



## Green Future

PR3 – Financial & legal assessment tools: Digital Platform for financial and legal assessment.

## Report POLAND



## Desk Research

### Keywords used in this desk research

Funding, Accountant, Taxes, Company, Accounts

### Section 1: The current legal status in (country)

#### From a legal point of view, how does someone set up a business in your country?

Consider:

- What are the different types of legal structures in place in your country?

The types of companies in Poland are divided into **capital and partnership**. Apart from these, there is also a **civil partnership**.

#### **Civil partnership**

A civil partnership is not a type of commercial company. It may be established by at least two legal persons (e.g. a limited liability company) or natural persons (entered in the CEIDG). No initial contribution is required. The company does not have a legal personality.

#### **Capital companies - types**

Capital companies are divided into joint stock, limited liability and simple joint stock companies.  
Public limited company

A joint-stock company may be established by an unlimited number of natural persons, legal entities and organisational units. The minimum share capital is PLN 100,000.

Limited liability company

A limited liability company may be established by at least two natural or legal persons. The share capital is a minimum of PLN 5,000. In the event of the company's debts, the partners are not liable with their assets.

Simple joint-stock company

A simple joint-stock company is a combination of an SA and a limited liability company. The associated regulations became effective on 1 July 2021. No minimum share capital is specified.



## Partnerships - types

Partnerships are divided into general partnerships, partnerships, limited partnerships and limited joint-stock partnerships.

### General partnership

A general partnership may be established by two or more legal or natural persons. It has legal capacity but no legal personality. Its establishment is not complicated, but it requires an entry in the National Court Register.

### Partnership

A partnership is formed by a minimum of two members of the liberal professions (for example, doctors or sworn translators). The condition for its establishment is registration with the National Court Register. There is no minimum share capital.

### Limited partnership

A limited partnership is formed by a minimum of two members: The limited partner (passive partner) and the general partner (active partner). The prerequisite is registration with the National Court Register and full accounting.

### Limited joint-stock partnership

A limited joint-stock partnership is formed by a General Partner and a Shareholder. Registration with the National Court Register and bookkeeping are required. The minimum share capital is PLN 50.

## What are the different financial mechanisms currently available in your country to support someone at risk of social exclusion to set up their own business?

There are a number of different financial support options and projects in Poland:

**Grants from the labour office** - for unemployed people.

**Loans for business start-up** - loans for business start-up are provided by the Bank of the National Economy (Gospodarstwa Krajowego) in the programme "First business - support in start-up", under very attractive conditions.

### EU grants for own business

EU funds finance projects in which you can receive a grant to start your own business. Such grants are most often intended for people who are in a difficult situation on the labour market or are at risk of social exclusion.

The offer in specific projects may vary, depending on whether you are under or over 30 years old and which entity is implementing such a project. There may be dozens of projects in one voivodeship, targeting different specific groups. Most often, projects offer their beneficiaries:

- an individual action plan, which will be prepared in the form of a scheme of steps necessary to be taken in order to improve your situation on the labour market
- career counselling in the area of choosing a profession according to your skills and abilities and assistance in career planning
- direct assistance in finding a job - job placement
- quality training, vocational courses or post-graduate studies aimed at acquiring qualifications for a given profession or improving your existing competences
- traineeships and apprenticeships with employers in order to gain the necessary work experience, the lack of which is a barrier to finding a job
- subsidies for setting up a business, as well as counselling and training aimed at acquiring the knowledge needed to run one's own business and covering the costs of social insurance for a specified period.

### **Company in the countryside**

This is an offer aimed at farmers insured in the Agricultural Social Insurance Fund (KRUS) and planning their own business. A business start-up bonus can be applied for.

### **Loans, credits and guarantees in the JEREMIE initiative**

JEREMIE, or Joint European Resources for Micro-to-Medium Enterprises, is a European Union programme initiated by the European Commission. Under this programme, entrepreneurs can benefit from loans, credits or guarantees, thanks to which companies without a long history can obtain a bank loan.

### **Financing from the Polish Development Fund**

The offer includes packages of financial and non-financial services for young and developed companies. It includes advice, but also assistance in entering foreign markets or finding business partners.

### **Financing start-ups**

There are institutions on the market that are looking for new companies with great potential and are ready to invest in them. These include seed capital funds, venture capital (VC) funds and business angels.

Support for young innovative entrepreneurs is also offered by business environment institutions: technology parks, business incubators, in particular operating within the framework of start-up platforms funded by EU funds.



### Start-up platforms for new ideas

Startups from Eastern Poland, ie from the Lubelskie, Podkarpackie, Podlaskie, Świętokrzyskie and Warmińsko-Mazurskie Voivodeships, can count on support in innovation centres, implementing the project 'Startup platforms for new ideas'.

### Crowdfunding

Crowdfunding involves the collection of funds via the internet from many investors simultaneously, for example via crowdfunding platforms. You organise such a collection yourself. Its success depends largely on skilful communication, including on social media platforms.

