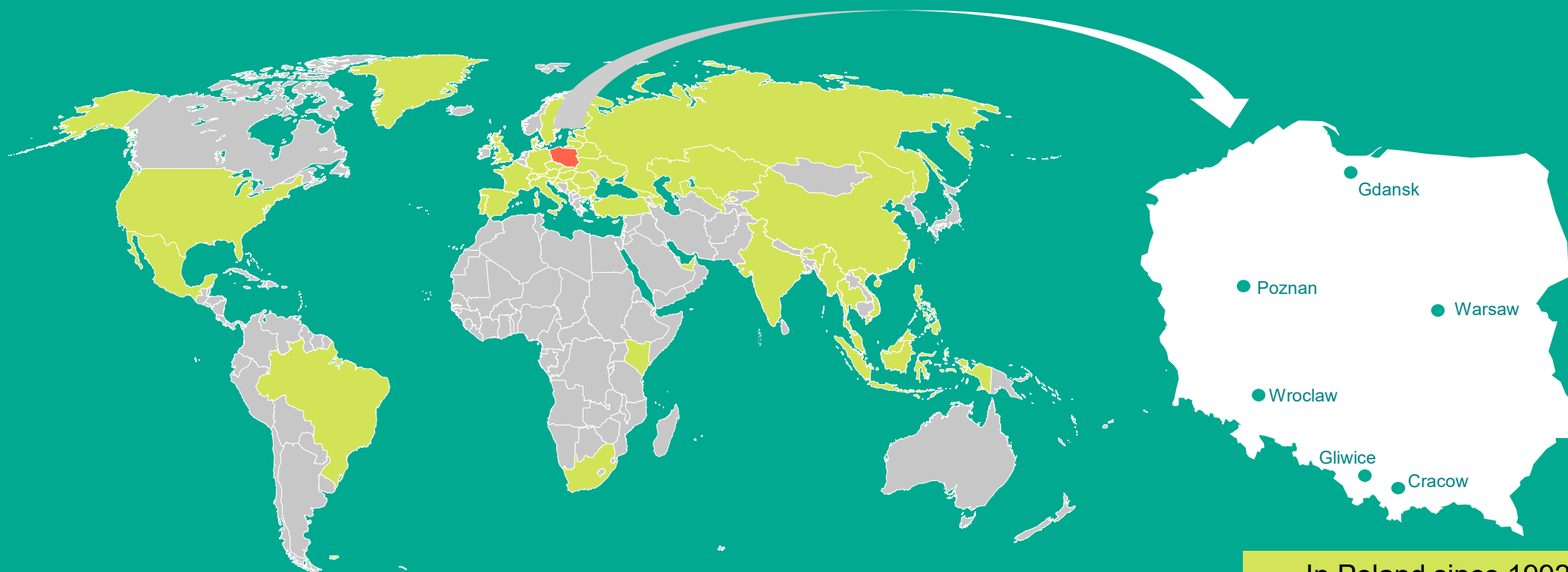


Rödl & Partner

# RÖDL & PARTNER IN POLAND



106 branches | 48 countries | 5,130 employees

In Poland since 1992

6 offices

500 colleagues

# OUR OFFICES IN POLAND



# POLAND – INVESTMENT POTENTIAL

Poland has a stable economy with an established macroeconomic framework. The unique conditions for opening and running a business are supported by a repeatedly proven resistance to economic crises.

Poland's attractiveness for investments is due to a number of factors:



Economic stability



Investment potential



Strong economy



Human resources



Strategic location in  
the heart of Europe



Innovative country  
with technological  
potential

# POLAND - STATISTICS



In terms of GDP, Poland is the 6th largest economy in the European Union. Gross Domestic Product in Q4 2021 grew by 7.3 per cent year-on-year, compared to a 5.3 per cent YoY growth in Q3. This result is better than analysts expected.



Poland is the 5th largest EU country by population. It has 38,179,800 inhabitants, 62% of whom are of working age.



There are about 370 universities in Poland. The main academic centres are the largest Polish cities: Warsaw, Cracow, Łódź, Wrocław, Poznań, Gdańsk and Szczecin. The most popular fields of study are: business and administration (18% of the total number of students), medicine (11%), social sciences (10%) and engineering (9%).



Poland is the 5th economy in Europe and one of the 10 economies in the world that attracted the most investments in science, technology, engineering and mathematics in 2020.



Poland is an ideal place for start-ups. Poland ranks 1st in terms of the number and total market capitalisation of the largest technology companies in the CEE region.

