



ATLAS
BY BNP PARIBAS

CASH MANAGEMENT

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BNP PARIBAS

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world

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Poland has a population of 36,6 million people with GDP of €751bn in 2023. The country belongs to the high-income category of countries. It has been a NATO member since 1999 and an EU member since 2004, but remains outside the Eurozone.

Poland is the largest country in Central and Eastern Europe and the 6th largest in Europe. The Polish economy has been developing at a steady pace for over 25 years.

The Polish Economic Institute, in its report, summarised 20 years of membership of eight Central European countries in the EU. The GDP per capita of this group is currently 27% higher than if they remained outside the EU structures. But Poland is the leader in growth of GDP per capita in Central and Eastern Europe: it has grown by as much as 40 percent.

At the end of 2023, Poland was richer than nine EU countries - it was 18th in the community in terms of wealth. Economists indicate that the degree of convergence in terms of private consumption in Poland is higher than the degree of convergence in terms of GDP due to the structure of the Polish economic growth, which in recent decades has been mainly based on consumption. Actual private consumption per capita calculated according to purchasing power parity has now increased in Poland to 82.7% of the EU average, from 56.4% in 2004.

The Polish economy has weathered global and regional external shocks thanks to a well-diversified economic structure, integration into regional value chains, a commitment to macro-economic stability, a sound financial sector, and domestic labour markets that have supported significant wage growth and private consumption, feeding into long-term poverty reduction and median income growth. The country recovered well from the global COVID-19-induced crisis and grew at a strong pace in 2022 (+5.1%). However, the energy crisis resulting from the invasion of Ukraine has led to a sharp increase in inflation which amounted 14,4% in 2022 and 11,9% in 2023. According to the National Bank of Poland, that should decelerate to the range 3,1-4,1% in 2024.

The Polish economic model focuses on boosting productivity through stimulating innovation, decarbonising the energy sector, tackling rising inequality, and reskilling and upgrading the labor force in a context of an aging population.

The largest component of Poland's economy is the service sector (63,1%), followed by industry (29,8%) and agriculture (7,1%).

Summary

BNP Paribas presence

BNP Paribas offers a comprehensive global offer combined with a complete domestic local offer to its clients in Poland. BNP Paribas Poland is ranked as the sixth largest bank in Poland, holding a leading position in the agri-food segment and in the sector of large companies and international corporations. The quality of BNP Paribas Poland activities has been confirmed by two Euromoney awards that were won in 2023 for: The Best Bank in Poland for Corporates and The Best Bank in Poland for ESG. BNP Paribas Poland has over 400 retail branches and over 100 branches dedicated to corporate clients. The most demanding and important clients are covered by 29 Business Centres across the country employing almost 135 Relationship Managers (of which 55 are dedicated to multinational

clients). The mission of the bank is to responsibly deliver innovative financial solutions which enable the customers to change their world and which support the local economy. The bank's shares are listed on the Main Market of the Warsaw Stock Exchange. In Poland, the BNP Paribas Group operates in many areas of financial services, such as: banking, investment funds, custody services, factoring, leasing, insurance, real estate and car fleet management (by Arval).

Currency

Currency

- Polish zloty (PLN).

Exchange rates

	2019	2020	2021	2022	2023
Exchange rate:	3.839	3.90	3.86	4.46	4.20
PLN per USD					

Source: IMF, International Financial Statistics, August 2024.

Central Bank

- The Polish central bank is the Narodowy Bank Polski: (NBP – www.nbp.pl).
- The NBP is a member of the European System of Central Banks (ESCB).

Bank supervision

- Polish banks are supervised by the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego – www.knf.gov.pl).

Bank accounts

Resident / non-resident status

- A company is generally considered resident in Poland if it has a registered office located in Poland.

Bank accounts for resident entities

	Within POLAND	Outside POLAND
Local Currency	Permitted, not convertible	Permitted with restrictions
Foreign Currency	Permitted without restriction, fully convertible	Permitted with restrictions

Bank accounts for non-resident entities

	Within POLAND	Outside POLAND
Local Currency	Permitted without restriction, fully convertible	Permitted without restriction, fully convertible
Foreign Currency	Permitted without restriction, fully convertible	Not applicable

Lifting fees

- Item-based charges are applied on payments between resident and non-resident bank accounts.

