
Your Own Company in Wrocław

Wrocław 2009

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Why Wrocław?

Strategic location

Wrocław is strategically situated, and its good communications network, national as well as international, makes the city easy accessible for investors from various parts of the world. The following roads go through Wrocław: "the third European transport channel", E-67 international roads (Warsaw-Prague), and E40/A4 (Berlin-Cracow motorway) Wrocław also offers well-developed network of railway connections.

Distances from Wrocław to selected cities:

Prague - 280 km
Berlin - 340 km
Warsaw - 340 km
Vienna - 390 km
Budapest - 550 km
Bratislava - 390 km
Frankfurt am Main - 390 km
Copenhagen - 730 km
Vilnius - 790 km
Amsterdam - 970 km
Brussels - 1050 km
Kiev - 1060 km
Paris - 1290 km
London - 1350 km
Rome - 1440 km
Moscow - 1600 km

Cheap airlines, which have entered the Polish market, have caused that the number of flights from Wrocław is increasing every year. In 2006, the International Airport in Wrocław offered the following connections: London, Frankfurt am Main, Munich, Copenhagen, Stockholm, Oslo, Rome, Milan, Cologne, Glasgow, Dublin, Warsaw, Brussels. **Current flights:** www.airport.wroclaw.pl.

Wrocław is also one of the most important rail hub, and an inland sailing port.

Personnel availability

Being a strong university centre, Wrocław offers access to qualified specialists, who are the core of local companies. 29 universities, e.g.: Wrocław University of Technology, University of Wrocław, Wrocław University of Economics, Medical University in Wrocław or Wrocław University of Environmental and Life Sciences, educate young people, adjusting their programmes to the local labour market and investors' needs. Over 130 thousand students are studying in Wrocław.

Dynamic growth

Wrocław is an important centre of economy, as well as culture, science and tourism, and is the main development driver of Lower Silesia. The city and the region have an excellent opinion regarding the business infrastructure and the labour market. As far as the size of investment is concerned, Wrocław is in the second place in Poland, just after Warsaw. **Over 120 thousand of jobs have recently been created here**, which is a phenomenon in the whole country.

Fast development of specialised industries also influences the investment attractiveness of the region.

Wrocław conurbation is:

- **The second largest centre of financial services in Poland** (banking, audit and leasing services, debt collection)
- **The leader on the market of computer services;**
- a place for **Motor Companies** (Volvo, Wabco, Toyota)
- a place for **research and development centres, and service centres** (Siemens, Capgemini, Hewlett-Packard, Macopharma)
- **Manufacturers of Home Appliances** (Whirlpool, Fagor, Electrolux)

Tab. 1. 1. Basic data on Wrocław and Lower Silesia

	Wrocław	Lower Silesia
Population	632.9 thou.	2 878.4 thou.
Number of companies	95 630	316. 4 thou.
- including trading companies	11 075	22 146
- including foreign capital companies	2 973	6 202
Number of natural persons carrying out business activity	65 811	226 777
Unemployment	4,0%	11,3%
Minimum monthly remuneration	PLN 1 276	PLN 1 126
Average monthly remuneration	PLN 3 215,75	PLN 3 108,53

Source GUS (Central Statistical Office), state for 31 January 2009.

Investment-friendly climate

In May 2008 **Fitch Ratings** (London/Warsaw) confirmed international Wrocław rating for debt in national and foreign currency on "A-" (A minus) level. Long-term perspective for the rating is stable.

The ratings of the City of Wrocław reflect very good operational outcomes, decreasing debt in last three years, attractiveness of the local economy for new investors, efficient financial and strategic management. The ratings also take into account significant investment expenditures planned until 2013, that will result in bigger direct and indirect debt.

In **Forbes** magazine ranking (May 2008) Wrocław gained the best marks among Polish cities. Four criteria were taken under consideration:

- clerks' competence,
- time and complexity while dealing with formal matters,
- openness of decision-makers and clerks towards business' problems and proposals,
- local infrastructure (roads, communication, spatial planning).

In **Foreign Direct Investment (FDI)** ranking (February 2008) entitled "European Cities & Regions of the Future 2008/2009", Wrocław is one of three Polish cities (also Warsaw and Krakow) named in European first league (50 cities and regions). Among ex-communist states only two capital cities – Prague and Tallinn – got better marks.

Small and medium-sized enterprises may take advantage of the wide range of consulting and financial services offered by several dozen institutions in Wrocław and Lower Silesia. For more information, contact the Business Information Point at Municipality of Wrocław.

Business Information Point Municipality of Wrocław Economic Development Office

2/4 G. Zapolskiej Street, room 111 - 117
50-032 Wrocław
tel. 071 777 75 46, 777 78 18, 777 78 19
fax 071 777 72 89
e-mail: brg@um.wroc.pl
www.wroclaw.pl

An experienced project manager is assigned to deal with large companies. All information is provided by Wrocław Agglomeration Development Agency:

Agencja Rozwoju Aglomeracji Wrocławskiej S.A. (ARAW) (Wrocław Agglomeration Development Agency)

3 A Szewska Street
50-950 Wrocław
tel. 071 783 53 12
fax 071 783 53 11
e-mail: araw@araw.pl www.araw.pl

How to establish a company?

Before commencing business activity, you should analyse:

- **What do you want to do? What is your idea for a business activity?**
- **What is the competition in a chosen industry?**
- **How are you going to finance the first stage of business activity?**

The best way is to prepare a simplified business plan for yourself, in which you can estimate the costs and anticipated profits.

Legislation for an entrepreneur

The regulations on carrying out business activity are set forth in **the Freedom of Conducting Business Activity Act of 2 July 2004** (Journal of Laws 04.173.1807). The text of this Act, as well as other legal documents concerning entrepreneurs can be found on the Ministry of Economy webpage:

On 19th December 2008 an amendment act was introduced enabling from 31st March 2009 for example registration of business activity in "one counter", that is municipal register of business activity. An entrepreneur can submit one application also for entry to other necessary registers. The municipality will forward the application within three days to the national business register (REGON), Social Insurance Company (ZUS) and the Tax Office (Urząd Skarbowy).

According to this Act, **business activity** means the profit-oriented business of manufacturing, construction, trading, providing service and searching, identifying and extracting minerals from deposits, as well as professional activity performed in an organised and continuous manner.

The provisions of the Act do not apply to manufacturing activity in agriculture in the scope of farming, animal breeding, gardening, vegetable growing, forestry and inland fishing, as well as offering rooms for rent by farmers, selling home-made meals and providing other services in farms, connected with tourist stay.

An entrepreneur as defined by the Act is a natural person, legal person and an organisational unit which is not a legal person and which is granted legal capacity under a separate act - carrying out, on its own behalf, a business activity. Partners of a civil law partnership, in the scope of their business activity, are also considered entrepreneurs.

According to a new definition of business activity included in **the Personal Income Tax Act**, binding since 1 January 2007, the following do not constitute a business activity (the conditions below have to be met altogether):

- business activity conducted personally, where an ordering party is liable towards third parties for such an activity,
- business activity is conducted under the supervision, and in the place and time specified by an ordering party,
- a person carrying out these activities does not bear any economic risk connected with the conducted activity.

Tab. 2. The division of companies into micro, small and medium

	Number of employees during one of two last financial years (average annual)	Annual net turnover from the sale of goods, products, services and financial services does not exceed	The total of assets in a balance, prepared at the end of one of two last financial years did not exceed
Micro entrepreneur	Less than 10	EUR 2 million	EUR 2 million
Small entrepreneur	Less than 50	EUR 10 million	EUR 10 million
Middle entrepreneur	Less than 250	EUR 50 million	EUR 43 million

For an entrepreneur to be considered micro, small or medium, the employment condition, together with the condition regarding turnovers or the total assets in a balance, must be met.

