

**Poland  
Prize**  
powered by  
**Kielce  
Technology  
Park**

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# Poland Prize.

What's  
this?

## WHAT IS THE POLAND PRIZE PROGRAMME

Poland Prize powered by Kielce Technology Park is a program which aims at bringing foreign technological start-ups to develop their ideas and businesses in Poland. This project is not only a financial and substantive support, but also an opportunity to cooperate with Polish business. We would like to invite originators from the Industrial Internet of Things, Artificial Intelligence and Augmented Reality sectors.

## FOR WHOM IS THE POLAND PRIZE PROGRAMME?

- Individual person and teams (companies, scientific and academic teams, TT Centre spin-offs) consisting of at least 2 people,

### In comply with the following conditions:

- At least 50% of their company shares must belong to the founders/team members from abroad (outside of Poland).
- At least one Board member must be from abroad (from outside of Poland).
- The partnership should not be older than 5 years
- They are able to complete the technical challenges defined by our Partners (tech recipients).

## WHY IS IT WORTH IT, WHAT DO WE OFFER?

**MONEY** – Up to 55 000 € non-returnable financial support in cash for your team to set up your new business. You also have the opportunity to receive more funds from our investors.

**MEET** – Join the meetings where you can learn how to set up your own business in Poland.

**START and ADOPT** – Our experienced team of interpreters and legal advisors will support you and answer all your potential questions during the Soft landing phase.

**MY POLSTORY** – Meet people from all over the world who succeeded in running their business in Poland.

**DEVELOPMENT WORKSHOPS** – Training sessions will help you develop and improve your own business skills.

**JOB SHADOWING** – Learn how the business operates from within.

**WORKSHOPS WITH RECIPIENTS OF TECHNOLOGY** – Meet with your recipients to get a better understanding of your client's expectations.

**BRANDING** – Learn how to develop your brand.

**CAREER** – Receive help in managing your Startup from professional business experts.

## WHAT EXTRA?

- modern infrastructure at your disposal
- community of 200 companies ready to cooperate
- low operating costs in the region
- the advantages of living and running your business in a compact city

## SPECIALIZATIONS

### **Innovative solutions for the industry in the field of:**

- Industrial Internet of Things (IIoT)
- Augmented Reality (AR)
- Artificial Intelligence (AI)
- Renewable Energy Sources (RES)
- Fintech
- Bioeconomy
- Cybersecurity
- Smart City

## BUSINESS PARTNERS & CHALLENGES

We have invited companies from many different industries to cooperate – foundry, renewable energy, IT, automotive, energy and others. Each of them identified the technological challenges it faced. It is these tasks that the start-ups in our program will work on. The list of technology recipients is open, and new partners and their technological challenges will be regularly published on our website:

**[www.technopark.kielce.pl/polandprize](http://www.technopark.kielce.pl/polandprize)**



## HOW DOES IT WORK?

### I. APPLICATION

**Terms & Conditions** – it is important for you to familiarise yourself with the programme rules / read the terms and conditions carefully.

**Get more info** – it is always good to know more, that is why you should participate in meetings about the programme / don't be afraid to ask questions.

**Apply** – familiarise yourself with the application form / prepare all the necessary information and apply.

### II. EVALUATION

**Prepare your arena** – prepare yourself for the presentation as well as you can / it will be your 5 minutes to shine (literally).

**Selection Days** – present your idea / you will not only be evaluated by the accelerators, but also by your potential business partners and VCs.

**Preliminary agreement** – sign the preliminary agreement / it will allow you to register your company in Poland.

### III. SOFT LANDING & DEVELOPMENT

**Settle in Kielce** – our city is compact, very green and everything is nearby / our team and concierge chosen by you will explain the rules and help you to settle in / you will learn about our ecosystem, mentors and business partners.

**Register your company** – we will help you to register your company / we will also help you with all the necessary formalities related to the project.

**Soft Landing Agreement** – you will sign grant agreement / you will get ca. 40k PLN for development of your business.

**Develop** – operate/meet, talk and cooperate with your business partners or VC funds / participate in Job Shadowing / take part in the Design Thinking workshops, together with your technology recipient / sign up a letter of intent with us / you will have 3 months to complete all formalities.

### IV. ACCELERATION

**Acceleration agreement** – sign the acceleration agreement / work on the solution with your company or VC fund / you will get financial support up to ca. 200k PLN / you will have 8 months to complete all of the above mentioned.

**Mentor support** – you will receive the support of a translator, lawyer and your startup supervisor / you will take part in workshops and training sessions.

**Develop the solution** and cooperate with the company or VC – cooperate with the recipient of technology or VC fund / participate in job shadowing/work directly with the recipient of technology.

### V. DEMO DAY

**Prepare the final phase** – prepare your presentation and your final speech / show everyone the progress you have made.

### VI. POST-ACCELERATION

**Support program** – continue your work / we will prepare an individual program for the commercialization of your idea.

**Business date** – take part in the meetings with the VC funds / every meeting will be a chance for additional funds for your Startup.

**Info Helper / Info Help Desk** – read our mailings/information packs about other financial programmes.

## WHEN?

We are planning 3 recruitment rounds.  
You choose which one is best for you.

— **first round – 25.10.2021 – 31.01.2022**

— **second round – 01.02.2022 – 30.04.2022**

— **third round – 01.10.2022 – 31.12.2022**



# 10 things

you should  
know about  
Poland

## 1. OFFICIAL NAME:

Republic of Poland (shortform: Poland), Rzeczpospolita Polska (shortform in Polish: Polska)

## 2. OFFICIAL LANGUAGE:

Polish

## 3. LOCATION:

Central Europe. Poland borders Germany, the Czech Republic, Slovakia, Ukraine, Belarus, Lithuania and Russia (the Kaliningrad exclave). Its northern border (440 km long) runs along the Baltic Sea coast.

## 4. CAPITAL CITY:

Warszawa (Warsaw: population 1.7 million / Warsaw agglomeration: 2.5 million)

## 5. POPULATION:

38 million. Poland has the seventh largest population in Europe and the sixth largest in the European Union.

## 6. TIME ZONE:

Poland belongs to the Central European time zone (GMT +1 hour / UTC +1 hour), except for between the last Sunday in March and the last Sunday in October when it switches to daylight saving time.

## 7. CLIMATE:

The Polish climate is moderate continental, with relatively cold winters (from December to March) and hot summers which extend from June to August. January temperatures average  $-1^{\circ}\text{C}$  ( $30^{\circ}\text{F}$ ) to  $-5^{\circ}\text{C}$  ( $23^{\circ}\text{F}$ ). July and August average temperatures range from  $16.5^{\circ}\text{C}$  ( $62^{\circ}\text{F}$ ) to  $19^{\circ}\text{C}$  ( $65^{\circ}\text{F}$ ), though some days the temperature can reach even  $35^{\circ}\text{C}$  ( $95^{\circ}\text{F}$ ).

