



MAC

2019

INVESTOR'S GUIDE

THIRD EDITION

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WELCOME TO ANOTHER EDITION OF INVESTOR'S GUIDE

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MAC AUDITOR
THIRD EDITION

Mac Auditor Sp. z o.o. has been operating on the market since 1994 and specializes in outsourced accounting as well as personnel and payroll services.

Mac Auditor is an entity authorized to audit financial statements registered with The National Chamber of Statutory Auditors under the number of 244 and a US supervisory body The Public Company Accounting Oversight Board (PCAOB) under the number of 1920.

Continuing from the success of the last year's Investor's Guide issue, we hereby wish to present You the subsequent edition, supplemented by the latest macro-economic and taxation data, incorporating the most recent amendments, which will assist You in making key decisions with regard to the establishment and development of Your enterprise.

The current year has introduced a series of amendments relating to the conduct of business activity, encompassing both organizational and economic issues as well as taxation matters.

We hope that You will frequently revisit the Investor's Guide 2019 to seek relevant information pertaining to Your interests.

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BASIC MACRO-ECONOMIC DATA

Population (September 2018)	38,4 mln persons	
Gross Domestic Product - GDP (December 2018)	1 988,73 bn PLN / 524,51 bn USA	
GDP Dynamic (2017)	4,8%	
per capita Gross Domestic Product (December 2017)	15 751, 23 USD	
Unemployment rate (November 2018)	5,7%	
Number of economically active persons (third quarter of 2018)	17,2 mln persons	
Percentage of working persons with higher educational attainment (fourth quarter of 2017)	35%	
Exchange rate as at 21 December 2018	4,2889 EUR / 3,7528 USD / 4,7530 GBP / 3,7916CHF	
Average monthly gross nominal remuneration in the business sector (third quarter of 2018)	4 580,20 PLN / 1 065,93 EUR/ 1 219,76 USD	
Minimum remuneration as from 1 January 2019	2 250,00 PLN / 523,63 EUR / 599,20 USD	
Reference interest rate (December 2018)	1,50%	
WIBOR 3M (3-month Warsaw Interbank Offered Rate) as on December 2018	1,72%	
Inflation rate (Consumer Price Index) November 2017	1,3%	
Warsaw Stock Exchange (GPW)	Main Floor (21.12. 2018)	GPW, 359companies, capitalization 1 114 982,77 mln PLN
	Alternative Floor (21.01.2018)	New Connect, 107 companies, capitalization 14776,07 mln PLN
	Bond Floor (27.12.2018)	Catalyst, 142 issuers, value of all issues 696,33 mld PLN

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TYPES OF BUSINESS ESTABLISHMENT

LEGAL FORM	CHARACTERIZATION
Sole proprietor	<ul style="list-style-type: none"> › natural person pursuing business activity in their own personal capacity and on their own account (e.g. manufacturing, construction, trading, service activity) › lack of special capital requirements › possibility to choose a method for the taxation of income from activity (PIT): <ul style="list-style-type: none"> - flat-rate tax according to 19% rate - taxation under general principles (in accordance with the scale of 18% / 32%) › possibility to choose simplified forms of taxation in the event of exercising activities as determined in the provisions (lump sum on recorded revenues, tax card) › an obligation to register in the Central Registration and Information on Business (CEIDG)
General partnership (sp.j.)	<ul style="list-style-type: none"> › a personal partnership › performs its business activity under its own brand › has a legal capacity › has no legal personality › each partner is held accountable for the partnership's obligations without limitation with their own assets, jointly and severally with other partners and the partnership › lack of special capital requirements › partners' revenues are subject to Personal Income Tax (PIT) – at a flat rate (19%) or under general principles (in accordance with the scale of 18%/32%), whereas in the case of shareholders in the form of a limited liability partnership (Sp. z o.o.), joint-stock company (S.A.) or limited joint-stock partnerships (S.K.A.) – the incomes are subject to Corporate Income Tax (at a 19% flat rate*) › an obligation to register in the National Court Register (KRS)
Professional partnership (sp.p.)	<ul style="list-style-type: none"> › a personal partnership › established by associates (partners) for the purpose of exercising a liberal profession in a partnership running an enterprise under its own name › has a legal capacity › has no legal personality › each partner is held accountable for the partnership's obligations without limitation with their own assets, jointly and severally with other partners and the partnership, however, a partner does not take responsibility for the partnership's obligations incurred with regard to other partners practicing a liberal profession in the partnership, or for the company's obligations arisen as a result of actions or omissions of the persons employed by the partnership under an employment contract or any other legal relation, which persons were subject to supervision of another partner while rendering services pertaining to the object of the partnership's activity › lack of special capital requirements › partners' revenues are subject to Personal Income Tax (PIT) › an obligation to register in the National Court Register (KRS)
Limited partnership (sp.k)	<ul style="list-style-type: none"> › a personal partnership › performs its business activity under its own brand › has a legal capacity