An entrepreneur is not considered a micro, small or middle entrepreneur, if other entrepreneurs, State Treasury and territorial government units are the owners, in this entrepreneur's company, of:

- 25% and more of contributions or shares,
- the right to 25% and greater share in the profit,
- 25% and more votes at the general meeting, general meeting of shareholders or a general meeting of a cooperative.

The above definitions enable to appropriately define entrepreneurs when giving public assistance.

Regulations concerning foreigners

Freedom of Conducting Business Activity Act (art. 13) stipulates that **foreign persons from the Member States of the European Union**, countries of the European Economic Area which do not belong to the EU and countries not being the parties to the agreement on European Economic Area, which may benefit from the freedom of conducting business activity on the basis of agreements concluded by these countries with the EU and its member states,⁹

may establish and carry out business activity on the same conditions as the citizens of Poland.

Foreigners, citizens of countries other than the ones mentioned above, who:

- 1) possess, in the Republic of Poland:
 - a) a permit to reside,
 - b) a residence permit for the long-term resident of the European Communities,
 - c) permit to stay for a specified period of time, granted in connection with the circumstances mentioned in art. 53 section 1 p. 7. 13 and 14 of the Foreigners Act from 12 June 2003,
 - d) permit for tolerated stay,
 - e) refugee status,
- 2) enjoy temporal protection in Poland;
- 3) are family members in the meaning of art. 2 p. 4 of the Act from 14 July 2006 on Entering the Republic of Poland, staying in and leaving its territory by the citizens of EU member states and members of their families (Journal of Laws No. 144, item 1043), who join the citizens of countries mentioned in sec. 1, or stay with them.

- may establish and conduct business activity in the territory of the Republic of Poland on the same conditions as the citizens of Poland.

Other foreigners have the right to establish and conduct business activity only as the following company types: a limited partnership, limited-joint stock partnership, limited liability company and joint-stock company. They may also join such companies and take up or purchase their shares, unless international agreements provide otherwise.

Foreigner entrepreneurs may, subject to the principle of reciprocity, as long as ratified international agreements do not provide otherwise, establish **branches** seated in Poland which shall carry out business activity only in the scope of the objects of a foreign entrepreneur's business, and after having registering in the Register of Entrepreneurs.

Foreign entrepreneurs may also establish **representative offices** in Poland. The scope of activity of such representative offices may include only advertising and promotional activities concerning a foreign entrepreneur. Establishing a representative office requires registering in the register of foreign entrepreneurs' representative offices, kept by an appropriate minister of economy .

Legal forms of conducting business activity

Before commencing business activity, we should choose its legal form. Depending on the choice, you can establish one of the following forms of business activity:

- **as a commercial company, European company or non-governmental organisation, after having registered in the Registry of Entrepreneurs in the National Court Register;**
- **As a natural person, after registering in the Business Activity Records.**

A. Register of Entrepreneurs within the National Court Register

Subject to the National Court Register Act of 20 August 1997 (KRS - Journal of Laws 01.17.209), the following subjects are required to register in the Registry of Entrepreneurs:

- commercial companies,
- European economic interest groupings,
- European companies,
- cooperatives,
- European cooperatives,
- national enterprises
- research and development units,
- Entrepreneurs specified in the regulations on the rules of carrying out, in the Republic of Poland, business activity in the scope of small-scale production by foreign legal and natural persons, hereinafter referred to as "foreign entrepreneurs",
- mutual insurance companies,
- other legal persons, provided they conduct business activity and are subject to registration in the Registry,
- offices of foreign manufacturers conducting business in the Republic of Poland,
- main offices of foreign insurance companies.

Commercial companies

Commercial companies operate on the basis of the provisions of the Commercial Code (Journal of Laws, 00.94.1037). They are divided into partnerships and capital companies. Only a capital company has legal personality.

PARTNERSHIPS

Registered partnership

Registered partnership is a partnership, which conducts business activity under its own name, and is not another commercial company. Each partner is responsible for a company's liabilities with all their property, jointly and severally with the other partners and the company.

Professional partnership

A professional partnership is a partnership formed by partners with the aim of performing a freelance profession in a company, which conducts business under its own name. This company may be set up in order to perform more than one freelance profession, unless a separate act provides otherwise. Partners to the company may be persons authorised to perform the following professions: counsel, pharmacist, architect, construction engineering, expert auditor, insurance broker, tax consultant, securities broker, investment consultant, accountant, doctor, dentist, veterinary surgeon, notary public, nurse, midwife, attorney-at-law, patent agent, property expert and sworn translator.

Limited partnership

A limited partnership is a partnership which aim is to conduct business activity under its own name, where at least one partner (full partner) is responsible, without limitations, for the company's liabilities towards creditors, and the responsibility of at least one partner (limited partner) is limited.

Limited joint-stock partnership

A limited joint-stock partnership is a partnership which aim is to conduct business activity under its own name, where at least one partner (full partner) is responsible, without limitations, for the company's liabilities towards creditors, and at least one partner is a shareholder. The initial capital of a limited joint-stock partnership should amount to at least PLN 50,000.

CAPITAL COMPANIES

Limited liability company

A limited liability company may be formed by one or more persons, and may conduct business activity of any purpose which is legally permissible, unless otherwise provided by the law. Partners are not responsible for a company's liabilities. The initial capital of a company should amount to at least PLN 5,000.

Joint-stock company

A joint-stock company may be set up by one or more persons. It cannot be set up only by a single-member, limited liability company. The initial capital of a company should amount to at least PLN 100,000.

All commercial companies are formed in the moment of their registering in the National Court Register. Only a limited liability company and joint-stock company may operate, for some time, without such registration, but on the basis of an

agreement or statutes. Special forms are used for applying for such registration. They are specified in the regulation of the Minister of Justice. The forms are also available on the webpage of the Ministry of Justice www.ms.gov.pl and in registration courts.

Court fees connected with forming companies are:

- PLN 750 for partnerships /PLN 1000 for capital companies
- 500 PLN for the announcement in the Court Gazette (Monitor Sądowy).

A registration court issues a decision on registering a company in the register, within 14 days from the day of submitting an application.
The relevant court for the city of Wrocław is:

VI Commercial Division of the National Court Register

16-20 Poznańska Street, 53 - 630 Wrocław
tel. 071 334 82 10, 071 334 82 42

Documents required for registering a commercial company:

- an application with appendixes submitted on a form specified in the regulation of the Minister of Justice from 21 December 2000 on specifying official forms of applications for registering in the National Court Register.
<http://www.ms.gov.pl/krs/krs.shtml>)

European company

Polish entrepreneurs have been able to establish European companies since Poland joined the EU. It is regulated by the regulation of the Council (EC) 2157/2001 of 8 October 2001 on the statutes of an European company (Journal of Laws EC L 294/1). Such a company is of supranational nature.

A European company may be established by:

- merging at least two national joint-stock companies,
- setting up a holding by at least two national joint-stock companies and/or limited liability companies,
- establishing a daughter company by at least two companies, defined by art. 48 section 2 of the EC Treaty, or by national legal persons of private or public law,
- transforming a national joint-stock company into a European company,

Minimum initial capital of a European company should amount to at least EUR 120,000.

B. Business Activity Records

Natural persons establishing their own company (including partners in a civil law partnership) have to register in the Business Activity Records. The Register is kept by **a district relevant to the entrepreneur's place of residence (permanent)**.

The citizens of Poland, European Union, countries of the European Economic Area which do not belong to the EU, and countries which are not parties to the agreement on the European Economic Area, who commence a business activity in Poland, and permanently reside in another EU country, should register a business entity in a district which is **the main place for carrying out this activity in Poland**.

Registration is open - everybody can access its data and view registration documents of an entrepreneur which is in the Register.