## 8. CURRENCY:

1 zloty (PLN) = 100 groszy (actual exchange rates: [www.nbp.pl](http://www.nbp.pl))

## 9. CALLING CODE:

+ 48; Internet domain: .pl

## 10. INTERNATIONAL ORGANIZATIONS:

Poland is a member of the European Union (EU), the Schengen Area, North Atlantic Treaty Organisation (NATO), United Nations (UN), International Monetary Fund (IMF), United Nations Educational, Scientific and Cultural Organisation (UNESCO), United Nations International Children's Emergency Fund (UNICEF), World Health Organisation (WHO), World Trade Organisation (WTO), Organisation for Cooperation and Development (OECD) and many others.



**Why**  
Kielce?

Regardless of the technology in which you operate, it is a very good decision that you chose Kielce! Why? There are many reasons, and here are the most important ones.

# Kielce

## – most important information

Kielce is the capital of Świętokrzyskie province. Currently, 180 000 people live here. Our city is located in Świętokrzyskie Mountains, where green terrains and nature reserves attract tourists from all around the country. We also have a very convenient transport location – between Poland's largest cities, such as Warsaw, Krakow, Lodz, and Lublin.

There are over 30 000 active companies in Kielce, and the dominating industries are the metal and foundry industry, machine and automotive industry, congress and exhibition industry, and modern business services (BSS). There are also many companies in the following sectors: sales, programming and IT, accounting, bookkeeping, and HR. Companies of the richest Poles also have their offices here – Rovese S.A., Barlinek S.A. and Cersanit S.A. of Michał Sołowow and Kolporter which is owned by Krzysztof Klicki. There is also VIVE Textile Recycling, which is a part of the VIVE Group – the largest textile recycling company in Poland. In our opinion, the best





mayonnaise in Poland is also produced here – Majonez Kielecki produced by WSP Spółem. Apart from business, we also have higher education institutions, such as Jan Kochanowski University and the University of Technology.

A very important institution in Kielce is Targi Kielce, one of the largest exhibition centers in Poland. They organize many international trade fairs, including the International Defense Industry Exhibition.

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If you are a sports fan, you should not be complaining about the lack of opportunities to practise sport and enjoy significant sports events. Two-sport disciplines are especially popular – handball and football. Our Łomża Vive Kielce handball team is a multiple Polish handball champion and the EHF 2016 Champions League winner. We also have women team – Suzuki Korona Handball Kielce. Additionally our football team, Korona Kielce is currently on the way to enter the top league in Poland.

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Everyone visiting Kielce will find something attractive here. These can be beautiful landscapes, interesting monuments of architecture and construction (over 250 spots), and museums and galleries of various themes. For those who spend their time actively, the offer will be complemented by hiking, biking, horse riding and as well as numerous recreational facilities (indoor swimming pools, ski slopes, tennis courts, go-kart track).

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There are also numerous monuments and museums, e.g. the Palace of Krakow Bishops from the first half of the 17th century, the Cathedral Basilica of the Assumption of the Blessed Virgin Mary, dating back to the 12th century, St. Wojciech – the oldest temple in the city, the Zieliński Palace, the Laszczyk Manor, the Town Hall, the Market Square, the Synagogue, the National Museum, the Geological Museum, the Museum of Toys and Play, the Diocesan Museum, the Museum of Ste-

fan Żeromski's School Years, the Hammond Organ Museum dedicated to Laurens Hammond – an American engineer and inventor. Interesting places are also educational centers of the Geonatura Center recently entered on the UNESCO list, the Center for Patriotic and Civic Thinking, the Design Institute, and the Energy Science Center at the Kielce Technology Park.

Kielce is also a good destination for those searching for spiritual and cultural development. Theater of Stefan Żeromski, the Świętokrzyska Philharmonic, Kielce Culture Center, Kielce Dance Theater or TeTaTeT Theater are places where you can watch unique performances, dance shows or indulge in music and concerts. There are also four inanimate nature reserves in Kielce: Kadzielnia, Wietrznia, Ślichowice, Biesak – Białogon and the Karczówka landscape reserve.

It is worth noting that Kielce is the best place from which we can start visiting the Świętokrzyskie Mountains.

Sienkiewicz street, or so-called "Sienkiewka", is the main street of Kielce. Numerous stores and establishments can be found along it. It is free from traffic and is the largest pedestrian zone in the city. A few steps away there is the market square, whose location was determined back in the Middle Ages. This is where you will find numerous bars and restaurants that open their gardens in the summer, and the whole market is bustling with life until late at night.

If you need to go shopping, in Kielce you will find two large shopping centers – Echo and Korona, where chains of the largest clothing brands are available, as well as home decoration stores, drugstores, bookstores. In addition, there are many grocery stores, such as Kaufland, Auchan, Aldi or Netto, and smaller local shops. In addition, you will also find many construction and gardening stores – Castorama, Obi, Mrówka or Bricomarché.

Kielce also has very good transport connections. The city center is a kind of a hub, from where you can get to other parts of it in a relatively short time. You can buy single-use transfer ticket as well as 24-hour tickets. It is also possible to obtain a "Kielce City Card" and have an electronic ticket, which allows you to purchase a monthly ticket. Timetables and bus routes can be checked on the website of the Municipal Transport Authority in Kielce – [ztm.kielce.pl](http://ztm.kielce.pl), where you can also follow the details of each bus and its location. This functionality is also provided by the MyBus-Online and Jakdojade.pl applications.

In addition to public transport, city scooters and electric scooters are also convenient means of transport. There is also a wide range of taxi carriers in Kielce.

Attention! There is a paid parking zone in the center of Kielce. Keep this in mind if you choose your own car as the means of transport.

Our city is also a unique place for the company's development. Entrepreneurs already operating as well as those who start their business can count on the support of the largest business environment institution in the region – Kielce Technology Park. It is a place focused on innovation and creativity, open to cooperation with entrepreneurs both from Poland and abroad. A wide range of „tailor-made” business and R&D services are offered to companies that operate here, as well as assistance in obtaining external funding and in finding business partners. Additionally, preferential office space lease terms are offered. KTP is also a place that encourages the development of start-ups. Young entrepreneurs can count on professional support in the implementation of innovative ideas. The park is characterized by a well-equipped and attractively located infrastructure. You can learn more about our city at [www.um.kielce.pl](http://www.um.kielce.pl).



# 14 things

You need to  
know before  
starting  
a business  
in Poland

Where to start? What kind of decisions must be made and when? How to register a company in Poland? We present answers to most questions you may have when starting a new business in Poland.