Limited partnership (sp.k)	<ul style="list-style-type: none"> › has no legal personality › at least one partner (general partner) is held liable without limitation for the partnership's obligations towards creditors, whereas at least one partner (limited partner) has restricted liability, › lack of special capital requirements › partners' revenues are subject to Personal Income Tax (PIT) partners' revenues are subject to Personal Income Tax (PIT) – at a flat rate (19%) or under general principles (in accordance with the scale of 18%/32%), whereas in the case of shareholders in the form of a limited liability partnership (Sp. z o.o.), joint-stock company (S.A.) or limited joint-stock partnerships (S.K.A.) – the incomes are subject to Corporate Income Tax (at a 19% flat rate*) › an obligation to register in the National Court Register (KRS)
Limited joint-stock partnership (S.K.A.)	<ul style="list-style-type: none"> › a personal partnership › performs its business activity under its own brand › has a legal capacity › has no legal personality › at least one partner (general partner) is held liable without limitation for the partnership's obligations towards creditors and at least one partner is a shareholder; the shareholder is only obliged to fulfill the performances as stipulated under the articles and has no legal responsibility for the partnership's obligations › the partnership's share capital shall amount to at least 50 000 PLN › subject to Corporate Income Tax (19% CIT*) › taxation of dividends (PIT or 19% CIT) › an obligation to register in the National Court Register (KRS)
Limited liability company (sp. z o.o.)	<ul style="list-style-type: none"> › a capital company › may be established by one or more persons for any legally permissible › has a legal capacity › has a legal personality › shareholders are obliged merely to fulfill the performances as specified in the articles of association and are not liable for the company's obligations › subject to Corporate Income Tax (19% CIT*) › taxation of dividends (PIT or 19% CIT) › an obligation to register in the National Court Register (KRS)
Joint-stock company (S.A.)	<ul style="list-style-type: none"> › a capital company › may be established by one or more persons › has a legal capacity › has a legal personality › shareholders are obliged merely to fulfill the performances as specified in the articles of incorporation and are not liable for the company's obligations › the partnership's share capital shall amount to at least 100 000 PLN › subject to Corporate Income Tax (19% CIT*) › an obligation to register in the National Court Register (KRS) › the company's shares may be listed on the Warsaw Stock Exchange or New Connect

** In the case of small taxpayers and taxpayers beginning their business activity, during the first year of activity, the CIT rate amounts to 9%*

3

MAINTENANCE OF THE ACCOUNTING RECORDS AND ENTREPRENEUR'S DUTIES

Obligation to keep the accounting records and financial statements

FORMS OF AN ECONOMIC ACTIVITY	OBLIGATION TO KEEP THE ACCOUNTING RECORDS	OBLIGATION TO AUDIT FINANCIAL STATEMENTS*
Sole proprietor Civil partnership of natural persons General partnership of natural persons Professional partnership	Where the net revenues from the sales of goods, products and financial operations for the previous financial year amounted to at least the equivalent of 2 000 000 EUR, expressed in PLN; other businesses may keep tax books in the form of a book of revenues and expenditure (KPiR) or keep books of account on a voluntary basis	If during a year preceding the financial year, at least 2 of the 3 following conditions were satisfied:: <ul style="list-style-type: none"> › annual average employment in full-time employment equivalents amounted to at least 50 people, › balance sheet total assets as at the end of the financial year amounted to at least 2 500 000 EUR, › net revenues from the sales of goods and products, and financial operations for the financial year amounted to at least 5 000 000 EUR
Limited partnership	YES	
Limited joint-stock partnership		
Limited liability company		
Joint-stock company	YES	YES, with the exception of companies that are in organization as of the balance sheet day

* Irrespective of the legal form, all consolidated financial statements, financial statements of the acquiring and newly formed companies, drawn up for the financial year during which the merger was implemented, as well as annual financial statements of the undertakings drawn up in accordance with IFRS, are subject to the audit obligation.

