DOING BUSINESS IN POLAND

LEGAL GUIDE



BUSINESS LAWYERS 35 YEARS

DUDKOWIAK & PUTYRA

british polish chamber of commerce

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"After collapse of communist regime in Central Eastern Europe in – Poland overtook the leaders' seat in the region. Throughout 3 last decades, Polish gross domestic product grew over 10 times, starting from 65 billion USD in 1990 and reaching 690 billion USD in 2023. In the same period, economy of Hungary and Czechia grew 5 and 7 times respectively."

- Michał Dudkowiak
Managing Partner | Barrister
Investment Department

dudkowiak.com

INTRODUCTION

We are proud to present this guide, jointly prepared by Dudkowiak & Putyra Business Lawyers and the British-Polish Chamber of Commerce, to support international investors seeking clarity on the legal and business environment in Poland.

For over three decades, our law firm has advised global clients on navigating the complexities of the Polish legal system. Through this collaboration with BPCC, we bring together legal expertise and business insight to help companies make informed decisions when entering or expanding in the Polish market.

We trust this guide will serve as a valuable resource for your current and future operations in Poland.



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About D&P

Founded as a small legal practice, Dudkowiak & Putyra has grown into one of the **largest and most recognized law firms** in Poland specializing in advising foreign corporations.



For over **35 years**, the firm has supported foreign investors, incl. British companies, in entering, operating, and expanding in the Polish market.

The firm is regularly awarded in leading legal rankings and industry publications, incl. **Chambers and Partners and Rzeczpospolita** reflecting its experience in advising foreign corporations.

Our services are delivered by a **multidisciplinary team of approx. 100 professionals**, including attorneys, barristers, tax advisers, accountants, auditors, and business consultants.

We operate as a **one-stop shop** providing integrated **legal, tax, accounting, HR and payroll services** for foreign investors. We advise on investment planning, business structuring, regulatory approvals, and corporate compliance. To ensure full-scope investor coverage, we provide access to a proven network of partners, incl. real estate agents, recruiters, financial institutions, environmental consultants, and IT engineers, supporting the complete local setup process.

Our teams support **greenfield expansions** as well as **mergers and acquisitions**, joint ventures, foreign direct investments screening and merger control. Ongoing regulatory support is provided to clients operating in various regulated sectors, incl. those with the highest level of scrutiny: energy, banking & finance, defense & military, aviation, mining, infrastructure, and technology.



OUR INTEGRATED SERVICES COVER:

- Companies & corporate law
- Mergers & acquisitions (M&A)
- Contracts
- Employment law
- Litigation & arbitration
- Debt collection
- Intellectual property
- Personal data protection
- Antitrust & competition law
- Real Estate law
- Administrative law

- Regulatory
- Public procurement
- Copyrights
- Tax advisory
- Inheritance law
- Consumer protection
- Divorce & Family law
- Criminal law
- Conveyancing
- Immigration law
- Notary services

This wide-ranging portfolio allows our clients - from global corporations to private individuals - to work with a single, trusted legal partner who can address every stage, every challenge, and every opportunity.

Founded in **1992**, the BPCC is a not-for-profit membership organisation supporting two-way trade and investment between Poland and the UK. It is a platform for business development; it also works with members and the Polish authorities to continuously improve the business environment for investors. Bringing together **over 260 member** companies that are directly responsible for **around 200,000 jobs** in Poland, the BPCC acts as a practical platform for knowledge exchange, partnership-building and market-entry support.

The UK and Poland are deeply integrated through supply chains, services links and long-standing investment. Bilateral UK-Polish trade has expanded strongly over the past decade, with total trade in goods and services rising **from £17.3bn (2015) to £31.5bn (2024),** and 2025 is on course to beat that.

Poland has its second-largest trade surplus with the UK (after Germany), making it an extremely significant market for the overall economy.

UK exports to Poland
(four quarters to end Q2 2025):

£11.6BN

Goods: **£3.6BN (31.1%)**

Services: **£8.0BN (68.9%)**

Polish exports to the UK
(four quarters to end Q2 2025):

£20.7BN

Goods: **£14.6BN (70.8%)**

Services: **£6.0BN (29.2%)**

UK–Poland trade is broad-based, with particular strength in manufacturing value-chains, food and drink, machinery and transport, as well as business services. British professional services, standards and qualifications are widely respected across Polish business, with organisations such as ACCA, CIMA, CIPS, RICS, ICAEW and others having large numbers of Polish members.

Post-Brexit, trade friction has been steadily reducing, but not removed. Exporters and importers have optimised logistics since the UK left the single market and Customs Union, but it is still much easier for a Polish firm to source from or sell to another EU member state. The EU–UK Trade and Cooperation Agreement provides a basis for tariff- and quota-free trade in goods, but the operational reality includes customs processes, rules-of-origin and compliance demands and VAT issues that can be disproportionately challenging for SMEs.

However, Polish exporters have noticed new niches occurring in the UK market, as their EU competitors pull out. Poles' legendary determination has meant that volumes and value of exports to the UK have been rising consistently despite Brexit. UK exports to Poland are also at record levels, although this is driven by sales of oil and gas replacing Russian imports and defence equipment.

The UK remains a significant investor in Poland, across sectors ranging from manufacturing and consumer goods to professional services, finance and technology. Official UK figures show the stock of UK outward FDI in Poland at £7.1bn at end-2023. UK investors in Poland have a tendency to reinvest their profits and grow their businesses to expand their market share, and include companies like Kingfisher plc, BP, AstraZeneca, HSBC, BUPA and Diageo.

Polish investment into the UK is smaller in absolute terms, but it is growing, often via acquisitions and platform-building for international expansion. Deals such as InPost's acquisition of John Menzies News Distribution, Telefonica Kable's acquisition of JDR Cables or eSky's acquisition of Thomas Cook point to a future in which Polish capital makes further inroads into the UK, acquiring UK brands with an eye to global expansion.



How the BPCC helps companies trade and invest in both directions?

The BPCC's mission is to create favourable conditions for two-way trade and investment between Poland and the UK, combining practical business development with advocacy on the business environment.

Practical support typically includes:

Market entry and partner-finding: introductions to verified counterparties, advisers and sector specialists, structured networking through conferences, roundtables and regional events, as well as visibility via BPCC digital channels and editorial platforms





Navigating regulation and risk: guidance on post-Brexit trading realities (customs, documentation, rules of origin and product compliance); peer-learning and 'what works in practice' insights from member companies operating across both markets

Investment facilitation and landing support: acting as an early point of contact for investors assessing Poland as a location for expansion; connecting investors with public and private stakeholders relevant to permits, incentives, location strategy and talent access





Voice of business: evidence-based engagement on regulatory, legal and fiscal issues that affect competitiveness and investment climate, helping ensure that the bilateral business community's priorities are understood by decision-makers

Poland's economy is currently growing much faster than the UK's. The fundamentals remain strong, with on-target inflation, low unemployment and rising investment. The priority for companies is execution – building resilient supply chains, staying compliant, managing cost and maintaining speed to market.

In the past year, Poland's 'economic miracle' has been widely praised in the UK media; British investors – particularly SMEs – should seize the chance now to enter the market and benefit from the growth being generated on the Vistula.



Foreign Investment Partner

in Poland

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MEET THE MINDS **BEHIND THIS CHAPTER**



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POLAND: EUROPE'S LEADER OF STABILITY AND GROWTH

THE LEADING POWER OF GROWTH AND SECURITY IN EUROPE

In May 2025, The Economist ran a cover story with a bold headline: **"How Poland can keep its place at the heart of Europe."** The article traced Poland's remarkable transformation, from a post-communist transition economy to one of the EU's central pillars of both security and growth. It wasn't just a nod to Poland's current position, but a recognition of the strategic maturity the country **has developed over the past two decades.**

Today, Poland ranks among the most influential EU members. It has the **third-largest army** in NATO and allocates **over 4%** of its GDP to defense, an unmatched figure in continental Europe. This military commitment is not just symbolic and is reflected in many public tenders, in which not only Polish entrepreneurs but also foreign investors participate. It reflects Poland's emergence as a stabilizing force on the EU's eastern flank.

Just as importantly, Poland has become **Europe's economic engine.** With steady GDP growth close to **4% annually** and rising per capita income, it offers a rare combination of macroeconomic strength and political reliability. In a Europe marked by fragmentation and marginal economic growth, Poland stands out as a leader among destinations for foreign investment in Europe.

A SAFE DESTINATION IN AN UNSTABLE WORLD

Even as global instability rises, from geopolitical flashpoints to disrupted supply chains, Poland offers predictability. **NATO, EU, and OECD membership** serve as a triple lock of institutional protection. The country maintains high credit ratings, a stable currency, and a well-capitalized banking sector, and is ranked among **the safest countries** in the European Union in terms of committed crimes.

Government policy also plays a role. Foreign investors benefit from **protective frameworks, bilateral treaties, tax-friendly programs l**ike the regional tax easements, family foundation, I**P BOX,** and regional incentives through the **Polish Investment Zone (PSI).**

The benefits of EU membership further solidify Poland's position. **Legal transparency, harmonized standards, free movement of goods and services, and deep access to European funding instruments** all make for an environment that reduces friction and enhances scalability.



> *Even as global instability rises, from geopolitical flashpoints to disrupted supply chains, Poland offers predictability: NATO, EU, and OECD membership serve as a triple lock of institutional protection, while the country maintains high credit ratings, a stable currency, and a well-capitalized banking sector.*
>
> *- Piotr Putyra*
> *Managing Partner | Barrister*
> *Investment Department*

STRATEGICALLY POSITIONED MARKET WITH A SKILLED WORKFORCE

Poland, with a population of app. **38 million citizens**, is not only the EU's sixth-largest economy, it's also one of its best-placed. At the intersection of major trade corridors between Western Europe and the East, Poland acts as a natural gateway to the EU single market of nearly **450 million consumers.**

Over **5,000 km of highways and expressways**, **15 international airports,** modern logistics centers, and a robust rail network make Poland a prime location for manufacturing, warehousing, and regional distribution. For businesses operating across borders, it's a base that shortens delivery times and cuts operational costs, crucial advantages in today's hyper-competitive markets.

What is also important, Poland delivers talent. With **over 1.2 million university graduates annually,** many with STEM or business degrees, the country offers an educated workforce. Average labor costs hover around **€14.50 per hour,** less than half the Western European average, without compromising productivity or innovation potential.



POWER OF REGIONAL GROWTH

Poland's economy isn't just growing - **it's spreading.** From Warsaw's finance and tech-driven ecosystem in the Masovian Voivodeship (which contributes **over 23%** of national GDP), to the diversified industrial base of Greater Poland and the service-sector boom in post-industrial Silesia, regional strength is a hallmark of Poland's model.

Meanwhile, formerly overlooked regions in the east - Podlaskie, Lublin, Subcarpathian - are catching up fast, powered by infrastructure investment, EU cohesion funds, and a new generation of entrepreneurs led by Rzeszów, which has become a **logistics hub** for the exchange of goods and services with Ukraine.

Why Poland?

The story told by The Economist is a still-unfolding reality. Poland's transformation is ongoing, and its trajectory is steep. It combines the institutional maturity of Western Europe with the hunger and upside of an emerging economy.

It offers strategic location, a stable business climate, competitive costs, and a government that sees foreign investment not as a risk, but as a cornerstone of growth.

In 2026, investing in Poland is about joining a rising economy, but also about being there where the future of Europe will be created.