## I. REGISTRATION OF THE COMPANY

The first choice when starting a company in Poland is to decide which type of legal entity will be incorporated. The most common type of legal entity in Poland used by foreigners is the limited liability company (LLC, in Polish: “spółka z ograniczoną odpowiedzialnością”, abbreviation: “sp. z o. o.”).

### **Name**

The business name of the company may be chosen freely provided that it is not similar to the business name of another company operating on the same market.

### **Share capital**

Minimum share capital of the limited liability company is 5000 PLN (approximately 1250 EUR). The share capital has to be covered by contributions, which can be made in money or transferring ownership of the property (movable or immovable). Contribution cannot be made in the form of non-transferable rights, the provision of work or services towards the company. The minimum value of one share is 50 PLN.

### **Shareholders**

The limited liability company is incorporated by at least one shareholder. Shareholders may be either natural persons or legal persons, regardless of their nationality. Shareholders are not liable for the company obligations against third parties, tax obligations, or other public duties. Foreigners may own 100 % of the shares.

### **Bodies**

Superior authority of a limited liability company is the Shareholders' Meeting. The company is represented by a Management Board (consisting of at least one person) according to principles laid down in Articles of Association. There are no residency requirements for the Management Board's members. In a limited liability company, a Supervisory Board may be optionally appointed. In limited liability companies whose initial capital exceeds 500.000 PLN, and the number of shareholders exceeds twenty-five, the Supervisory Board or audit commission is compulsory.

### **Registration**

A limited liability company can be easily registered online or can be established by concluding a company agreement that requires a form of a notarial deed.

Online company formation procedure is performed via online application in the National Court Register service (eKRS system that includes so-called S24 system). The eKRS electronic system is available for both Polish and foreign citizens. Signing documents and application for entry in the National Court Register (KRS) requires a signature with a Trusted Profile (ePUAP) or qualified electronic signature (the signature purchased from the supplier of qualified certificates). You can also be represented by a proxy with a Trusted Profile or qualified electronic signature. The court is obliged to recognize the online registration request in 24 hours, but in practice, it usually takes 2 or 3 days. represented by a proxy with a Trusted Profile or qualified electronic signature. The court is obliged to recognize the online registration request in 24 hours, but in practice, it usually takes 2 or 3 days.

At the notary's office, all shareholders must be present personally or be represented by a proxy who has a notarized power of attorney.

Electronic registration is faster and cheaper, but you can only sign simple Articles of Association template and make cash

contributions. It is also possible to register a company online and then make amendments to the Articles of Association in the form of a notarial deed.

From 1st July it is mandatory to use an electronic form of communication with the National Register Court in Poland.

As an experienced team of lawyers, we provide legal services in all matters related to the company's formation process. We can help foreign entrepreneurs in those cases in which they cannot be present in the country during the entire company registration process.

### **Fees**

To register a company via the S24 system you must pay a legal fee for the entry in the amount of 250 PLN and the payment for the first entry in Court and Economic Monitor of 100 PLN. The total cost of registration by concluding an agreement for an LLC company with minimal necessary share capital that requires a notarial deed is approximately 600 PLN.

### **Polish Classification of Business Activities**

During the registration, you will need to indicate so-called PKD (Polish Classification of Business Activities) codes. The codes show your company's areas of business. You can modify your set of codes at any time. You have to choose the main PKD code that covers major areas of your business. In the court you can register only up to 10 PKD codes but of course, you can choose more.

### **Virtual office**

To register your company, you must enter an address in the National Court Register. This address will be considered as the registered office of your company where there should always be someone present to collect your business correspondence and send correspondence-related notices to you. For many companies, it is convenient to indicate a virtual office address. This address may be visited by the personnel of your tax office

to verify if your company's place of business. Thus, it is important that a person present in the seat of your company has at least general information about your company, its products or services, etc.

If you are interested in our virtual office offer, contact us directly.

### **Accounting**

Accounting books are used for full accountancy. Accounting books are compulsory for limited liability companies regardless of the amount of yearly income. We recommend contracting out bookkeeping to an accounting office to keep it correct and well organized.

Being a team of professional accountants, we provide the highest quality bookkeeping services for foreigners.

### **Central Registry for Beneficiary Owners**

The Central Registry for Beneficiary Owners (CRBO) is an IT system operated by the Ministry of Finance to process data on the beneficial owners of certain entities. Every Polish registered limited liability company needs to register in CRBO within 7 days from the date of registration in the National Register Court. Also, any changes in the shareholders' structure need to be updated in CRBO.

For CRBO purposes, a beneficial owner is any natural person with direct or direct control over the entity concerned, based on powers arising from legal or factual circumstances that allow them to exercise decisive influence over the entity's actions or activities.

If the company fails to meet this obligation, it may be fined. We can help you identify beneficial owners in each case as well as file an application.

### **Single-shareholder LLC**

When opening a limited liability company, you must be aware that in Poland in some cases additional social security

obligations apply. If you are the sole shareholder in a single shareholder LLC (you have 100% or almost 100% of shares), you may be subject to social security regulations under the Social Insurance System Act. In that case, you must pay monthly contributions to the Polish Social Security Office in the full amount (without reliefs) from the moment of acquisition of shares. For that reason, it may be sometimes more cost-effective to have more than one shareholder in your company.

## 2. SIMPLE JOINT-STOCK COMPANY

The first choice when starting a company in Poland is to decide which type of legal entity will be incorporated. A new type of company which appeared in Polish law on 1st of July 2021 is a simple joint-stock company (in Polish: "prosta spółka akcyjna", abbreviation: "P.S.A.").

This type of company is to be mainly used for conducting business activity by start-ups and other innovative projects, as it is more flexible and less expensive form.

### Share capital

The legal concept of share capital in a simple joint-stock company is different from the share capital in LCC. The amount of the share capital is not indicated in the Articles of Association and the shares are not part of the share capital (in contrast to the LLC). The minimum share capital in a simple joint-stock company is only 1 PLN. The share capital must be covered by contributions, which can be made in cash or in-kind by transferring ownership of the property (movable or immovable). Performance of work or services may also constitute in-kind contributions (however, this kind of contribution does not constitute a share capital).

The simple joint-stock company shares do not have a form of documents – they are dematerialized. Shares may not be admitted or introduced on the organized stock trading.

### Shareholders

The simple joint-stock company is incorporated by at least one shareholder. Shareholders may be either natural persons or legal persons, regardless of their nationality. Foreigners may own 100 % of the shares.

### Bodies

Superior authority of a simple joint-stock company is the Shareholders' Meeting. The company is represented by a Management Board (consisting of at least one person) according to principles laid down in Articles of Association or by the Board of Directors – a new type of the company's body with managing and supervising powers. The Board of Directors is appointed instead of the Management Board and the Supervisory Board. A Supervisory Board may still be optionally appointed in a simple joint-stock company with a Management Board. There are no residency requirements for the Management Board's members nor for the Directors.

