

Multilateral Convention (MLI) – Hungary Publishes English and Hungarian Synthesized Texts of Hungary-Indonesia Treaty

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Report from IBFD Tax Treaties Unit

The Hungarian Ministry of Finance recently published the English and Hungarian synthesized texts of the [Hungary - Indonesia Income Tax Treaty \(1989\)](#), displaying the modifications made to the treaty by the MLI.

Hungary and Indonesia deposited their instrument of ratification of the MLI on, respectively, 25 March 2021 and 28 April 2020. The MLI therefore entered into force for Hungary on 1 July 2021 and for Indonesia on 1 August 2020.

Indonesia deposited additional notifications of completion of its internal procedures for the entry into effect of the MLI provisions pursuant to article 35(7)(b) of the MLI on 26 November 2020, 21 October 2021 and 10 November 2022 (see [Multilateral Instrument \(MLI\) – Indonesia Deposits Notification of Completion of Internal Procedures Under Article 35\(7\)\(b\) with OECD \(27 November 2020\)](#), [Multilateral Instrument \(MLI\) – Indonesia Deposits Further Notification of Completion of Internal Procedures Under Article 35\(7\)\(b\) with OECD \(25 October 2021\)](#) and [Multilateral Instrument \(MLI\) – Indonesia Deposits Further Notification of Completion of Internal Procedures Under Article 35\(7\)\(b\) with OECD \(10 November 2022\)](#)).

Unless stated otherwise in the synthesized text, the provisions of the MLI will generally have effect with respect to the [Hungary - Indonesia Income Tax Treaty \(1989\)](#):

In Hungary:

- with respect to taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after 1 January 2022; and
- with respect to all other taxes, for taxes levied with respect to taxable periods beginning on or after 1 January 2022.

In Indonesia:

- with respect to taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after 1 January 2023; and
- with respect to all other taxes, for taxes levied with respect to taxable periods beginning on or after 1 January 2023.

The purpose of the synthesized text is to facilitate the understanding of the application of the MLI but it is not in itself a source of law.

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