

Taxes inspired by business

www.gov.pl

Table of contents

- 05** Thrive thanks to low taxes
- 09** Be creative thanks to freedom of developing your investment portfolio
- 13** Communicate quickly and smoothly with tax authorities
- 17** Increase mobility thanks to low entry threshold to the Polish market for your business
- 19** Create your modern investment hub in Poland
- 25** Decrease compliance costs for your business
- 28** Poland as a springboard for development



Poland and foreign investors have common goal which is reaching economic success. As Polish Minister of Finance, I believe that entrepreneurs' prosperity contributes greatly to the Polish economy. We implement ideas that stand behind Poland's EXPO 2020 slogan "Creativity Inspired by Nature" and propose our spin on it – "Taxes Inspired by Business", meaning that we respond to the business needs and create good investment climate.

We stopped the negative effects of the pandemic on our economy. With recent legislative developments we can deliver even the most ambitious visions of investor-friendly and dynamic Polish market.

Minister of Finance, Tadeusz Kościński



Our goal is to strengthen positive tendencies in our economy. As recent as October 2021, the Parliament adopted the groundbreaking tax legislation called the 'Polish Deal' which introduced changes to our tax system. Thanks to those changes we will further increase the attractiveness of the Polish economy.

When creating the package of tax incentives, we were guided by the idea of giving entrepreneurs freedom and possibilities to thrive. These fields include low taxes, flexible investment portfolio, quick tax procedures, easily accessible market, modern investment hub, low compliance costs, and possibilities to expand your business to other markets.

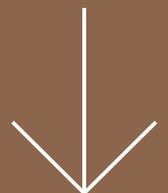
Undersecretary of State, Jan Sarnowski

Poland is one of the most appealing places to do business in Central and Eastern Europe, with an attractive and open investment climate. This is due to the country's strategic location at the very heart of Europe and at the crossroads of major trade routes, its constantly expanding transport infrastructure, abundant human resources and its stable and crisis-proof economy. We want to strengthen Poland's investment potential, which is why we create conditions for opening and running businesses that respond to the needs reported by business owners. Thousands of entrepreneurs have trusted Poland's business climate and 94% of foreign investors would invest in Poland again.

The COVID-19 pandemic has confirmed the resilience of the Polish economy to the crisis and has not reversed the positive investment trends. Moreover, the economic effects of the pandemic have led us to create new solutions that will further strengthen the attractiveness of the Polish economy and will become a magnet for future investors. These changes were introduced in the groundbreaking 'Polish Deal' package, which was adopted by the Parliament in October 2021, effective from 2022.

The 'Polish Deal' is a package of reforms that creates a unique investment climate that can be found nowhere in Europe. These solutions will ensure that locating a business in Poland will become even more beneficial.

**Find out what you
can gain by investing
in Poland!**



Thrive thanks to low taxes

Business projects require stimulative tax policy and fair investment climate. That is why we introduce solutions that do not hold ambitious initiatives back and give your business an opportunity to grow. Thanks to solutions introduced in Poland, new investors may, among other things, be exempted **from up to 50% of the tax** or may enjoy a deferment of tax payment. In turn, taking advantage of the preferential CIT will make it possible to **pay no tax**, as long as the money remains in the company, i.e. profits are reinvested in further development projects.

Polish Investment Zone (PIZ)

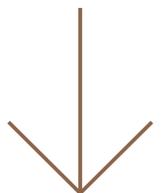
What is the PIZ?

The Polish Investment Zone (PIZ) is an instrument which enables you to benefit from the income tax exemption for new investments. You can use it throughout Poland, regardless of the size of your business. Support is granted to businesses operating in the industrial and modern services sector.

What can you gain in the PIZ?

Within the Polish Investment Zone you can obtain an **exemption from income tax (CIT or PIT)** for new investment. The amount of support is calculated according to the location and the size of the business. In some parts of Poland, it may amount up to 50%, with support for medium-sized and micro/small businesses increasing by 10 and 20 percentage points, respectively.

To benefit from this tax relief, an entrepreneur has to fill a free application. The decision approving the support is granted for a limited period of time: 10, 12 or 15 years, which allows you to safely plan the development of your business in the long term.