### Registration

A simple joint-stock company can be easily registered online or can be established by concluding a company agreement that requires a form of a notarial deed.

Online company formation procedure is performed via online application in the National Court Register service (eKRS system that includes so-called S24 system). The eKRS electronic system is available for both Polish and foreign citizens. Signing documents and application for entry in the National Court Register (KRS) requires a signature with a Trusted Profile (ePUAP) or qualified electronic signature (the signature purchased from the supplier of qualified certificates). You can also be represented by a proxy with a Trusted Profile or qualified electronic signature. The court is obliged to recognize the online registration request in 24 hours, but in practice, it usually takes 2 or 3 days. ) or qualified electronic signature (the signature purchased from the supplier of qualified certifi-

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At the notary's office, all shareholders must be present personally or be represented by a proxy who has a notarized power of attorney.

Electronic registration is faster and cheaper, but you can only sign simple Articles of Association template and make cash contributions. It is also possible to register a company online and then make amendments to the Articles of Association in the form of a notarial deed.

From 1st July it is mandatory to use an electronic forms of communication with the National Register Court in Poland. As an experienced team of lawyers, we provide legal services in all matters related to the company's formation process. We can help foreign entrepreneurs in those cases in which they cannot be present in the country during the entire company registration process.

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### **Virtual office**

To register your company, you must enter an address in the National Court Register. This address will be considered as the registered office of your company where there should always be someone present to collect your business correspondence and send correspondence-related notices to you. For many companies, it is convenient to indicate a virtual office address. This address may be visited by the personnel of your tax office to verify if your company's place of business. Thus, it is important that a person present in the seat of your company has at least general information about your company, its products or services, etc. If you are interested in our virtual office offer, contact us directly.

### **Accounting**

Accounting books are used for full accountancy. Accounting books are compulsory for simple joint-stock companies regardless of the amount of yearly income. We recommend contracting out bookkeeping to an accounting office to keep it correct and well organized. Being a team of professional accountants, we provide the highest quality bookkeeping services for foreigners.

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The Central Registry for Beneficiary Owners (CRBO) is an IT system operated by the Ministry of Finance to process data on the beneficial owners of certain entities. Every Polish registered simple joint-stock company needs to register in CRBO within 7 days from the date of registration in the National Register Court. Also, any changes in the shareholders' structure need to be updated in CRBO.

For CRBO purposes, a beneficial owner is any natural person with direct or direct control over the entity concerned, based on powers arising from legal or factual circumstances that allow them to exercise decisive influence over the entity's actions or activities.

If the company fails to meet this obligation, it may be fined. We can help you identify beneficial owners in each case as well as file an application.

### 3. E-SIGNATURE

In order to establish a company via an online application (S-24 system), it is necessary for shareholders and board members to own an electronic signature used for digital document signing. The electronic signature will be also useful in the future.

#### Electronic signatures

The System accepts the following electronic signatures:

1. Polish Trusted Profile (ePUAP) – to obtain this electronic signature you should go to the government website and follow the instructions. To get this kind of signature you must have a PESEL number.
2. Qualified electronic signature – a paid e-signature that may be obtained only from the certified e-signatures provider. This type of signature has the widest use (apart from the company's documents, you may also sign contracts, etc.) because it has the same legal standing as a handwritten signature.

More information to find on the website of National Certification Center > <https://www.nccert.pl/indexE.htm>

Examples of qualified e-signature providers: Certum, Eurocert, PWPW Sigillum > <https://eurocert.pl/> <https://sigillum.pl/>

### 4. VAT REGISTRATION

There are several situations when a company has to obtain VAT number in Poland.

#### When do you have to register your VAT number?

Firstly, every Polish entrepreneur is obliged to get a VAT

number if sales during the tax year exceed the limit of PLN 200 000 (around EUR 45 000). However, if business activity starts during the tax year, this limit must be calculated in proportion to the number of months remaining to the end of the calendar year. Polish company must register as a VAT Payer in Poland, regardless of the amount of sale, also if it operates within the field of specified business activity indicated in the Polish VAT Act.

If your company is subject to VAT tax in Poland, you must apply to the revenue office on a VAT-R form with the local Tax Authorities.

All documents submitted to the tax office must be drawn up in Polish on original tax forms. Taxpayers seated in Poland also must submit a document confirming their legal title to the real property used for their business activity.

Registration should be completed before a business carries out its first taxable transaction.

The registration procedure can be done immediately after obtaining the registration certificate from the National Court Register and is free of charge.

The standard VAT rate in Poland is currently 23%.

We can help you register a business in Poland for VAT purposes.

Since during the realization of projects co-financed by public aid, your company will make some expenditures, it is highly recommended that you register your company as a VAT taxpayer. If you are planning to cooperate with partners from other EU countries, we strongly advise registering your company also as a VAT EU taxpayer.

## 5. COMPANY TAXES IN POLAND

### Income tax

The standard value of corporate income tax (CIT) in Poland is 19%. The reduced CIT rate of 9% applies to small taxpayers and companies in the first year of business activity, with some exemptions. Corporate tax with a standard rate of 19% is one of the lowest in Europe.

### Tax losses

Losses generated from business activities may be set off against income derived from those types of activities. Losses on capital gains may be utilized only against capital gains revenue. The maximum carry-forward period for losses that cannot be set off is 5 years, while only 50% of the loss can be utilized in the given year.

### VAT

The standard rate of the value-added tax in Poland on the supply of goods and services is 23%. The reduced rate of 8% and 5% applies to the selected types of goods and services, such as certain food products or books. The reduced rate of 0% applies i.a. to the export of goods. Contributors have also the possibility to apply for a VAT refund.

### WHT

Non-residents who obtain revenues from Polish residents, in the form of dividends, interest, royalties, or certain intangibles services may receive their payments decreased by withholding tax (WHT). WHT may be reduced based on double taxation treaties between Poland and the country the taxpayer is resident in. As a rule, the reduced rate provided in the double taxation treaty may be applied only if the taxpayer supplies the required certificate of tax residence, issued by the relevant tax authority in the country in which the taxpayer is resident. As for now, the entry into force of the new WHT “pay and

refund regime” (compulsory collecting of the withholding tax according to national rates when payments exceed PLN 2 million) has been postponed until the end of 2021.

## 6. FUNDING OPTIONS

Startups developing their concepts in Poland may acquire many different forms of cash input. In Poland there are many private investors (VC funds, business angels) and entities that seek interesting startups and then invest their private money as well as public cash. Mostly such financing is made by grants, however it does not automatically mean that startup has to give some shares to the investor.