2 Structuring Your Business Presence in Poland

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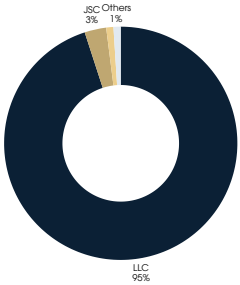


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CHOOSING THE RIGHT LEGAL FORM AVAILABLE FOR FOREIGN INVESTORS

Legal Forms of Doing Business in Poland

Polish corporate and entrepreneurs' regulation provides wide variety legal form available for foreign investors. Nonetheless, LLC (limited liability company – in Polish *spółka z ograniczoną odpowiedzialnością)* is the choice of approx. 95% of foreign investors. Only 3% of investments are established and operated via JSC (joint stock company, in Polish *S.A.*) and 1% via Branches (in Polish – *oddział*).



LLC is the recommended form of doing business in Poland and is so eagerly chosen by foreign investors because such form:

- is easy to incorporate;
- provides high level of flexibility;
- offers limited responsibility for shareholders;
- has a low minimal share capital requirement - only 5.000 PLN;
- is flexible in management and business scope;
- has beneficial tax options.

Process of company registration in Poland is relatively friendly and well organized provider shall set up your new entity within couple of days without need o visit Poland.

Complete list of available legal forms of conducing business activity in Poland:

Corporations & Partnerships	Non-Corporate Forms	NGO Forms
LLC	Branch	Association
Simple JSC	Representative Office	Foundation
JSC	Self – employed / sole-trader (JDG- Jednoosobowa działalność gospodarcza)	
General Partnership		
Professional Partnership		
Limited Liability Partnership		
Joint Stock Partnership		

Of course, we assist our Clients in establishing each of the above forms of business activity.



Below you can find short summary of key information of the Capital Companies, where shareholders / stockholders responsibility is limited.

Capital Companies / Corporations

	Limited liability company (LLC)	Simple joint-stock company (simple JSC)	Joint-stock company (JSC)
Limitation of shareholders / stockholders liability	Yes	Yes	Yes
Minimum share capital	5.000 PLN	1 PLN	100.000 PLN
Minimum value of share/ stock	50 PL	stocks have no nominal value but translate into shareholder rights in the company	0.01 PLN
Type of permitted contributions	Monetary and in-kind	Monetary and in-kind	Monetary and in-kind
Usual methods of financing	Capital injections, Loans, Bonds.	Capital injections, Loans, Bonds, Public Capital Rising.	Capital injections, Loans, Bonds, Public Capital Rising.
Persons contributing to the company	Shareholders	Stockholders	Stockholders
Shareholders Meetings	In majority of cases – notary not required	Notary only required in case of resolutions amending the AoA	Always at the notary
Participation in profits	In general each share gives equal right to dividend for shareholders, unless otherwise was agreed in the AoA.	In general each stock gives equal right to dividend for stockholders, unless otherwise was agreed in the AoA.	In general each share gives equal right to dividend for stockholders, unless otherwise was agreed in the AoA.
Participation in profits	By Management Board or registered proxies	By Management Board, Board of Directors (or registered proxies)	By Management Board or registered proxies

	Limited liability company (LLC)	Simple joint-stock company (simple JSC)	Simple joint-stock company (simple JSC)
Management Board (MB)	Mandatory	Not mandatory, when company appointed Board of Directors appointed Board of Directors	Mandatory
Supervisory Board (SB)	Mandatory if the company's capital is higher than LN 500.000 PLN and the number of shareholders more than 25	SB is optional in case of appointment of a MB. It is no possible to appoint SB when BD was appointed – these 2 bodies can not exist together	Mandatory
Board of Directors (BD)	There is no such body	BD manages the Company's affairs, represents the company and supervises the conduct of the Company's affairs	There is no such body
Who can be in member of MB or SB	Any natural person with full legal capacity may be a member of the governing body		
MB members' liability for the company's debts	If enforcement against the company proves ineffective and if some criteria have been met, the MB members may be jointly and severally liable for the company's obligations.		
Audit	Mandatory upon meeting assets, turnover and employment criteria	Mandatory upon meeting assets, turnover and employment criteria	Mandatory
Disclosure of Beneficial Owner	Mandatory	Mandatory	Mandatory
Dissolution	Liquidation process in case of dissolution of the company is required.		

SUBSIDIARY, BRANCH, REP. OFFICE - PROS AND CONS -

GENERAL

Foreign business entities conducting business abroad may establish **representative offices, branches or subsidiaries** in Poland. Each has distinct advantages and disadvantages, particularly regarding legal structure, liability, and operational flexibility. The decision what to choose depends on a company's specific needs, risk tolerance, and long-term strategic goals. Foreign investors who prefer not to set up a completely new company in Poland can consider establishing either **a branch or a representative office.**

Opening a branch is only possible if there is reciprocity between Poland and the investor's home country. In contrast, a representative office does not require reciprocity but is restricted to a narrow range of activities limited to promotional and advertising activities. Subsidiary is an independent Polish company, offering **liability protection, greater autonomy and a little more complex setup.**

REPRESENTATIVE OFFICE

The key difference between branch and representative office is the **ability to run business.** Branches are allowed to run business and for this reason they are registered in the same register as the companies **(National Court Register - KRS - "Krajowy Rejestr Sądowy").**

As opposed to that, **representative offices are not allowed to run business in Poland,** their activities may be limited only to advertising and promotion of parent company. Setting up a representative office requires an entry in the register of representative offices of foreign entrepreneurs kept by the Minister of Entrepreneurship and Technology. Like a branch, a representative office **does not operate as an independent legal entity** but functions as an extension of the foreign parent company, without its own legal or judicial personality.

The foreign parent designates an individual to **act on its behalf**. This form is suitable only when the investor does not intend to launch full-scale operations in Poland and the **limited functions of a representative office are sufficient for their needs.**



BRANCH OF FOREIGN ENTREPRENEUR

Branch registration procedure in Poland involves verification of the foreign company business scope. This is due to the fact that your Polish branch will not be allowed to run business of other type than this which is performed by your company domestically. In Poland business scope is defined by special PKD codes.

Branches may be established by foreign entrepreneurs from Member States as well from other countries, on the basis of the principle of mutuality, as long as ratified international agreements do not provide otherwise. Because the branch of a foreign company in Poland has no legal personality, it may not act independently in economic relationships. Agreements between contractors shall be undersigned exclusively in the name and on behalf of the foreign company. It also means that all liabilities fall on the parent company.

SUBSIDIARY

Investors planning to open a branch in Poland frequently decide, after initial assessment, to minimize risk by separating their Polish activities from the parent entity in their home country. Consequently they often choose to establish a subsidiary instead. Setting up both a branch and subsidiary involves a comparable level of effort but the company structure typically offers more advantages.

On the other hand sometimes, especially in highly regulated industries, it is easier to open a branch rather than a subsidiary, and rely on already existing licenses, rather than going through a process of obtaining new local licenses for Polish subsidiaries.



	BRANCH	SUBSIDIARY / LLC	Joint-stock company (JSC)
Place of registration: In the company register	In the company register – KRS	In the company register – KRS	In register of representative offices of foreign entrepreneurs kept by the Minister for Entrepreneurship and Technology
Minimum share capital	No requirement of minimum capital	5,000 PLN	No requirement of minimum capital
Type of business that is allowed	Any business that is run by "mother company"	Unrestricted	Promotion/marketing activities of "mother company" only
Registration fee/ court fee	600 PLN + expenses (mainly translation)	600 PLN / 350 PLN (depending on the mode of registration) + expenses (mainly translations)	1000 PLN + expenses (mainly translations)
Registration time	2 weeks – 2 months	Depending on the mode:online: 1-5 days notarial: 2 weeks to 2 months	Approx. 1 month
Obligation to appoint representative in Poland	Yes	Yes	Yes
Separate legal personality	No	Yes	No
Liability limitation:	Mother company bears full liability for the branch	Shareholder does not bear liability for the debts of the subsidiary	Mother company bears full liability for the representative office
Applicable corporate tax	CIT rules – basic rates 9% and 19%	CIT rules – basic rates 9% and 19%	CIT rules do not apply
Beneficial owner reporting:	Not required in Poland	Required in Poland	Not required in Poland
Cost of maintenance	Comparable to subsidiary – slightly lower	Comparable to branch	Lower than branch
Reporting obligations:	Obliged to prepare and report financial statements	Obliged to prepare and report financial statements	Obliged to prepare and report financial statements
Duration	Can be established for unlimited period	Can be established for unlimited period	Registration is valid for 2 years with possibility to extension

COMPANY FORMATION STEP-BY-STEP
INCORPORATION, KRS, NIP, VAT, UBO

Method of LLC incorporation and what is the required time for LLC formation?

Time required for LLC formation depends on the chosen mode of incorporation:

online	**2 - 5 working days**
notarial incorporation	**1 - 2 months**

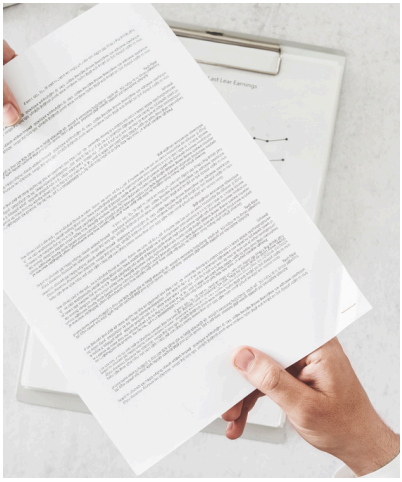
Please remember that online/digital incorporation is only available if shareholder (if it is a natural person) or shareholder representatives (if it is a legal person) and Director of newly formed LLC have Polish Trusted Profile or a qualified e-signature that complies with EU standards.

Also, it is worth to mentioned that in online/digital incorporation content of company AOA is very basic. Notarial incorporation allows the provisions of the AoA to be tailored to the client's needs.

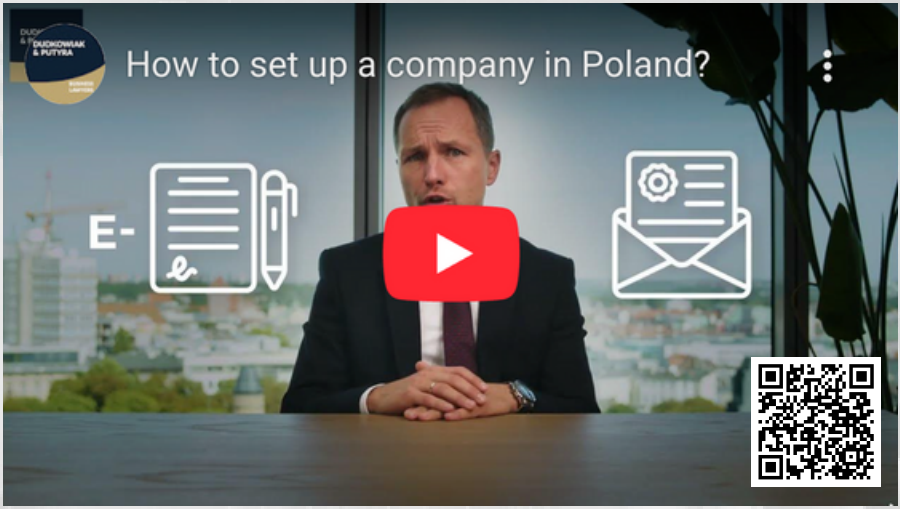
What documents do you need to start?

Shortly to register an LLC in Poland, you'll need:

- Scan of passport or ID (if you're a natural person shareholder);
- Company excerpt with apostille clause or full legalization (if the shareholder is a foreign legal entity);
- Sworn translations of key documents, which we will do here with our trusted sworn translators;
- A notarial power of attorney with apostille clause or full legalization (to avoid coming to Poland in person) – please remember that notarial POA is **not required if for online LLC incorporation**.