BNP Paribas Cash Management Capabilities

Collections

Cash collections	✓
Cheque collections	✓
Direct debit collections	✓
Domestic incoming transfers	✓
Virtual IBAN	✓
Virtual accounts	●
International incoming transfers	✓
Card acquiring	✓

Payments

Cash withdrawals	✓
Cheque payments	●
Direct debit payments	✓
Domestic outgoing transfers	✓
Commercial cards	●
Virtual cards	✓
International outgoing transfers	✓
SWIFT gpi	✓
Real-time international payments through BNP Paribas' network	●
Card issuing	✓

Channels

Local e-Banking	✓
Global e-Banking - Connexis	✓
SWIFT/ host to host	✓

Payments & collections

Market overview

Electronic credit transfers are widely used by companies to make supplier, payroll and tax payments. Government policy in Poland is very much aimed at promoting electronic payments; the government-sponsored Cashless Poland Program, which subsidises costs of POS hardware and merchant service charges for new merchants, has increased the number of POS terminals to over 1,3 million in 2022. Cashless transactions represented over 57% of the total volume of payments in 2023. BLIK, a mobile payments platform, processed almost 1.8 billion transactions in 2023, with value of USD 63.3 billion. It has over seven million active users.

Electronic banking services are available from all banks. There is no national electronic banking standard in Poland; most banks use MultiCash. Multinational companies also use the SWIFT for Corporates messaging standards. Transaction and balance reporting, automated end-of-day sweeping, and some transaction initiation services are available on a domestic and cross-border basis.

A number of different electronic bill presentment and payment services are available. The Paybynet service is a 24/7 online payment application provided by KIR, allowing for secure retail purchases and bill payments over the internet from bank accounts via credit transfer. The Polish Bank Association and KIR offer Electronic Bill Presentment and Payment (EBPP) services in Poland via Qlips.

Payment Systems

TARGET 2 NBP	TYPE	<ul style="list-style-type: none">• Real time gross settlement.• Poland's national component of the pan-European TARGET2 system.
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	PARTICIPANTS	<ul style="list-style-type: none"> • 19 direct.
	TRANSACTION TYPES PROCESSED	<ul style="list-style-type: none"> • High-value and urgent EUR-denominated domestic and cross-border transfers. • Net obligations from Euro-ELIXIR.
	OPERATING HOURS	<ul style="list-style-type: none"> • 0700 -1800 (CET) Monday-Friday.
	CLEARING CYCLE DETAILS (eg cut-off times)	<ul style="list-style-type: none"> • Payments cleared and settled in real time. • Interbank payments cut-off time: 1800 CET.
	SYSTEM HOLIDAYS	<ul style="list-style-type: none"> • Target 2 is closed at weekends and on Jan 1, Good Friday, Easter Monday, Labour Day (May 1) and Dec 25 and 26.
SORBNET2	TYPE	<ul style="list-style-type: none"> • Real time gross settlement.
	PARTICIPANTS	<ul style="list-style-type: none"> • 50 direct.
	TRANSACTION TYPES PROCESSED	<ul style="list-style-type: none"> • High value and urgent domestic PLN-denominated credit transfers. • Net obligations from ELIXIR.
	OPERATING HOURS	<ul style="list-style-type: none"> • 07:30–18:00 CET, Monday to Friday.
	CLEARING CYCLE DETAILS (eg cut-off times)	<ul style="list-style-type: none"> • Payments cleared and settled in real time. • Customer payment cut-off time = 16:00 CET. • Interbank payment cut-off time = 18:00 CET.
	SYSTEM HOLIDAYS	<ul style="list-style-type: none"> • SORBNET2 is closed at weekends and on all Polish bank holidays. • Poland's bank holidays are: • public holidays: 1, 6 January; 1, 3 May; 15 August; 1, 11 November; 25, 26 December; • moveable holidays: Easter, Corpus Christi.
ELIXIR	TYPE	<ul style="list-style-type: none"> • Multilateral net settlement system.
	PARTICIPANTS	<ul style="list-style-type: none"> • 37 direct, 563 indirect. • 19 direct, 551 indirect in Euro-ELIXIR. • 27 in Express ELIXIR.