### Forms of cash input

Many Polish acceleration programs are based on proper evaluation of startup’s development stages and criteria such as startup’s branch or the scope of actions taken in order to develop its project. Significantly greater number of financial resources are given to R&D activities (it can be even several millions of Polish złotys) or development of new technologies (in particular energy technologies or reducing environment pollution).

VC funds seek startups operating in Poland and in the European Union created by Polish people or foreigners. Poland is the most important country in Central and Eastern Europe if we compare occurring investments. The country gradually fits its legal and economic frames to implement innovations in many areas.

The entities that are in early stages of its development shall take a closer look on such programs as Starting Platforms, Poland Prize, Acceleration Programs, Bridge Alfa, Fast Track and guarantee funds or mechanism for low-interest loans. Additionally, costs of business can be reduced by lower taxation on innovative actions (IP Box mechanism) or low (inspired by Estonian experience) CIT tax.

## 7. INTELLECTUAL PROPERTY RIGHTS

International property rights („IPR”) in Poland are strongly internationalized. It is because Poland is a party to all main international conventions regulating IPR. What is more, as the EU member Poland is a part of the EU IPR protection system.

### Introduction

International property rights („IPR”) in Poland are strongly internationalized. It is because Poland is a party to all main international conventions regulating IPR (that is concerning copyright, related rights, and industrial property rights). What is more, as the EU member Poland is a part of the EU IPR protection system. In consequence, many aspects of IPR can resemble these in your country, especially if you are an EU citizen. There are, however, many issues behind the horizon of international and EU legislation.

Polish legal system provides vast protection of IPR from the copyright and moral rights, through related rights, industrial property rights (like inventions, trademarks, and designs) to trade secrets, databases, and business names (in Polish: firma).

The Polish legal system provides multiprotection of IPR. It means that in certain situations the same infringement may be protected in many ways. For instance, there may be a case when a trademark can be protected basing on copyright (as a creative work), industrial property (if protection right for the trademark was obtained), or unfair competition.

### Copyright

Copyright (in Polish: autorskie prawa majątkowe) and moral rights (in Polish: autorskie prawa osobiste) are protected by the act of 4 February 1994 on copyright and related rights (in Polish: ustawa z 4 lutego 1994 r. o prawie autorskim i prawach pokrewnych).

Copyright and moral rights protect creative works. The crea-

tive work (in Polish: utwór) is a result of individual and creative human activity. It must also be established, that is possible to be perceived by someone else. This does not mean that the creative work has to be finished or fixed in a material form. Unfinished and intangible works can be protected as well. There is no closed catalog of creative works. If the following criteria are met, almost every type of work is protected (there are minor exceptions in the Polish authorship right act). In consequence business strategies, marketing campaigns or corporate identification can enjoy copyright protection. Unlike industrial property rights which must be registered, copyright is created without any formalities.

Copyright protects the economic interest of authors (other entitled persons). It involves among others right to reproduce, distribute, publish and broadcast the creative work. As a rule, the primary person protected by copyright is the author. He or she can however transfer or license this right to someone else. Moral rights have non-economic character. They protect a bond between an author and his/her creative work and the author is the only one protected by moral rights. The most significant moral rights are the right to authorship (to be indicated as an author) and the right to integrity (to object to any action that may result in distortion of the creative work). The moral rights protection in Poland is particularly strong, especially compared with the UK and US regimes.

### Copyright transfer

Since copyright transfer is not regulated in international or EU laws, knowing how to deal with this issue in Poland is particularly important.

The general rule of both transferring and licensing copyright is that a transfer (license) involves only these fields of exploitation (in Polish: pola eksploatacji) in other words ways of using the creative work, which is expressly mentioned in a contract. That is why you must be very careful when drawing up the

contract related to copyright, especially if you intend to purchase these rights.

Polish law allows to freely transfer of copyright. The copyright transfer is always a part of other agreements, like sales, donations, change or contract for specific work.

In contrast to the transfer, the license gives an entitled person authorization to exploit (for example use, distribute or reproduce) the creative work.

The Polish legal system allows for exclusive and non-exclusive licenses.

The exclusive license gives the licensee (a person who gets the license) unshared authorization to exploit the creative work. It means that the licensor (a person who gives the license) cannot grant this license (to the same extent) to other persons. Granting the non-exclusive license, the licensor can give the authorization to exploit the creative work to an unlimited number of persons.

Transfer of copyright and exclusive license agreement must be made in writing under the pain of nullity.

Moral rights cannot be transferred, but you can make a contract on not using several moral rights, using them in a particular manner, or authorizing others to use them on your behalf.

### Industrial Property Rights

Industrial property rights (in Polish *prawa własności przemysłowej*) are protected by the act of 30 June 2000 law of industrial property (in Polish: *ustawa z 30 czerwca 2020 Prawo własności przemysłowej*).

The main industrial property rights are:

- Patents – the right to protect an invention (it has to be novel, industrially applicable, and non-obvious)
- Protection right for utility model
- Registration right for a design
- Protection right for trademark

The industrial property law protects also medicinal products

(supplementary protection certificate), plant varieties, the topography of integrated circuits, and geographical indications. The difference between industrial property rights and copyright is that the first ones have to be registered. It has to be done through a special proceeding before the Patent Office (in Polish: *Urząd Patentowy*). The industrial property rights are also temporal, some of them may be prolonged, however. To gain and prolong the protection you must pay a fee.

Certain industrial property rights can be registered via Polish but also international (or regional) proceedings. Using an international (regional) path gives the possibility to obtain protection outside Poland.

Like copyright, industrial property rights can be transferred and licensed. The detailed provisions about it can be found in the industrial property law.

### Computer programs

Computer programs in Poland are protected by the authorship rights act. It means that they are protected by copyright. The computer programs protection is quite like other EU countries since rules regarding computer programs are implementation of the directive of 23 April 2009 on the legal protection of computer programs.

There is no definition of the computer program neither in Polish, nor the EU law. In general, the computer program is a set of instructions capable of causing a computer to perform a particular task.

It involves:

source code  
machine code  
in certain situations flow charts

The type of software does not matter. It can be for example firmware, mobile or desktop apps, and plug-ins.

To obtain copyright protection the computer program must meet the same requirements as other creative works (made

by a human, individual, creative, and established). It means that, as a rule, simple and repetitive source code cannot be protected.

The computer program protection does not consist of GUI, functions of the computer program in and of itself, and ideas that lie behind the program. They may however be protected otherwise (as a “normal” creative work in case of GUI and as a trade secret).

Computer program’s protection resembles the protection of literal creative works (“they are protected as literal creative works”).

There are some significant differences, among others:

- who is entitled to copyright to the computer program created by an employee,
- scope of moral rights,
- range of fair use,
- specific rights connected with the computer programs (such as the right to demand destroying technical means aimed at removal or bypassing technical measures of the program’s protection).