Applied basis for accounting principles

BASIS	ENTITIES
The International Financial Reporting Standards (IFRS) obligatorily	Preparing consolidated financial statements of issuers of securities admitted to public trading and of banks
The International Financial Reporting Standards (MSSF) voluntarily	Issuers of securities admitted to trading within the territory of the European Economic Area other than the ones listed above, as well as entities included in a capital group within which a parent entity- draws up consolidated financial statements pursuant to IFRS
Accounting Act	Other entrepreneurs

Selected other entrepreneur's duties

Sole proprietors, civil law partnerships of natural persons, general partnerships of natural persons and professional partnerships, whose net revenues from the sales of goods, products and financial operations for the previous financial year did not amount to at least the equivalent of 2 000 000 EUR, expressed in PLN, and which made a decision on keeping books in accordance with the Accounting Act, prior to the financial year, are obliged to notify a tax office thereof.

Information on the form of statements

The financial statement shall be concluded in an electronic form and shall bear an electronic signature or a signature approved by a trusted ePUAP profile.

The financial statements of entities registered in the National Court Register are drawn up in a strictly defined logical structure and format, which is available in the Bulletin of Public Information on the official website for the Ministry of Finance.

The financial statements, concluded in accordance with IAS, are drawn up in a strictly defined logical structure and format, if they are accessible in the Bulletin of Public Information on the official website for the Ministry of Finance.

Reporting to the Central Statistical Office (GUS)

Entrepreneurs may be obligated, under a notification received from the Central Statistical Office, to fill in a statistical form, most frequently in an electronic form, on a gratuitous basis.

Reporting to the National Bank of Poland

(NBP)VALUE OF ASSETS AND LIABILITIES HELD AND RELATED TO OVERSEAS TRADING TURNOVER	REPORTING FREQUENCY	DEADLINE FOR FILLING IN THE FORM	SPECIFICITY FOR FORMS
Above 3 mln up to 10 mln PLN (this threshold only relates to long-term liabilities due to borrowings and financial lease)	Quarterly	26 days following the end of a quarter	Simplified
Above 10 mln PLN up to 300 mln PLN	Quarterly	26 days following the end of a quarter	Full
Above 300 mln PLN	Monthly	20 days following the end of a quarter	Full

Limit of cash transactions

Entrepreneurs are obliged to make payments via a bank account where the party to the transaction resulting in the payment is another entrepreneur or where one-off value of the transaction, irrespective of the number of payments resulting therefrom, exceeds the equivalent of 15 000 PLN.

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TAXATION OF BUSINESS ACTIVITY OF SP. Z O.O., S.A. AND S.K.A. BY CORPORATE INCOME TAX (CIT)

Scope of taxation	Legal persons, including in an organization, and limited joint-stock partnerships
Object of taxation	Two sources of revenue: <ul style="list-style-type: none"> > Revenues from capital gains > Revenues from other sources
Deadline for making advance payments and submitting an annual statement	<ul style="list-style-type: none"> > monthly advance payments until the 20th day of each consecutive month > for small taxpayers: a possibility of choosing quarterly advance payments payable until the 20th day of the month following the quarter for which the advance payment is made > annual CIT-8 statement until the end of the third month of the subsequent year <p>Taxpayers may not pay the CIT advance if the tax due on income earned since the beginning of the fiscal year, reduced by the sum of advances paid since the beginning of the year, does not exceed 1 000 PLN</p>
Tax rate	<p>9% - in the case of small taxpayers (the value of gross sales revenue did not exceed the equivalent of 1 200 000 EUR in the previous tax year), whose total revenue generated in the given tax year does not exceed the equivalent of 1 200 000 EUR and taxpayers beginning their economic activity, in the first year of activity, this rate is applicable to the taxation of revenues (income) other than from capital gains</p> <p>19% - in the case of other taxpayers or failure to fulfill the conditions for the preferential 9% rate</p>
Overseas trading turnover of companies and partnerships registered in Poland	Subject to tax (unlimited tax liability resulting from the Polish tax residence)
Trading turnover of companies and partnerships with their registered offices abroad	Subject to tax only in the part of the income earned in Poland (limited tax liability resulting from lack of the Polish tax residence)
Financial year of being subject to CIT	Corresponding by default to the calendar year with a possibility of change after notifying a tax office

