

## Hungary expands margin cap to include cosmetics and household products

14 May 2025

On 8 May 2025, the Hungarian Government adopted Decree No. 93/2025. (V. 8.) ("Decree"), which extends the existing retail margin cap to a broad range of cosmetic and household products. The regulation imposes a 15% cap on the retail margin that can be applied by drugstores to these product categories. The margin cap is effective from 19 May 2025 and is set to remain in place until 31 August 2025.

### Overview of the newly regulated product categories

The extended margin cap applies to a list of 30 product types, including:

- Toilet paper
- Tissue paper
- Aluminium foil
- Paper towels
- Fabric softeners
- Liquid detergents
- Powder detergents
- Dishwashing liquids
- General cleaning agents
- Scouring agents
- Dishwasher tablets
- Shower gels
- Toothpastes
- Liquid soaps
- Solid soaps
- Shampoos
- Toothbrushes
- Hand sanitisers
- Shaving foams
- Shaving gels
- Body lotions
- Roll-on deodorants
- Antiperspirant sticks
- Deodorants
- Disposable razors
- Razor blade refills
- Sanitary pads
- Tampons
- Talcum powder
- Disposable nappies

The new margin cap follows a pattern established in earlier food-related pricing controls, where the government introduced margin caps on 30 basic food products, starting from 17 March 2025.

### New retail regulation on price margins and product offerings

In addition to defining the applicable price margin, the Decree specifically addresses the composition of the product assortment. Accordingly, the proportion of private label products – which is to say those sold exclusively by a given retail chain – within a product category may not exceed the share they accounted

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for in total during January and February 2025. Furthermore, the government requires retailers to sell, on a daily basis, at least the average daily quantity of the affected products they sold in 2024.

Compliance with the price margin restriction will be monitored by government offices responsible for consumer protection.

Retailers who, starting from mid-March:

- apply a price margin higher than permitted may face fines of 5 million forints (approx. EUR 12,500) per product category;
- violate the rules regarding the proportion of private label products may be fined between 500,000 (approx. EUR 1,200) and 2 million forints (approx. EUR 5,000); and
- fail to meet the required daily sales volume may face fines between 500,000 and 2 million forints.

The Decree also states that “to protect the interests of consumers, the minister responsible for general political coordination may define specific content and format for information to be made public by retailers.” In other words, government-defined informational posters – already familiar from the periods of price caps and mandatory discounts – may once again appear in these stores.

### **Implications for businesses**

Companies involved in the sale or distribution of household and personal care products in Hungary should review their pricing and supply chain strategies in light of the Decree.

Although the measures will be in force for an interim period (until 31 August 2025), extensions or additional restrictions are likely to be adopted.

For further information or compliance support, please contact our experts at Wolf Theiss.

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