You can take advantage of their offer if you are under 35 years old, have an innovative business idea and want to open a company in one of the five provinces of Eastern Poland.

### What supports are available from NGO's, the local government, etc. for those wishing to set up their own business?

In Poland, there are several sources of support available for people who want to start their own business. Here are some examples:

- Regional development agencies: Regional development agencies (ARRs) operating in individual provinces in Poland offer a variety of support to entrepreneurs. They can provide information and advice on setting up and running a business, organise training courses and assist in obtaining start-up funding.
- Business incubators: Business incubators are places where start-ups can benefit from office infrastructure, business advice, training and networking. Business incubators can also provide financial support in the form of grants for business development.
- European funds: Poland has access to various European funds that can support entrepreneurs in setting up and developing a business. Entrepreneurs can apply for grants or loans for projects related to business development, innovation, training or infrastructure modernisation.
- NGOs: There are many NGOs, associations and foundations that offer support to entrepreneurs. These can include training programmes, mentoring, business consultations, assistance in developing a business plan or providing information on available funding sources.
- Job centres: Job centres offer various types of support to unemployed or jobseekers who intend to start their own business. These may include start-up grants, entrepreneurship training, mentoring programmes, etc.

It is worth bearing in mind that the availability of specific support may vary depending on the region and the programmes currently available. Before starting your own business, it is advisable to consult local institutions, regional development agencies, job centres or NGOs for information on currently available programmes and support for entrepreneurs.

## **Section 2: Obligations & rights of the potential entrepreneur**

### **What are the tax implications for business start-ups in your country**

Consider some of the following elements

- Different types of taxes in your country;
- The tax contributions for wages if any;
- How does the tax system work in your country;
- Where does one pay it? How should it be paid?;

Starting a business in Poland involves different types of taxes and tax obligations. Here are some important elements regarding the tax consequences for those starting a business in Poland:

1. Personal income tax (PIT): Persons carrying out business activities in Poland are obliged to pay income tax on the income they earn. Entrepreneurs must keep records of income and expenses and file an annual tax return PIT-36 or PIT-36L.

2 VAT: Depending on the type of business, an entrepreneur may be required to register as a VAT payer. VAT is collected on the sale of goods or services and remitted to the Treasury. Entrepreneurs must regularly submit VAT returns and pay the tax due.

3 Social security contributions: Entrepreneurs must pay social security contributions such as pension, disability, sickness and accident insurance. The contributions are calculated on the basis of the entrepreneur's income and paid to the Social Insurance Institution (ZUS).

4. Health insurance contributions: Entrepreneurs are also required to pay health insurance contributions to the National Health Fund (NFZ). The amount of the contributions is calculated on the basis of the entrepreneur's income.

5 Tax and contribution payments: Entrepreneurs are required to regularly submit tax declarations, such as the PIT-5 declaration, the VAT declaration or the contribution declaration to the ZUS. The deadlines for filing returns and payments vary depending on the type of tax and contributions.



6 Place of payment of taxes: Tax and contribution payments are made to the bank accounts of the relevant institutions, such as the Tax Office (for taxes) and the Social Insurance Institution (for contributions).

The tax system in Poland is regulated by the relevant laws and tax authorities. In order to properly account for taxes and meet their tax obligations, entrepreneurs should keep accurate records of income and expenses, submit the relevant declarations and make timely tax payments. Before starting a business, it is advisable to consult a tax advisor or accounting office for details on specific tax obligations.

In Poland, there are social contributions that are levied on employees' salaries but are not directly tax contributions. Social contributions are mandatory and are intended to finance the social insurance system, such as pension, disability, sickness and accident insurance. The employer is obliged to collect these contributions from employees' wages and remit them to the relevant institutions.

The social contributions are calculated on the basis of the employee's gross salary and have specific percentage rates for each type of social insurance. The amount of the contributions is accounted for by both the employer and the employee. The employee pays his/her share of social contributions and the employer pays its share and collects and remits employee contributions.

In Poland, there are social contributions which are levied on employees' salaries but are not directly tax contributions. Social contributions are mandatory and are intended to finance the social insurance system, such as pension, disability, sickness and accident insurance. The employer is obliged to collect these contributions from employees' wages and remit them to the relevant institutions.

The social contributions are calculated on the basis of the employee's gross salary and have specific percentage rates for each type of social insurance. The amount of the contributions is settled by both the employer and the employee. The employee pays his/her share of social contributions and the employer pays its share and collects and remits employee contributions.



### What financial and legal obligations must a potential entrepreneur complete at the end of their first year of operating?