Settlement of a tax loss	<p>Within the next 5 years:</p> <ul style="list-style-type: none"> › deduct the income from the source over the next 5 successive tax years, provided that the amount of the deduction does not exceed 50% of the amount of that loss, or › deduct the amount not exceeding 5 000 000 PLN from the income from the source once over the next 5 successive tax years, the amount not deducted is subject to settlement in the remaining years of the five-year period, provided that the amount of the deduction, in any of the given years, does not exceed 50% of the amount of that loss
Tax-deductible costs	<p>Tax-deductible costs shall be the costs incurred with a view to earning revenues, preserving or securing a source of revenues, with numerous exceptions listed in the tax provisions, such as the depreciation of vehicles in the part in excess of 150 000 PLN (passenger car), 225 000 PLN (electric car); the limit of tax costs for leasing agreements for passenger cars (lease, rent or other agreement of a similar nature); the limit of tax costs for insurance of a passenger car; the limit of costs of use of passenger cars (only 75% of incurred expenses); the limit of costs of debt; the limit of costs of intangible services with related entities or entities operating in the so-called "tax haven" or representation costs, in particular the ones incurred for catering services, purchase of food and beverages, including alcoholic beverages</p>
Selected depreciation rates	<p>0% land 1,5% residential buildings 2,5% non-residential buildings 2,5% - 20% other immovable properties 20% passenger cars and trucks 30% computers</p>
Documentation of transactions with related entities (transfer pricing)	<p>Criteria, deadlines and scope of documentation are stipulated in Art. 11a of the Corporate Income Tax Act</p>
Withholding tax	<p>For selected revenues earned on the territory of Poland: 10% - certain transport services 19% - dividends 20% - e.g. interest, copyrights, trademarks and know-how</p> <p>When in hold of a certificate of residence, one may be entitled to preferences under the provisions of tax laws and double taxation conventions by reducing the tax or benefitting from the exemption from tax http://www.finanse.mf.gov.pl/abc-podatkow/umow-miedzynarodowe/wykaz-umow-o-unikaniu-podwojnego-opodatowania</p> <p>If receivables subject to the withholding tax (i.e. interest, dividends, royalties, defined intangible services,</p>

international transport of goods and people), disbursed in a given tax year and applicable to the paying agent for the same non-resident, exceed a total amount of 2 mln PLN the paying agent (entity making the payment for the receivables) shall be obligated to, as a rule, collect the withholding tax at the rate provided for in the Article (that is dividends – 19%, interest, royalties, intangible services – 20%, international transport of goods and people – 10%) from the excess above such amount, without the possibility of applying the preferences arising from the regulations and treaties for the avoidance of double taxation. Exceptions to that rule, which are regulated by the tax laws, are possible.

Controlled foreign companies (CFC)

If a Polish company holds a shareholding in a controlled foreign company registered in a country applying harmful tax competition, the revenues generated by such company may be taxable at the 19% rate at the level of the Polish company

Minimum income tax on commercial property

Scope of taxation

Legal persons, including in an organization, and limited join-stock partnerships

Object of taxation

Fixed asset being a building which:
 › is in ownership or co-ownership of the taxpayer
 › is an asset in relation to the business activity
 › has been taken, in whole or in part, into service on the basis of a tenancy agreement, rent or other agreement of a similar nature
 › is situated on the territory of the Republic of Poland

Tax basis

Total revenue corresponding to the total amount of initial value of fixed assets determined on the first day of each month, derived from the maintained records (in the month during which the fixed asset was entered into the records – initial value determined on the day of entry into the records), reduced by an amount of 10 000 000 PLN

Tax rate

0,035% of the tax basis for every month

Deadline for making advance payments

- › Taxpayers are obligated to calculate and pay this tax for every month into the tax office's bank account until the 20th day of the month following the month for which the tax was paid.
- › Taxpayers deduct the amount of tax calculated for a given month from the advance on income tax calculated under general rules. In the event the taxpayers pay quarterly advances, the tax calculated for months falling within a given quarter is subject to deduction.
- › Taxpayers cannot pay the tax if it's lower than the amount of the advance for the current tax for a given month.