# Rödl & Partner

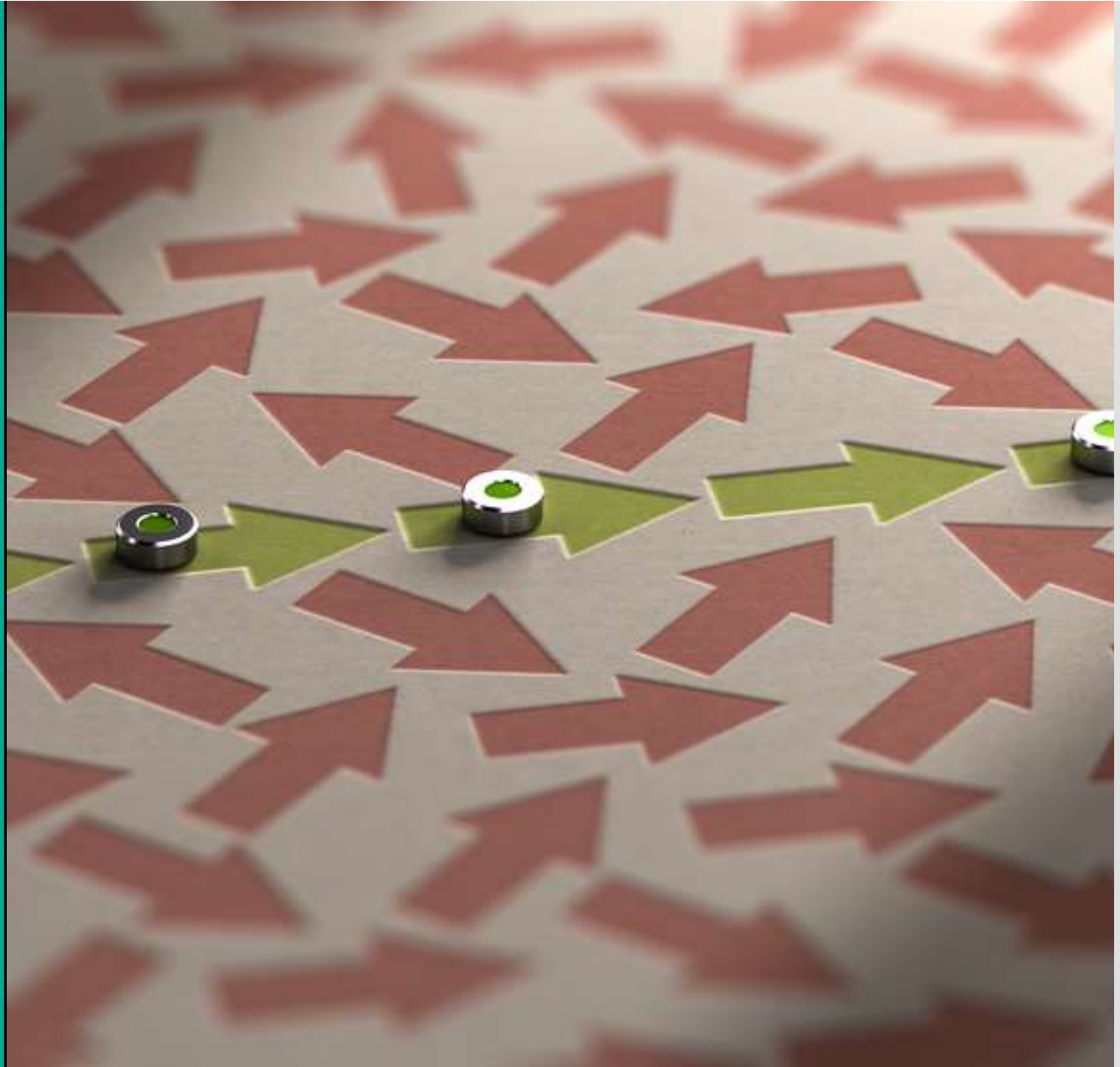
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## INVESTING IN POLAND – NEW OPPORTUNITIES AND BENEFITS FOR INVESTORS

Katarzyna Judkowiak, Certified Tax Consultant (Poland), Partner  
Tomasz Pleśniak, Attorney at Law (Poland), Senior Associate  
Magdalena Skurowska, New investment expert