A registration body issues a decision on registering, which includes:

- 1) the name of an entrepreneur and its PESEL number (Personal ID number), if they have one;
- 2) NIP number (Tax Identification number), if they have one;
- 3) place of residence and delivery address of an entrepreneur, address of a business activity, and if the address of conducting the business activity is different than this of the place of residence - the address of the main place where the business activity is carried out, and the address of a branch, if such exists;
- 4) specification of a business activity objects, according to the Polish Classification of Activities (PKD);
- 5) caution on the implications of failing to disclose in the register of the changes specified in art. 139 § 3 of the Act of 17 November 1964. - Civil Procedure Code (Journal of Laws No. 43, item 296, as amended).

Tab. 3 The comparison of legal forms of conducting business activity

	Individual business activity, civil law partnership	Other organisational forms
Cost of establishing a company	About PLN 200	Over PLN 1500, in case of companies - initial capital is required
Responsibility for liabilities	With the whole personal property	With the company property
Accountancy	All forms are possible	Full accountancy (books of accounts)

Your company - procedures,

The procedures below concern registering a company by natural persons.

COMMUNE OFFICE

Submitting an application for registering a company in the Business Activity Records.

Required documents: ID

The application for registering in the Business Activity Records in Wrocław district is available on the webpage of the Municipality of Wrocław.

<http://www.wroclaw.pl/m3492/p5303.aspx>

You can register at the following address:

Municipality of Wrocław

Citizen Affairs Division

Business Affairs Registry Office

1/8 Nowy Targ Square, room 20 (ground floor) - Wrocław

Tel. + 48 71 777 70 13, 777 70 36

On 31st March 2009 a concept of "one counter" was introduced.

All changes regarding registration of business activity result from works on amendment act on business activity freedom – amendment to the above-mentioned Act and some other Acts was published on 4th February 2009 (Journal of Laws no 18 of 2009, item 97.)

The "one counter" concept stipulates that persons who are planning to commence their own business have to submit in the Municipality Office only one application EDG – 1.

The application is simultaneously:

- An application for entry into business activity register (Municipality Office)
- An application for entry into the national business register (REGON – Statistical Office)
- An identification or updating notice mentioned in legal provisions on principles of register and identification of payers and tax payers (tax identification number NIP – Tax Office),
- A declaration of insurance contribution payer or its change understood in accordance with legal provisions on social security system or notice of declaration on social security continuation (Social Insurance Company).

An application for entry into business activity register (Form) constitutes simultaneously:

- An application for change in data in business activity register,
- An application for stay of conducting business activity,
- An application for business activity resumption,
- Notice of business activity discontinuance (liquidation).

The application for company registration and the application for change in business activity register are free of charge.

COMPANY BANK ACCOUNT, SEAL

According to the Freedom of Conducting Business Activity Act, making or accepting payments connected with conducted business activity is carried out via a bank account of an entrepreneur, every time when: another entrepreneur is a party to a transaction from which a payment results, and a single value of a transaction, regardless of the number of payments included, exceeds the equivalent of €15.000 converted into Polish zlotys according to the average currency rate published by the National Bank of Poland on the last day of a month prior to the month in which the transaction was made.

Required documents (bank): ID, certification of registration in the Business Activity Records, certification of assigning NIP and REGON numbers, and in some banks, also a company's seal. Fees: On average, PLN 20 a month, depending on a bank.

There is no legal obligation to possess a company's seal, but in practice, many offices requires it. The seal should include the following data: full company name, address, NIP and REGON numbers. Cost: about PLN 50.

NATIONAL LABOUR INSPECTORATE AND SANITARY AND EPIDEMIOLOGICAL STATION

If an entrepreneur is an employer, he has to inform the National Labour Inspectorate (PIP) and Sanitary and Epidemiological Station, in writing, about the place, type and scope of a conducted business activity, within 30 days from the day of commencing a business activity. No fees. Forms are available on the institution's webpages.

National Labour Inspectorate in Wrocław

22 Zielonego Dębu Street

tel. + 48 71 371 04 31

www.wroclaw.oip.pl; www.pip.gov.pl

Provincial Sanitary And Epidemiological Station in Wrocław

73/77 Maria Skłodowska-Curie Street

tel. 071 328 30 41 (to 49), fax 071 328 35 92

<http://www.wsse.wroc.pl>

CONCESSIONS, REGULATED ACTIVITY, LICENCES

Business areas where a concession is required

1. searching or identifying mineral deposits, extracting minerals from deposits, non-tank storage of substances and storing waste in rock masses, including underground mine excavations.
2. manufacturing and trading explosives, weapons and ammunition, as well as goods and technology intended for military or police use;
3. manufacturing, processing, storing, transferring, distributing and trading fuels and energy;
4. protection of persons and property;

5. broadcasting radio and television programmes;
6. airplane transport.

Granting, refusal to grant, changing or withdrawing a concession, or limiting its scope lies with a minister relevant with regard to the object of business activity which requires a licence. The provisions of separate acts may include exceptions - for example, concessions for broadcasting radio and television programmes are granted by the chairman of the National Broadcasting Council.

Fields included in regulated business activities

1. Production and bottling of wine, spirits; production, purification, contamination, dehydration of ethyl alcohol;
2. storing employers' personal and remuneration documentation, which requires temporary storage;
3. detective services;
4. organisation of horse races;
5. conducting: individual medical practice, individual specialist medical practice, group medical practice, education services, and postgraduate education services for doctors and dentists;
6. conducting: individual practice of nurses, midwives, individual specialist practice of nurses, midwives or group practice of nurses, midwives, as well as postgraduate educational services for nurses and midwives;
7. packaging and trading of pesticides;
8. trade of planting material;
9. production and storage of biocomponents;
10. running a driving school, psychology laboratory for instructors, examiners and drivers. Organising supplementary courses for drivers transporting dangerous goods;
11. postal services which do not require a permit;
12. running a motor vehicle control station;
13. organising professional sports competitions;
14. telecommunications activity;
15. organisation of tourist events and acting as customers' agent for entering into tourist services contracts (not for the benefit of tourist organisers which are on an appropriate list); provision of tourist services, including: hunting trips organised for foreigners in the Republic of Poland, hunting trips abroad;
16. running a currency exchange bureau;
17. running a storage company (storage house)

Business areas where a licence is required

1. real estate management, real estate agent;
2. providing road transport; providing railway transport of persons or goods, and providing traction vehicles;
3. running an employment agency, temporary employment agency, training institution for the unemployed which organises trainings funded from public resources.

Performing some professions, such as, for example: counsel, attorney at law, expert auditor, tax consultant and bookkeeping services requires registration on the list of subjects which are entitled to perform a given profession.

Permits issued at the Municipality of Wrocław

- **for the sale of spirits** - forms and information about fees are available on the webpage: <http://www.wroclaw.pl/m3488/p5285.aspx>
Organisation and Legal Division, Legal Section - Permits
4 G. Zapolskiej Street, 2nd floor, rooms 216-217
tel. 071 777 76 77, 071 777 78 64.
- **for providing road transport** - information on the webpage: <http://www.wroclaw.pl/m3492/p5308.aspx>

Transport Division, Unit for Licences, Permits and Certificates

4 G. Zapolskiej Street, 1 & 2nd floor, rooms 105 & 206
tel. 071 777 81 98, 071 777 77 35.

Business activity taxation

Personal income tax

PIT according to the Personal Income Tax Act (Journal of Laws 00.14.176). Personal income tax of a person, who independently carries out business activity, is settled in an office relevant to the taxpayer's place of residence.

A taxpayer who carries out business activity, or intends to commence the same, has to choose a taxation method, if tax regulations allow such choice.

In case of natural persons, the following taxation methods are possible:

- a) under general rules
 - according to tax scale
 - according to flat rate tax
- b) as a lump-sum rate on registered revenue
- c) as a fixed amount tax

General rules are the basic method of taxation. These include taxation by using taxable income and tax scale, specified in the Personal Income Tax Act, or the flat rate and a revenue and expense ledger.

In 2007, the obligation of submitting monthly tax returns to tax offices was abolished, however, entrepreneurs are obliged to pay advance tax payments.

