activities.
- For all expenses, the purpose of the expenditure must be clearly established and pre-approved by the manager where required.

Eligible expenses

The following business-related expenses may be reimbursed:

- ◆ **Commuting to and from work:** Reimbursement for commuting between residence and workplace.
- ◆ **Business travel:** Expenses for domestic and international travel, including transport tickets, accommodation, and the business use of private or leased vehicles.
- ◆ **Remote working costs:** Financial support or reimbursement of specific costs related to remote work (e.g., IT equipment, internet subscription, and pro-rata utility costs).
- ◆ **Professional & work-related expenses:** Necessary office supplies, specialised tools, professional subscriptions, and software required to perform job duties and cost of professional development (e.g., conference or trade fair entry tickets).
- ◆ **Client & business entertainment:** Expenses related to business meals, client gifts, and corporate events incurred exclusively in the company's business interest.

Reimbursement conditions

Depending on the agreement with the client and the nature of the expense. **All claims are subject to internal company review, verification of business purpose, and management approval to ensure strict tax compliance.**



Commuting

- **Public transport:** Employers must reimburse the statutory minimum percentage of commuting costs for intercity public transport passes or tickets (e.g., train, regional bus), pursuant to Government Decree 91/2023. (III. 23.). Local city transport is generally excluded unless specific structural criteria apply.
- **Car travel:** The employer must pay the statutory minimum rate per kilometre and may optionally pay up to the maximum tax-free ceiling defined by the decree. Any amount paid above this statutory ceiling is treated and taxed as gross salary.



Remote working

Under the Personal Income Tax Act (Act CXVII of 1998), employers may provide:

- **Flat-rate allowance:** Monthly flat-rate support up to 10% of the monthly minimum wage, proportional to the number of remote working days.
- **Itemised reimbursement:** For IT equipment, internet subscription fees, and a portion of heating and electricity costs attributed to remote work.



General expense reimbursement

For costs incurred exclusively in the company's financial and business interest that are not taxable income for the employee, provided the expense is supported by a valid corporate invoice.



Client & business entertainment

Business meals and client gifts (reprezentáció) are subject to the specific corporate representation tax brackets defined by the Personal Income Tax Act and the Social Contribution Tax Act, paid by the employer.

⚠ Documentation requirements

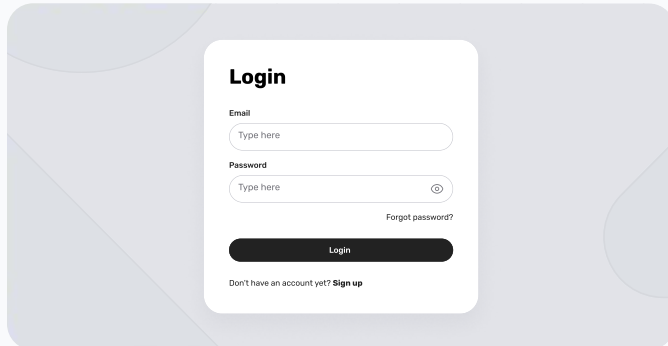
- **Receipts/invoices:** Mandatory; these must be issued in the company's name with the company's VAT number to qualify as a deductible business expense. Electronically purchased tickets/passes are accepted without printing.
- **Mileage logs:** For private vehicle usage, employees must submit a comprehensive travel log detailing the date, locations, business purpose, exact kilometres driven, and vehicle engine specifications to align with statutory fuel and consumption norms.
- **Expense justification:** Detailed business purpose must be provided for all claims.
- **Record-keeping:** Records must be maintained in accordance with standard statutory accounting and tax regulations.

Special considerations

- **Minimum wage link:** The remote work flat-rate cap is directly tied to the national minimum wage and may change accordingly.
- **Mutual exclusivity:** Employees cannot claim both the flat-rate remote work support and the specific reimbursement for internet/utilities simultaneously.
- **Commuting limits:** Tax-free car commuting reimbursement is strictly capped at HUF 30 per kilometre.