EXAMPLE

A large company from the United Arab Emirates is opening a factory in Poland, near the city of Lublin, and has applied for support for the new investment. The cost of this new investment is PLN 1 million (approx. EUR 217 400). Due to the location of the investment, the business may benefit from a tax exemption of up to PLN 500 000 (approx. EUR 108 700). This means that the company will not pay tax on income up to PLN 2.63 million (approx. EUR 571 760) in the following years.

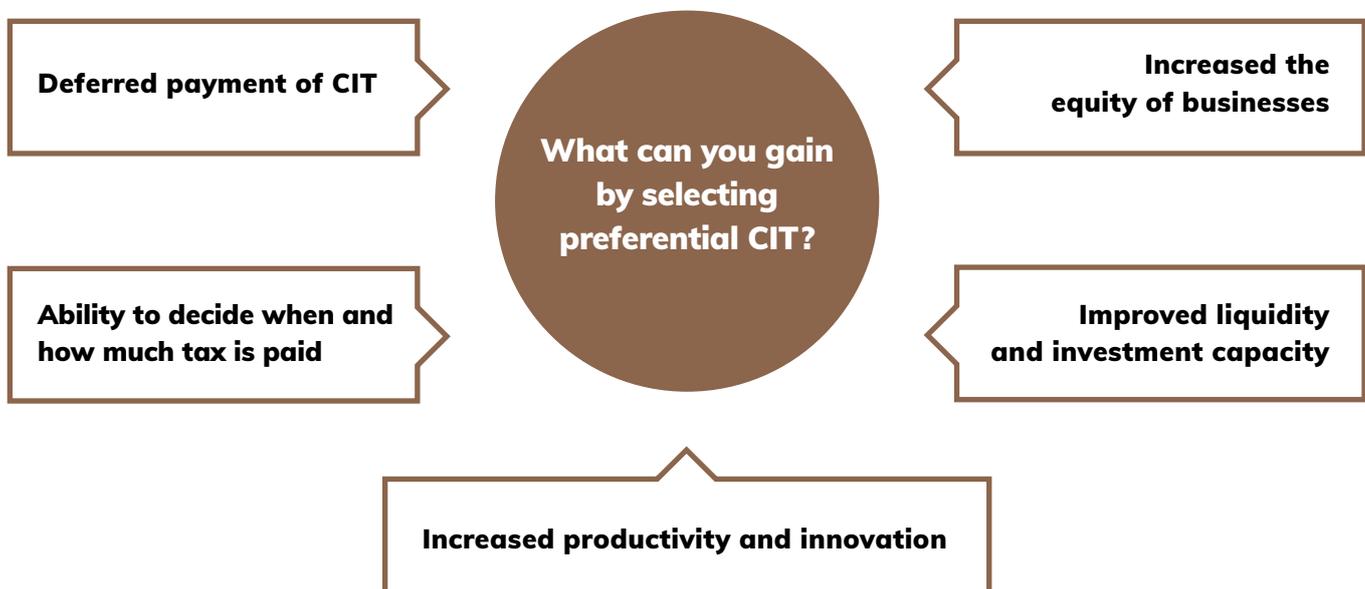
Preferential CIT for developing businesses

What does it entail?

Usually CIT is paid based on the income generated by a company in a given year. Under preferential CIT, tax is only paid when profits are distributed from the company in the form of dividend. This means that no tax is paid as long as the money remains in the company, i.e. profits are reinvested in further development projects. Preferential CIT is optional and taxpayer can decide whether it is beneficial to him. Moreover, it is easily accessible for most companies.

Key elements

- **Broad availability** – this form of taxation is intended for different forms of companies (i.a. limited liability companies, limited partnerships, and limited joint-stock partnerships) and cooperatives, irrespective of the size of their business and the revenue they generate;
- **Simple ownership structure** – in order to benefit from this solution, the company should have a simple structure, meaning that only natural persons can be shareholders and company should have no subsidiaries;
- **No obligation to incur certain investment costs** – the taxpayer choosing this form of taxation is not obliged to report certain investment costs, which significantly helps some businesses to operate more freely;
- **Requirement to run a real business** – businesses whose passive revenue does not exceed their operating income and who have at least three employees can benefit from the preferential CIT.