Apart from general rules, taxpayers may choose flat-rate taxation methods, after having met certain conditions. Such methods are lump-sum tax on registered revenue and fixed amount tax, regulated by the Act of 20.11.1998 on lump-sum income tax on some revenues earned by natural persons.

Lump-sum on revenue from business activity may be paid by taxpayers, who:

- in a year prior to a tax year, earned revenues which amount does not exceed € 150 000 or

- will commence business activity in a current tax year and do not use the fixed amount tax method - regardless of the revenue amount.

Lump-sum income tax is calculated according to percentage rates from the earned revenue. Their amount depends on the type of business of a taxpayer. The general rule is obligatory payment of lump-sum on registered revenue for each month, to the bank account of a tax office relevant to a taxpayer's place of residence, until the 20th day of the following month, and for December - until the day of submitting a tax return. It is possible to pay the lump sum every three months, i.e. until the 20th day of the month following the three month period, for which the lump sum has to be paid, and in case of the last three months in a year - until the day of submitting a tax return. Such taxation method may be used by these entrepreneurs only, whose revenues from independently conducted business activity, or company revenues, did not exceed a specified amount in the previous year.

Fixed amount tax is the most simplified method of paying the income tax. It is intended mainly for small service enterprises, production and service, and trading enterprises. However, this taxation method is limited to revenues earned from some, specified types of businesses listed in art. 23 of the Act, e.g. watchmakers', upholsterer's or tailor's services.

The application for fixed amount tax must be submitted to a relevant tax office until 20 January of a given tax year. If the application is accepted, a tax office issues a decision, in which the amount of tax is established, in the form of fixed amount tax, separately for each tax year.

Tab. 4. Comparison of taxation methods

	General rules		Lump sum	Fixed amount tax
	according to tax scale	according to flat rate tax		
Importance of revenues and costs for the tax amount	Tax is paid on income (difference between revenue and costs).	Tax is paid on income (difference between revenue and costs).	Tax is paid on revenue, costs do not influence the tax amount.	Tax amount is fixed, established on the basis of a decision of a relevant tax office. Revenues and costs do not have any influence in this case.
Deducting Social Insurance contributions	Can be deducted from the income.	Can be deducted from the income.	Can be deducted from income.	Not possible.
Tax rate	18%, 32%	19%	3%, 5,5%, 8,5%, 17%, 20%	Tax amount is fixed, established on the basis of a decision of a relevant tax office.
Common taxation of married couples	Possible.	Not possible.	Not possible.	Not possible.
Date of paying advance tax payments	until the 20 th day of a month.	until the 20th day of a month.	until the 20th day of a month.	until the 7th day of a month.

Compulsory tax records	Tax revenue and expense ledger / books of accounts	Tax revenue and expense ledger / books of accounts	Revenue registration, fixes assets register and registration of equipment	Book keeping is not required. Bills and invoices must be stored for 5 years.
Limitations	Everybody may choose this taxation method.	Everybody may choose this taxation method.	Choosing this taxation method depends on the type of business activity and revenue amount.	Choosing this taxation method depends on the type of business activity and revenue amount.

Corporate income tax

CIT according to the Corporate Income Tax Act (Journal of Laws 00.54.654); this is an income tax on business activity which amounts to 19% only.

VAT tax

An entrepreneur who commences a business activity is obliged to check whether they should **register for the purposes of VAT**. The registration is compulsory for persons, who cannot or do not want to make use of VAT exemption. VAT payer submits a registration application on VAT-R form, according to the place of carrying out business activity. If there is more than one place of carrying out business activity, a taxpayer submits an application to an Office relevant to the place of residence.

Submitting the VAT declaration costs PLN 170.

If an entrepreneur commences business activity during a tax year, they are entitled to VAT exemption, when expected sale value in a given year will not exceed the equivalent of €10 000. This limit is counted proportionally to the period of sale, i.e. to the time period until the end of a year.

The following persons cannot be exempted from VAT: entrepreneurs performing activities listed in art. 113 section 13 of the Act of 11 March 2004 on the Value Added Tax (Journal of Laws 04.54.535), e.g. providing legal services or consulting services, taxpayers which registered office or place of residence is abroad.

A service enabling each taxpayer to submit electronically tax returns was launched on January 1, 2008.

Detailed information on the e-declaration is available at the Internet site of the Ministry of Finance

<http://www.e-deklaracje.gov.pl>

Costs of running a company

Registration

- From 31st March 2009 physical persons do not bear costs of registration or updating activities of their company.

- Costs of registering a company, together with an announcement in the Court Monitor:
 - PLN 1250 - 1500
 - Registration for the purposes of VAT: PLN 170.

Insurance

Contributions for the Social Insurance Institution may be lower for persons, who establish their business activity for the first time.

- I. For persons conducting non-agriculture business activity according to the regulations on business activity or other individual regulations, which:
- commenced business activity after 25 August 2005.
 - do not conduct, or during last 60 calendar months before the day of commencing, were not conducting a non-agriculture business activity,
 - do not carry out business activity for the benefit of a previous employer, for whom, before commencing business activity and as part of their employment relationship or cooperative employment relationship, they were performing activities included in the scope of currently performed business activity.

the social insurance contribution assessment basis is a declared amount, not lower than **30%** of current minimum remuneration.

In 2009, the social insurance contribution assessment basis is a declared amount not lower than PLN **382.80** (**30%** of the amount of the current minimum remuneration), In January, February 2009 the health insurance contribution assessment basis is a declared amount not lower than PLN **2,392.76** (**75%** of the average monthly remuneration in the enterprise sector in the third quarter of 2008, including from profits).

In 2009, the social insurance contribution for the persons mentioned above could not be lower than:

PLN 74,72	(i.e. 19,52%) for retirement insurance
PLN 22,97	(i.e. 6%) for pension insurance
PLN 8,38	(i.e. 2,45%) for sickness insurance
PLN 215,35	(i.e. 9,00%) for health insurance
PLN 46,94	(i.e. 2,45%) for a labour fund
TOTAL	PLN 369,36

- II. persons carrying out business activity:

- according to the business activity regulations or other individual regulations not mentioned in p. I,
- authors and artists,
- freelancers,
- partners of a single-member limited liability company and partners of a

- registered partnership, limited partnership or a professional partnership,
- persons cooperating with entrepreneurs carrying out non-agriculture business activity

the social insurance contribution assessment basis is a declared amount, not lower than **60%** of current minimum remuneration.

In 2009, the social insurance contribution assessment basis is a declared amount not lower than PLN **1,915.80 (60%** of predicted average monthly remuneration adopted in order to settle the amount of annual base of limitation rates for a given calendar year, whereas the health insurance contribution assessment basis is a declared amount not lower than PLN **2,392.76 (75%** of the average monthly remuneration in the enterprise sector in the, including from third quarter of 2008 profits).

In 2009, the social insurance contribution for the persons mentioned above could not be lower than:

PLN 373,48	(i.e. 19,52%) for retirement insurance
PLN 114,95	(i.e. 6%) for pension insurance
PLN 46,94	(i.e. 2,45%) for sickness insurance
PLN 215,35	(i.e. 9,00%) for health insurance
PLN 46,94	(i.e. 2,45%) for a labour fund
TOTAL	PLN797,66

Taxes

Tab. 5. Comparison of taxes for business activity

PIT - Personal Income Tax	18%, 32% or a 19% flat rate tax
CIT - Corporate Income Tax	19 %
VAT - Value Added Tax on Goods and Services (applicable for: legal persons, organisation units without legal personality)	22% - basic rate 7% - for selected goods and services 0% - for selected goods and services
Excise tax	The amount of excise tax is calculated based on amount (litres, kilograms) or turnover, depending on goods type. Rates are different for imported goods and domestic turnover goods.
Real estate tax - current rates are available in: - tax on land, building and land, which are involved in carrying out business activity	More information, and tax rates: http://www.wroclaw.pl/m3484/p5258.aspx

Employment costs

Tab. 6. Comparison of costs in case of minimum and average remuneration

Gross remuneration	Amount to be paid to an employee	Tax	Health insurance	Employee's ZUS contribution	Employer's ZUS contribution	Total cost
PLN 1276 (minimum)	PLN 954,96	PLN 47	PLN 99,10	PLN 174,94	PLN 231,98	PLN 1507,98
PLN 3200 (average)	PLN 2295,76	PLN 217	PLN 248,52	PLN 438,72	PLN 581,76	PLN 3781,76

Other costs

Depending on the scale of an enterprise, one should take into account the costs of everyday functioning (renting premises, utilities fees etc.), external services (accountancy, legal services, specialist consultants etc.), and other expenses, specific to the industry of the business activity of an entrepreneur.