WHAT IS THE PROCEDURE OF LLC INCORPORATION IN POLAND?



1. Completing the LLC questionnaire – where you will decide about key issues like for example company name, share capital, shareholders, directors, company seated and address or scope of business.

2. LLC questionnaire analyses and if necessary additional questions to Client.

3. Preparation and gathering all documents and translations, i.e.

- preparing set of documents to company incorporation (law firm side)
- obtaining by Client the company excerpt with an apostille clause or legalization (if the shareholder/s is a foreign legal entity),
- scheduling by Client the meeting with notary public to sign in front of the notary public the power of attorney in form of notarial deed and obtaining an apostille clause or legalization on it (applies only in notarial incorporation),
- signing by Client documents which require just wet handwritten signatures (before singing the Articles of Association of the Company applies only in notarial incorporation),
- dispatching the original documents to Poland,
- sworn translations of POAs and company excerpt (law firm side).

WHAT IS THE PROCEDURE OF LLC INCORPORATION IN POLAND?

4. Execute the Articles of Association of the Company:
   - online company incorporation: remotely in S24 online portal, or
   - notarial incorporation: traditionally with wet signatures at the office of the notary public.

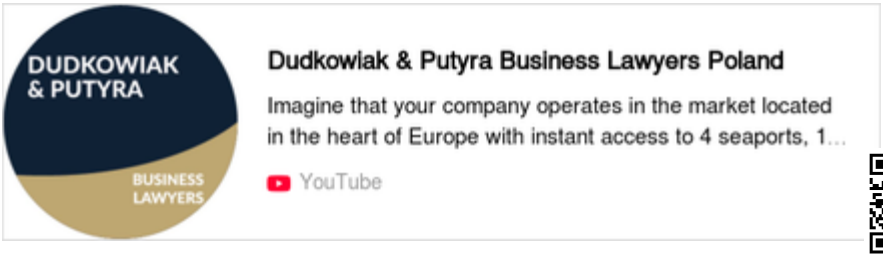
5. Motion to the Court Registry to entry the Company into Business Register.

6. The Court Decision.

7. Complete post-registration requirements, i.e.:
   - reporting beneficial owner to CRBR / UBO register within 2 weeks time;
   - pay PPC tax (registration tax 0,5% calculated from the amount of share capital) and submit relevant tax return in this respect within 2 weeks time, unless the tax was collected by the notary public;
   - submit tax information form (NIP-8) to competent tax office within 3 weeks time.

After completing all these steps you should remember that full accounting is mandatory for LCC, regardless of their revenue, all LLC must keep full accounts in accordance with the Accounting Act.

More detailed information in that regard you can find on our website dudkowiak.com or at our YouTube Chanel.





REGULATED ACTIVITIES OVERVIEW

When setting up and planning business operations in Poland, entrepreneurs should note that in some cases certain extra steps are required.

Although generally, based on the principle of freedom of economic activity – conducting business in Poland is free for everyone on an equal basis – in practice, some economic sectors, due to their specificity, require meeting additional legal conditions.

Being aware in advance about that can help avoid performing illegal activities and save the entrepreneur's time.

Any entrepreneur who wants to run a regulated business must obtain the right to do so and meet certain conditions stipulated by relevant regulation. Poland distinguishes three legal forms of business restrictions:

Concessions



Permits (or Licenses)



Entries in the register of regulated activities



These types of restrictions mainly differ in how strict and formal the approval process is. Of course, before applying for a concession, license, permit, or entry in the register of regulated activities, every entrepreneur should have a properly registered business.

CONCESSION
– WHAT IS IT AND WHO NEEDS IT?

Important: In English language concessions are usually referred to as licenses, despite the fact that in Poland, licenses are different and less restrictive forms of business restriction.

A concession is the most rigorous regulatory restriction in Poland. Obtaining a concession for running a business in Poland usually requires significant preparations and effort due to the key importance of sectors of the economy where concessions are required.

Entrepreneurs intending to start an activity that requires a concession can usually request a promise of concession. This promise helps ensure greater certainty about being able to conduct the planned business. Once issued, the authority is bound by the promise for a set period and generally cannot refuse to grant the concession later.

Examples of business sectors requiring concessions are as follows:

- Mining activity
- Weapon
- Running a casino
- Air transport
- Radio and TV
- Energy sector
- Protection of persons and property



LICENSES AND PERMITS
– WHEN APPLIES?

Your activity may require licenses and permits before commencing operations only if it is specified explicitly in the law. Licenses in Poland are, in general, less formalized and easier to obtain than concessions. Business licenses and permits are after verification by the competent authority if the entrepreneur meets the technical and organizational capacity to carry out a certain business activity.

In practice in Poland – permits and licenses are one broader category. In theory the difference is that licenses primarily apply to companies whose running requires special education or qualifications to perform specific professions, e.g. property appraiser, lawyer, architect, tax advisor. In practice, a license has the same effect as a permit – it means consent to undertake and conduct business activities, and at the same time confirms the possession of specific rights.

A permit takes the form of an administrative decision and is issued through administrative proceedings. It may contain special conditions that must also be met.

Note: If you meet all the requirements for performing a specific activity, the authority is obligated to grant you a permit.

Examples of business activity requiring permits are as follows:



REGISTER OF REGULATED ACTIVITIES

– THE SIMPLEST FORM OF BUSINESS REGULATION IN POLAND

Obtaining an entry in the register of regulated activities is the simplest form of business regulation in Poland.

To obtain an entry, an entrepreneur must:

- Meet certain conditions for conducting such activities,
- Apply for registration in the register of regulated activities,
- Submit a statement of compliance with the conditions required to carry out this activity (as an attachment to the application).

Registers of regulated activities are kept in public form. This means that anyone can view them through the specific body that maintains them.

The registry discloses the company's data, NIP number and, at the request of the authority, other data as well, in accordance with data protection regulations.



Examples of business types requiring entry to the register of regulated activities are as follows:

- No Alcohol Production: production and bottling of alcoholic products
- Storage of personnel and payroll records of employers with a temporary retention period
- Confectioning and marketing of plant protection products
- Detective services
- Running an individual or group medical practice
- Driver training activities
- Organizing travel events
- Telecommunications activities

M&A

Why Poland is a Hotspot for M&A Right Now?

Poland continues to attract major international buyers looking for strategic growth opportunities, for whom one of the ways to enter the market is through an M&A transaction. Such a market entrance offers a fast-track route, enabling to gain market share, acquire talent, or build operational scale.

A great example is the recent announcement that Erste – one of the biggest DACH market banks, expects to complete the acquisition of Santander Bank Polska retail business by the end of 2025. This deal underscores Poland's strong position in Central Europe - and why the country is increasingly on the radar of international investors.

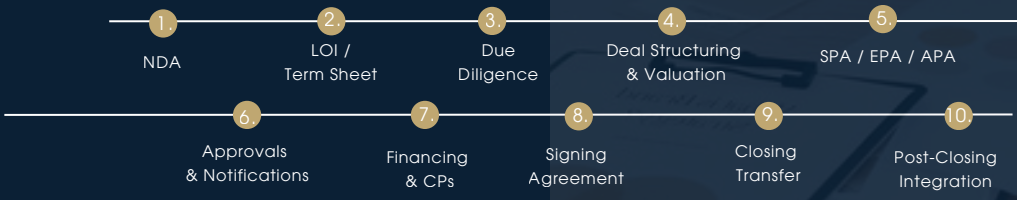
Most deals here involve either share or asset purchases, each requiring a tailored legal and tax strategy under Polish law.

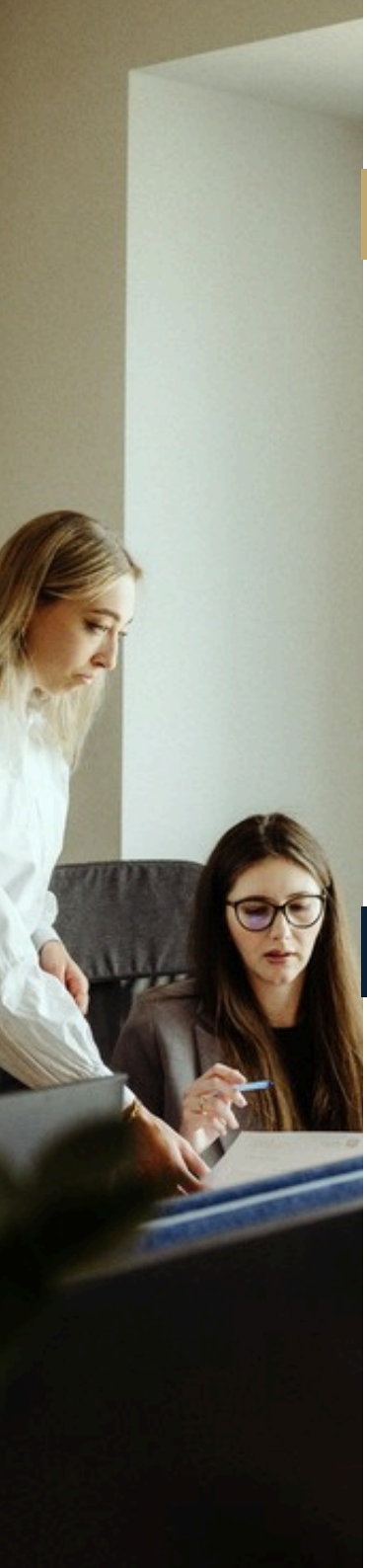
A Practical Roadmap to Closing a Deal

Although each M&A transaction has its own dynamics, deals in Poland generally follow a predictable path. It should be remembered that a transaction in Poland is either a share deal, where we transfer ownership of shares in the target, or an asset deal, where the owner transfers part or all of the target company or specific assets or an asset.

It starts with a confidentiality agreement and often a Letter of Intent or Term Sheet, setting out the key terms and timeline. In Poland, it is very important to sign an NDA to ensure the confidentiality of the planned transaction and to include appropriate provisions regarding the exclusivity of the transaction and non-solicitation.

Then comes due diligence, a thorough analysis of the company's legal, financial, and tax profile to flag risks and support negotiations. Next, the deal documents are prepared, including a Share Purchase Agreement (SPA), Enterprise Purchase Agreement (EPA) or Asset Purchase Agreement (APA). Signing and closing usually take place before a notary. After that, a post-closing phase ensures all required registrations, filings, and internal adjustments are completed.





What Makes Transactions in Poland Unique?

Acquisitions in regulated sectors such as finance, military, or energy may require additional clearance. At the same time, when acquiring assets of a target that holds licenses or concessions, it is necessary to carry out the appropriate procedure to obtain these decisions again or to conduct proceedings for the transfer of such decisions to the acquirer.