16 March 2022

# LEGAL FORMS OF INVESTMENTS IN POLAND



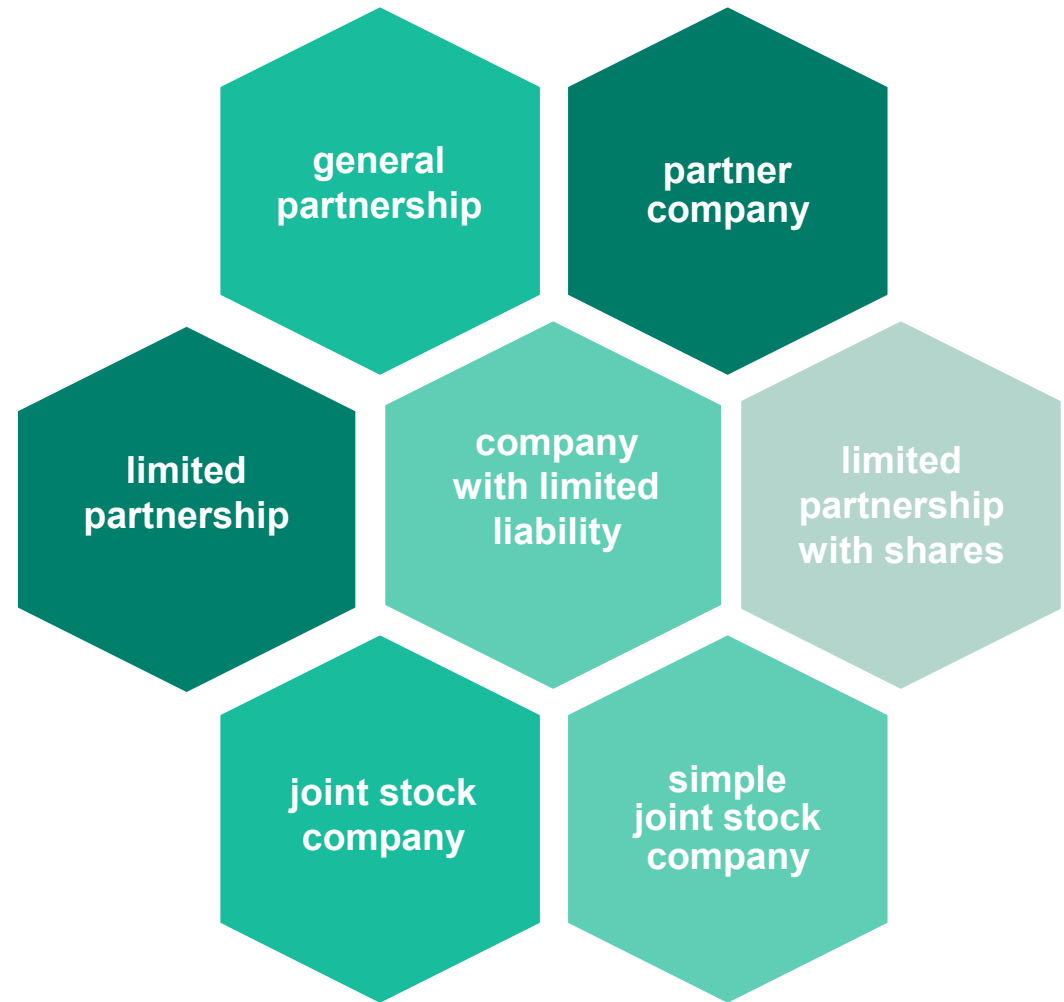
# ESTABLISHING THE COMPANY

The foreign entrepreneur can freely choose the legal form with which he wishes to carry out his activity. Concerning trading companies, the Polish civil code foresees seven [forms of commercial activity](#).

The most popular form of the legal forms for the execution of commercial activity in Poland by foreigners is primarily the [company with limited liability](#) (sp. z o.o.).

The most important advantages of LLC include the relatively low amount of [required share capital](#) of the company (5,000 PLN), the possibility of commencing the commercial activity immediately after the coming into effect of the [articles of association](#) (i.e. before registration in the commercial register) and the fact that the [shareholders of a Polish LLC are not personally liable](#) for the debts of the company.

A Polish LLC may not be set up just by a domestic or foreign oneperson company. Apart from that, the articles of association have to be certified by a notary. Furthermore, foreign investors can find branch offices in Poland. From a legal point of view the [branch offices](#) do not have their own legal personality and their activity is limited to the commercial activity of the foreign company.





# ESTABLISHING THE COMPANY

1	<p>PREPARATION OF ARTICLES OF ASSOCIATION</p> <p>The Polish law defines the minimum content of the articles of association. However, depending on the requirements of the investor many additional and flexible regulations can be added. The AoA include in particular business name, registered office, scope of business activities, the amount of share capital and number of shares taken up by the shareholders.</p>
2	<p>ACQUISITION OF REAL ESTATE OR ENTERING INTO A LEASE AGREEMENT</p> <p>In order to register a company, it must have an address for its registered office in Poland. After signing the AoA it is possible to acquire a real estate in Poland or to conclude a lease agreement for the purpose of running the registered office. Foreign investors may be confronted by special barriers with the acquisition of land and forestry real estate.</p>
3	<p>REGISTRATION IN THE POLISH COURT REGISTER</p> <p>In order for a company to fully carry out its activities, the company must be registered in the Register of Entrepreneurs. A registration application with appropriate attachments shall be submitted to a court competent for the seat of the company. The court also performs tax registration.</p>
4	<p>OPENING A BANK ACCOUNT</p>
5	<p>REGISTRATION FOR VAT PURPOSES</p>

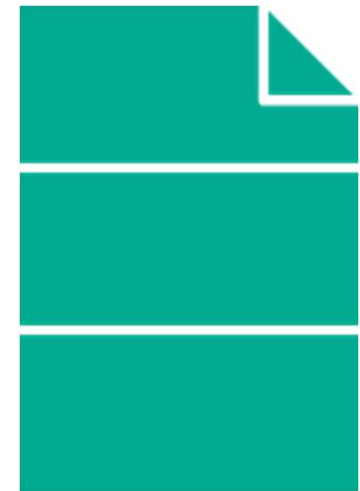
# EMPLOYMENT LEGISLATION / LABOUR

Poland offers foreign entrepreneurs' excellent access to a well-educated population with competitive labour costs.

Rights of Polish workers are particularly protected and are restrictively interpreted by the Polish courts. This role is fulfilled by the Polish labour code which represents the most important source of the rights of the Polish employee.