Annual tax return

The amount of the tax paid and not deducted in a tax year, is deducted from the corporate income tax under general rules for a given tax year. Such deduction is made in an annual tax return CIT-8.

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TAXATION OF SOLE PROPRIETORS BY PERSONAL INCOME TAX (PIT)

A sole proprietor must choose the form of taxation from among the following forms listed below until the 20th day of the following month after generating the first revenue.

General principles

Progressive tax:

- › tax calculation base up to 85 528 PLN → 18% *less* the amount diminishing the tax
 - › tax calculation base in excess of 85 528 PLN – 127 000 PLN → 15 395,04 PLN + 32 % of surplus over 85 528 PLN *less* the amount diminishing the tax
- In the case of basis in excess of 127 000 PLN → lack of amount diminishing the tax.

The above information represents a notable simplification; the tax-free amount determining the „amount diminishing the tax” is degressive in nature and in the case of persons with the lowest earnings amounts to 8 000 PLN. In the case of persons declaring the tax base in excess of 127 000 PLN, the amount diminishing the tax is not eligible.

Flat-rate tax

19% on income

Lump sum from recorded revenues*

Tax rate contingent upon the carried out activity

Tax card*

Tax determined under a tax authority's decision

* Taxation form reserved exclusively for certain types of economic activity

Furthermore, incomes of natural persons, which exceed 1 000 000 PLN, fall under the so-called „solidarity tribute” – the rate of 4%, the surplus over the above threshold will be taxed.

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TAXATION OF WAGES AND SALARIES BY PERSONAL INCOME TAX (PIT)

Scope of taxation	Natural persons obtaining wages and salaries under employment contracts, mandate contracts, contracts for specific work and other civil law contracts
Tax scale	<p>Progressive tax:</p> <ul style="list-style-type: none"> › tax calculation base up to 85 528 PLN – 18% less the amount diminishing the tax (556,02 PLN for the majority of taxpayers) › tax calculation base in excess of 85 528 PLN – 15 395,04 PLN + 32 % of surplus over 85 528 PLN less the amount diminishing the tax (556,02 PLN for the majority of taxpayers)
Deadline for making advance payments and submitting annual tax returns and tax statements	<ul style="list-style-type: none"> › monthly advance payments until the 20th day of the following month › until January 31 of the subsequent year an employer shall file an annual PIT-4R return with a tax office › until January 31 an employer shall send the annual information about an employee's income (PIT-11) to a tax office › until the end of February an employer shall provide an employee (a mandatary, a contractor of specific work) with PIT-11, the annual information about his incomes › until April 30 an employee shall file an annual statement (predominantly PIT-37) with a tax office
Tax basis	<p>Revenue reduced by:</p> <ul style="list-style-type: none"> › social security contributions (ZUS) financed by an employee (a mandatary) and › tax-deductible costs: <ul style="list-style-type: none"> • lump-sum costs (standard 111,25 PLN) in the case of employees • percentage-based costs: 20% of a mandatary's revenue, decreased by social security (ZUS) financed by a mandatary • percentage-based costs: 20% of revenue of the contractor of specific work • percentage-based costs: 50% of revenue in the case of transfer of copyright

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PREMIUMS FOR SOCIAL AND HEALTH INSURANCE (ZUS)