EXAMPLE

A video game publishing company set up an office in Warsaw, hired employees and recorded a revenue of PLN 5 million (approx. EUR 1.09 million) in its first year of operation. The company decided to invest the earned money to set up another office in Krakow and, by opting for preferential CIT, it does not have to pay tax until the profits are distributed as dividend. Over the following years, the profits generated were continuously allocated to the company development, so no tax was payable on them. It was only when the anticipated growth level was achieved that a decision was made to distribute the profit. Thanks to the facilities available under preferential CIT, the tax was paid under as simple rules as possible, and it depended not on the income itself, but on the amount of the distributions.

Be creative thanks to freedom of developing your investment portfolio

Poland is considered to be the most attractive destination for foreign investors in Central and Eastern Europe. We know that a modern tax system should **promote innovative investment ideas and minimise paperwork** in settling taxes. The 'Polish Deal' introduced tools that respond to the needs resulting from the size of the foreign investors' business, as well as ensuring the necessary **flexibility to conduct business freely**. In addition, we have prepared a number of solutions that aim at **expanding and developing business**. We believe that friendly tax climate will result in numerous and measurable benefits derived from investments made in Poland.

Relief for VC investors

Investing in start-ups through venture capital funds

Through a venture capital fund we make it easier for start-ups to raise the necessary capital for dynamic growth. Investing in the development of innovative businesses at an early stage of their activity can mean opening up global markets for them, and for investors a return on investment impossible in any other market.

Venture Capital relief

2020 was a record year for the Polish venture capital market. The investments amounted to over PLN 2.12 billion (approx. EUR 460 million)! In order to meet the needs of investors wishing to multiply their resources with the help of a VC fund, Poland makes it possible to take advantage of a relief of up to 50% of the investment. For every PLN 1 invested in innovative Polish companies through a VC fund, the investor will receive PLN 0.50 of relief from the taxable amount. The maximum amount that can be deducted under this relief is PLN 250,000 (approx. EUR 54,300).

EXAMPLE

An investor from Saudi Arabia has invested PLN 700,000 (approx. EUR 152,200) in a promising Polish gaming start-up via a VC fund. Thanks to the tax relief, the investor deducted PLN 250,000 (approx. EUR 54,300) from the investor's taxable amount.



Relief for investments in stock exchange market debutants

How does it work?

Development of the capital market is fundamental to development of entrepreneurship. That is why we have prepared an offer of special tax reliefs with stock exchange market debutants and investors interested in them. The relief for stock exchange market debutants allows the deduction of 150% of expenses directly related to going public. In the case of advisory, legal and financial services directly related to the issue, up to 50% of the expenses are deductible - up to a maximum of PLN 50,000 (approx. EUR 10,870).

Who can take advantage of the relief?

The relief is extended to joint stock companies that

- are Polish tax residents
- are not and have not previously been listed on a stock exchange
- intend to issue additional shares in an initial public offering taking the company public by listing its shares on the stock exchange

PHC

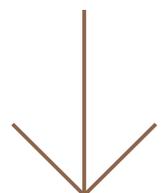
What is the PHC?

The PHC is a limited liability company or a joint stock company which is a Polish tax resident. Preferential rules on taxation of dividends and exemptions from taxation of income from the sale of shares make the PHC an excellent tool conducive to the location of holding companies in Poland.

Payment of a dividend to an investor from Saudi Arabia who does not operate within the PHC:



Payment of a dividend to an investor from Saudi Arabia who operates within the PHC:



What can you gain by participating in the PHC?

Dividends received from a subsidiary will be **95% tax exempt**. The beneficiaries will be investors from outside the European Union. It means that such investors will be charged at a rate of 5% only, allowing them to benefit from operating in Europe more efficiently.

In addition, **we abolish 19% CIT on the sale of shares in the subsidiary** for the PHC. The exemption will cover the entire tax.