	TRANSACTION TYPES PROCESSED	<ul style="list-style-type: none"> • Low-value (up to PLN 1 million) and non-urgent domestic and cross-border credit debit payments. • Paper-based payments (cheques) which must be truncated into electronic items before processing. • Domestic and cross-border transfers in EUR are cleared through the Euro-ELIXIR subsystem.
	OPERATING HOURS	<ul style="list-style-type: none"> • 24 hours Monday to Friday.
	CLEARING CYCLE DETAILS (eg cut-off times)	<ul style="list-style-type: none"> • Payments are processed with same-day or next-day value. For PLN-denominated payments, there are three daily clearing sessions (09:30–10:30, 13:30–14:30 and 16:00–17:00 CET) and three settlement sessions (10:30–11:00, 14:30–15:00 and 17:00–17:30 CET). For EUR-denominated payments, there are four daily clearing sessions (08:30–09:30, 12:00–12:30, 15:30–16:10, and 16:45–17:15 CET) and four settlement sessions (09:30–10:03, 12:30–13:30, 16:10–16:45, and 17:15–17:45 CET) per day. • Express ELIXIR payments (with a maximum value of PLN 100,000) are cleared and settled in real time, 24 hours a day. • PLN payment cut-off time = 15:00 CET. • EUR payment cut-off time = 15:30 CET.
	SYSTEM HOLIDAYS	<ul style="list-style-type: none"> • ELIXIR is closed at weekends and on all Polish bank holidays. • Poland's bank holidays are: • public holidays: 1, 6 January; 1, 3 May; 15 August; 1, 11 November; 25, 26 December; • moveable holidays: Easter, Corpus Christi.

Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers, and to make tax and treasury payments.
- High-value electronic and paper-based credit transfers with a value greater than PLN 1 million are cleared via SORBNET on a same-day basis.
- High-value and urgent domestic and cross-border (within the euro zone) credit transfers can be settled in real time via TARGET2-NBP or by the Euro Banking Association's EURO1 system in which ING Bank Śląski participates.
- High-value, cross-border credit transfers in domestic and other currencies can be processed via SWIFT, correspondent banking and bank branch networks.
- Low-value credit transfers (with a value equal to or below PLN 1 million) are processed via ELIXIR. Settlement is on a same-day or next-day basis. Paper-based credit transfers are truncated into

electronic items and settled within two working days.

- PLN-denominated instant payments can be processed through Express ELIXIR. The maximum value threshold is PLN 100,000 for standard payments and 250,000 for tax/fiscal payments.
- Low-value and non-urgent cross-border (within the euro zone) EUR-denominated credit transfers can be settled via Euro-ELIXIR.
- SEPA credit transfers can be settled via STEP2 (through the Euro-ELIXIR system).
- Participants in SEPA clearing can also clear payments bilaterally with participants in the SEPA-compatible Netherlands's equensWorldline CSS clearing system.
- Approximately 24 banks in Poland participate in the SEPA credit transfer scheme.
- The European Payment Council's SCT Inst scheme (a pan-European 24/7 instant payment scheme for SEPA credit transfers) enables the transfer of funds (the maximum threshold value is EUR 100,000) to another account in less than ten seconds. There is one participant.
- EBA Clearing and Italy's SIA Group have developed and implemented a pan-European platform for instant EUR payments called RT1. It is fully compliant with the SCT Insts scheme and is in line with the ISO 20022 global messaging standards for instant payments.
- EBA Clearing has launched a pan-European request to pay (R2P) infrastructure solution with the support of 27 payment service providers from 11 countries. The new 24/7 service is compatible with the SCT and SCT Inst schemes and allows payees to take the initiative to request a specific payment from the payer.
- A new pan-European service for the settlement of instant payments in central bank money, TIPS, was launched on November 30, 2018. The service enables payment service providers and ACHs with access to TARGET2 to offer fund transfers 24/7, 365 days a year. TIPS is aligned with SCT Insts. It is primarily focused on EUR payments but is technically capable of settling payments denominated in other currencies.

Direct debits

- Direct debits are used for regular payments, such as utility bills, but they are not commonplace. The debtor has the right to withdraw consent to making payments by direct debit at any time. A single direct debit may be canceled by a natural person within 56 calendar days from the date of debiting the bank account (B2C). However, other debtors (B2B) can perform such an operation within 5 days.
- Revocable direct debits are available for values up to EUR 1,000 for regular payments and up to EUR 50,000 for payments between companies. The debtor has the right to withdraw consent to making payments by direct debit at any time. A single direct debit may be canceled by a natural person within 56 calendar days from the date of debiting the bank account (B2C). However, other debtors (B2B) can perform such an operation within 5 days.
- Non-revocable direct debits (*Gospodarcze Obciężenie Bezpośrednie* – GOBI) are available for values above EUR 50,000 for company transactions.
- Direct debits are settled via ELIXIR. KIR, the Polish clearing house.