Each employment contract has to comply with the conditions of the labour law. If a condition is agreed in the employment contract which is less favourable than the regulations of Polish labour law, this condition is automatically replaced by the corresponding conditions of the labour law.

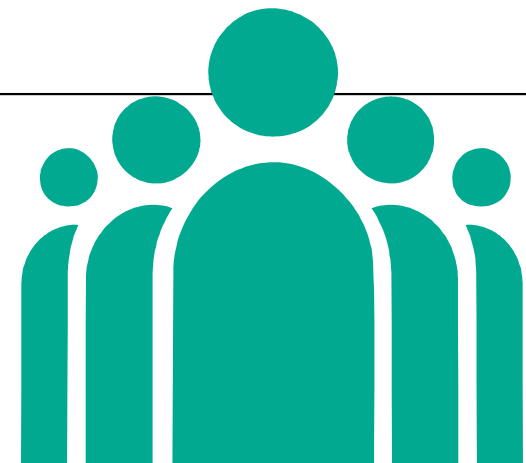
However, if the entrepreneur concludes an employment contract with employment conditions which are more favourable than the conditions of Polish law, then these conditions are binding. Furthermore, the content of the employment contract must at least correspond to the prevailing conditions of the labour code.



# EMPLOYMENT LEGISLATION / LABOUR

The basic rules of employment in Poland include:

minimum wage since 01.2022 (real employer's cost)	<b>3 674,65 PLN gross (ca. 740 EUR)</b>
work time	<b>8 hours per day</b>
holiday leave	<b>20 or 26 days</b> (depending on period of employment)
sick leave	for the first 33 days in given calendar year the employer finance 80% of the sickness allowance benefit. After this period, the sickness benefit is financed by ZUS.



# TAXATION SYSTEM IN POLAND – RECENT CHANGES

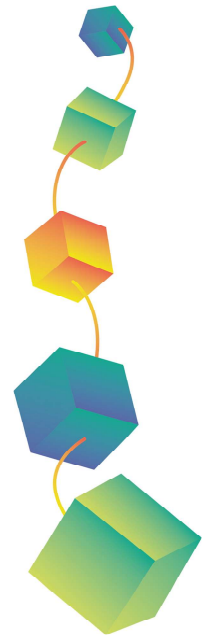


# TAX BASICS

TAXES	
<b>CIT</b>	<ul style="list-style-type: none"> <li>– Tax rate: <ul style="list-style-type: none"> <li>– 19%</li> <li>– 9% for small taxpayers and taxpayers starting their business activity in respect of income from sources other than income from capital assets</li> </ul> </li> </ul>
<b>PIT</b>	<ul style="list-style-type: none"> <li>– Tax rate: <ul style="list-style-type: none"> <li>– progressive 17, 32%</li> <li>– linear 19% or various forms of flat-rate taxation</li> <li>– solidarity surcharge of 4% on income in excess of PLN 1 million</li> </ul> </li> </ul>
<b>VAT</b>	<ul style="list-style-type: none"> <li>– Harmonised across the EU</li> <li>– Standard VAT rate 23%</li> <li>– 8% for pharmaceuticals, medical products, most food, restaurant and hotel services, newspapers and magazines, transport services and housing</li> <li>– 5% for unprocessed food and books</li> </ul>
<b>Transfer tax</b>	<ul style="list-style-type: none"> <li>– Taxation object: e.g. the following legal transactions under civil law: articles of association, purchase agreements, loan agreements</li> <li>– The tax rate depends on the legal transaction under civil law: <ul style="list-style-type: none"> <li>– sale of immovable property, movable property, usufructuary rights 2%</li> <li>– sale of other property rights (e.g. sale of shares) 1%</li> <li>– articles of association (e.g. increase in share capital) 0.5%</li> <li>– loan agreement 0.5%</li> </ul> </li> </ul>
<b>Other Taxes</b>	<ul style="list-style-type: none"> <li>– Inheritance and gift tax</li> <li>– Local taxes, including real estate tax</li> <li>– Tax on financial institutions</li> <li>– Excise tax</li> </ul>

# BUSINESSES - FORMS AND TAX TREATMENT

AVAILABLE LEGAL FORMS	TAX TREATMENT
Civil law partnership	<ul style="list-style-type: none"> <li>– The partners are liable to CIT or PIT</li> <li>– The partnership is liable to VAT</li> </ul>
General partnership*  <small>* This applies since 1/1/2021 for general partnerships whose partners are exclusively natural persons. For other general partnerships, the prerequisite for tax transparency is to submit a corresponding report to the head of the tax office.</small>	
Professional partnership	<ul style="list-style-type: none"> <li>– The partners are liable to PIT</li> <li>– The partnership is liable to VAT</li> </ul>
Limited partnership *	<ul style="list-style-type: none"> <li>– The company is liable to CIT</li> <li>– The company is liable to VAT</li> </ul>
<small>* Since 1/1/2021</small>	
Partnership limited by shares	
Limited liability company	
Joint-stock company	





# DIGITALISATION

The measures introduced recently in Poland as well as the upcoming changes mainly aim at:

- Digitalisation of tax reporting
- Protection of the system and prevention of tax fraud
- Simplification of tax accounting

The following changes have been introduced recently:	Planned changes:
<ul style="list-style-type: none"><li>– SAF-T file JPK_V7 (so-called JPK_VDEK)</li><li>– Simplified invoices in the new SAF-T “JPK V7”</li><li>– Online cash registers</li></ul>	<ul style="list-style-type: none"><li>– E-invoices and National E-invoicing System (KSeF)</li><li>– Changes in the keeping of records and commercial books</li></ul>



# JPK\_VDEK

## SAF-T file JPK\_V7 (so-called JPK\_VDEK)

A new fully electronic solution that allows information from VAT returns and from the current SAF-T file JPK\_VAT to be entered in the same file

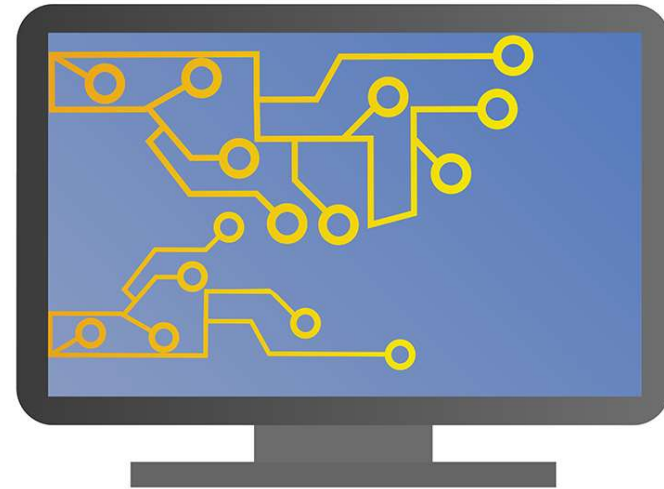
- Two variants of the JPK\_V7:
  - JPK\_V7M
  - JPK\_V7K
- Reporting (new information):
  - Labelling of some goods and services with symbols **GTU\_01 - GTU\_13** (among others: sale of alcohol)
  - Labelling of selected transactions with certain symbols, e.g. **TP, MPP**
  - Labelling of certain types of documents with symbols **RO, FP, WEW**
  - Abolition of the obligation to present attachments





# SAF-T ON REQUEST

**SAF-T on request**



SAF-Ts required on request of tax authorities include 7 structures:

Books of account – <b>JPK_KR</b>	Bank statement – <b>JPK_WB</b>	Warehouse – <b>JPK_MAG</b>	VAT invoices – <b>JPK_FA</b>	VAT invoices of flat-rate farmers – <b>JPK_FA_RR</b>	Revenue and expense ledger – <b>JPK_PKPIR</b>	Revenue records – <b>JPK_EWP</b>
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# E-INVOICES I KSEF

## What are structured invoices?

Structured invoices are a kind of electronic invoices. VAT-registered taxpayers will be able to issue and receive electronic structured invoices via an information and telecommunications system – the National E-Invoicing System (KSeF)

## What is the National E-Invoicing System (KSeF)?

A nation-wide IT platform for the issuing and sending of structured invoices

The system for storing invoices, assigning an ID number and marking invoices with that number, and checking invoices for compliance with a relevant invoice template

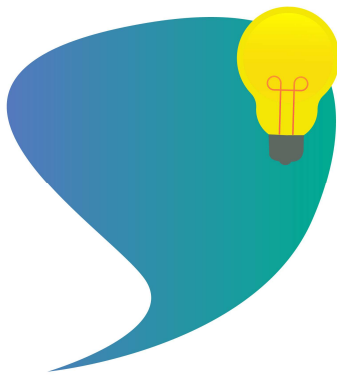
In addition, the system will be used to analyse and check the details shown in structured invoices and to send messages regarding structured invoices

## When will e-invoices, structured invoices and KSeF start to be used?

from 2022 voluntary, from 2023 mandatory

# E-INVOICES AND KSEF

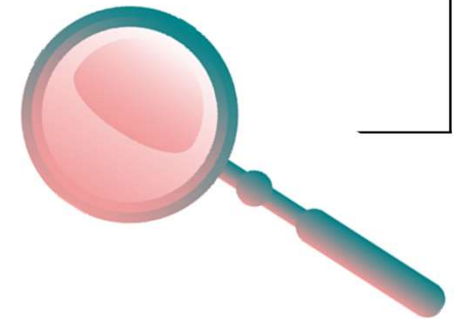
PURPOSE	ADVANTAGES FOR TAXPAYERS
<ul style="list-style-type: none"><li>– More effective and simplified control</li><li>– Improved correct VAT invoicing</li><li>– Remote monitoring of the turnover evidenced by the invoices</li><li>– Increased revenue for the state from this tax</li></ul>	<ul style="list-style-type: none"><li>– Simple and transparent reading of electronic invoices (automation of booking processes)</li><li>– Certainty that the invoice has been received by the business partner</li><li>– Option to review the content of the invoice - an electronic invoice can neither be destroyed nor lost</li><li>– Reduced period for VAT refund by one third from 60 to 40 days</li></ul>