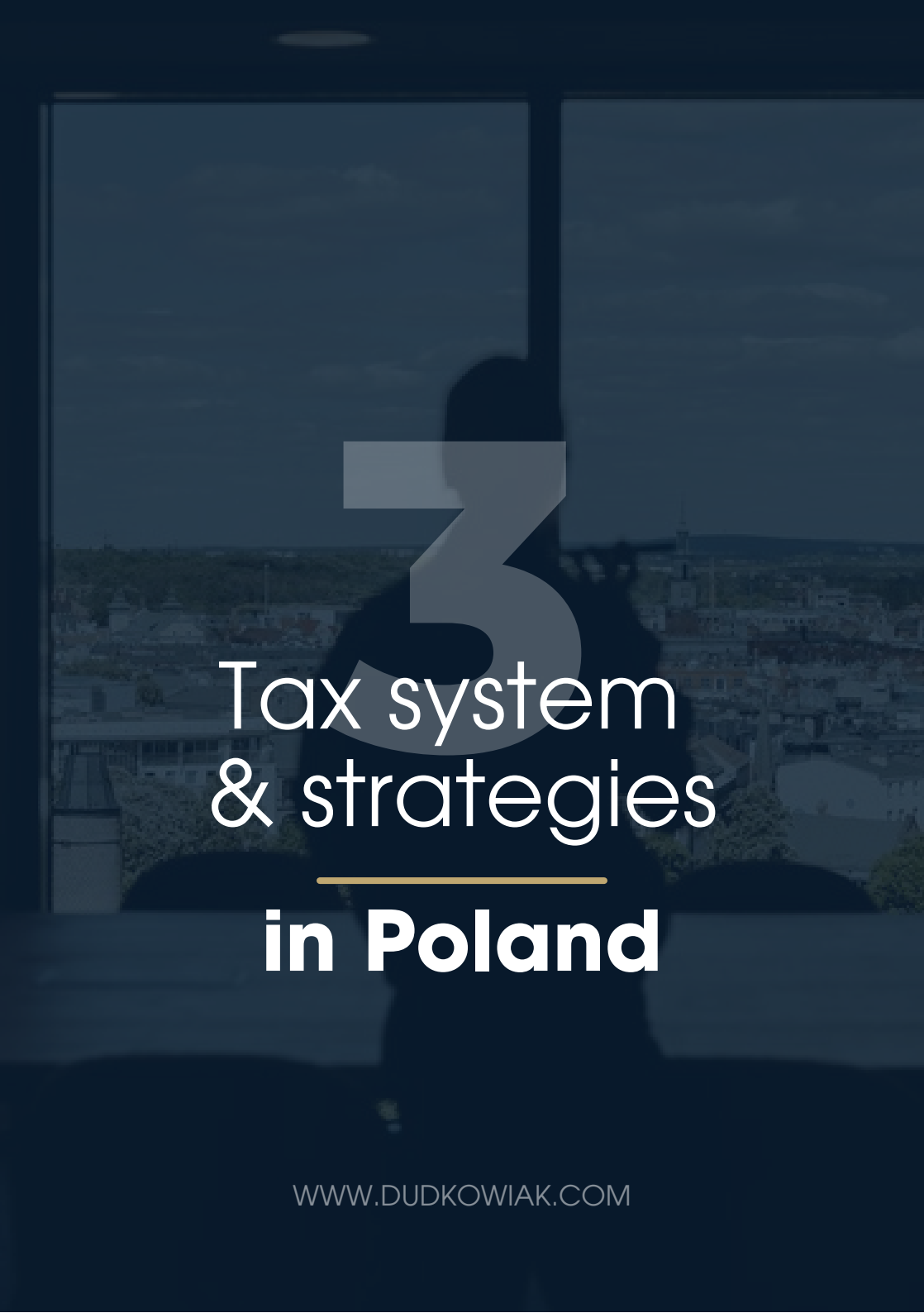
From a regulatory perspective, it should be noted that there are significantly more challenges involved in the sale of a company or its assets than in the sale of shares in the target company.

From a tax perspective, share deals typically incur a 1% civil transaction tax (PCC), while asset deals may involve VAT - unless they qualify as the sale of a going concern. The issue of income tax should be considered in particular from the perspective of double taxation agreements, withholding tax (WHT), and transfer pricing regulations.

Post closing transaction

After completing the transaction, all required registers must be updated accordingly. In the event of a change in ownership of shares, it will be necessary to enter the change of data in the National Court Register and update the information on the beneficial owner in the Central Register of Beneficial Owners.

In the event of a change of office, registered office, Management Board or other details, it will be necessary to update the information held by the relevant Tax Office and to forward this information to the institutions that issued administrative decisions in favor of the target. In the event of the sale of real estate, it is also necessary to update the information contained in the Land and Mortgage Register.



3

Tax system & strategies in Poland

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MEET THE MINDS **BEHIND THIS CHAPTER**



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Overview of the Polish tax system



Corporate Income Tax

Scope of taxation:

The following entities are subject to CIT in Poland:

- Limited liability company and joint-stock company (Sp. z o.o., S.A.),
- Simple joint-stock company (PSA),
- Limited joint-stock partnership (SKA),
- Limited partnership (SK).

Tax transparent entities include:

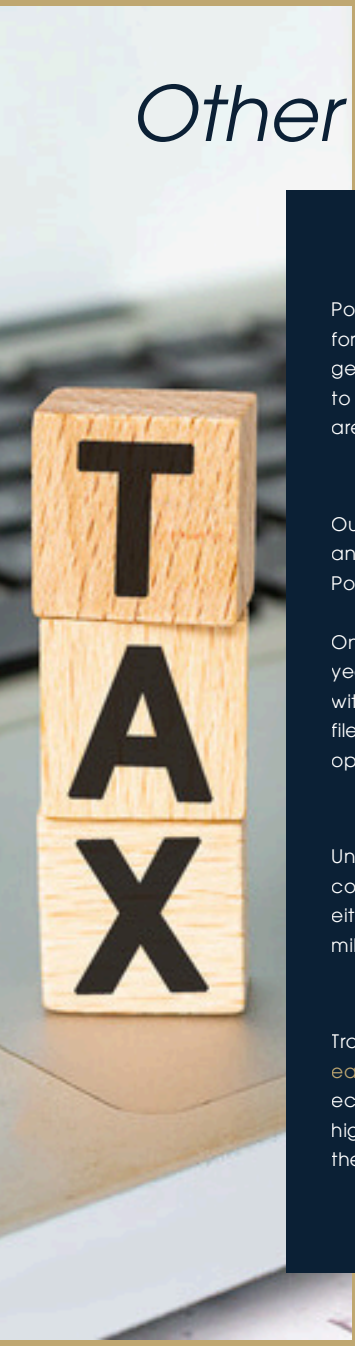
- General partnership (sp. j.) – provided certain conditions are met,
- Professional partnership (spółka partnerska, applicable only to selected professions).

Tax rates:

The basic CIT rate is 19%. The following specific regimes may apply:

- 9% CIT rate for "small taxpayers" with sales not exceeding EUR 2 million,
- 10% or 20% for taxpayers subject to "lump sum" tax,
- 5% CIT – for income from so-called qualified intellectual property rights (IP BOX),
- Exemption for entities operating in Polish Investment Zone,
- Exemption for family foundation, 15% income tax on the benefits transferred by a family foundation.

Other considerations:



Tax reliefs:

Poland offers a wide menu of investment incentives including reliefs for: R&D, IP, robotization, prototype and expansion reliefs. Eligibility is generally tied to meeting quantitative and qualitative criteria and to keeping documentation that proves the incentive's conditions are met.

Withholding tax:

Outbound dividends (standard rate 19%) and most interest, royalties and certain service fees paid to non-residents (20%) are subject to Polish WHT unless a double tax treaty or EU directive provides relief.

Once total payments to one recipient exceed PLN 2 million in a tax year, the "pay-and-refund" regime may oblige the payer either to withhold at statutory rates and let the recipient claim a refund or to file a special compliance statement or apply for a clearance opinion.

Utilization of tax losses:

Under general rules, tax losses can be carried forward for five consecutive tax years; in any one year the taxpayer may offset either up to 50 % of a particular year's loss or, once, up to PLN 5 million, with the balance spread over the remaining period.

Thin-capitalization / interest-limitation rules:

Traditional debt-to-equity thresholds have been replaced by an earnings-stripping test: net debt-financing costs (interest plus economically equivalent charges) are deductible only up to the higher of PLN 3 million or 30 % of tax-EBITDA, regardless of whether the lender is related or third-party.

Transfer Pricing

Polish TP include encompass a number of tax issues including:

Local File: each related-party transaction must be documented if its annual value tops PLN 10 m for goods or finance and PLN 2 m for services or other items; the Polish-language file (functional analysis and benchmarking) must be ready within 10 months of the year-end, though it is filed only on request.

Benchmark Analysis: a market study proving arm's-length pricing is obligatory for every Local File unless a statutory exemption applies; it must be refreshed at least once every three years - or sooner if economic conditions shift materially.

CIT TPR: every entity that carries out controlled transactions (or any dealings with a tax-haven counter-party) must file a Transfer Pricing Information return - Form TPR-C for companies, TPR-P for individuals.

The all-electronic form, due no later than the 11th month after the financial year-end (so 30 November for calendar-year taxpayers), requires the filer to list each related-party transaction and include a management declaration that full TP documentation exists and prices are arm's-length.

Safe Harbors:

Intra-group loans:
no Local File or benchmarking is needed if the total principal per counter-party stays below PLN 20 m, tenor ≤ 5 years, no extra fees are charged and the interest is set under given interest rate;

Low-value-adding services:
cost-plus up to (or down to) 5 % qualify, waiving benchmarking and full Local File documentation.

Master File: a Polish entity that prepares a Local File and belongs to a group with prior-year consolidated revenue above PLN 200 million must also keep an Master File summarizing the group's business, intangibles and financing; a Polish translation must be supplied within 30 days when requested.





Value Added Tax

Scope of VAT

Polish VAT is charged on:

- any supply of goods or services made for consideration by a taxable person acting in the course of business on Polish territory,
- the import of goods into Poland,
- intra-Community acquisitions of goods,
- exports of goods,
- intra-Community supplies; the last two being taxable but zero-rated if statutory conditions are met. Certain categories - e.g. most financial, insurance, health-care and education services-are VAT exempt and as a result to not give right to deduct input VAT.

VAT rates: as of 2025 the standard Polish VAT rate remains 23 %.

23%

Two reduced rates apply:
8 % (e.g. foodstuffs, passenger transport, residential construction) and
5 % (e.g. books, selected food, infant products); specific goods and services are zero-rated (0 %), principally exports, intra-Community supplies and international transport.

8%

5%

Fixed establishment (FE):
although the Polish VAT Act does not expressly define an FE, it transposes the EU concept: a location-other than the seat-possessing a sufficient degree of permanence and adequate human and technical resources to provide or receive services. Where an FE exists, supplies connected with it are deemed to take place in Poland, potentially triggering local VAT accounting and, for foreign businesses, Polish VAT registration.

VAT registration obligation:
resident businesses must register for VAT once their rolling 12-month taxable turnover exceeds PLN 200,000 (roughly €46,000); they may register voluntarily sooner to recover input tax.

Personal Income Tax

Progressive tax scale:

Poland applies a two-bracket PIT scale:

- 12% on annual taxable income up to PLN 120,000 and
- 32% on the excess, with an annual tax-free allowance of PLN 30,000.

Tax base is reduced by social-security contributions. This regime automatically covers employees and may be chosen by sole traders. It is generally attractive for taxpayers with moderate earnings or high personal deductions.



Taxation methods for business income (sole traders, partnerships):

Scale (zasady ogólne)

Entrepreneurs may remain on the general PIT scale described above, deducting actual business costs and amortization. Social-security contributions are deductible, and losses can be carried forward for five years (up to 50% per year). The scale is flexible where profits fluctuate, but the 32% bracket can raise the effective burden once income exceeds the PLN 120,000 threshold.

Flat 19 % tax (podatek liniowy)

A voluntary 19 % flat rate applies to all business profit regardless of amount, with no tax-free allowance and no right to most personal credits. All legitimate business expenses remain deductible, and losses carry forward as under the scale. Each case needs to be analyzed separately in order to choose either scale or flat 19% tax.

Lump-sum tax on registered income (zryczałtowany podatek dochodowy)

Instead of taxing profit, this option applies fixed rates (2%–17%) to gross revenue by industry code, with no deduction of costs or depreciation. Social-security contributions remain deductible from the revenue base, and a part of health contributions can offset tax. It suits high-margin, low-cost activities (e.g. revenues generated from freelance professions taxed at 17%; small-scale manufacturing at 5.5 %), but is unavailable once annual turnover exceeds EUR 2 million or for certain professional services.