EXAMPLE

A Saudi Arabian investor operating within the Polish Holding Company received a dividend from a subsidiary of PLN 1 million. The investor will pay only 5% tax on this amount! Due to the good financial performance of the subsidiary, the investor received a favourable offer to purchase shares in the subsidiary. The investor decided to accept it because he would not pay any tax on the transaction, which would allow him to allocate the entire amount to a new venture.



Consolidation relief

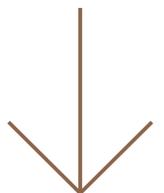
We support mergers

The 'Polish Deal' also includes tax preferences for investors who are planning a merger. We are introducing a solution thanks to which, in addition to posting expenses related to the acquisition of another company as tax deductible costs, you will also be able to once again deduct their equivalent from your taxable amount up to a maximum amount of PLN 250,000 (approx. EUR 54,300). This means that for every PLN 1 you spend on consolidation, your **taxable income will be reduced by PLN 2**.

What kind of expenses are covered by the consolidation relief?

All costs incurred directly in connection with the acquisition of shares in a company, including but not limited to:

- legal services
- valuation
- drawing up merger plans
- audit





EXAMPLE

A Qatar-based company has decided to take over a Polish restaurant chain. The incurred expenses of PLN 3 million (approx. EUR 652,200) were fully classified as tax deductible costs. Thanks to the relief, expenses related to the transaction, including legal services and audit costs, in the amount of PLN 250,000 (approx. EUR 54,300), were deducted from the earned income.

Communicate quickly and smoothly with tax authorities

Legal certainty and a fair tax administration are extremely important for businesses. For this reason, we are constantly taking steps to reduce unnecessary paperwork, streamline communication between businesses and tax authorities, limit contacts with public authorities to the necessary minimum and aim to accelerate all administrative procedures.

Investment agreement

What is the Investment Agreement?

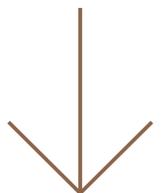
The Polish government is meeting the expectations of foreign investors by **introducing a fast and efficient service path** for large businesses planning to invest their capital in Poland at the level of at least PLN 100 million (approx. EUR 21.7 million), and as of 2025, at the level of only PLN 50 million (approx. EUR 10.9 million). You will immediately receive an interpretation of tax consequences of making an investment in Poland in one place. This opinion will be binding on all administrative authorities in the country.

Key benefits of the Investment Agreement

- **Certainty of the legal situation** – the interpretation is issued directly by the Minister of Finance and is binding on all tax authorities
- **Broad scope of interpretation** – it covers all taxes simultaneously. Usually these procedures are done through several different authorities throughout the country
- **Long-term validity** – it is valid for 5 years from the date of issue, with the possibility of a negotiated renewal
- **Certainty and stability** – an investor with whom an agreement is made will have an additional month to adapt to potential future law changes that could result in changes to the content of the Agreement.

Special service for investors within the Investment Agreement

At the Ministry of Finance, business owners can count on the assistance of the Investor Desk. It will be responsible for providing efficient and prompt service to investors regarding the Investment Agreement. This arrangement will ensure that major investors are directly served by the Ministry of Finance.





EXAMPLE

A Bahrain-based company producing computer components intends to open a factory in Poland. The investment costs are estimated at PLN 120 million (approx. EUR 26,1 million). The company contacts the Ministry of Finance directly in order to be able to determine the tax cost of the investment within a short period of time. The interpretation issued by the Minister is valid for another 5 years. Thanks to constant contact with the Ministry through the Investor Desk, the company manages to extend the validity of the interpretation for another 5 years and, during the period of its operation, significantly reduces its obligations as a taxpayer.

Binding information

What is Binding Information?

Businesses in Poland are entitled to obtain the following types of Binding Information:

Binding Rate Information (BRI) – concerning VAT rate issues

Binding Tariff Information (BTI) – concerning customs issues

Binding Excise Information (BEI) – concerning excise duty issues

They are issued in the form of decisions and contribute to significantly streamlining and accelerating communication with the tax and customs authorities. They are binding for all public administration authorities in Poland. They also have a protective function and can be an important facility for your business.

What is Binding Rate Information (BRI)?