## 8. TEMPORARY RESIDENCE AND WORK PERMIT

When you should apply for a temporary residence and work permit?

### Residence permit?

- If you wish to stay in Poland longer than 3 months and work in this time
- In person before your visa or residence card expires.

DOCUMENTS REQUIRED TO OBTAIN A STAMP IN YOUR PASSPORT:

- application
- 4 photographs,

- a photocopy of a valid travel document
- special form (Annex no. 1) signed by your employer
- stamp duty payment.

### IMPORTANT!

- The permit is granted for max. 3 years or less if your employer wants to hire you for shorter period.
- You can work in Poland only as stated in the permit. You cannot work for another employer.  
\*If you want to work for another employer, you must re-apply for a new permit.
- You need to inform the Governor, who issued your permit that your job contract was terminated. You have 15 days from the last day of your work.
- The residence card is issued after you have received your decision with your permit.

### Work permit type A and B

If you have a company in Poland and you want to employ a foreigner from outside the EU, the EEA or Switzerland, you must first obtain a type A or type B work permit for that person.

#### Who can obtain a type A permit?

Type A permit is issued for a foreigner who works in Poland under a contract with a Polish-based entrepreneur.

#### Who can obtain a type B permit?

Type B permit is issued for a foreigner who holds office in governing bodies of Polish legal entities (companies), including being general partner or proxy (min. 6 months of holding office in last 12 months).

#### How much governmental fee you will have to pay

PLN 50 – a fee for a permit up to 3 months.

PLN 100 – a fee for a permit for more than 3 months.

Type A work permits are issued for max. 3 years.

Type B permits may be issued for 3 years.

Both types of permits may be extended.

### **Work permit type C, D and E**

#### Who can obtain a type C permit?

Work permit C is issued for a foreigner who is employed by non-Polish-based entrepreneur that delegated such employee to its Polish branch or facility for more than 30 days.

#### Who can obtain a type D permit?

Work permit D is issued – for a foreigner who is employed by non-Polish-based entrepreneur that delegates such employee to occasional and temporary work for its client in Poland.

#### Who can obtain type E permit?

Work permit E is issued for a foreigner who is employed by non-Polish-based entrepreneur that delegates such employee to work in Poland for 30 days during 6 consecutive months in situations different than mentioned in B, C and D points.

How much governmental fee you will have to pay

PLN 50 – a fee for a permit up to 3 months.

PLN 100 – a fee for a permit for more than 3 months.

PLN 200 – work permit D.

Type C, D and E may be extended.

### **Extension of work permit**

#### WHEN?

If you are an employer who employs a foreigner – you should submit an application for work permit extension in period between 30 and 90 days before the expiration of work permit.

DOCUMENTS REQUIRED TO BE GRANTED AN EXTENSION OF

A WORK PERMIT:

#### WORK PERMIT TYPE A – you are required to submit:

- an application for a work signed by an employer representative
- a copy of a valid ID card or a copy of a valid travel document (if you are hired by an entrepreneur being a natural person)
- a company agreement or document from the register confirming establishment of the employer
- a copy of all filled-in pages of a valid travel document of the foreigner
- job contract
- documents confirming payment of social security contributions
- proof of payment of the governmental fee
- if foreigner is employed through temporary job agency – agreement between the employee and temporary job agency
- documents confirming that foreigner has all necessary skills for such job (in case of regulated professions)
- statement of the employer about circumstances indicated in art. 88j sec. 1 items 3-7 of the Act on Promotion of Employment and Labor Market Institutions
- original power of attorney (if the form is not submitted personally)

#### WORK PERMIT TYPE B – you are required to submit:

- an application for the extension of the work permit signed by an employer representative
- a company agreement or document from the register confirming establishment of the employer
- a copy of all filled-in pages of a valid travel document of the foreigner
- a statement on the amount of income earned or loss incurred by the employer
- documents confirming previous employment (last 12

months)

- copies of documents confirming the possession of funds or activities allowing to meet in the future the conditions indicated in art. 88 c sec. 4 item 1 of the Act
- information about current employment status of employee (if you file for permit for more than 3 years)
- copies of documents confirming fulfillment of other particular regulations
- stamp duty fee proof of payment
- a statement of the employer about circumstances indicated in art. 88j sec. 1 items 3-7 of the Act on Promotion of Employment and Labour Market Institutions
- original power of attorney (if form not submitted personally)

#### WORK PERMIT TYPE C – you are required to submit:

- application form for work permit signed by the employer representative
- documents confirming establishment of the employer
- copy of a foreigner's valid travel document
- confirmation of the foreign employer indicating a representative residing in Poland and authorized to act in the name of the employer before Polish institutions (including Province Governor of place when the foreigner will work)
- document confirming delegation of employee to Poland
- documents confirming relations that are specified in art. 88 of the Act on Promotion of Employment and Labour Market Institutions
- certified copies of the supporting documents (that employee meets all necessary conditions for its job in Poland)
- job contract
- proof of payments of social security contributions (if required)
- proof of payment of the governmental fee
- statement of the employer about circumstances indicated in art. 88j(1)(3-7) of the Act on Promotion of Employ-

ment and Labour Market Institutions

- original of power of attorney (if form not submitted personally)

#### WORK PERMIT TYPE D – you are required to submit:

- application form
- documents confirming establishment of the employer
- copy of the foreigner's valid travel document
- copy of an agreement on the basis of that service is or will be provided
- document confirming delegation of employee to Poland
- certified copies of the supporting documents (that employee meets all necessary conditions for its job in Poland)
- job contract
- proof of payments of social security contributions (if required)
- proof of payment of the governmental fee
- statement of the employer about circumstances indicated in Article 88j(1) (3-7) of the Act on Promotion of Employment and Labour Market Institutions
- original power of attorney (if form not submitted personally)

#### WORK PERMIT TYPE E – you are required to submit:

- application form
- documents confirming establishment of the employer
- copy of the foreigner's valid travel document
- document confirming delegation of employee to Poland
- certified copies of the supporting documents (that employee meets all necessary conditions for its job in Poland)
- job contract
- proof of payments of social security contributions (if required)
- proof of payment of the governmental fee
- statement of the employer about circumstances specified in Article 88j(1) (3-7) of the Act on Promotion of Employ-

ment and Labour Market Institutions

- original of power of attorney (if form not submitted personally)

## 9. POWER OF ATTORNEY

As a sole entrepreneur, partner, or member of the management board you are entitled to make agreements for yourself (or your partnership or company). In many situations, you do not have to do so personally. A power of attorney is an authorization for a person named an attorney-in-fact to perform legal acts on your behalf.

### Introduction

Polish law gives you entitlement to appoint other person to make a contract (or perform other legal act, like terminate the contract) on your behalf based on a power of attorney or its special type named a proxy.