# TAX RELIEFS

## SELECTED TAX RELIEFS AND PREFERENCES

- tax preferences for investment projects in the Polish Investment Zone
- consolidation relief – income may be reduced by expenses for purchase of shares in other incorporated companies
- relief for development and expansion – eligible (statutory) tax-deductible expenses for increasing sales revenues may be deducted from income
- prototype relief – eligible costs of trial production of new products may be deducted from income
- robotisation relief – eligible costs of robotisation may be deducted from income
- CSR relief – eligible expenses for Corporate Social Responsibility (CSR) activities may be deducted from income
- relief for initial public offering – expenses for initial public offering may be deducted from income
- R&D relief and IP Box (changes), relief for innovative employees



# CHANGES IN KEEPING RECORDS AND BOOKS OF ACCOUNT

Starting from 2023, enterprises will be required to record business transactions in electronic format only and to submit records to tax authorities as a logical structure, as is now the case with JPK\_VAT.

Taxpayers liable to PIT will have to use computer software to keep their:

- books of account;
- revenue and expense ledger;
- records of tangible and intangible assets

These enterprises will be required to submit information as at the end of the month or quarter (depending on how tax advances are set) and, additionally, after the end of the tax year by the same deadline as for filing the annual return.

Taxpayers liable to CIT, in turn, will be required to keep their books of account or simplified records of revenues and expenses in electronic format and to file them by the deadline for filing the tax return, i.e. by the end of the third month after the end of the tax year.



The Minister of Finance may issue a regulation in which he will specify the scope of additional information to be included in the records or will exempt certain entities from the requirement to submit such information (this applies to PIT taxpayers).

# PUBLIC FUNDING OPPORTUNITIES

GRANTS AND  
INCENTIVES  
STATE AID FOR  
NEW INVESTMENT  
IN POLAND





# SOURCES OF STATE AID IN POLAND

## EUROPEAN UNION FUNDS

- UE budget for Poland 2021-2027 approx. EUR 76 billion
- nationwide and regional calls for applications
- start expected in 2022

## POLISH DOMESTIC BUDGET

- Polish Investment Zone
- Governmental grant
- other domestic grants and tax reliefs

## INTERNATIONAL AID PROGRAMMES



# FORMS OF PUBLIC SUPPORT

## GRANTS

- EU funds
- Government grant

## TAX INCENTIVES

- income tax exemption for new investment within the Polish Investment Zone
- property tax exemption
- numerous tax reliefs

## LOANS ON PREFERENTIAL BASIS WITH PARTIAL FORGIVENESS OPTIONS

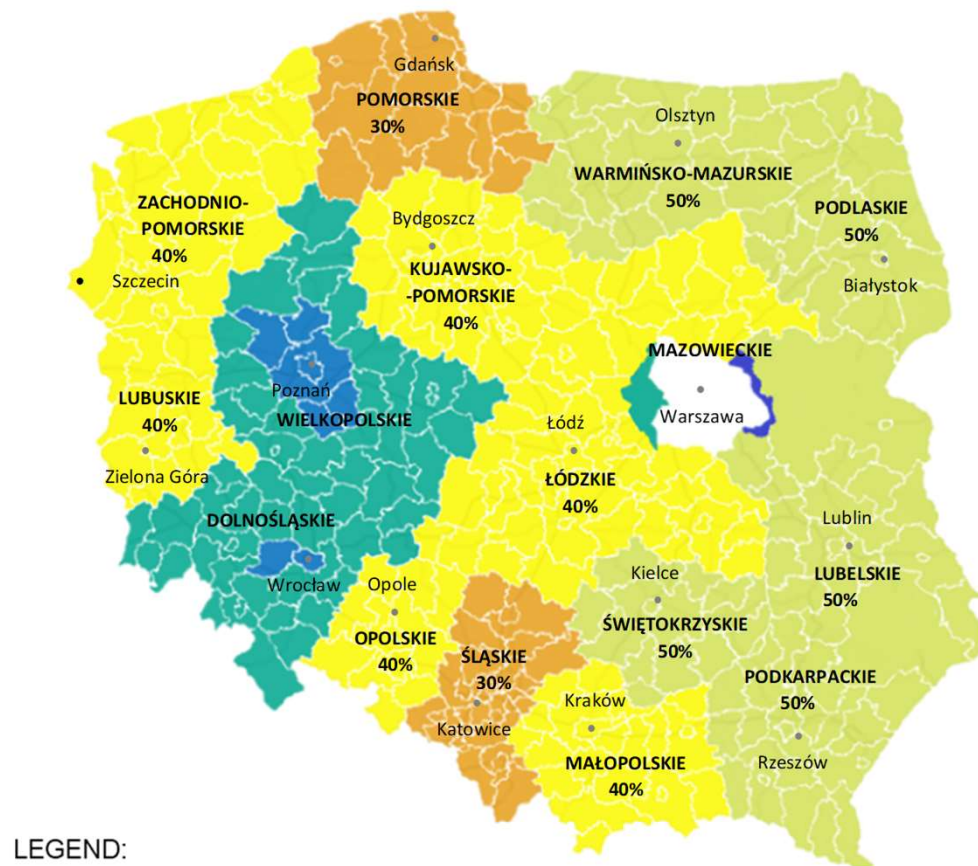




# REGIONAL AID INTENSITY

## Regional aid available for **initial investment**:

- setting-up of a new establishment
- extension of production capacity of an existing establishment
- fundamental change of the overall production process
- diversification of production by implementing new products
- acquisition of assets of a company that has closed or would have closed had it not been purchased