Where to get help?

Consultancy and trainings

Chambers of commerce, institutions and organisations which support entrepreneurs organise various trainings for the representatives of small and medium-sized enterprises (SMEs). These are often co-financed from structural fund resources. News on this subject can be found on www.wroclaw.pl.

National SME Services Network Centres in Wrocław

National SME Services Network (KSU) is a system of cooperation of non-commercial organisations, which provide services for micro entrepreneurs, small and medium-sized enterprises and persons establishing business activity. These services include: consulting, trainings, financial resources (including giving guarantees and granting loans). KSU is a part of the national system of support for SME sector.

KSU centres in Wrocław operate in the following organisations:

Wrocławska Agencja Rozwoju Regionalnego S.A. (Wrocław Regional Development Agency)

13 Krupnicza Street (4th floor), tel. 071 797 04 00, fax 071 372 36 85
e-mail: warr@warr.pl, www.warr.pl

Wrocław University of Technology - Wrocław Centre of Technology Transfer

48 Smoluchowskiego Street; tel 071 320 33 18, fax 071 320 39 48
e-mail: wctt@wctt.pl, www.wctt.pl

Lower Silesia Chamber of Crafts and Small and Medium Enterprises

13 Solny sq.; tel. 071 344 86 91, fax 071 343 38 32
e-mail: secretariat@izba.wroc.pl, www.izba.wroc.pl

Chambers of commerce in Wrocław

Subjects carrying out business activity, except persons for whom such activity is a secondary source of revenue, may form chambers of commerce, which operate on the basis of **the Chambers of Commerce Act of 30 May 1989** (Journal of Laws 89.35.195) and statuses. A Chamber of Commerce is a part of commercial self-government, representing business interests of subjects associated in it, in the scope of their manufacturing, trading, construction or service activities, and especially in dealing with national bodies.

The most important Chambers of commerce in Wrocław:

Lower Silesia Chamber of Commerce

39 Świdnicka Street, tel. 071 344 78 25, fax 071 343 45 97
e-mail: biuro@dig.wroc.pl, www.dig.wroc.pl

Western Chamber of Commerce

41/43 Ofiar Oświęcimskich Street, tel. 071 795 06 56, fax 071 795 06 57
e-mail: biuro@zig.pl, www.zig.pl

Wrocław Chamber of Commerce

13 Krupnicza Street; tel. 071 797 02 03, fax 071 797 03 00
e-mail: biuro@wig.org.pl, www.wig.wroc.pl

Lower Silesia Chamber of Crafts and Small and Medium Enterprises

13 Solny sq.; tel. 071 344 86 91, fax 071 343 38 32
e-mail: secretariat@izba.wroc.pl, www.izba.wroc.pl

Polish-German Chamber of Industry and Commerce

20 Solny sq.; tel. 071 794 83 35
e-mail: imakowiecka@ihk.pl, www.ihk.pl

British-Polish Chamber of Commerce

2 Oławska Street, tel. 071 344 14 77, fax 071 344 14 77
e-mail: wroclaw@bpcc.org.pl, www.bpcc.org.pl

Business infrastructure

Wrocław Technology Park

WTP was created in 1998, as the result of agreement between local authorities, university units, Lower Silesia Chamber of Commerce and private institutions. WTP offer is targeted at companies based on advanced technologies, laboratories, scientific and research and development centre. The first large investment in this area is a factory of the international concern Maco Pharma, belonging to a medical industry.

The objective is supporting the development of advanced technologies industry, by:

- creating infrastructure to ensure that companies have good conditions to do business,
- assisting in creating, developing and promoting companies which use modern technologies,
- transferring new technologies to business units,
- commercialisation the results of scientific research,
- promoting regional pro-innovative entities,
- attracting foreign investors,
- increasing the investment appeal of the premises of the technology

- park,
- improving qualifications of business units related to advanced technologies and pro-innovative management,
- co-operating with national and international pro-innovative centres.

The Lower Silesian Incubator of Entrepreneurship is a part of WTP. It offers attractive and modern office, manufacturing and workshop area to be let for rent under special terms that provide development opportunities for young entrepreneurs.

WTP also includes the Technology Centre, equipped with ready to use production lines and 2 modern laboratories, where equipment and appliances were bought after consultations with lessees.

WPT address:

Wrocław Technology Park S.A.

18 Muchoborska Street, Wrocław; tel. 071 798 58 00, fax 071 780 40 34

e-mail: wpt@technologypark.pl, www.technologypark.pl

Wrocław Industrial Park

Wrocław Industrial Park was created in 2005, on the basis of an agreement concluded between Wrocław District, Dozamel Llc company, Archimedes S.A. and Wrocław Technology Park S.A. It is situated in the territory of the so-called Industrial Wedge bordered by Robotcza Street, Fabryczna Street and Strzegomska Street.

Premises and technical infrastructure existing in the Park's territory enable to conduct business activity. There are over 250 companies here.

The difference between industrial parks and special economic zones is already existing technical infrastructure and access to a wide offer of industrial services.

Industrial services include: distribution of electricity, gas, water, heat, compressed air, data communications services, traffic maintenance, repairing machines, logistics and transport, supervision, cleaning, industrial waste management, health protection and many more.

DOZAMEL Llc. - the Manager of Wrocław Industrial Park

10 Fabryczna Street

tel. 071 356 55 56, fax 071 356 55 25

e-mail: bok@wpp.wroc.pl; www.park.wpp.wroc.pl

Wrocław Science and Technology Medical Park

The mission of the Park is to motivate university community and entrepreneurs to cooperate, attract external investors from the medical industry, provide favourable conditions for transferring knowledge and technology from science

to industry, and create advantageous conditions for conducting innovative activity in the scope of products and services in medical, and similar industries.

The following institutions operate within the Park:

- **University Incubator for Entrepreneurships**, offering, among others, favourable conditions for cooperation, consultations on EU funds and carrying out business activity, access to existing office infrastructure, which rates are more favourable than market ones.
- **Medical Centre of Technology Transfer**, offering consultations in the scope of copyright, patent rights, licensing, technology transfer, combining partners from science and business environments, "e - Zdrowie" clusters, services of biotechnology and pharmacy cluster "BIOFARM".

Wrocław Medical Science and Technology Park, Llc.
Address of the official seat: 1-3 Kutnowska Street
Management Board Office: 1 Armii Krajowej Street
Tel. 071 784 01 50, fax 071 784 01 48
e-mail: secretariat@parkmedyczny.pl, www.parkmedyczny.pl

Lower Silesia Park of Innovation and Business

The partners of the project which aim is to create the Lower Silesia Park of Innovation and Business are, among others: Wrocław University of Technology, Wrocław Regional Development Agency S.A., Coventry University Enterprise, Wrocław Agglomeration Development Agency S.A., Municipal Waterworks and Sewage Company.

The project will be co-funded by EU, including 7. of Framework Programme. A complex of laboratories and offices will be created in the Park, which will be rented on preferential conditions (an opportunity to use innovative solutions in business). The Park will be acting as agent in selling technologies developed in its premises.