Premiums concerning employees and mandataries

Compulsory premiums for social insurance of employees	<ul style="list-style-type: none"> › retirement insurance 19,52% (9,76% is financed by an employer and 9,76% by an employee) › pension insurance 8% (6,5% is financed by an employer and 1,5% by an employee) › sickness insurance 2,45% (financed entirely by an employee) › accident insurance from 0,67% to 3,33% (financed entirely by an employer); in the case of employers registering at least 10 persons on an average annual basis for accident insurance, the premium rate shall be determined by Social Insurance Institution (ZUS), provided that the company filed ZUS IWA forms for 3 consecutive years, and where it was not obliged to file said forms, it shall determine the premium on its own, on the basis of PKD; in the case of employers employing up to 9 employees on a yearly average this rate shall amount to 1,67% › ZUS contributions, financed by an employee, shall be deductible from the tax basis of their wage or salary
Compulsory contributions for social insurance of mandataries	<ul style="list-style-type: none"> › retirement insurance 19,52% (9,76% is financed by a mandator and 9,76% by a mandatary) › pension insurance 8% (6,5% is financed by a mandatory and 1,5% by a mandatary) › accident insurance from 0,4% to 3,6% (financed entirely by a mandator) › ZUS contributions, financed by a mandatary, shall be deductible from the tax basis of their wage or salary
Compulsory contributions for health insurance of employees	9% (financed entirely by an employee, however part of the premium amounting to 7,75% of the assessment base shall be tax-deductible)
Exceptions from the obligation to pay social insurance contributions by mandataries	<ul style="list-style-type: none"> › pupils and students of the 1st- and 2nd-degree studies: until whichever of the events comes first: <ul style="list-style-type: none"> • attainment of 26 years of age • graduation from a high school, if a person does not continue their education at studies • obtaining a BA / engineer / MA degree › mandataries earning their incomes under employment contracts and other contracts of mandate, on the basis of which compulsory social contributions are paid. A condition for not being subject to compulsory social insurance shall be generating revenues on these grounds, in an amount equal to at least minimum salary (2 250 PLN gross in 2019) › mandataries simultaneously conducting a business activity and paying, on these grounds, compulsory social insurance contributions as well as not benefitting from preferential contributions
Voluntary contributions for social insurance of mandataries	<ul style="list-style-type: none"> › sickness insurance 2,45% (financed entirely by a mandatary) › sickness insurance shall be covered upon a mandatary's request › sickness insurance is eligible exclusively in the case where contributions for retirement, pension and accident insurance are obligatory

Compulsory contributions for health insurance of mandataries	9% (financed entirely by a mandatory, however part of the premium amounting to 7,75% of the assessment base shall be tax-deductible)
Exceptions from the obligation to pay health insurance contributions by mandataries	<ul style="list-style-type: none"> > pupils and students of BA, engineering and MA studies until whichever of the events comes first: <ul style="list-style-type: none"> · attainment of 26 years of age · graduation from a high school, if a person does not continue their education at studies · obtaining BA / engineer / MA degree
Limitation of assessment base for the contributions for retirement and pension insurance (annual limitation)	142 950 PLN
Other premium charges	<p>Labor Fund – 2,45%</p> <p>Guaranteed Employee Benefit Fund – 0,1%</p>
Premium payment deadline	Until the 15th day of the month for the preceding month
Premium for persons conducting a business activity	
Minimum amounts of compulsory contributions for social and health insurance for sole proprietors (monthly)	<ul style="list-style-type: none"> > retirement insurance 558,08 PLN > pension insurance 228,72 PLN > sickness insurance 70,05 PLN (voluntary contribution) > accident insurance 1,67% - 47,75 PLN > health insurance 297,28 PLN > Labor Fund contribution 70,05 PLN
Deadlines for settlement and payment of contributions	<ul style="list-style-type: none"> > until the 10th day of the following month – natural persons paying premiums exclusively for themselves > until the 15th day of the following month – sole proprietors, who pay social insurance contributions (ZUS) for employees or mandataries
Preferential rates of premiums payment	<p>Within the first 24 calendar months from the start-up date of a business operation on the condition that:</p> <ul style="list-style-type: none"> > within 60 calendar months prior to the start-up date of a business operation no other non-agricultural activity was commenced and > the person performing the activity does not and will not perform any business activity for a previous employer, for which prior to the start-up date of a business operation in the current or previous calendar year he carried out, as part of an employment relationship or a cooperative employment relationship, the activities forming the scope of currently performed business activity

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FORMS OF EMPLOYMENT

Contract of employment

- > defined in the Labor Code
- > by establishing an employment relationship an employee undertakes to perform work of a specific nature for an employer, under his/her supervision and at the place and time designated by the employer, whereas the employer assumes an obligation to employ the employee against a wage or salary; the replacement of an employment contract by a civil law contract (such as by a mandate contract, or a contract of commission) is not permissible, while preserving the conditions of work performance as specified above
- > as of 2019 the minimum rate of pay amounts to 2250 PLN gross
- > a contract concluded for:
 - an infinite period
 - a definite period, not exceeding a total term of 33 months for maximum 3 contracts concluded for a definite period
 - a trial period, not exceeding 3 months
 - a definite period, covering the period of substitution for another employee during their justified absence from work
- > possibility of termination:
 - by agreement of the parties
 - by a declaration of one of the parties while preserving a termination notice period
 - by a declaration of one of the parties without preserving a termination notice period
 - upon the lapse of the period for which it was concluded
 - expiry – in the case of death of an employee or employer
- > the length of leave is dependent on combined job tenure and amounts to 20 or 26 days a year