The general rules of power of attorney can be found in the act of 23 April 1964 the civil code (in Polish: ustawa z 23 kwietnia 1964 Kodeks cywilny).

### Power of attorney

A power of attorney (also „PoA”, in Polish “pełnomocnictwo”) is an authorization for a person named an attorney-in-fact (in Polish: “pełnomocnik”) to perform legal acts on behalf of a person who grants the PoA, named a principal (in Polish “mocodawca”).

The PoA may be granted to represent the principal in its regular everyday affairs. In such a case the PoA should be granted in writing, otherwise it is invalid. The principal may also give the PoA to carry out a determined legal activity (for example make a specific contract).

If the legal activity to be made by the attorney-in-fact requires a particular form, the PoA must be granted in the same form,

for instance if the attorney-in-fact concludes a contract in a notarial deed form, the PoA should be drawn up in the notarial deed form as well.

As a rule, the principal may revoke the power of attorney at any time. After the PoA expires, the attorney-in-fact should return the PoA document.

The principal may appoint more than one attorney-in-fact to perform the same activities. In situation like that each of them may act independently (unless the PoA states differently). The PoA may authorize the attorney-in-fact to appoint other attorneys-in-fact for the principal. These “further” attorneys-in-fact acts on behalf of the principal and are responsible directly before the principal.

### Proxy

A proxy (in Polish: prokura) is a special type of a power of attorney which can be granted only by an entrepreneur.

The scope of the proxy is determined in Polish law. It involves all activities connected with running a principal’s business (also before the courts), with certain limitations (like selling a real estate).

The proxy document must be made in writing under the pain of nullity. The information who is the proxy must also be disclosed in the relevant registers. If a principal is a company or partnership, it will be the National Court Registry. If he or she runs a sole entrepreneurship, the right register is the Central Evidence and Information about Business Activity (in Polish: Centralna Ewidencja i Informacja o Działalności Gospodarczej).

Contrary to the PoA, which may be granted not only to a natural person but also to an organisation, a proxy can be given to the natural persons only.

Like the classic PoA, the proxy may be revoked at any time. There are also situations when it expires by law (for example

when a company is liquidated). It is important to remember to update information about the expiry in the relevant register.

## 10. INVESTMENT AGREEMENTS

In order to obtain funds, startups often need to negotiate a term sheet and then investment agreement with potential investors. Investment agreement defines the rules for the whole investment process for years.

### Preparing for investment

It is necessary to be aware of the meaning of terms and conditions and to be able to negotiate the rights and obligations of founders and investors. Main rules are governed by the Polish Commercial Code, but there are many specific conditions not defined in statutory law.

Our support involves preparing the company for investment, including due diligence as well as drawing up and negotiating term-sheets drafts, founders' agreements, or investment agreements. We offer help during every round of funding, exit, and follow-on.

## II. REPRESENTATION OF COMPANIES

The representation of companies is governed by many legal rules. Knowing at least main of them is essential to run business in Poland.

### Introduction

Contrary to individual entrepreneurs (in Polish: jednoosobowa działalność gospodarcza) in which entrepreneurs act in their own names (as themselves), partnerships (in Polish: spółki osobowe) and companies (in Polish: spółki kapitałowe) are separate legal entities.

It means that they are legally independent on its owners. Therefore, if their owner (or someone else) wants to carry out a legal activity (for instance make a contract) for the company (partnership), he/she will play a role of a representative. In other words, he or she will act (from a legal point of view) not as himself (herself) but as a company (partnership) or on its behalf.

### General rules

General rules of representation can be found in the civil code (in Polish: kodeks cywilny) as well as the code of commercial companies (in Polish: kodeks spółek handlowych).

Representation of companies and partnerships in Poland is done through partners or, in case of companies, a managing organ named a management board (in Polish: zarząd).

To perform certain activities the management board must gain an authorization from the shareholders or supervisory board. There are also specific situations when the management board cannot represent the company. In such a case it is superseded by a supervisory board or attorney-in-fact.

### National Court Registry

Knowing who is a representative of a company and what is the method of representation is essential for conducting business in Poland and avoiding negative legal impacts of incorrect representation.

Representatives capable to represent a company in day-to-day affairs must be registered in the National Court Registry (in Polish: Krajowy Rejestr Sądowy). Every company and partnership must update information about itself. It can be done online.

The National Court Registry is an official register in which you can get acquainted with the fundamental information about partnerships, companies and other legal persons. There is a legal presumption that information entered in the National Court Registry are true.

You can have online access to the register and download excerpts from it (for free) >

### **Representation according to a company type**

#### GENERAL PARTNERSHIP (IN POLISH: SPÓŁKA JAWNA)

General partnerships are a basic form of partnership under the Polish law. The general rule of their representation is that every partner has right to represent a general partnership and this right cannot be limited against third parties. Every partner It does not change that the partners can agree between themselves that only some of them can represent a partnership or describe the method of representation. These conclusions will be effective only between the partners, however.

#### LIMITED PARTNERSHIP (IN POLISH: SPÓŁKA KOMANDYTOWA)

Every limited liability partnership must have at least one general partner (who is fully responsible for the partnership's affairs) and one limited partner (whose responsibility is limited only to a certain sum indicated in the partnership's articles of association). Like in general partnership, the general partner is always authorized to represent a limited. On the contrary, the limited partner is not entitled to represent a partnership. It does not change the fact, that you can always grant the limited partner a power of attorney and make him/her an attorney-in-fact.

#### LIMITED LIABILITY COMPANY (IN POLISH: SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ)

A limited liability company is represented by a management board. The management board may consist of one or more people. If there are more than one person in the management board, the method of representation is determined in the limited liability company's articles of association. It is also disclosed in the National Court Registry.

#### SIMPLE JOINT STOCK COMPANY (IN POLISH: PROSTA SPÓŁKA AKCYJNA)

How a simple joint stock company is represented depends on its owner's decisions. They may decide to appoint the management board, like in LLC or joint-stock company. They may also choose to elect the boards of directors. Each of these bodies may consist of one or more people. If there are more than one person, the method of representation is determined in the simple joint stock company's articles of association. It is also disclosed in the National Court Registry.

#### JOINT STOCK COMPANY (IN POLISH: SPÓŁKA AKCYJNA)

Similarly, to a limited liability company, a joint stock company represents a management board which can comprise one or more people. When two or more people are in the management board the way they represent determines the articles of association. It is disclosed in the National Court Registry as well.

#### Other representatives

General partners (in partnerships) and management board (in companies) are not the only one representative the company or partnership may have.

To conduct day-to-day affairs of a company (partnership) an attorney-in-fact (in Polish pełnomocnik) or proxy (in Polish: prokurent).