Wrocław Business Incubator

The Project of "Wrocław Business Incubator" financed with the Municipality of Wrocław funds was established in December 2008. It is aimed at supporting local business by:

- support to small enterprises,
- implementation of ideas for new business,
- transfer of practical knowledge and skills,
- transfer of experiences by institutions supporting enterprise development.

Persons who have an idea for their own business activity after recruitment process can use at the incubator's grounds the office area, separate telephone line and internet access, consultation room for contacts with clients, accounting and secretarial services, legal and business counseling, as well as special training offer. Owing to municipal co-financing, the monthly cost of participation in the incubator program is PLN 300

Address of the Wrocław Business Incubator

ECONOMIC DEVELOPMENT OFFICE
ENTREPRISE SUPPORTING UNIT

2-8 Gen. Władysława Sikorskiego Street, 53 – 659 Wrocław
tel. 071 78 99 215 fax 071 78 99 214
e-mail: biuro@cpw.wroclaw.pl
www.cpw.wroclaw.pl

Financial support for companies

Funds for commencing business activity

Measure 6.2. Support and promotion of entrepreneurship and self-employment is addressed to natural persons intending to commence business activity (excluding persons that had already registered their business activity in the period of 1 year before submission of an application for support as part of the project).

The key objective of the Measure is to promote and support initiatives and solutions aimed at the establishment of new jobs and the development of creative attitudes that ensure the development of entrepreneurship and self-employment.

Persons provided with support as part of Measure 6.2 will receive the following forms of support after joining the project:

- consultancy (individual and group) and trainings providing knowledge and skills necessary to establish and conduct business activity
- awarding financial resources for the development of entrepreneurship (also in the form of a cooperative or a social cooperative – provided that all shareholders are persons that commenced their business activity as a result of participation in a project implemented as part the Measure in question), up to the amount equivalent to PLN 40,000 (or PLN 20,000 per person in the case of a cooperative or a social cooperative)
- bridge support in the period from 6 to 12 months from the date of registering business activity, including, among other things, consultancy and assistance in efficient utilisation of grants (only for persons that commenced business activity as part of a given project).
- including financial bridging support paid out monthly in the amount up to equivalent of minimum remuneration binding on the day of grant payment,
- bridging support in the form of counselling and help in effective use of the grant (exclusively for persons who commenced their business within the framework of the given project).

Persons who want to commence their business activity after joining the Project will be included in the above-mentioned forms of support.

More information to be found on the website of the Lower-Silesian Provincial Employment Bureau in Wałbrzych <http://www.pokl.dwup.pl/>

One-time funds for unemployed to commence a business activity

According to the Act on Employment Promotion and Labour Market Institutions (Journal of Laws 04.99.1001), unemployed persons can apply for non-returnable subsidies for commencing a business activity, **in the amount not exceeding the fivefold amount of the average remuneration.**

Subsidies for the unemployed are granted on the basis of a civil law agreement (which follows an application), concluded by a District Employment Office with an unemployed person.

Additional information:

District Employment Office in Wrocław

98 Powstańców Śląskich Street, room 704, 705

(business hours: 10 a.m. - 1 p.m.)

tel. 071 360 43 00 (to 09), fax 071 360 43 10

The application and more information on subsidies are available in the Internet:

http://pup.wroclaw.ibip.pl/public/get_file.php?id=194309

Development subsidies from the European Union

In 2007-2013, Poland may make use of two structural funds:

1. European Regional Development Fund
2. European Social Fund

and the Cohesion Fund.

European Regional Development Fund (ERDF)

By means of ERDF, the European Union carries out its regional policy, devoting the resources to, among others:

- infrastructure (building of roads, sewage treatment plants, waterworks and sewage, modernisation of hospitals and schools, environment protection investments, development of tourism and culture),
- subsidies for entrepreneurs and institutions supporting entrepreneurs,
- scientific research and technological development.

European Social Fund (ESF)

ESF was created to support social policy, which includes preventing unemployment and constant improving employees' qualifications. The following actions are funded:

- training and courses which activate professionally different social groups having difficulties accessing the labour market due to low qualifications or difficult situation (the disabled, young people, women, long-term unemployed, refugees, alcoholics, homeless etc.),
- postgraduate studies, language courses and trainings for employees who want to improve their professional qualifications.

Cohesion Fund (CF)

CF is not a structural fund; it has been created to support large projects (which value exceeds € 10 million), and which are coherent regarding the protection

of environment and transport infrastructure. Such projects also have a great influence on improving the economy's competitiveness.

Operational programmes in Poland

In Poland, for the years 2007-2013, there are operational programs available, which cover the whole country and separate regions. Large investments, which importance goes beyond a region, will be able to obtain funds from the national programmes.

Regional Operational Programmes take into account specific needs of each region, and establish priorities in the fields of economy, infrastructure and social development.

Tab. 7. National Operational Programmes

Name of an Operational Programme	Co-funding from structural programmes	Aim
Innovative Economy	ERDF	<ul style="list-style-type: none"> - supporting innovative companies and improving their competitiveness on the international market - creating new, permanent jobs, - strengthening the cooperation between business and science, etc.
Infrastructure and Environment	ERDF, SF	<ul style="list-style-type: none"> - improving infrastructure in: transport, environment protection, power supply, culture and monuments, health, higher education.
Human resources	ESF	<ul style="list-style-type: none"> - increasing employment and eliminating negative social phenomena (poverty, homelessness, long-term unemployment), - professional activation of groups which access to the labour market is hindered, - improving employees' qualifications, - education system reform (including e-learning)
Development of Eastern Poland	ERDF	<ul style="list-style-type: none"> - covers five provinces: Lublin, Podkarpackie, Podlaskie, Świętokrzyskie and Warmia-Mazuria - supporting infrastructure and economy in order to speed up the development of this region.
Technical assistance	ERDF	<ul style="list-style-type: none"> - Supporting actions and procedures in the scope of management, implementation, monitoring, assessment and controlling the implementation of operational programmes in Poland.

Regional Cooperation in Europe	ERDF	<ul style="list-style-type: none">- continuation of the Common Initiative INTERREG III- two cross-border cooperation programmes will be implemented in Lower Silesia: Lower Silesia - Saxony and Lower Silesia - Czech Republic.
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Regional Operational Programme for the years 2007-2013 for the Lower Silesia Province (ROP)

The main aim of the Lower Silesia programme is the improvement of living conditions in Lower Silesia and the region's competitiveness, while respecting the rules of sustainable development.

ROP priorities are:

1. Companies and innovativeness
2. Information society
3. Transport
4. Environment and ecological safety
5. Power supply
6. Tourism
7. Culture
8. Education
9. Health
10. Towns and cities
11. Technical assistance

The priorities of ROP are complementary, enabling a sustainable development of the region. RPO provides for support for entrepreneurs who want to improve their competitiveness on the market, and for institutions connected with business.

The amount provided for the support for Lower Silesia under ROP in 2007-2013:
€ 1 213 144 879.

More information on the webpages:

www.mrr.gov.pl

www.fundusze.dolnyslask.pl

www.rpo.dolnyslask.pl

Exemptions from the real estate tax

In order to support entrepreneurs, the City offers public support in the form of the exemption from the real estate tax, which is a part of aid programmes.