Mandate contract

- > defined in the Civil Code
- > a due diligence contract, the subject of which is an obligation to perform a specific act for the mandator
- > as of 2019 the minimum rate of pay amounts to 14,70 PLN gross hourly
- > possibility of termination:
 - the mandator may terminate the mandate by notice at any time, however he should reimburse to the mandatary all the expenditure incurred by the latter with a view to due performance of the mandate, as well as pay them part of remuneration corresponding to their activities performed heretofore, and if the contract has been terminated by notice with no justifiable reason therefor, the mandatary shall also redress the damage
 - the mandatary may terminate the mandate by notice at any time, however, where the mandate is subject to consideration, and the termination by notice has been effected having no justifiable reason therefor, the mandatary shall be held liable for the damage
- > lack of subordination and being at the principal's disposal characteristic of an employment contract, whereas the mandatary is exclusively entitled to such rights as are encompassed by the contents of the concluded contract

Mandate contract	<ul style="list-style-type: none"> > the mandatary does not benefit from any employee rights, such as, e.g. right to a holiday leave (unless such right was stipulated in the contract)
Contract of commission	<ul style="list-style-type: none"> > defined in the Civil Code > a contractor shall undertake to perform the designated work, whereas the principal - to pay the remuneration > lack of subordination and being at the principal's disposal characteristic of an employment contract > a contractor does not benefit from any employee rights, such as, e.g. right to a holiday leave

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GOODS AND SERVICES TAX (VAT)

Goods and services tax rates and payment of the tax

TAX RATE	EXAMPLES
23%	Basic rate
8%	Medical equipment, books and newspapers, transport and hotel services, cultural and entertainment services
5%	Primarily food
0%	Intra-community supply of goods, export of goods, international transport of goods

Deadline for goods and services tax returns submission and for payment of the tax – admissible only in an electronic form

TAX RETURN	DEADLINE
VAT-7 A goods and services tax return for a monthly period	Until the 25th day of the month for which the return is filed
VAT-7K A goods and services tax return for a quarterly period (only small taxpayers)	Until the 25th day of the month following the quarter for which the return is filed

VAT-UE – Summary information on the intra-community transactions effected only for monthly periods	Until the 25th day of the month following the month for which the return is filed
JPK-VAT A standard audit file for tax on sale and purchase for a goods and services tax return for a monthly period	Until the 25th day of the month following the month for which the return is filed

Deadlines for return of a surplus of input tax over output goods and services tax

DEADLINE FOR RETURN	ADDITIONAL CONDITIONS
Basic – 60 days	The absence of an obligation to file an application by an entrepreneur – it is sufficient to declare the amount reimbursed in the return, applicable in the case of a sale taxed in a given period
Extended – 180 days	The absence of an obligation to file an application by an entrepreneur – it is sufficient to declare the amount reimbursed in the return. The extended term is applicable on the condition that no taxed sale occurred in a given period, however an entrepreneur is entitled to apply for the reduction of the term to 60 days by filing a written request and proprietary security
Shortened – 25 days	Submission of an application by an entrepreneur under certain conditions specified in Art. 87 paragraph 6 of the Goods and Services Tax Act

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CERTAIN OTHER TAXES LEVIED UPON ENTREPRENEURS

The majority of concluded contracts, not subject to goods and services tax, shall be subject to the tax on civil law transactions (PCC) within 14 days from the arising of tax liability.

As of 1 July 2019 an entity liable to pay the tax on civil law transactions (PCC) shall be entitled to submit one cumulative statement for a given month as well as calculate and pay the tax within 7 days of the month following the month in which the tax obligation arose, on the condition that:

- › they performed at least three civil law activities in a given month covering a loan contract or a contract for the sale of movable assets or property rights;
- › the last of the aforementioned activities will be conducted within a period of 14 days following the date of performing the first activity.