## 12. OPENING A BANK ACCOUNT

Each entrepreneur operating in Poland shall be the owner of a bank account in a Polish bank. The entity that receives public aid can receive them only in a form of a bank transfer. In many cases realization of the project co-funded with public money requires to present confirmation of payments for the costs related with this project.

### Bank account in Poland

The best option to recommend for an entrepreneur is to have at least two bank accounts. One of them shall be used for business transactions and the second one for payment and refund of VAT tax. Such bank accounts can be sub-accounts of the same account but can be also opened in two different banks.

Sometimes it is difficult for foreign entrepreneur to open a bank account in a Polish bank online, because bank must verify the identity of the bank account owner. In most cases it is necessary to go to the bank personally. Some banks allow to open a bank account online and grant full access to all functions after the client's verification procedure is finished. A bank verifies a person, its identity and the company's legal and economic situation.

Many banks are not eager to open a bank account for entities in their so called 'organizational' stage (companies that have articles of association signed by shareholders but are not yet registered in national register of entrepreneurs).

Some of the banks participate in the Trusted Profile system that allows a natural person who owns a bank account to sign the documents electronically. This can be also helpful for the board members because they are obliged to sign annual financial reports with qualified electronic signature.

We can help you with choosing a bank and opening a bank account.

## 13. CONTRACTS FORM

General principle of contracts in Poland is that, if legal rules do not require a specific form for contract, it can be done in any way – even by email or orally.

### Freedom of form

General principle of contracts in Poland is that if legal rules do not require a specific form for contract (or other act in law such as termination of a contract), it can be done in any way.

It means that you can do so orally, by email or even by every conduct that shows that you are interested in making an agreement.

A requirement of certain form may derive from a statute but can be established by parties in a contract. The parties are also free to determine the consequences if a form agreed by them is not met.

General rules of form can be found in the civil code.

### Types of form

Polish law enlists several specific forms that are required to make certain types of contracts (like selling a real estate, purchasing shares in limited liability company or transferring copyright). The most important are:

- Written form – to make agreement in this manner you must sign the document with your statement. A document substance does not have to be written by hand it can be printed or scanned. The only element that must be hand-written is a signature. The hand-written signature

may be replaced by a certificated electronic signature (in Polish: kwalifikowany podpis elektroniczny). It is called an electronic form.

- Documental form – a statement is made in the form of document that on any data carrier (for instance email, sms, audio or video recording) if only makes identifying a person that declares possible.
- Notarised signature – a form in which parties' signatures are made between a notary public (in Polish: notariusz) an official responsible for preparing certain types of documents and ensuring that they comply with law. To make a contract in this form you must visit a notarial office and pay a fee.
- Notarial deed – a form in which an entire document is created by a notary public. To make a notarial deed you must visit a notarial office and pay a fee.

What is important, the more “severe” legal form can always supersede the less meaningful. In consequence if a statute requires written form, you can achieve the same result by notarised signature or notarial deed. If a notarised signature is needed, you can also make a contract in a notarial deed form.

### Consequences of lack of form

Lack of correct form may lead to negative legal consequences. The Polish legal system provides three types of them:

- Evidential consequence – you cannot use a proof from witnesses or parties' explanation for the fact of making a contract (with certain exceptions). This is the basic consequence if a written, electronic or documental form is required (if a statute or contract do not provide other consequences).
- Specific legal effects – the consequences of lack of form are determined in a statute or a contract.
- Pain of nullity – a contract does not bring legal effects.

There is a rule that if a statute or contract require a specific form (other than a written, electronic or documental form), lack of this form will make a contract null and void.

## 14. TYPES OF EMPLOYMENT

There are three most popular methods of performing work in Poland.

### General rules

There are three most popular methods of performing work in Poland – based on an employment agreement, civil law agreement and so-called self-employment. The provisions of Polish Labour Code apply only to persons employed with employment agreements.

Employment based on civil law agreements and self-employment are generally more flexible and less expensive for the employers. However, the parties should always remember to create the agreement in accordance with specific rules for employment or civil law agreements.

By establishing an employment relationship, an employee undertakes to perform work of a specified type for the benefit of an employer and under his or her supervision, in a place and at the time specified by the employer. The employment contract cannot be replaced by the civil law contract where the performance of work conditions specified above apply. If a civil law contract provides rules characteristic of an employment contract, it can be deemed as an employment contract.

### Types of employment agreement

There are three types of employment agreements in Poland:

- employment agreement for trial period (for the maximum period of 3 months)
- employment agreement for definite period

- employment agreement for indefinite period

All foreigners, EU and non-EU residents, can be employed based on the same types of agreements as Polish citizens.

### **Working time**

According to Polish Labour Code, the working time should not exceed eight hours per day and 40 hours per five-day-long working week on average and a weekly working time, including the overtime hours, should not exceed 48 hours on average.

### **Minimum wage**

The remuneration in Poland cannot be lower than minimum wage, which is determined by the Council of Ministers. In 2021 the minimum wage amounts to PLN 2,800 (approx. EUR 620) gross per month.

### **Civil law contracts**

There are two main types of civil law contracts in Poland – the contract to perform specified work (umowa o dzieło) and the contract of mandate (umowa zlecenie).

The contract to perform specified work is most common for seasonal work and within IP sector (creative, new tech). Within this contract parties often transfer intellectual property rights. The crucial characteristic of a contract to perform specified task is the fact that it defines its termination date by completing the specified work.

The purpose of a contract of mandate is the performance of specified activities by the party who accepts an order (an agent) for the benefit of the party who orders an order (a principal). This contract is usually concluded for an indefinite time and can be in any time terminated.

### **Self-employment**

Self-employment is a specific relationship between an employee and an employer. It assumes that entrepreneurs are equal partners. An employee is not subordinate and can organize his work at his own discretion. An employer does not specify the time and place in which work is to be performed even though a contract concluded between entrepreneurs may include detailed provisions on the method and time in which services are to be performed.

Remuneration of a self-employed person is not subject to the regulation on the minimum wage and an employer is not obliged to pay remuneration on a monthly basis.

We can advise you on the best form of employment in accordance with legal requirements and your needs, we also provide personnel and payroll services.

### **MORE QUESTIONS?**

Arrange an online consultation. Choose an option for you and your company. Discuss your matters with a dedicated professional online.

The material was prepared by Law Firm SWLEX Sp. z o.o. (<https://swlex.pl/>). It is an experienced team that provides comprehensive advice to business. They advise, among others IT industry, investment funds, start-ups, interactive agencies. They specialize in commercial companies law, intellectual property law and personal data protection.

Additional information on the law, rules and taxes related to running a business in Poland can be found on the government website <https://www.biznes.gov.pl/firma/robi-biznes-w-polsce> dedicated to foreign entrepreneurs, it is available on an ongoing basis updated.

**see you**

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