1. Aid programme involving regional assistance. as a part of EIT+ programme, aiming at supporting new investments for innovative entrepreneurs or entrepreneurs who conduct research and development activity in Wrocław. [Uchwała Nr III/16/06 z dnia 28 grudnia 2006 roku](#)
2. Aid programme, which is a part of regional support, aiming at supporting new investments for entrepreneurs who conduct business activity in the area of industrial parks, technology parks and special economic zones situated in the area of Wrocław.
[Uchwała Nr III/15/06 z dnia 28 grudnia 2006 roku](#)
3. Aid programme, which is a part of regional support for entrepreneurs who create new jobs connected with new investments in Wrocław.
[Uchwała Nr III/14/06 z dnia 28 grudnia 2006 roku](#)
4. Aid programme for small, medium and large enterprises conducting business activity, as a part of regional support for aiding new investments in Wrocław.
[Uchwała Nr III/13/06 z dnia 28 grudnia 2006 roku](#)
5. Support programme within a regional support for new investments in the tourist sector in the city of Wrocław
[Uchwała nr XX/562/08 z dnia 17 kwietnia 2008 r.](#)
6. Support program of de minimis help for microentrepreneurs and small entrepreneurs commencing their business activity in Wrocław.
[Uchwała nr XXXI/1034/09 z dnia 19 lutego 2009 r.](#)
7. Support program of de minimis help for entrepreneurs commencing their business activity in usable premises hired from the Municipality of Wrocław, intended to be passed in non-tender order.
[Zarządzenie Prezydenta Wrocławia nr 6053/09 z dnia 21 kwietnia 2009](#)

More information:

Public Aid Team

10 Sukiennice, 1st floor, room 115

tel. 071 777 75 86, 071 777 75 36

Public Aid Team deals with supporting companies which invest and create new jobs in Wrocław.

Loan and guarantee funds

Lower Silesia Commercial Fund (guarantee fund)

The fund was established by way of an agreement signed by the President of Lower Silesia Province, the President of Wrocław and the President of the National Economy Bank, which aim is to cancel barriers in accessing external capital by offering guarantees to institutions providing credits, loans or grants.³³

The guarantees secure the payment of such credits, loans or grants by an entrepreneur.

Lower Silesia Commercial Fund

3 Wita Stwosza Street, Wrocław
tel. 071 343 79 64, 071 79 57 999
e-mail: biuro@dfg.pl, www.dfg.pl

Lower Silesia sub-regional Loan Fund

The fund may be used by:

- entrepreneurs who employ up to 50 employees,
- entrepreneurs who have an official seat and their basic activity is carried out in Lower Silesia province,
- entrepreneurs who have been conducting business activity for at least 3 months,
- entrepreneurs who have specified the purpose of the loan,
- entrepreneurs who have a good operation strategy, but the resources for funding their activities and development are insufficient,
- entrepreneurs who operate in all industries, except agriculture, military and business activity which is considered dangerous for the environment, as well as entrepreneurs whose business activity is commonly deemed unethical.

Fund Management Centre

Lower Silesia Chamber of Commerce
39 Świdnicka Street, tel.
tel. 071 344 79 78
www.dig.wroc.pl

Wałbrzych Region Fund

Loans granted by Wałbrzych Region Fund from the EU resources are intended for entrepreneurs, who:

- employ fewer than 50 persons,
- their annual turnover does not exceed € 10 million / total annual balance does not exceed € 10 million.
- conduct manufacturing, construction, trading, service activity or start their business,

Consultation Centre of the Loan Fund

at Lower Silesia Chamber of Crafts
Department of Promotion and International Cooperation
13 Solny Square
50 - 061 Wrocław
tel. 071 334 86 91 int. 26
e-mail: fundusz@izbarzemieślnicza.com.pl

<http://www.izbarzemieslnicz.com.pl>

MIKRO Fund

The aim of the Fund is supporting the development of micro entrepreneurship, by making capital available, in the form of loans granted to the owners of small companies. Entrepreneurs - the customers of Mikro Fund have their consultants, who deal with them in 38 offices nationwide. The Fund offers permanent access to capital on straightforward conditions, without unnecessary complex formalities.

Fund Office in Wrocław

Traugutta 104
50-420 Wrocław
tel. 071 342 96 88, fax 071 342 97 32
www.funduszmikro.com.pl

Special economic zones (SEZ)

Poland's joining the EU and the resolutions of the Accession Treaty on the national support caused the necessity to harmonise the rules of granting support in special economic zones. There are 14 zones operating in Poland, located in 104 towns and cities and in 95 districts. Wałbrzych Special Economic Zone, operating in Lower Silesia, is one of the largest in Poland.

A sub-zone of Wałbrzyska SEZ was established in Wrocław, and its area has been precisely determined in the Council of Ministers Regulation of 5 December 2006 (Journal of Laws 06.236.1705).

Other zones in our province are Legnica and Kamienna Góra SEZ.

The advantages of carrying out business activity in SEZ:

- possibility to be exempted from the income tax,
- companies which manage the zones deal with investors,
- after-investment support.

Possible forms of supporting investments:

- income tax exemption,
- real estate tax exemption,
- support granted by way of recruiting new employees, from the Labour Fund resources,
- for large investment projects - subsidy in connection with long-term programme.

Maximum intensity of regional investment support, calculated as the ratio of gross subsidy amount to costs which qualify to be covered by this subsidy, is 40% for Lower Silesia province.

According to **the Special Economic Zones Act of 20 October 1994** (Journal of Laws 07.42.274) An amendment act accepted by the Polish parliament on 30 May 2008 concerning: the basis for making use of public support is a permission

to conduct business activity in a given zone. The permission establishes the objects of a business activity and conditions, concerning in particular:

- employing a particular number of people to carry out business activity in the zone area;
- entrepreneur must, in the zone area, make investments which value exceeds an established amount,
- investment's termination date;
- maximum qualified investment's costs and two-years qualified labor costs,
- requirements named in article 5 sections 3 & 4 – in case investment is carried out on territory owned or rented by subjects other than mentioned in article 5 section 1 a permission can be issued if starting specific business activity will ease gaining the targets named in the zone's development plan.

An entrepreneur who is granted support by way of the costs of a new investment, is obliged:

- not to transfer, in any form, the rights to any property connected with investment expenses - for the period of 5 years from the day of registering it in fixed assets register, and intangible and legal assets, as specified by the regulations on the income tax, and in case of small and medium-sized enterprises - for 3 years;
- to conduct their business activity for the period not shorter than 5 years from the day of completing the whole investment, and in case of small and medium-sized enterprises - for the period not shorter than 3 years.

Addresses of SEZ managers in Lower Silesia:

Wałbrzych Special Economic Zone "Invest-Park",

21 Uczniowska Street, Wałbrzych; tel. 074 664 91 64, fax 074 664 91 62,
e-mail: invest@invest-park.com.pl, www.invest-park.com.pl

Legnica Special Economic Zone

9 Kardynała B. Kominka Street, Legnica, tel. 076 727 74 70, fax 076 727 74 74
e-mail: lsse@strefa-legnica.com, www.strefa-legnica.com

**Kamienna Góra Special Economic Zone
of Small Entrepreneurship**

11a Papieża Jana Pawła II Street, Kamienna Góra; tel. 075 645 15 03
tel. 075 645 15 03, fax 075 744 20 17
e-mail: strefa@ssemp.pl, www.ssemp.pl

Wrocław sub-zone, which belongs to Wałbrzych SEZ, consists of:

- Wrocław Psie Pole sub-zone, with the area of 84,2110, consisting of two complexes (40,9543 ha and 43,2567 ha). The first investment in this sub-zone is the factory producing home appliances, which belong to American concern Whirlpool.
- Wrocław Grabiszyn sub-zone, which total area is 7,3561 ha, located at 32 and 34 Ostrowskiego Street. It is intended for large investments, which value is at least EUR 40 million, or creating at least 500 new jobs;

- Wrocław WROZAMET S.A. sub-zone, with the area of 19,6634 ha, located at 123-145 Żmigrodzka Street;
- Wrocław sub-zone - Kowale section, with the total area of 12,8733 ha, located in the eastern part of Wrocław, at 143 Kowalska Street, near the area of economic activity

What else should you know?