BRI confirms the correct classification of goods or services for VAT purposes and eliminates the risk of applying an incorrect VAT rate. BRI has already been applied in Poland since 2019. There is practical evidence that shows the contribution of BRI to the reduction in VAT-related paperwork. The protection provided by BRI is that the tax audit authorities will not be able to challenge the VAT rate you have applied as long as it is consistent with BRI.

You can apply for BRI electronically.

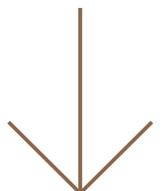
What are the advantages of the Binding Tariff Information (BTI)?

BTI is one of the measures of customs law that allows you to obtain official information on the tariff classification of goods. Thanks to BTI you can:

improve management in view of the expected trading profits

reduce customs clearance times

obtain certainty as to the classification of the goods and the determination of any customs fees



You can submit your BRI application electronically via the PUESC portal, which consolidates all customs-related IT systems. This means that you can handle all your customs-related matters (including BRI) in one place.

Who can benefit from Binding Excise Information (BEI)?

BEI applies to businesses involved in the movement of excisable goods. The decision to grant a BEI is issued for the purposes of:

excise duty on a product or passenger car subject to excise

organising trade in excise goods

marking of excise goods with excise tax markings

BEI will provide you with a number of benefits:

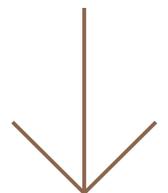
unification of the processes regarding provisions on excise duty

ensuring legal certainty of individual investors

easing the relations with the tax authorities

EXAMPLE

An Oman-based company, which distributes combustion fuels, is opening a branch in Poland. It applies for the issue of Binding Excise Information for its products. Thanks to the Information, the owners of the company are certain that they correctly applied the tax rate to those products.



Increase mobility thanks to low entry threshold to the Polish market for your business

Sometimes the cost of entering a particular market is an obstacle. Businesses are struggling to cope with the rising expenses required to start up their branches in a given country. We support capital mobility, so this problem is much less prevalent in Poland, where numerous **reliefs will significantly reduce your financial effort**. To strengthen this trend even more, we introduced a special offer for financial institutions.

VAT option for financial institutions

What is it about?

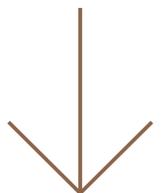
In response to the changing economic conditions in Europe caused by the COVID-19 pandemic and Brexit, we facilitate the soundness of financial institutions considering moving part of their operations to Poland.

Currently, financial services are not subject to VAT which prevents the financial institutions to deduct input tax, and therefore shifts the economic burden of VAT onto those entrepreneurs. .

To make it easier for financial institutions to enter the Polish market, we decided to give you a choice - you can opt for B2B taxation, which allows your company to deduct input tax for the services it provides.

Who will benefit?

This solution will be particularly attractive for investors in the financial services sector who are just entering or intend to enter the Polish market. This will significantly reduce the cost of your investment, as it will lead to VAT neutrality for your business.





EXAMPLE

A bank from Saudi Arabia plans to open its Polish branch. The investment is of a considerable size, so to reduce costs, the bank decides to choose the option of being a VAT payer during the period of market entry. Investment costs are significantly lower because the bank can deduct VAT from its services, allowing it to prosper more effectively in the new market.

Create your modern investment hub in Poland

In 2019, investment costs on innovative activities in Poland reached **PLN 30.3 billion** (approx. EUR 6.56 trillion) and increased by **18.1%** compared to 2018! The data shows that the Polish economy is developing very well. We realise that despite our successes, we need to be inventive and develop new technologies to keep up with the changing economic reality where innovation is particularly important. Whether your company is developing medicines or you are simply looking to improve the production process at your facilities - we want to support your business and move boldly into the future with you. The relief we provide in this area applies both to costs associated with implementing innovations and new solutions and investing in the development of your workforce.

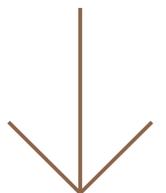
Research and development relief and relief for hiring innovative employees

Research and development relief (R&D)

The R&D relief is available to both businesses developing new products and those implementing innovations. Thanks to the relief, the taxable amount is reduced by PLN 2 for every PLN 1 spent for these purposes. These expenses include salaries and resources for employees; the cost of the tools they work with; the materials and raw materials they use in their daily work; or even expert opinions and other services outsourced from third parties.