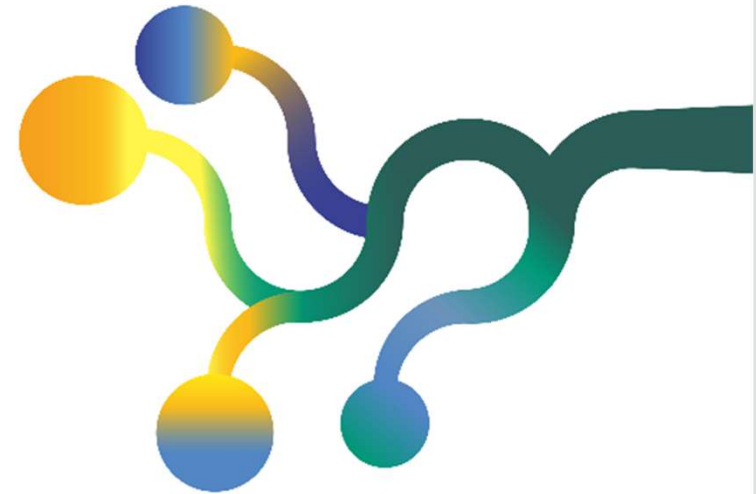
### LEGEND:

- 0% – Warszawa and neighboring counties
- 20% – Poznań, Wrocław and Poznań podregion (from 1st January 2025 – 15%)
- 25% – the remaining part of wielkopolskie and dolnośląskie voivodeships and the western Warsaw subregion
- 30% – śląskie and pomorskie voivodeships

- 35% – eastern Warsaw subregion
- 40% – voivodeships: małopolskie, opolskie, łódzkie, lubuskie, kujawsko-pomorskie and the regional mazowieckie region (excluding the Warsaw region and the siedleckie subregion)
- 50% – voivodeships: podkarpackie, świętokrzyskie, lubelskie, podlaskie, warmińsko-mazurskie and the siedleckie subregion

# REGIONAL AID – REQUIREMENTS

- obligatory **incentive effect** of granted aid
  - Application for state aid must be placed prior to start of works on the project.
  - "start of works" means:
    - start of construction works or
    - first legally binding commitment to order equipment
- aid not applicable for **relocation** projects
  - "relocation" means:
    - transfer of the same or similar activity (or part of it) from one country to another country within the European Economic Area



# REGIONAL AID – POLISH INVESTMENT ZONE

Income tax relief – for initial investment in most sectors carried out in Poland

- level based on:
  - incurred qualified investment costs or
  - two years' employment costs connected with creation of new workplaces
  - regional aid intensity
- minimum investment expenditures between approx. **EUR 2 million and 20 million** depending on:
  - the local unemployment rate
  - company status / size
- qualitative criteria to be met in order to obtain a support permit
- granted tax relief to be consumed within 10, 12 or 15 years

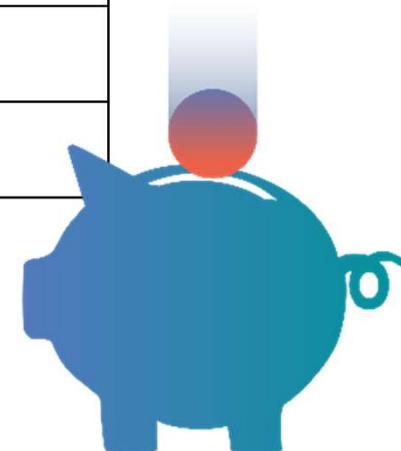


# REGIONAL AID - GOVERNMENTAL GRANT (1)

## Programme for supporting investments of major importance to the Polish economy for the years 2011-2030

- non-returnable cash grant – agreement between investor and minister responsible for economic affairs
  - **investment grant** – 10-20% of qualified incurred investment costs and reduced by a coefficient depending on the application assessment result
  - minimum requirements:

Type of investment	Minimum expenditures	Minimum new employment
strategic - production sector	approx. EUR 32.5 million	100
innovative – production sector	approx. EUR 1.5 million	20
R&D center	approx. EUR 0.2 million	10



# REGIONAL AID - GOVERNMENTAL GRANT (2)

## Programme for supporting investments of major importance to the Polish economy for the years 2011-2030

- **employment grant** – based on number of jobs created, max grant per new job and reduced by a coefficient depending on the application assessment result
  - minimum requirements and maximum support level:

Type of investment	Minimum costs	Min. new employment	Max. grant per new job
business services sector	EUR 61 k – EUR 305 k	50-250	up to EUR 3 000
center of excellence	EUR 61 k – EUR 305 k	50-150	up to EUR 3 000
R&D center	EUR 0.2 million	10	up to EUR 4 000