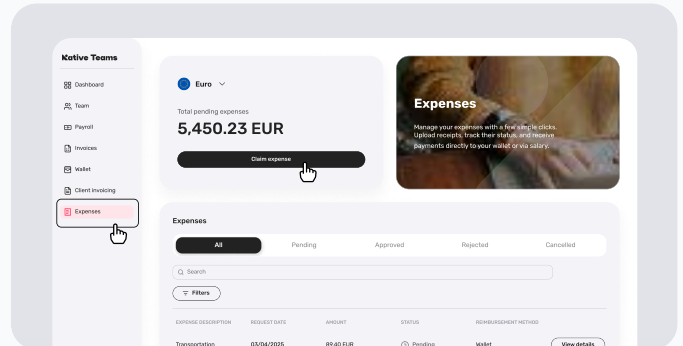
Expense Submission Process

Submitting via **Native Teams** Platform



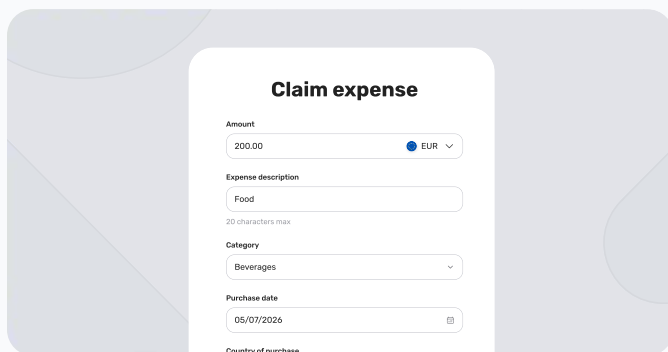
STEP 1

Log in to your Native Teams account.



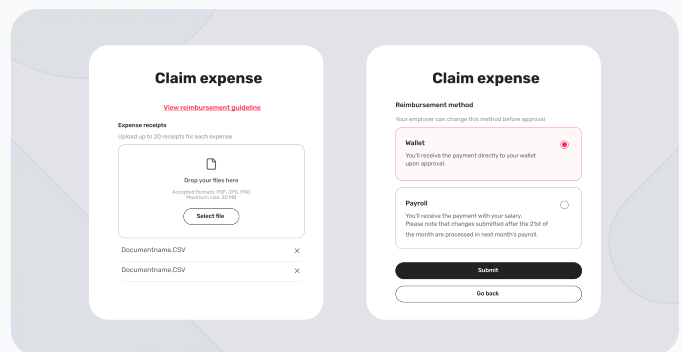
STEP 2

Click on the **Expenses** section on the left side menu and then on the **Claim expense** button.



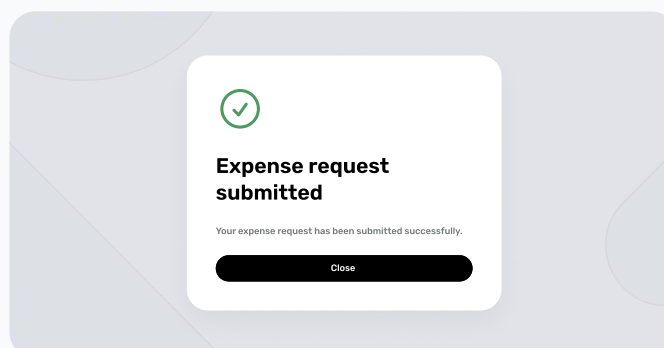
STEP 3

Fill in the required fields for the amount, expense description, category, purchase date, and country of purchase.



STEP 4

Attach a proof and select your reimbursement method: wallet or payroll.



STEP 5

Submit the claim and wait for your employer's approval of the reimbursement.

! Submission deadlines

- All expense claims must be submitted by the **10th of the month** to be processed in the same payroll cycle.
- Claims submitted after the 10th will be included in the following month's payroll.
- If the 10th falls on a weekend or public holiday, the deadline will be brought forward to the previous working day.

Native Teams legal entity - Hungary



◆ **Entity name:** Native Teams Korlátolt Felelősségű Társaság

◆ **Entity registration number:** 01-09-398355

◆ **Address:** 1077 Budapest, VII. kerület, Rózsa utca 38/A

Native Teams

For any questions regarding expense reimbursements, please contact
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