Cheques

- Cheques are rarely used in Poland.

Card payments

- Card payments, particularly debit cards, are increasingly popular, especially for retail transactions.
- In first quarter of 2024 there were ca. 2,5 billion card transactions, with a value of PLN 298,2 billion.
- At the end of March 2024 there were 45,1 million cards in circulation, of which more than 85% were debit cards.
- Visa and MasterCard-branded cards are the most widely issued.
- First Data Polcard is Poland's national payment card operator.
- Card payments are settled through the KSR (operated by First Data Polcard) processing centre, Visa's PNNSS processing centre or through MasterCard's EDCSS processing centre. Final settlement takes place via SORBNET or TARGET2.
- Inkart is a local card payment clearing system.
- All cards issued are SEPA-compliant with EMV chips.

ATM/POS

- There were 20,869 ATMs in Poland at the end of first quarter of 2024.
- There were over 1.3 million POS terminals in Poland at the end of March 2024.
- First Data Polcard operates the national ATM network.
- The Bankomat 24/Euronet ATM network accepts both domestic and international cards.

Electronic wallet

- Pre-paid cards are available in Poland but not widely used.
- There were almost 1.7 mln pre-paid cards in circulation at the end of March 2024.
- BLIK is a mobile payments service which enables customers to make payments in stores and online, withdraw cash from ATMs and send P2P transfers with their mobile phones. BLIK is used by 19 banks and has almost 16 million registered customers.
- Other mobile payment schemes such as Apple Pay and Google Pay are available.

Short term investments

Market overview

Interest payable on credit balances

Interest-bearing current accounts are permitted for residents and non-residents.

Demand deposits

Demand deposits are available for residents and non-residents.

Time deposits

Time deposits are available in PLN or major foreign currencies with terms of one week, one, three or six months and one, two or three years.

Time deposits with maturities of three months or less typically pay a fixed rate of interest.

Certificates of deposit

Banks issue certificates of deposit for terms of one to 12 months. It is not permitted to resell these.

Treasury (government) bills

The NBP regularly auctions Treasury bills (T-bills) on behalf of the Ministry of Finance for terms of 20–52 weeks. The NBP sometimes issues T-bills with shorter maturities.

The minimum investment is PLN 100,000.

NBP bills are also sold weekly via auction, with terms of one to seven days.

Commercial paper

Domestic [commercial paper](#) is issued by companies and public authorities. Terms typically range from one to three months, although terms of one week to one year are permitted.

Money market funds

Money market funds are available.

Repurchase agreements (repos)

Repurchase agreements (repos) on T-bills are available in Poland but are not typically used.

Banker's acceptances

Banker's acceptances are seldom used in Poland.

BNP Paribas Trade Finance Capabilities

Trade payments

Documentary credits	✓
Documentary collections	✓

Guarantees

Bank guarantees	✓
Standby letters of credit	✓

Supply chain management

Receivables	✓
Payables	✓
Inventory	●

Trade channels

Connexis Trade	
Connexis Supply Chain	
SWIFTNet Trade for Corporates	
Connexis Connect	
Connexis Guarantee	
SWIFTnet Supply Chain	

- BNP Paribas' Global Trade Solutions (GTS) Sales team in Poland comprises 9 people dedicated to trade finance. The bank takes 1. position in the number of guarantees issued in Poland. The GTS team provides corporates with a high level of both front and back office support, with a full range of traditional trade finance products as well as e-solutions, and continuously works on expanding the GTS offer in line with evolving market conditions. The GTS Business Desk offers dedicated support for corporates in the issuing of guarantees and letters of credit.

International trade

General trade rules

- As a member of the EU, Poland follows the EU customs code and applies all associated regulations and commercial policies.
- Trade with other countries in the European Economic Area (EEA) and Switzerland is exempt from tariffs and other controls.

Trade agreements

- The EU has trade agreements in place with over 30 countries.
- The EU is currently in free trade negotiations with a number of countries, including the Association of Southeast Asian Nations (ASEAN), Australia, Indonesia, Mercosur (the Southern Common Market), Uruguay, and the USA.
- The EU-UK Trade and Cooperation Agreement came into force on 1 May 2021.