Excise

Under Polish tax regulations, the object of excise taxation is limited to a closed catalogue of "excise goods" meaning only those items can ever attract the tax. These goods include energy products and electricity, alcoholic beverages, tobacco products as well as fuels, oils, gas and coal.

Excise liability arises the moment such goods are produced, imported, acquired withing the EU or are otherwise released for consumption; even possession or use of untaxed excise goods can trigger the charge.

For passenger vehicles, the excise duty is defined as a percentage of the car's taxable base (3.1% - 18.6% depending on the type and engine capacity), illustrating that the taxable object in Poland goes beyond traditional "sin" goods to selected durable assets.

Real Estate Tax

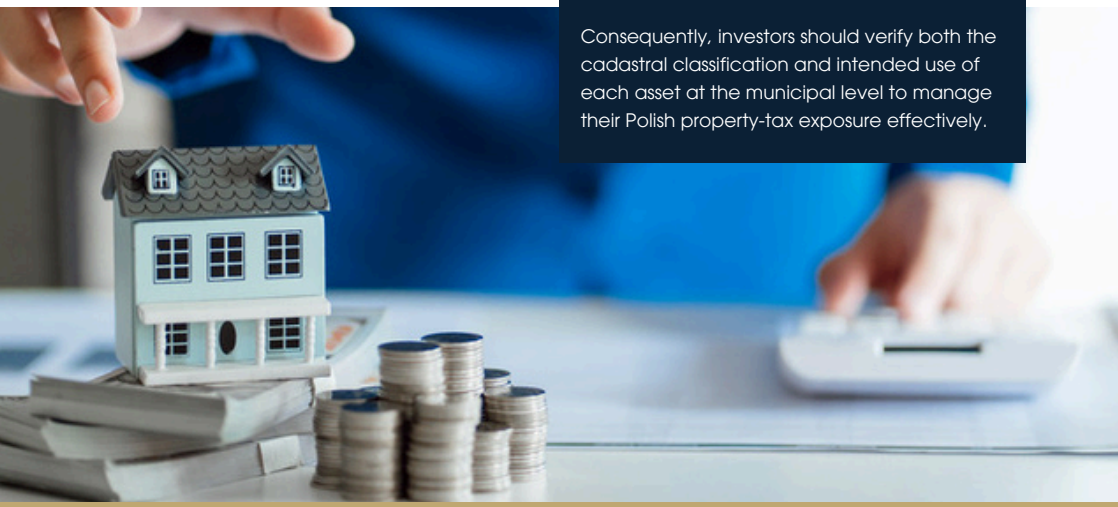
Real estate tax is imposed on three asset classes: land, buildings and so-called "structures" owned, co-owned or held in perpetual usufruct by individuals or legal entities.

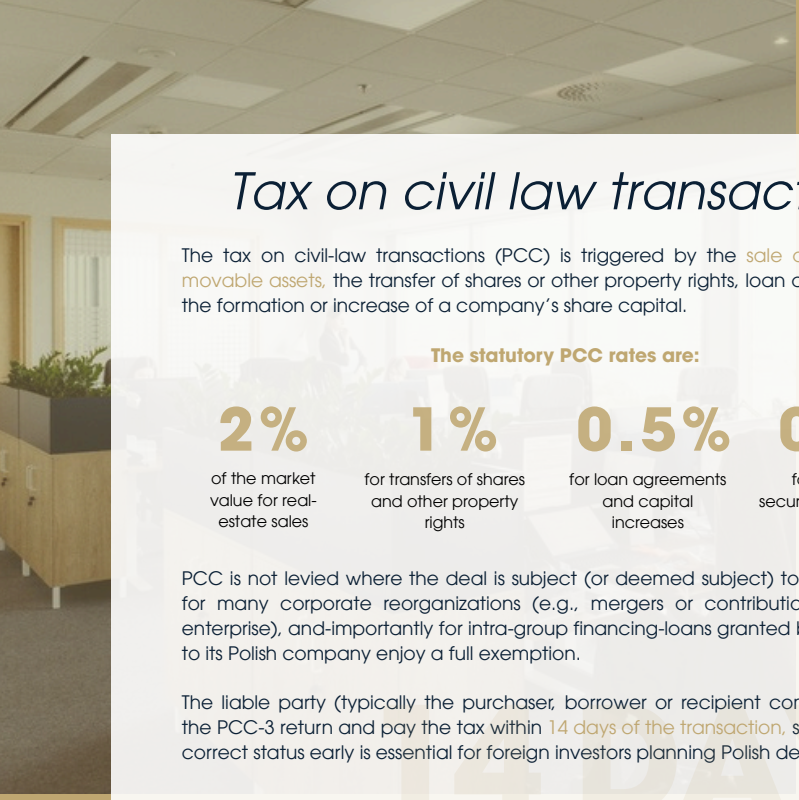
Municipal councils set the annual rates within nationwide ceilings announced each year by the Minister of Finance:

- land and buildings are taxed by surface area (e.g. up to ca. PLN 1.38 per m^2 for land related to business activity and PLN 34.00 per m^2 for commercial buildings in 2025),
- while structures that do not qualify as buildings are subject to 2% of their initial construction cost.

The statute grants exemptions for, among others, land, buildings and structures forming part of the railway infrastructure; farm buildings or parts thereof for forestry, fishing or agricultural activities.

Consequently, investors should verify both the cadastral classification and intended use of each asset at the municipal level to manage their Polish property-tax exposure effectively.





Tax on civil law transactions

The tax on civil-law transactions (PCC) is triggered by the sale of real estate or movable assets, the transfer of shares or other property rights, loan agreements, and the formation or increase of a company's share capital.

The statutory PCC rates are:

2% of the market value for real-estate sales

1% for transfers of shares and other property rights

0.5% for loan agreements and capital increases

0.1% for mortgages securing existing claims

PCC is not levied where the deal is subject (or deemed subject) to VAT, it is waived for many corporate reorganizations (e.g., mergers or contributions of an entire enterprise), and-importantly for intra-group financing-loans granted by a shareholder to its Polish company enjoy a full exemption.

The liable party (typically the purchaser, borrower or recipient company) must file the PCC-3 return and pay the tax within 14 days of the transaction, so confirming the correct status early is essential for foreign investors planning Polish deals.

Key accounting reporting obligations and tax deadlines

Polish companies must file the annual CIT-8 return and settle any remaining corporate income tax no later than three months after the end of their tax year (for calendar-year taxpayers: 31 March).

Individual taxpayers-whether employees or entrepreneurs-must submit their annual PIT return and pay any balance due by 30 April of the following year.

Separately, management has three months to prepare the annual financial statements, shareholders then have six months to approve them, and the approved report must be e-filed with the National Court Register within 15 days of that approval (for a 31 December year-end: 31 March, 30 June and 15 July respectively).

Observing these statutory cut-offs is vital, as late filings can attract fiscal penalties and-even in extreme cases-lead to the court ordering the company's dissolution.

Tax Tools

Tax tool	Time period required	Scope
Tax ruling issued by Minister of Finance	3 months	All taxes except for top-up tax, allows to mitigate the tax risk exposure
Tax ruling on Top-Up Tax	8 months	Applicable for top-up tax (Pillar 2 Directive)
Advanced Pricing Agreement (APA)	6, 12 or 18 months (depending on the type)	Transactions between related entities in the capital group
Clearance opinion for withholding tax	6 months	Dividends, interest, royalties and payments covered by double tax treaties
Binding VAT rate information	3 months	Determining the correct VAT rate for goods and services
Binding excise information	3 months	CN classification for excise purposes
Binding Tariff Information	120 days	Correct classification of the goods for customs purposes within the EU
Security opinion for GAAR purposes (general anti-abuse rules)	6 months	Confirmation that activities taken are not subject to GAAR
Security opinion for top-up tax	12 months	Specific security opinion for top-up tax (Pillar 2 Directive)
Investment Agreement	Depends on the negotiations period with the investor	For key investors - serves to implement the principle of certainty of tax law and ensure a consistent interpretation of the regulations



4 Tax Incentives in Poland

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PSI

Polska Strefa Inwestycji

What is PSI?

- The Polish Investment Zone (PSI) is a nationwide support scheme for new investments in Poland. Under PSI, investors can receive income tax exemptions (including CIT) based on a decision issued by the relevant authority.

Key benefits for investors:

- Corporate or personal income tax exemption for up to 15 years,
- The ability to invest anywhere in Poland – urban or rural,
- A simplified and fast-track application process,
- Institutional support during the investment process.

Who is eligible?

- Micro, small, medium, and large enterprises,
- Investors planning new tangible asset investments (e.g., construction of a new facility, purchase of machinery) or expansion of an existing business,
- Companies from various sectors – except for certain excluded activities such as retail, wholesale, alcohol and tobacco production, and several others.
- Please note that legal amendments are on their last stage and production of weapons, ammunition and explosives will also be eligible for PSI tax exemption.

Conditions:

- The minimum investment value depends on the company's size and the location (lowest thresholds apply to SMEs in high-unemployment areas),
- The investment must align with regional development goals,
- Investors must meet qualitative criteria for social and economic sustainability

R&D relief

What is the R&D Tax Relief?

The Research and Development (R&D) tax relief is a fiscal incentive that allows companies to deduct additional eligible expenses related to innovation and development projects from their taxable income. It encourages businesses to invest in new products, services, and processes – regardless of the industry.

Key Benefits for Businesses

- Additional deduction of up to 200% of eligible R&D costs,
- Lower taxable income, resulting in a lower corporate or personal income tax bill,
- Applicable even if the company is not profitable – unused relief can be carried forward,
- No need to be a certified research institution – the company just needs to carry out qualifying R&D activities.

Who is eligible?

- Any business entity subject to CIT or PIT – including sole traders, partnerships, and corporations,
- Companies of all sizes and industries,
- Firms engaged in actual R&D work, even on a small scale.

Basic Conditions

- Incurred eligible (qualified) R&D costs, including:
  - Salaries of employees involved in R&D activities,
  - Purchase of materials or components used in R&D,
  - Depreciation of machinery, equipment, or labs used in R&D,
  - Fees for external expertise, technical opinions, or consulting services,
- Accounting records must clearly separate and document these expenses,
- The R&D work must be systematic, creative, and aimed at developing new knowledge or solutions.

OTHER RELIEFS

Expansion relief
(Tax Deduction for Increasing Product Sales)

WHAT IS THIS?

This relief allows companies to deduct additional costs incurred to increase revenue from product sales, such as entering new markets or acquiring new customers.

KEY BENEFITS FOR BUSINESSES

Up to 100% additional deduction of qualified "expansion-related" expenses (e.g., marketing campaigns, trade fairs, promotional materials, tender documentation).

WHO IS ELIGIBLE?

Businesses that sell their own manufactured products, regardless of industry or size.

BASIC CONDITIONS

- Expenses must be aimed at increasing product sales (not services),
- The company must demonstrate either increased product revenue or entry into a new market to benefit from the deduction.

Robotization Relief

WHAT IS THIS?

An incentive for companies investing in industrial robots and automation. The robotisation tax credit allows companies to deduct an additional 50% of their robotisation-related expenses from their tax base. This tax break is intended to help companies boost their productivity and competitiveness in both domestic and international markets. Companies that use industrial robots to improve production can apply for it.

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KEY BENEFITS FOR BUSINESSES

50% tax deduction of costs related to:

- purchasing industrial robots,
- integrating automation equipment,
- implementing related software,
- training employees.