Purchasing real estate

Real estate for the purpose of business activity

Business premises

All information concerning the lease of business premises owned by the Wrocław Commune can be found in:

Municipal Resources Management

3 Św. Elżbiety Street
tel. 071 777 84 00, 777 77 49
www.zzk.wroc.pl

Tender is the basic procedure to lease business premises to business entities. Information on tenders is given in local press, on the information board of the Municipality of Wrocław (1/8 Nowy Targ square), in the Municipal Resources Management (257 Grabiszyńska Street, 3 Św. Elżbiety Street) and on the webpage of the Municipality of Wrocław www.wroclaw.pl

Foreigners purchasing real estate in Poland

The rules of purchasing real estate by foreigners are set forth in the Act on Amendments to the Act on Purchasing Real Estate by Foreigners, of 20 February 2004 and the Stamp Duty Act (Journal of Laws 04.49.466). The Act introduces objective, stable and transparent criteria of issuing permits to purchase real estate and shares by foreign persons.

On the day of Poland's joining the EU, the limitations concerning purchasing real estate by citizens and entrepreneurs from the European Economic Area, which do not result from the community law and are not included in transitional periods, were removed. Currently, foreigners who are the citizens of, or entrepreneurs from the member states of the European Economic Area, do not need to have a permission of the Minister of Interior and Administration, except in the case of purchasing:

- agriculture and forest property, for the period of 12 years from the day when Poland joined the European Union,

- agriculture and forest property, for the period of 5 years from the day when Poland joined the European Union.

Moreover, the act also abolishes some administration barriers in the scope of obtaining permits for purchasing real estate by foreigners, by limiting, among others, the participation of main administration bodies which also take part in the decision-making process of the Minister of Interior and Administration, i.e. the Minister of National Defence and the Minister of Agriculture and Rural Development will not be granting permissions (as it was the case so far), they will only have a statutory right to object – so called „silent agreement of an administrative body“.

According to art. 8 section p.2 of the Act of 24 March 1920 on purchasing real estate property by foreigners (Journal of Laws 1996.54.245), excluding agriculture and forest properties from „free“ purchasing by citizens or entrepreneurs from the European Economic Area does not apply to purchasing and taking up shares in companies, which own or are perpetual usufructuaries of such properties. The above regulation does not provide for the obligation to obtain a permit for purchasing shares by the foreigners from the European Economic Area, as it does in the case of purchasing real estate.

According to the instruction of art. 8 section 1 of the act quoted above, **a foreigner, who is not a citizen or entrepreneur from the country of the European Economic Area**, does not need a permit of the Ministry of Interior and Administration to purchase:

- independent residential premises, as specified by the act of 24 June 1994 on the property of premises (Journal of Laws 94.85.388),
- independent residential premises to be used as a garage, or share in such premises, if it is connected with fulfilling residential needs of a purchaser of owner of the real estate or an independent residential premises.

This regulation does not apply to purchasing premises defined above, situated in the border zone – a permit issued by the Ministry of Internal and Administration is required for this area.

Purchasing business premises intended for service provision, i.e. premises to be used for purposes other than a garage purchased in order to fulfil the residential need of a purchaser or real estate owner, or independent residential premises, generally **requires a permit of the Ministry of Interior**, no matter whether the premises are located in the border zone or beyond.

Matters connected with issuing the permits are dealt with by:

Ministry of Interior and Administration

Department of Permits and Licenses

36/38 Domaniewska Street; 02-672 Warsaw

tel. 022 845 19 38 or 70, fax 022 848 97 81

Information: Permits - tel. 022 601 59 98

www.mswia.gov.pl

Regulations concerning the stay of foreigners in Poland

General regulations concerning the stay of the EU citizens in Poland are specified in the Act of 14 July 2006 (Journal of Laws 06.144.1043), on entering the Republic of Poland, staying in and leaving this territory by the citizens of EU member states and members of their families.

The Act also applies to the citizens of the European Economic Area, which do not belong to the EU, and countries which are not parties to the European Economic Area agreement, who may benefit from the freedom of movement of persons, under agreements which these countries concluded with the European Community and its Member States.

EU citizen and a member of their family, who is not a citizen of EU may stay in the Republic of Poland for 3 months, without obtaining the permission to stay.

Art. 16 of the Act specifies, that **a EU citizen is vested the right to stay for the time period longer than 3 months, when they meet one of the following conditions:**

- 1) he is an employee or self-employed in the Republic of Poland,
- 2) is covered by the national health insurance or is entitled to health benefits under the coordination regulations, as specified in art. 5 p. 23 of the act of 23 August 2004 on health care benefits financed from public funds (Journal of Laws No. 210, item 2135, as amended) and possesses sufficient financial means to support himself and his family in the territory of the Republic of Poland, without the need to use welfare benefits;
- 3) is studying or professionally trained in the Republic of Poland and is covered by the national health insurance or is entitled to health benefits under the coordination regulations, as specified in art. 5 pkt 23 of the Act of 27 August 2004 on health care benefits financed from public funds, and possesses sufficient financial means to support himself and his family in the territory of the Republic of Poland, without the need to use welfare benefits;
- 4) is a spouse of a Polish citizen.

If a stay in Poland is longer than 3 month period, an EU citizen is obliged to register the stay, and a family member who is not an EU citizen must obtain a resident card of a family member of an EU citizen. This is set forth in art. 20 of the Act mentioned above.

Art. 39. section 1 of the act specifies a body appropriate for registering a stay or cancelling such registration, replacement or issuing a new certificate of registering the stay of EU citizen, issuing, replacing or cancelling a resident card of a family member of an EU citizen, which is **a provincial governor relevant with regard to the place of stay of an EU citizen.**

An EU citizen **has the right to permanent residence after the 5 year** period of permanent staying in the Republic of Poland, if during this period he has met conditions specified in chapter 3 of the act mentioned above.

Foreigners from countries other than listed in the Act of 14 July 2006 (Journal of Laws 06.144.1043), on entering the Republic of Poland, staying in and leaving this territory by the citizens of EU member states and members of their families, may reside in Poland **under the provisions of the Foreigners Act** of 13 June 2003 (Journal of Laws 06.234.1694).

A foreigner may cross the border and stay in the Republic of Poland, if he has a valid travel document and a visa, unless the provision of the act provides otherwise.

Art. 53. section 1. p. 2. specifies, that a foreigner who is carrying out a business activity under relevant regulations which are binding in the Republic of Poland, and such activity is beneficial for the national economy, and influences in particular the investment growth, technology transfer, introduction of advantageous innovations or creation of new jobs, is granted a permit to stay for a specified period of time.

Decisions concerning permits for foreigners are issued by a provincial governor relevant with regard to the intended place of stay in the Republic of Poland. The relevant office for the city of Wrocław is:

Lower Silesia Provincial Office

Foreigners Department
1 Powstańców Warszawy square
Wrocław 50-153
Secretariat: room 0151
tel: 0 71 340 66 55 fax 0 71 340 66 85

e-mail: sc@duw.pl
www.duw.pl

Business Information Point

Since 2005, the Business Information Point has been operating in the Economic Development Office of Municipality of Wrocław.

The employees provide information on the following subjects:

1. Establishing a company

- the procedure of establishing a company, necessary documentation, legal forms of conducting an activity, forms of settling the natural person income tax
- availability of financial resources for starting a company
- possibilities and procedures connected with obtaining premises from Wrocław District
- procedure of placing advertisement on municipal property
- conditions and procedures of establishing a company abroad

2. Searching for business partners

- participation in national fairs and exhibitions funded by the Ministry of Economy
- participation in the International Entrepreneurs' Forum FUTURALIA
- participation in business missions
- availability of offers and institutions connected with business, dealing with matching business partners

3. Development of a company

- national and EU subsidies
- trainings and seminars
- creating foreign branches and representative offices
- supporting exports

Business Information Point Economic Development Office

2/4 G. Zapolskiej Street

rooms 111 – 117 (1st floor) 071 777 75 46, 777 78 18, 777 78 19

e-mail brg@um.wroc.pl

www.wroclaw.pl

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Economic Development Office
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