Rates for tax on civil law transactions

RATE	EXAMPLES OF CONTRACTS SUBJECT TO THIS TAX
2%	Contract for the sale, exchange or donation of immovable properties, movable assets, or right of perpetual usufruct, loan contract (concluded before 1 January 2019)
1%	Contract for the sale, exchange or donation of other property rights
0,5%	Memorandum of association of a company
0,5%	Loan contract concluded after 31 December 2018 (does not apply to loans granted by a shareholder or stockholder of a capital company where the tax on civil law transactions is still not levied)

Rates for tax on immovable properties (as of 1 January 2019)

MAXIMUM RATE	TYPE OF IMMOVABLE PROPERTY
0,93 PLN per 1 sqm of area	Land related to conducting a business activity
23,47 PLN per 1 sqm of usable space	Buildings or parts thereof related to conducting a business activity, and on residential buildings or their parts occupied for conducting a business activity
2% of value	Civil structures

Deadlines for tax on immovable properties

ENTREPRENEUR	DEADLINE FOR PAYMENT	DEADLINE FOR SUBMISSION OF RETURNS
Sole proprietor	Until March 15, May 15, September 15 and November 15 of a tax year	14 days from the occurrence of the circumstances forming the grounds for arising or expiration of a tax liability
Legal persons and organizational units with no legal personality	Until the 15th day of each month and for January until January 31	Until January 31 for a given tax year

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USEFUL LINKS

Central Registration and Information on Business <https://www.ceidg.gov.pl>

National Court Register <https://ems.ms.gov.pl/krs/wyszukiwaniepodmiotu>

State Work Safety Inspectorate www.pip.gov.pl

Social Insurance Institution www.zus.pl

Warsaw Stock Exchange <http://www.gpw.pl>

National Health Fund www.nfz.gov.pl

Central Statistical Office www.stat.gov.pl

National Bank of Poland www.nbp.pl

Ministry of Finance www.mf.gov.pl

Internet Database of Legal Instruments <http://isap.sejm.gov.pl>

New Connect Alternative Market for Securities <http://www.newconnect.pl>

Catalyst Bond Market for Debt Financial Instruments <http://www.gpwcatalyst.pl>

An indicative list of treaties for the avoidance of double taxation

<http://www.finanse.mf.gov.pl/abc-podatkow/umowy-miedzynarodowe/wykaz-umow-o-unikaniu-podwojnego-opodatkowania>

Accounting Specialist's Blog <http://macaccounting.pl/blog/>



Audyt



Kadry i płace

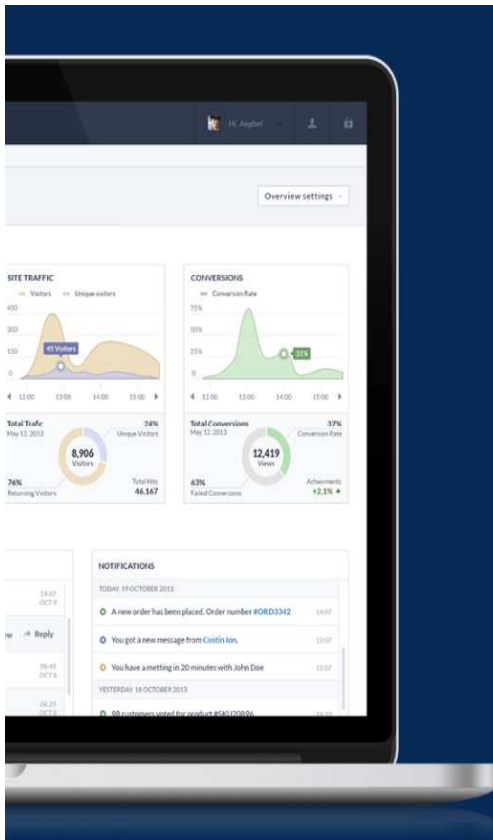


Księgowość



Doradztwo

PUBLIKACJE



Prowadzisz firmę?

NIE DAJ SIĘ ZASKOCZYĆ!

Sprawozdania finansowe spółek muszą być obecnie sporządzane w formie elektronicznej (JPK_SF) oraz podpisane przy wykorzystaniu certyfikowanych podpisów bądź profili ePUAP.

Zapraszamy do skorzystania z pomocy firmy, która specjalizuje się w sporządzaniu sprawozdań finansowych, zgodnie z wymogami przy użyciu profesjonalnych aplikacji dedykowanych w tym celu.

NIE CZEKAJ, SKONTAKTUJ SIĘ Z NAMI

☎ 530 189 966

✉ Formularz kontaktowy

Legal note

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