- complementary **training grant** – per each new job created
  - support up to 25-50% of incurred training costs
- additional qualitative criteria to be fulfilled



# EU FUNDS – R&D PROJECTS (1)

## European Funds for Innovative Economy

### R&D works

- creation of new products and services
- development of new technologies
- process improvement
- prototype development and testing
- development of innovative solutions ready for implementation
- maximum level of support:
  - **up to 75%** for industrial research
  - **up to 50%** for experimental development

### R&D infrastructure

- necessary for the implementation of the research project
- maximum level of support – **up to 50%** of qualified costs





## EU FUNDS – R&D PROJECTS (2)

Other possible elements of R&D projects:

- **implementation** of the innovation
- improving employee **competences**
- **eco-design** and implementation of **environmentally-friendly** changes
- **digitization** of production and processes; cybersecurity
- **Internationalization** and international cooperation – promotion abroad



# EU FUNDS – EASTERN POLAND

## European Funds for Eastern Poland

- Voivodeships:
  - lubelskie, podkarpackie, podlaskie, świętokrzyskie, warmińsko-mazurskie, mazowieckie excluding Warsaw and neighboring counties
- **SMEs**
  - incubation platforms for new ideas – consulting services
  - ecological solutions – design and implementation
  - automation and robotization – design and implementation





# SUPPORT FOR ENVIRONMENTAL PROTECTION AND ENERGY



## EU and national funding

- **grants**
- **loans** on preferential basis with partial forgiveness options

## Types of projects, e. g.:

- **renewable energy** installations
- **energy efficiency** measures – cogeneration, heating / cooling
- **resource efficiency**, waste management
- **energy infrastructure**

# Q & A



# CONTACT



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## TOMASZ PLEŚNIAK

Attorney at Law (Poland), Senior Associate



### Profil

- Due Diligence reports
- Advice on zone permits
- Legal proceedings
- By-laws, labour law regulations
- Personal data protection documentation

### Areas of expertise

- Advisory services for corporate investors and businesses undergoing reorganisation
- Special economic zones (SEZ)
- Commercial law
- Labour law
- Personal data protection

### Other

- Entered in the register of Attorneys at Law of the Bar Association since 2015
- Author of numerous press articles and releases

### Education and professional experience

- Graduate of the Faculty of Law, Administration and Economics of the University of Wrocław
- Completed professional Attorney at law training at the Regional Bar Association in Wałbrzych


### Languages

- English
- Polish (native)

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## KATARZYNA JUDKOWIAK

Certified Tax Consultant (Poland), Partner

	Profil	Areas of expertise	Other
	<ul style="list-style-type: none"> <li>– tax advice on VAT and income taxes</li> <li>– realization of tax due Diligence projects and tax reviews as manager</li> <li>– regular tax consulting services for Polish and International clients</li> </ul>	<ul style="list-style-type: none"> <li>– international tax law</li> <li>– tax, Corporation tax</li> <li>– Due Diligence / taxation of M&amp;A</li> <li>– tax consultancy for foreigners</li> <li>– purchase of real estate</li> </ul>	<ul style="list-style-type: none"> <li>– author and co-author of numerous books and articles on taxes</li> <li>– experienced lecturer on VAT and income taxes</li> <li>– the best tax adviser in the 'compliance' category of <i>Rzeczpospolita</i> ranking 2021</li> <li>– author of a commentary on the Polish VAT Act</li> <li>– with Rödl &amp; Partner since 2005</li> </ul>
<p>Rödl &amp; Partner ul. Sienna 73 00-833 Warszawa T +48 22 244 00 28 M +48 606 636 112 <a href="mailto:katarzyna.judkowiak@roedl.com">katarzyna.judkowiak@roedl.com</a></p>	Education and professional experience		Languages
	<ul style="list-style-type: none"> <li>– graduate of European University Viadrina in Frankfurt (Oder)</li> <li>– DAAD scholarship holder at the University of Montevideo (Uruguay)</li> <li>– Tax Adviser, Licence No. 10701</li> </ul>		<ul style="list-style-type: none"> <li>– German</li> <li>– English</li> <li>– Spanish</li> <li>– Polish (native)</li> </ul>

## MAGDALENA SKUROWSKA

### New Investment Expert



#### Profil

- Support for foreign investors who plan new projects in Poland to the extent necessary for decision-making, including location selection, identification of available state aid sources.
- Advice on identification, procurement and use of public subsidies – EU, national, international, including client representation in dealings with institutions.
- On-going advice on state aid for businesses.

#### Areas of expertise

- EU Structural Funds
- National aid programmes for businesses
- Advice for foreign investors who plan new projects
- State aid
- Support in location selection for projects in Poland

#### Other

- author of news in the area of state aid for investors
- professional advisor with international experience
- supported companies in various business sectors

#### Education and professional experience

- graduate of University of Warsaw, International Relations
- Master of Sciences in International Economic Relations of University of Bremen (Germany)
- attended Faculty of Law, SWPS University of Sciences and Humanities in Warsaw
- many years of experience in advising companies in the area of new investments and state aid

#### Languages

- Polish (native)
- English
- German

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