A potential entrepreneur in Poland has several financial and legal obligations to meet at the end of the first year of operation. Here are some of the most important ones:

- **Tax payments:** the entrepreneur has to pay various taxes, such as corporate income tax (CIT) or personal income tax (PIT) in the case of a sole proprietorship. The timing and amounts of taxes are determined by the tax authorities depending on the type of activity and the income received.
- **Social security contributions:** the entrepreneur must pay social security contributions for himself and any employees. The contributions include pension, disability, sickness and accident insurance. The amount of the contributions is calculated on the basis of the established rates and the entrepreneur's income.
- **Settlement with the tax office:** The entrepreneur must prepare and submit an annual tax return (e.g. PIT-36, PIT-36L or CIT-8) and VAT reports (e.g. VAT-7, VAT-7K or VAT-EU) depending on the type of business. He must also keep accounting records, which are the basis for settlements with the tax authorities.
- **Statistical reporting:** The entrepreneur may be required to submit statistical reports such as GUS-06, GUS-Z-06, GUS-07, GUS-Z-07, etc., depending on the business activity. These reports contain information on business activity, employment, sales, etc. and are filed with the Central Statistical Office (CSO).
- **Legal and regulatory obligations:** An entrepreneur must comply with various laws and regulations related to the conduct of business. These include, among others, data protection, consumer protection, labour law, tax law and industry regulations.
- **Social Security settlements:** An entrepreneur must regularly pay social security contributions to the Social Insurance Institution (ZUS). These contributions finance pension, disability, sickness and accident insurance for the entrepreneur and his/her employees, if any.

It is worth remembering that the above obligations may vary depending on the type of business, the size of the company and other factors. Therefore, it is always advisable to consult an accountant or a lawyer specialising in tax and business law for accurate information and advice on the individual situation of the entrepreneur.



### **What insurance does a start-up business in your country have to pay?**

- Consider brick and mortar (physical) & online businesses.

In Poland, a start-up company, whether stationary (physical) or online, has several basic insurances that it must pay. Here are the most important ones:

- **Social insurance for the entrepreneur:** A person running a business, whether stationary or online, is obliged to pay social insurance contributions to the Social Insurance Institution (ZUS). The contributions include pension, disability, sickness and accident insurance. The amount of contributions is calculated on the basis of the entrepreneur's income.
- **Health insurance for the entrepreneur:** A self-employed entrepreneur must also pay health insurance premiums to the National Health Fund (NFZ). These contributions allow the entrepreneur to benefit from public health care in Poland.
- **Liability insurance:** For stationary businesses, especially those related to services or production, it is advisable to have third-party liability insurance. It protects against possible third-party claims in the event of damage caused by the company or its products/services.
- **Property insurance:** Stationary companies may opt for additional property insurance, which protects the company's property against various risks such as fire, theft, flooding, etc. This insurance can cover physical property such as buildings, equipment, inventory, as well as the risk of loss of income.
- **Business liability insurance:** business liability insurance is required for certain industries, such as transport, construction or medical activities. This protection covers third-party claims for damage caused in connection with the business.

It is worth noting that the insurance required may vary depending on the type of business and the applicable regulations. Entrepreneurs should consult their insurer or insurance agent to determine their specific insurance needs and select policies accordingly.





### Section 3: Penalties faced for non-compliance.

#### **What penalties are faced by individuals or businesses that do not comply with statutory legislation?**

Individuals or companies that do not comply with statutory provisions face various types of penalties. In Poland, the system of penalties includes both financial and criminal sanctions. Here are some examples of penalties that may be imposed for violation of statutory provisions:

- **Financial penalties:** Individuals and companies may be subject to financial penalties for violations. The amount of fines may vary depending on the type of violation and the legislation that has been breached. The authority authorised to impose financial penalties is usually the relevant supervisory authorities, such as the Office of Competition and Consumer Protection (UOKiK), the General Sanitary Inspectorate (GIS), the State Labour Inspectorate (PIP), etc.
- **Criminal and fiscal penalties:** Criminal and fiscal penalties may be applied for more serious violations of statutory provisions, such as financial fraud, corruption, abuse of employees or economic crimes. This means that an individual or company is held criminally liable and may be sentenced to a fine or imprisonment.
- **Administrative sanctions:** In the case of non-compliance with administrative regulations, such as lack of the required permit, improper record-keeping, incorrect environmental conditions, etc., administrative sanctions may be imposed by public authorities. These may include injunctions to stop non-compliant activities, fines or even closure of the business.
- **Professional sanctions:** some regulated industries have specific licensing and professional liability provisions. In the event of a breach of these regulations, supervisors may impose professional sanctions such as suspension or loss of a licence, prohibition from carrying out a specific activity, loss of professional privileges, etc.

It is worth noting that the specific penalty depends on the type of violation and the legislation. Entrepreneurs and individuals should thoroughly familiarise themselves with the applicable legislation in order to avoid potential penalties and consequences related to their violation. In case of doubt, it is always advisable to consult a lawyer specialised in the relevant area of law.

## References

### References / sources used / useful links for the target group

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