WHO IS ELIGIBLE?

All businesses investing in robotic and automated production systems.

CONDITIONS

- The investment must involve industrial robots as defined by law,
- Unused deductions can be carried forward for up to 6 years if the company is not yet profitable.

Prototype Relief

What is it?

This relief supports the trial production and market launch of new products developed through the company's R&D activities. The prototype relief allows for an **additional deduction of 30%** of the deductible expenses for the trial production and marketing of a new product from the tax base. This will enable you to produce a prototype more cheaply and then begin mass production of your invention.

The prototype tax credit will support you during the testing phase of your invention, before you start mass production and launch it on the market.

Key Benefits for Businesses:

Up to 30% tax deduction of costs related to:

- trial production **(prototypes),**
- starting the sales process for a **new** product.

Who is eligible?

Companies that have developed an original product through internal R&D and want to bring it to market.

Conditions

The product must be the **result** of prior R&D,

Eligible **expenses** include those related to trial production or preparingu the product for commercial launch.

> The prototype relief allows for an additional deduction of 30% of the deductible expenses for the trial production and marketing of a new product from the tax base.
>
> *- Łukasz Tuszyński | Tax advisor*





WITHHOLDING TAX PREFERENCES

Number of double tax treaties concluded by Poland

One significant advantage of investing in Poland is the country's extensive network of double taxation treaties. Poland has concluded agreements with **over 90 countries**, including Saudi Arabia, effectively eliminating or significantly reducing the risk of double taxation. These treaties create a favorable tax environment, promoting transparent and efficient cross-border investments. For investors from the Middle East, especially from Saudi Arabia, this means greater certainty, lower tax burdens, and increased profitability when doing business in Poland.

The Parent–Subsidiary Directive

The Parent–Subsidiary Directive (2011/96/EU) aims to **eliminate double taxation** on cross-border dividend payments between associated companies within the EU. Poland has implemented this directive into its Corporate Income Tax Act (CIT Act).

Key Benefits in Poland	• Withholding tax (WHT) exemption on dividends paid by a Polish company to an EU/EEA parent company. • Facilitates tax-efficient repatriation of profits within corporate groups operating across the EU.
Who is eligible?	• Companies that are tax residents of the EU or EEA, • Holding at least 10% of shares in the Polish distributing company, • Holding period: at least 2 years (can be ongoing or future commitment).
Conditions:	• Specific documentation requirements (e.g. valid tax residency certificate of the parent company), • The Polish dividend-paying company must exercise due diligence when applying the exemption,

The Interest & Royalty Directive



The Interest-Royalty Directive (2003/49/EC) seeks to ensure that interest and royalty payments made between related parties in different Member States receive treatment equivalent to comparable domestic transactions. Its primary goal is to eliminate double taxation by prohibiting the imposition of withholding taxes on these payments.

Key Benefit in Poland

0% withholding tax on interest and royalty payments made by a Polish company to an associated company in another EU member state (or EEA), provided statutory conditions are met.



Who is eligible?

- Companies of payer and payee must be associated – i.e., one directly holds at least 25% of shares in the other, or both are held by a common parent company (≥25% share),
- The shareholding must be maintained continuously for at least 2 years (can be prospective).



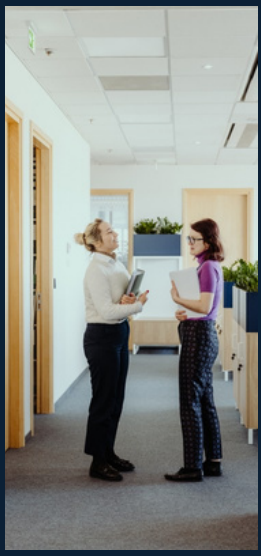
Conditions in Polish Law

- Applies only to qualifying interest and royalty payments (not all fees or services qualify).
- Due diligence obligation - the Polish company must verify the status of the foreign payee and exercise due care,
- Beneficial ownership test - the foreign recipient must conduct genuine economic activity,
- Specific documentation requirements (e.g. valid tax residency certificate of the payee company).

TAX RELIEF FOR YOUNG PEOPLE

What is it?

This tax relief exempts young individuals from paying personal income tax (PIT) on employment-related income up to a set annual limit. It aims to support the professional activity and financial independence of people **under the age of 26.**



Key Benefits

- No PIT (income tax) on eligible income up to PLN 85,528 per year (limit for 2025),
- Higher take-home pay for young employees at no additional cost to employers,
- The relief can be applied automatically if the employee submits a declaration to the employer.

Conditions

- The person must be **under 26** at the time of earning the income,
- The tax exemption applies **only up to the annual income threshold** – any amount above this is taxed normally,
- To benefit from the relief during the year, the employee must submit a **written declaration** to their employer,
- The relief does **not apply to business income or contracts for specific work** (umowa o dzieło).



POLISH HOLDING COMPANY (PSH)

What is it?

The Polish Holding Company (PSH) regime is a tax incentive introduced in 2022 to support the establishment and development of holding structures in Poland. It allows for income tax exemptions on dividends and capital gains (sale of shares) derived from subsidiaries.

Key Benefits

- 100% CIT exemption on dividends received by the Polish holding company from its subsidiaries,
- CIT exemption on capital gains from the sale of shares in subsidiaries (subject to conditions),
- Enables companies to build efficient holding structures in Poland instead of using foreign jurisdictions (e.g. Netherlands, Luxembourg).

Who is eligible?

- **A holding company**: a Polish limited liability company (sp. z o.o.) or joint-stock company (S.A. or PSA) holding at least 10% of shares in a subsidiary for at least two years,
- **A subsidiary:** a domestic or foreign capital company whose shares are held by the holding company,
- **Both domestic and international investors** looking to centralize group management in Poland.

Conditions for the holding company:

- Must be tax resident in Poland,
- May not benefit from special economic zone (SEZ) or Polish Investment Zone (PSI) exemptions,
- Must hold **at least 10%** of shares in the subsidiary continuously for **at least 2 years,**
- Must conduct genuine business activity and does not enjoy,
  Its shareholders must not be a tax residents in a blacklisted (non-cooperative) jurisdiction.



KUP50 – 50% TAX DEDUCTION

This tax preference allows individuals earning **income from copyrights or creative work** to apply a flat **50% tax-deductible cost rate** instead of actual expenses. It effectively reduces the taxable base, resulting in lower personal income tax.

Key Benefits

- Only 50% of gross income is taxed, meaning significantly lower PIT,
- Applies regardless of actual expenses – no need to document costs,
- Can be used with employment contracts, contracts of mandate, or specific-task contracts (umowa o dzieło),
- Simple mechanism for both taxpayers and employers.

Who is eligible?

- Individuals earning income from copyrighted or creative work, such as:
  - Software developers (creating original code),
  - Graphic designers, illustrators, architects,
  - Writers, journalists, translators,
  - Musicians, screenwriters, filmmakers,
  - Scientists publishing original research.

Conditions

- The work must be original, creative, and protected under copyright law,
- The income must result from the use or assignment of copyright,
- The copyright component of remuneration must be clearly separated (e.g. in the contract or payslip),
- The annual cap for 50% tax-deductible costs is PLN 120,000 (in costs), which equals PLN 240,000 gross income,
- Not available for income from business activity or management board contracts.

ESTONIAN CIT

What is it?

The Estonian CIT (also called lump-sum tax on company income) is an alternative corporate tax regime where income tax is paid only when profits are distributed (e.g., as dividends). As long as profits remain in the company and are reinvested, no corporate income tax (CIT) is due.

Key Benefits

- No CIT on retained earnings – full reinvestment is tax-free,
- Simplified tax reporting – no need to calculate taxable income under standard rules,
- Lower effective taxation upon profit distribution:
  - 20% CIT + 10% PIT for small taxpayers,
  - 25% CIT + 5% PIT for other companies,
  - (Effective tax rates after credit: approx. 26.29% and 34.39%)

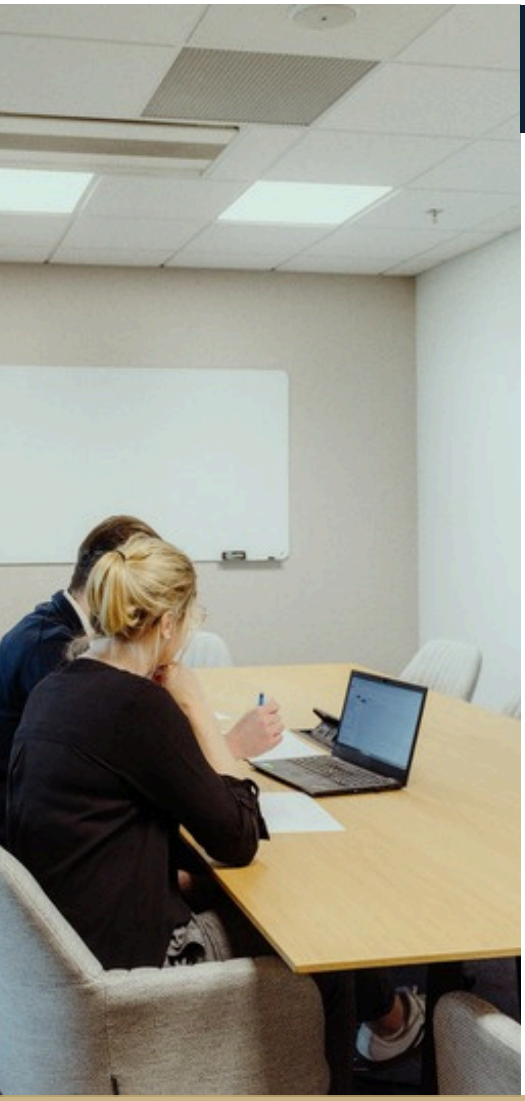
Who is eligible?

- Limited liability companies (sp. z o.o.) and joint-stock companies (S.A.) based in Poland,
- Owned exclusively by individuals (natural persons),
- Do not hold shares in other entities (no subsidiaries or partnerships),
- Employ at least 3 full-time employees, or meet alternative payroll cost thresholds.

Conditions

- Tax is deferred until profit distribution (e.g., dividends or hidden profits),
- Entry into the regime is voluntary, by filing a formal notification (ZAW-RD),
- Company must maintain full accounting books,
- Certain tax reliefs (e.g., R&D or IP Box) are not available during the Estonian CIT period.





IP BOX

What is it?

The IP Box (Innovation Box) is a preferential tax regime that allows eligible taxpayers to apply a reduced **5%** income tax rate (CIT or PIT) to income earned from intellectual property (IP) rights developed as part of their R&D activities.

Key Benefits

- **5%** tax rate instead of the standard **12%** or **19%** (depending on taxpayer type),
- Can be combined with the R&D tax relief, significantly lowering the effective tax burden,
- Encourages innovation by rewarding the commercialization of proprietary technologies and solutions.

Who is eligible?

- **Entrepreneurs** (individuals or companies) conducting R&D activities,
- **Taxpayers generating income from qualified IP rights**, such as:
  - copyrighted computer software,
  - patents,
  - utility models,
  - industrial designs,
  - supplementary protection certificates for pharmaceuticals or plant protection products.

Conditions

- The IP must be created, developed, or improved by the taxpayer as part of their own R&D activity,
- Taxpayer must maintain detailed accounting records to clearly separate income and costs related to the qualified IP,
- Income must result from the use or sale of the IP – e.g., through licensing, royalties, or IP disposal,
- The taxpayer must file an annual tax return with the relevant attachment (CIT/IP or PIT/IP).