Imports / exports

Imports	Cars and vehicle parts	Crude petroleum	Packaged medicines	Broadcasting equipment	Office machinery
Primary Import sources	Germany (25.0%)	China (10.0%)	Italy (5.0%)	Netherlands (5.0%)	
Exports	Cars and vehicle parts	Seats	Furniture	Computers	Video displays
Export markets	Germany (27.0%)	Czech Republic (6.0%)	UK (6.0%)	France (6.0%)	Italy (5.0%)

Import / export volumes

		2016	2017	2018	2019	2020
Exports	- goods USD m	196,340	228,046	256,010	260,778	266,344
	- services USD m	49,713	58,739	69,292	69,903	67,199
Imports	- goods USD m	193,077	226,507	261,649	259,439	252,082
	- services USD m	34,255	38,434	43,708	43,434	40,362
Current account as % GDP		- 0.5	- 0.4	- 1.4	+ 0.6	+ 4.2

Sources: IMF, International Financial Statistics, July 2021.

Trade finance - Imports

Documentation

- Documentation is not required for imports from within the EU, although a commercial invoice should be supplied.
- The following documentation is usually required in order to import goods into Poland from outside the EU:
 - customs declaration
 - commercial invoice
 - bill of lading
 - packing list
 - certificate of origin (in certain cases).

Import licences

- Import licences are required for items subject to international export controls.

Import taxes and tariffs

- Tariffs are set according to the EU customs code for all imports from outside the EU, with higher tariffs for agricultural imports.
- According to Ministry of Finance, there are 14 Special Economic Zones in Poland.

Financing requirements

- None

Risk mitigation

- None

Prohibited imports

- Poland prohibits the import of certain items in line with EU regulations and UN Security Council resolutions.
- Specific imports are prohibited in order to protect fauna and flora, for health and safety or moral reasons, and/or for national security.

Documentation

- Documentation is not required for exports from within the EU, although a commercial invoice should be supplied.
- The following documentation is usually required in order to export goods from Poland outside the EU:
 - customs declaration
 - commercial invoice
 - bill of lading
 - packing list
 - certificate of origin (in certain cases).

Export licences

- Export licences are required for strategic items (military and dual-use items), radioactive materials, cultural items and drug precursors.

Export taxes and tariffs

- None

Financing requirements

- None

Risk mitigation

- Poland has implemented the EU directive on export credit insurance.
- The Export Credit Insurance Corporation (KUKE), Poland's national export credit agency, provides state-supported export credit insurance.
- Export credit insurance is also available from private insurance companies.
- Export financing and KUKE covered financing is available from commercial banks.

Prohibited exports

- Poland prohibits the export of certain items in line with EU regulations and UN Security Council resolutions.

Regulatory requirements

Reporting regulations

- All residents' assets and liabilities with non-residents meeting respective thresholds must be reported to the NBP on a monthly or quarterly basis (reliant on the total assets, liabilities and equity capital).
- Entities of public finance sector with total assets, liabilities and equity at year-end equal to or over PLN 500 million must report to the NBP on monthly basis, and entities of public finance sector with total assets, liabilities and equity at year-end above PLN 26 million and below PLN 500 million report to the NBP on quarterly basis.
- Natural persons whose assets and liabilities unrelated to their business activity at year-end are equal to or above PLN 7 million report to the NBP on quarterly basis within 26 days after the end of the quarter.
- Other residents (excluding public finance sector entities, natural persons, investment entities which keep securities accounts and banks) whose total amount of assets, liabilities and equity capital at year-end is either equal to or greater than PLN 300 million report to NBP on monthly basis and residents whose total amount of assets, liabilities and equity capital at year-end is higher than PLN 10 million and lower than PLN 300 million report to NBP on quarterly basis.

Exchange controls

- Poland does not apply exchange controls.
- Permission from the Polish Financial Supervision Authority is required for residents' investments in non-EEA or non-OECD countries (some exceptions exist where Poland has mutual agreements).
- Restrictions apply to foreign investment in specific areas (the gambling industry, broadcasting, pension funds, and polish airlines and shipping).

Taxation

Resident / non-resident

- Under Polish corporate income tax law, a company is considered resident if its seat or place of effective management is located in Poland.

Financial instruments

- There are no specific rules regarding the taxation of financial instruments. Therefore, general principles should apply.

Interest and financing costs

- Accrued interest is not regarded as a tax-deductible cost until it is paid or remitted.
- The CIT Act indicates some situations where interest is not deductible at all, for example interest accrued or paid to finance an investment in fixed or intangible assets during the investment period.
- Transfer pricing and thin capitalisation rules should be taken into consideration.