5 Employment & Immigration in Poland

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Market overview

Cost of employment and contribution



Poland's Labor Market in 2026

Imagine stepping into a market where tradition meets rapid economic growth, and a skilled workforce is ready to turn your business plans into reality. **This is Poland in 2026 – a dynamic, stable, and increasingly attractive destination for investors seeking to build or expand their teams in Europe.**

Labor Market Snapshot

Poland's workforce is strong and diverse. In the first quarter of 2025, **over 17.66 million people were actively employed.** The unemployment rate remains low at **5.2%,** reflecting both economic resilience and high labor participation.

The average gross monthly salary stands at **PLN 8,827.46** (approx. EUR 2,050), while the statutory minimum wage, as of January 2025, is **PLN 4,806 gross per month** and minimum hourly rate is **PLN 31.40 gross per hour.**

Education continues to supply the market with fresh talent – o**ver 1.24 million university students** are enrolled for the 2024/2025 academic year. Notably, foreign workers also make up a significant part of the labor force, with **around 1.05 million non-Polish employees** working in the country as of late 2024.

Every month, there are roughly **291,500 active job offers**, indicating a competitive yet opportunity-rich recruitment environment.

Employment Law – A Brief Overview

Employment relationships in Poland are primarily governed by the **Polish Labor Code** (in force since 1974, continuously updated). The Code sets out clear rules on employment contracts, working hours, leave entitlements, overtime, employee benefits, and termination procedures.

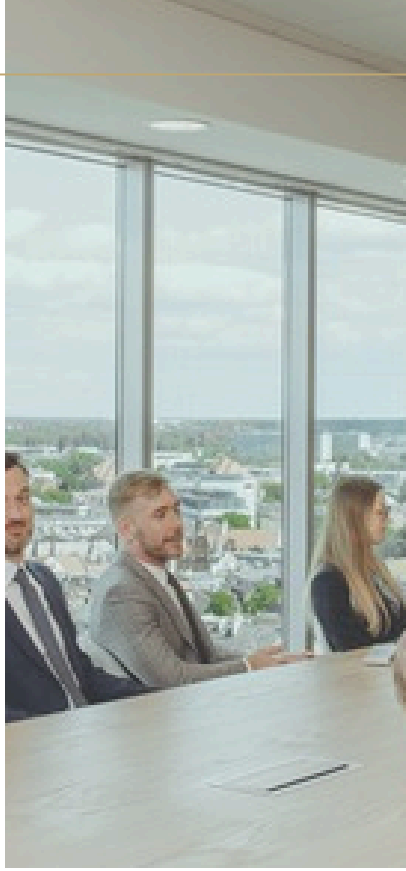
Polish labor regulations are detailed and protective of employees, giving employers less contractual flexibility than in some other jurisdictions. That said, they offer a **predictable and transparent framework – an advantage for long-term planning.**

Cost of Employment – What Investors Should Know

Hiring in Poland involves more than just agreeing on a salary figure. For employees hired under a standard employment contract, three numbers matter:

Gross salary	the contractual amount stated in the employment agreement.
Net salary	the amount the employee takes home after mandatory deductions (tax and social security).
Total employer cost	the gross salary plus mandatory employer contributions.

For example, a gross salary of PLN 8,000 translates to a net salary of around PLN 5,783.91, but the total cost to the employer reaches PLN 9,758.40 when statutory contributions are included.



Employer Contributions on Top of Gross Salary

Employers must budget for additional costs, which are calculated as a percentage of the gross salary:

Pension contribution	**9.76%**
Disability pension contribution	**6.50%**
Accident insurance	**1.67%**
Labor Fund	**2.45%**
Guaranteed Employee Benefits Fund	**0.10%**
Employee Capital Plans (PPK) (only if the employee participates in the scheme)	**1.50%**

Why Poland?

With its combination of skilled talent, relatively competitive wage levels compared to Western Europe, and a legal framework that ensures both employee rights and employer clarity, Poland offers a stable environment for building successful teams. For investors, the takeaway is simple: **know your numbers, understand the contribution system, and you'll find Poland a rewarding place to grow your business**.

Employment contracts and HR compliance

When doing business in Poland, building the right team starts with choosing the right form of engagement. While Poland offers several ways to formalize work relationships, the employment contract remains the cornerstone of its labor system – and with it comes a clear legal framework, employee protections, and specific compliance duties for eployers.

Employment Forms

The primary and most secure form of work in Poland is the employment contract. Other arrangements exist – such as mandate contracts, specific-task contracts, and B2B service contracts – but these fall under civil law, not labor law.

Civil contracts can be attractive for their flexibility, but they cannot lawfully replace an employment contract when the relationship has the features of regular employment (e.g., fixed working hours, subordination, ongoing duties). Using civil contracts in place of employment contracts without justification is a red flag for labor inspectors (PIP) and the social security office (ZUS).

Employers are strongly advised to document the reasoning behind civil contracts and, in doubtful cases, seek legal advice before signing.

Types of Employment Contracts

Polish labor law provides three main types of employment contracts:

Trial Contract

A separate contract (not just a clause) lasting up to 3 months, used to assess suitability before offering longer-term employment. The maximum trial length depends on the intended follow-up contract.

Definite Contract

Can be offered to any employee, but limited to three contracts and a total maximum of 33 months with the same employer.

Indefinite (Permanent) Contract

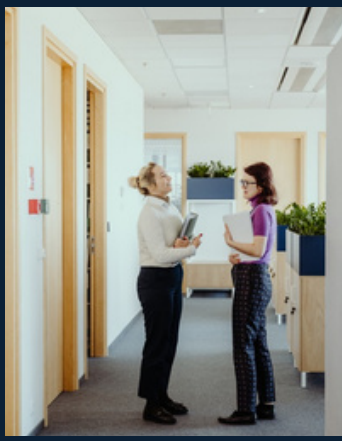
The most common and most secure arrangement, offering the strongest job protection.



Key Benefits of an Employment Contract

Employees under a Polish employment contract enjoy rights and benefits such as:

- Guaranteed minimum wage (PLN 4,666 gross/month in 2025)
- Paid annual leave
- Sick leave and parental leave
- Standard working time limits (generally 8h/day, 5 days/week)
- Overtime pay
- Remote work options with allowances
- Protection from dismissal in certain situations
- Formal notice periods and termination procedures





Form and Content

In Poland, employment contracts must be in writing. While oral agreements are technically binding, they must be confirmed in writing before work starts. Electronic signatures can be used by both parties, but only qualified electronic signatures have the same status as handwritten ones – standard e-signature tools (e.g., DocuSign) are not legally sufficient.

A valid employment contract must include:

- Contract parties and their details
- Date of conclusion
- Job title and duties
- Place of work
- Start date
- Working time
- Salary details, including all components

For probation and fixed-term contracts, the duration must be specified. If the probation is under three months, the employer must state the type and length of the follow-up contract planned after successful completion.

Choice of Law

In principle, Polish employment contracts are governed by Polish law. The parties can agree on foreign law if relevant, but core employee protections under Polish law still apply if the work is performed in Poland. This safeguard ensures that employees cannot be deprived of mandatory rights, regardless of contractual choice.



What This Means for Investors?

For investors, the takeaway is simple: **Poland offers a clear, structured system for employment that balances worker protection with predictable rules for businesses.**

However, **compliance matters**. Choosing the wrong form of engagement can lead to audits, back payments, and legal disputes. The safest route is to align contract type with the actual working relationship and to keep records that justify the choice.

Handled correctly, **Poland's employment framework offers a reliable foundation for sustainable workforce growth** – whether you're hiring your first local employee or building an entire operation.

Hiring foreign workers:
visa, residence, work permit procedures

While EU citizens can work in Poland without restrictions, hiring foreign nationals **from non-EU** countries requires obtaining documents legalizing their work in Poland.



Legalization of work

There are however a number of exemptions and simplifications allowing to hire foreigners **without** a work permit (e.g. declaration procedure, Poland Business Harbor Program). These employment regulations differ depending on the legal status of the foreign employees, their nationality, and job position.

The most popular procedures of hiring foreigners in Poland are:

- Hiring EU citizens
- Hiring non-EU citizens (work permit procedure)
- Hiring Ukrainian citizens
- Simplified declaration procedure for selected nationalities (Armenia, Belarus, Georgia, Moldavia, Ukraine)

Visa

If you plan to relocate foreign nationals to a longer work-related stay, they may need to obtain a **national (long-term) visa.** This visa allows free travel to Poland and around the Schengen countries. The visa can **only** be issued by a Polish consul abroad. The visa application is submitted by the foreigner to the embassy or consulate with jurisdiction over the foreigner's place of residence.

It's also important to remember that a visa (including so-called working visa) doesn't entitle a foreigner to work. It's merely a document (a sticker in your passport) that entitles them to cross the border and stay in Poland. Working while in Poland on a national visa will only be possible if a foreign national has a **valid work permit,** unless the exemption from this requirement applies.

Foreign nationals on longer work stays may need a national (long-term) visa, issued only by a Polish consul abroad. It allows travel in Poland and Schengen, but does not itself grant a work permit.

- Nicole Feliksiak | Attorney-at-law

Residence permit

Foreigners from non-EU countries staying in Poland on the basis of a visa, visa-free regime or any other legal basis who wish to continue their stay beyond the legal period are required to apply for a temporary residence permit.

The temporary residence permit is issued if the foreigner, who already legally stays in Poland, intends to stay in Poland for more than 3 months. This permit can be granted for a maximum period of 3 years and is designed to cover a variety of purposes, ranging from employment and studies to family reunification or conducting business activities.

There are several types of temporary residence permits, mainly categorized based on the primary purpose of stay in Poland. When the foreigner has multiple purposes of stay (e.g., work and studies), they must choose the predominant reason for their residence, which determines the scope of rights associated with employment, business activities, or social benefits that the foreigner may be entitled to.



The Act on Foreigners lists various purposes for granting temporary residence permits, including:

- Residence and Work Permit,
- EU Blue Card - for highly qualified professionals planning to work in Poland,
- Residence Permit for Intra-Corporate Transfer (ICT),
- Residence Permit for Conducting Business Activity,
- Residence Permit for Studies,
- Temporary Residence Permit for Family Reunification,
- Temporary Residence Permit for Members of the Management Board or Commercial Proxy, etc.

Applying for a temporary residence permit in Poland can be a complex and lengthy process due to the detailed legal requirements and extensive documentation.

Managing expats and relocation



Relocating employees to Poland can be both an exciting growth opportunity for a business and a complex operational challenge. From an employer's perspective, the process involves much more than booking a flight and arranging temporary accommodation. It often requires managing a web of administrative tasks, legal obligations, and personal adjustments for the expatriate and their family.

These seemingly small details can have a big impact on the employee's ability to settle in quickly, focus on their work, and deliver results.

One of the first hurdles is navigating Poland's administrative requirements. Employees relocating from abroad may need to obtain a PESEL number (a national identification number), register for public or private health insurance, and – depending on their country of origin – exchange their driver's license for a Polish one. These steps may sound straightforward, but without proper guidance they can lead to frustrating delays.

Employers who offer hands-on support or partner with relocation specialists often find their staff integrate faster and with fewer distractions.

Daily life logistics also require careful attention. Buying and registering a car in Poland, opening a local bank account, or signing a lease for an apartment each comes with its own set of regulations and documentation requirements.

If the employee is relocating with their family, finding a suitable preschool or school can be a top priority – and in international cities like Warsaw, Poznań, or Kraków, competition for places in bilingual or international institutions can be intense. Employers that provide local market insights or even direct assistance in these areas can significantly ease the transition.

Employers who offer hands-on support or partner with relocation specialists often find their staff integrate faster and with fewer distractions.

- Nicole Feliksiak | Attorney-at-law

Ultimately, **successful expatriate management in Poland is about more than compliance** – it's about creating an environment in which the relocated employee can thrive.

By anticipating these practical challenges and offering structured support, employers not only reduce the risk of costly disruptions but also build loyalty and goodwill among their international talent. In a competitive business environment, that can be the difference between a smooth expansion and a missed opportunity.



6 Investment Control in Poland

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Foreign Subsidies Regulation (FSR)

The Foreign Subsidies Regulation – Regulation (EU) 2022/2560 – has applied across the EU since 12 July 2023. It equips the European Commission (EC) with tools to address distortions in the internal market caused by financial contributions granted by non-EU countries.

The Regulation is built around three main instruments:

1. Mandatory notification for certain mergers and acquisitions

A notification to the EC is required if:

- at least one of the merging parties, the acquired company or the joint venture is established in the EU and generated an EU turnover of at least EUR 500 million in the preceding financial year, and
- all undertakings involved in the transaction received combined foreign financial contributions (FFC) of at least EUR 50 million from non-EU countries in the three years prior to the agreement.

2.Mandatory notification for large public procurement procedures

A notification to the EC is required if:

- the estimated contract value is at least EUR 250 million (or EUR 125 million where the procurement is divided into lots), and
- the tenderer (including main subcontractors and suppliers) received combined FFC of at least EUR 4 million per non-EU country in the three years prior to the notification.

3.Ex officio investigations

The EC may on its own initiative investigate any other market situation, including mergers and public procurements below the notification thresholds, where it suspects that foreign financial contributions may distort competition in the EU internal market. This tool allows the EC to open cases up to five years after the subsidy was granted.

KEY POINTS:

- **No turnover or contribution thresholds apply.**
- The EC may investigate contributions granted **up to five years** before the start of proceedings (or longer if the distortion is ongoing).
- Sources of information may include **competitors, national authorities or publicly available data.**
- The procedure can result in the **same types of decisions and remedies as in notifiable cases.**



Foreign Direct Investment screening – scope, thresholds, sectors

In recent years, Poland has joined the growing list of countries introducing Foreign Direct Investment (FDI) screening rules, designed to safeguard sectors deemed essential to national security and public order. While the regulatory framework is not intended to discourage legitimate investment, it does require certain foreign investors to clear additional procedural steps before closing a transaction.

Why this matters for investors

FDI screening ensures that foreign-controlled entities cannot acquire decisive influence over Polish businesses that are strategically important to the country's economy or security. This covers both direct acquisitions of Polish companies and indirect acquisitions where the ultimate controlling entity is foreign.

Scope of application

The Polish screening regime applies to investors from outside the European Economic Area (EEA) and the OECD, though in practice, certain OECD-based investors may still be subject to review if their transaction involves sensitive sectors. Screening is handled by the minister responsible for the economy (currently the Minister of Economic Development and Technology), following the 2025 reform that transferred these powers from the President of the Office of Competition and Consumer Protection (UOKiK).

Thresholds



A mandatory notification must be made if:

- The target is a company with its registered seat in Poland,
- It operates in a sector listed as strategic under Polish law (see below),
- The investor seeks to acquire at least **20%, 25% or 50%** of shares/voting rights, or otherwise gain control (including via mergers, demergers or asset purchases),
- The target generated turnover in Poland exceeding **EUR 10 million** in either of the **two preceding financial years.**

Strategic sectors

The list of sensitive activities includes, among others:

Energy generation, transmission and fuel supply	Telecommunications infrastructure and services	Water supply and wastewater treatment	Food processing of strategic importance (e.g., dairy, grain storage)
Chemical production and pharmaceuticals	Military and dual-use goods manufacturing	IT systems for critical infrastructure	Transport infrastructure (ports, airports, rail hubs)

This list is periodically updated, and investors are advised to verify whether their target's business falls within it before signing a binding agreement.

Screening process

The procedure begins with a formal notification to the competent minister, submitted before the transaction is completed. The authority has **up to 30 business days** for a preliminary review and may extend this to **120 days** in complex cases. Clearance may be unconditional, conditional (with specific commitments), or refused if the deal poses a threat to public order, security or health.

Consequences of non-compliance

Completing a notifiable transaction without prior clearance can result in:

- The transaction being declared null and void,
- Fines on both the investor and target company,
- Potential criminal liability for responsible persons.

Investor takeaway

While most investments proceed smoothly, deals in sensitive sectors should factor in FDI screening timelines and potential conditions early in the process. Involving legal counsel familiar with both sector-specific regulations and the ministry's practice **can prevent costly delays and ensure a compliant closing.**

> *Completing a notifiable transaction without prior clearance can result in the transaction being declared null and void, fines, and even potential criminal liability.*
>
> *- Nicole Feliksiak | Attorney-at-law*



MERGER CONTROL
– UOKIK NOTIFICATIONS AND PROCEDURES

Merger control in Poland is regulated under the Act on Competition and Consumer Protection and is supervised by the President of the Office of Competition and Consumer Protection (UOKiK). Its purpose is to prevent concentrations that could significantly restrict competition in the Polish market.

When notification is required

A transaction is subject to mandatory notification if:

- the combined worldwide turnover of all undertakings involved exceeds EUR 1 billion, or
- the combined turnover in Poland of all undertakings involved exceeds EUR 50 million.

The obligation applies to:

- mergers of independent undertakings,
- acquisition of direct or indirect control,
- creation of a joint venture,
- acquisition of part of an undertaking, if the turnover generated by that part in Poland exceeded EUR 10 million in either of the two preceding financial years.

Procedure

1. A notification must be filed before the transaction is completed.
2. UOKiK conducts a Phase I review within 1 month.
3. If further analysis is required, the case proceeds to Phase II, which may take up to 4 additional months
4. The authority may issue an unconditional clearance, conditional clearance (with remedies), or prohibition decision.

Sanctions for non-compliance

Completing a concentration without clearance, or breaching imposed conditions, may result in:

- a fine of up to 10% of the undertaking's turnover,
- personal fines for managers of up to PLN 50,000,
- annulment of the transaction.



Practical takeaway

Transaction timetables should account for potential merger control proceedings. Early assessment of turnover thresholds and market impact, combined with preparation of a complete notification, can **minimise the risk of delays.**



7

Property law: Intellectual Property & Real Estate

in Poland

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IP RIGHTS PROTECTION

Intellectual property (IP) plays a pivotal role in any modern business strategy: by securing exclusive rights to a company's name, logo, product design, or innovation, IP protection nurtures brand recognition, fosters consumer trust, and underpins sustainable competitive advantage. Therefore, at the business planning stage – in parallel with choosing a name and designing products – it is worth considering an **IP strategy**: check the availability of trademarks, file applications with the relevant authorities and **secure key assets before your competitors do.**

Neglecting to secure formal IP protection may bring unwelcome consequences: third parties could register identical or confusingly similar trademarks, domain names, or designs first, complicating your market entry and **increasing the cost of reclaiming or re-branding later.**

Trademarks

A trademark is a **distinctive sign** - whether a word, logo, colour, sound, pattern, or even the shape of a product - that a business uses to **identify and distinguish its goods or services from those of others.**

A trademark can be registered:

- **nationally with the Polish Patent Office (UPRP;** conferring protection limited to Poland) - perfect for businesses focused on domestic market;
- **regionally with the European Union Intellectual Property Office (EUIPO)** - granting a unitary right valid across all 27 EU Member States. This registration simplifies customs actions against counterfeit goods, and lets tackle infringers anywhere in the EU through one coherent legal framework
- for worldwide ambitions, via the **World Intellectual Property Organization (WIPO)** under the Madrid System, where a single "international registration" lets you designate - and later add - multiple countries while keeping administration in one dossier.

In general, registering a trademark gives an entrepreneur the following advantages:

- it secures exclusive rights to use the mark for designated goods or services, enabling to stop competitors from exploiting similar signs;
- it strengthens brand recognition and consumer trust, as customers can easily associate your products with a protected brand;
- it builds a valuable business asset that can be licensed, franchised, or sold; and
- it provides a strong legal foundation for enforcement, whether in court proceedings or through customs measures against counterfeit goods.

Before filing, it is essential to **run a thorough clearance search** - checking trademarks databases and relevant domain and marketplace listings - to verify that no earlier, confusingly similar marks already cover the same goods or services. A well-executed search minimises the risk of opposition or refusal, helps you avoid costly rebranding, and ensures you do not inadvertently infringe the rights of businesses already active in your target market.

Copyrights

Copyright is often the silent backbone of commercial value: any original work of authorship:



may enjoy full legal protection in every EU country from the moment it is "fixed" in tangible form, with no registration formalities required.

This matters well beyond the obvious creative sectors such as advertising, film, music, and the arts; modern IT services, e- commerce platforms, videogame studios, fashion labels, interior-design firms, e-learning providers, and even manufacturers that rely on user manuals or industrial software all trade in copyrightable assets daily.

In copyright matters, sound contracts are indispensable, which can avoid costly disputes down the road.

Under Polish law, economic rights stay with the author unless they are formally transferred to the other party in writing. At the same time, a full assignment of copyrights is not always necessary or possible, in such cases it should be analysed whether an exclusive or non-exclusive license could be considered sufficient. The choice should be made case by case, factoring in budget, future exploitation plans and prevailing industry practice.

Copyright issues are closely linked to employment law: for works created within an employee's ordinary duties, Polish legislation automatically transfers the economic rights to the employer - but only if statutory conditions are met. Specifically, the work must fall squarely within the employee's assigned tasks, be delivered to (and accepted by) the employer, and be covered by the remuneration already agreed in the employment contract.

Any creations outside that scope - or future exploitations in new fields - still demand a separate written assignment or licence.

Real estate controls and law limitations - construction procedure/ sales

Polish real estate transactions and development projects are governed by a robust legal framework combining the Civil Code, the Act on Land and Mortgage Registers, and the Construction Law. Together, they define how real estate is purchased, built, and legally controlled.

Scope of regulation

Real estate law applies to:

- Ownership rights (land, buildings, premises), including special rights like perpetual usufruct or easements,
- Zoning and land-use compliance through spatial plans, construction permits, and development decisions (WZ).

Key stages of property development

1. Secure planning permission or WZ decision (decision on building conditions) - the municipal authority defines key parameters: building intensity, green space, parking.
2. Obtain a building permit or submit a construction notification, depending on project type.
3. Upon completion, execute notarial title transfer, and register ownership or property rights in the Land and Mortgage Register.

> *Polish real estate transactions and development projects are governed by a robust legal framework combining the Civil Code, the Act on Land and Mortgage Registers, and the Construction Law.*
>
> *— Natalia Chudzicka | Barrister*

Foreign investment – special permit requirement

Foreign individuals or companies from outside the EEA (and Switzerland) usually need a permit issued by the Minister of Interior to acquire land or a house in Poland.
Exceptions include:

- Apartments or garages,
- Long-residence holders or spouses of Polish citizens,
- Small non-developed plots used for statutory company purposes (under 0.4 ha).

Due diligence – avoiding legal surprises

A comprehensive property due diligence should assess:

- Real title documentation, mortgage or easement encumbrances, third-party claims, and construction compliance,
- Zoning, planning permissions, and environmental constraints.

Unofficial or unauthorized structures

Properties built without proper permits may carry hidden risks:

- New owners often inherit the obligation to legalize unauthorized construction, including paying a legalization fee, or face limitations in building utility connections or habitation - recent case law confirms this.

Practical takeaway

- Always verify spatial planning documents and property registers before purchase.
- For construction or development, secure permits and follow simplified procedures under the new 2025 rules (e.g., general plans, enhanced precision in WZ).
- Involve local legal counsel to navigate permits, due diligence, and any legacy issues like unapproved construction.

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