Foreign exchange

- The Polish tax system provides specific rules concerning the settlement of foreign exchange differences. A taxpayer has the choice between tax and accounting methods for calculating foreign exchange differences.
- In general exchange rate differences are treated as taxable revenues/tax-deductible costs.

Advance tax ruling availability

- Taxpayers may request a ruling on the tax treatment of a specific transaction (two or more interested parties participating in the same transaction may submit one request). If the background presented in the application for a binding tax ruling corresponds to the background covered by a general ruling issued based on the same legislation in force, the Ministry of Finance may issue a decision stating that the general ruling applies.
- The legal protection resulting from a tax ruling will not apply to tax rulings issued before the introduction of the General Anti-Abuse Rule (GAAR) (July 2016), if tax benefits resulting from transactions/actions covered by the tax rulings apply from 1 January 2017. To safeguard tax settlements from application of the GAAR, taxpayers may apply for a protective opinion issued by the Minister of Finance (the deadline for issuing the opinion is six months and the fee for submitting the application for the opinion is PLN 20,000).

Capital gains tax

- Chargeable capital gains are taxed as a separate source of income at the standard corporate income tax rate of 19%.
- An exemption may be available for venture capital companies (limited liability companies and limited partnerships resident in Poland) on gains from the transfer of shares acquired during 2016-2023 in companies performing R&D activities, provided certain requirements are met. Under certain conditions, some investment funds and alternative investment vehicles also may benefit from an exemption on the sale of shares.

Withholding tax (subject to tax treaties)

Payments to:	Interest	Dividends	Royalties	Other income
Resident entities	None	0%/19%	None	None
Non-resident entities	0%/5%/20%	0%/19%	0%/5%/20%	20%/10%

- New withholding tax rules applicable to certain cross-border payments exceeding PLN 2 million per recipient per year have been enacted but entry into force of the new rules has been postponed until June 30, 2021. Under the new rules the payer must withhold tax at the standard rate on the surplus over PLN 2 million at the time of payment unless the payer either (1) provides a statement that a withholding tax exemption or reduced rate is applicable or (2) obtains an opinion that an exemption based on EU directives may be applied. A refund subsequently may be requested from the tax authorities. Payers of income responsible for remitting the tax must exercise appropriate diligence with respect to verifying the grounds for applying exemptions or reduced rates. Beneficial ownership requirements also apply. The Polish Ministry of Finance has issued for public consultation draft explanatory notes on certain practical aspects of the new regulations, including an explanation of beneficial owner and the extent of the due diligence required by those responsible for remitting the tax. However, no final version of this document has been published yet and further changes to the withholding tax regime are expected.
- Dividends paid by a Polish resident company to another resident company generally are not subject to withholding tax.
- Dividends paid to a non-resident are subject to withholding tax at 19%, unless the rate is reduced under a tax treaty or the dividends qualify for an exemption under the EU parent-subsidiary directive, provided the dividend is not related to the transaction (or a set of transactions) undertaken to benefit from a tax exemption and that does not reflect economic reality.
- Interest paid to a resident company is not subject to withholding tax. Interest paid to a non-resident company is subject to a 20% withholding tax, unless the rate is reduced under a tax treaty or the EU interest and royalties directive, provided the interest is not related to a transaction (or a set of transactions) undertaken to benefit from a tax exemption and does not reflect economic reality. An exemption based on the directive may be available only if the recipient is the beneficial owner of the interest. A 19% withholding tax rate generally applies to interest paid to resident and non-resident

individuals (unless reduced under a tax treaty).

- Royalties paid to a resident company are exempt from withholding tax. Royalties paid to a non-resident company are subject to a 20% withholding tax, unless the rate is reduced under a tax treaty or the EU interest and royalties directive, provided the royalties are not related to a transaction (or a set of transactions) undertaken to benefit from a tax exemption and does not reflect economic reality. An exemption based on the directive may be available only if the recipient is the beneficial owner of the royalties.
- There is no branch income remittance tax.

Fees for specified intangible services (e.g., advisory, accounting, legal, technical, advertising, data processing, market research, recruiting, management, control services, guarantees, etc) paid to non-residents are subject to a 20% withholding tax (subject to provisions of an applicable tax treaty).

Tax treaties / tax information exchange agreements (TIEAs)

- Poland has exchange of information relationships with 99 jurisdictions through 86 double tax treaties and 14 TIEAs.
- Tax treaties may reduce withholding tax to between 0% and 15%.
- To benefit from withholding tax reductions, a certificate of residency is required.
- Poland, as part of the OECD/G20 Base Erosion and Profit Shift (BEPS) initiative, has signed a multilateral co-operation agreement with 30 other countries ('the MCAA'). Under this multilateral agreement, information will be exchanged between tax administrations, giving them a single, global picture on some key indicators of economic activity within multinational enterprises (MNE).
- With country-by-country reporting, tax administrations of jurisdictions where a company operates will have aggregate information annually relating to the global allocation of income and taxes paid, together with other indicators of the location of economic activity within the MNE group. It will also cover information about which entities do business in a particular jurisdiction and the business activities each entity engages in. The information will be collected by the country of residence of the MNE group, and will then be exchanged through exchange of information supported by such agreements as the MCAA. First exchanges under the MCAA started in 2017–18 on 2016 information.

Thin capitalisation

- Deductions of debt financing costs that exceed interest or "interest-type" income are limited to 30% of "tax EBITDA" (as defined for purposes of the thin capitalization rules) and/or PLN 3 million in a fiscal tax year. The limitation applies to all "debt financing costs" (interest, arrangement fees, etc.) on financing granted by both related and nonrelated entities. Disallowed deductions may be carried forward for five years, with some exceptions.

Transfer pricing

- The Polish transfer pricing rules generally follow the OECD guidelines and if prices in related party transactions are not in accordance with the arm's length principle, the tax authorities may make an adjustment. Generally, two entities are considered related parties if one entity exercises effective influence over the other (e.g. by owning, directly or indirectly, at least 25% of its shares) or if the same entity exercises influence over both of them.
- Certain transfer pricing documentation must be prepared for related party transactions exceeding a certain threshold in a tax year (PLN 10 million for uniform transactions including tangible goods or financial transactions, PLN 2 million for uniform transactions including services and other types of transactions, and PLN 100,000 for transactions with entities located in a country that engages in "harmful tax practices"). As from 2020, domestic transactions may be excluded from transfer pricing documentation requirements if certain conditions are met.
- Taxpayers whose consolidated revenues exceeded the equivalent of EUR 750,000,000 in the preceding tax year also must produce a "country-by-country report," which contains additional information about the income and tax paid by group subsidiaries, their places of conducting business as well as their permanent establishments.
- All taxpayers obliged to prepare transfer pricing need to submit a statement confirming that they have the compliant transfer pricing documentation available and that the covered transactions were concluded at arm's length. Late submission, failure to submit, or submission of false statement may result in penalties charged to the members of the management board. Taxpayers also may be required to prepare and submit a simplified report on related party transactions (TP_R form)..
- Transfer pricing documentation requirements also apply to taxpayers conducting business operations in forms not having legal personality (e.g. partnerships).
- Mandatory disclosures rules apply to both cross-border and domestic arrangements. The obligation to report "marketable" (repeatable) tax planning schemes falls principally on the intermediary and is performed on a no-names basis provided the intermediary is compelled to secrecy obligation is not lifted by the taxpayer. "Bespoke" (i.e. tailor-made) schemes are reportable by the taxpayer, unless the intermediary's secrecy obligation under legal professional privilege is lifted or the intermediary is not entitled to invoke a legal professional privilege.
- Corporation taxpayers whose revenue exceeds EUR 50 million in a tax year and tax capital groups must prepare and disclose information on the execution of their tax strategy. The deadline is nine months after the deadline for submitting the corporation tax return. Based on informal explanations from the Polish Ministry of Finance, taxpayers are required to prepare and publish 2020 information by December 31, 2021.
- Advance pricing agreements are permitted.

Stamp duty

- [Stamp duty](#) is levied, for example, when filing a power of attorney and when central or local authorities are requested to perform activities such as issuing certificates, grant permission, etc.
- The applicable rates or fixed amounts are set forth in the [stamp duty](#) law.

Cash pooling

- The Polish tax system does not include specific tax rules for [cash pooling](#) arrangements.
- Tax treatment may vary, depending on the type of [cash pooling](#) arrangements adopted.

Financial transactions / Banking services tax

- No specific financial transactions and/or services tax applies to services, loans, money transfers, letters of credit and/or foreign exchange, etc.

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