Relief for innovative employees

The process of implementing innovation itself is not possible without hiring qualified staff. That is why we are introducing a relief which allows you to deduct from taxable income 200% of the expenses on the salary of an innovative employee. This relief also works in tandem with the R&D relief which can be deducted not only from your income but also from the PIT advance payments you make for the employee. This allows companies that invest a lot in a given year and do not earn income to deduct the R&D relief in this way.





EXAMPLE

A food company from Saudi Arabia is investing PLN 10 million (approx. EUR 2.2 million) in the development of a new production line at its Polish branch. Thanks to the relief, it significantly reduces the costs incurred due to income tax – the tax will be paid on an amount reduced by up to PLN 20 million (approx. EUR 4.35 million) than it would have been paid without the relief! In addition, the costs associated with hiring qualified personnel and providing conditions for research will also be lower for this company.

Prototype relief

It is a solution that will help creators fiscally to turn an idea into a practical solution. It will make it cheaper to produce a prototype and then put the invention into production. Thanks to the prototype relief, in addition to the traditional posting of a given expense as a deductible cost, you can also deduct an additional 30% of these costs. As a result, 130% of your costs will be deductible under the prototype relief!

What is the scope and amount of the prototype relief?

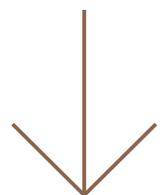
The relief will cover not only break-through and large-scale projects, but it also applies to smaller projects to develop your business or introduce new products.

Every PLN 1 spent on the prototype means a relief of **PLN 0.30**. This will help to ensure that even more costly projects are implemented and to increase the productivity and innovation of our economy.



EXAMPLE

An Egyptian company operating in Poland and engaged in the production of household appliances has decided to expand its offer. They are developing a new model of a juicer. It is not a break-through project but the company can benefit from the prototype relief for such projects too! The company spent PLN 5 million (approx. EUR 1,1 million) on the implementation of the new product, which allowed it to reduce the amount on which it will pay income tax by PLN 1.5 million (approx. EUR 326,000)!



Relief for automation

Song of the future

We constantly strive to build a modern and innovative economy. In order to encourage businesses to automate their production, we decided to provide relief for automation. In this way, automating production pays off in two ways - you increase the efficiency of your production, you reduce the unit cost of your production in the long term and you reduce your expenses through relief. This is a trend indicative of the direction the world is heading, so these investments may be essential for you to compete effectively in international markets.

What are the benefits of automation?

- **Low costs** – relief will be up to 50% of the deductible costs incurred for automation
- **Broad scope of relief** – all costs associated with the robot (including but not limited to its purchase, training of employees, software)
- **Increased production efficiency**
- **Remedy for staff shortages** – high efficiency regardless of fluctuations in the labour market
- **Stability of the production process** – independence from e.g. sickness season.

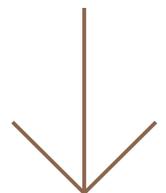
Who is affected by automation?

The relief is available to any business, regardless of size or industry.



EXAMPLE

A company from the United Arab Emirates engaged in the production of desalination systems has decided to expand its activity and build a new production line in Poland. To this end, it orders robotic installations that support humans in this process. The process is highly cost-effective, but also expensive. Fortunately, the company can count on Poland's support under the automation relief! The cost of the installation is PLN 10 million (approx. EUR 2.17 million). Thanks to the relief, a company may deduct **as much as PLN 15 million (approx. EUR 3.3 million) from its taxable income** and thus significantly reduce its expenses.



IP BOX

Final stretch assistance

We know how important it is to effectively commercialise innovations, so we want to help you in this process through IP BOX. This solution consists of a preferential tax rate on profits from intellectual property rights generated. This rate is almost 4 times lower than the standard rate, meaning it is only 5% instead of 19%.

Who can take advantage of the preferential rate?

The rights covered by IP BOX include:

patents

protective right for a utility design

copyright to computer software

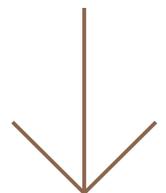
Software houses and laboratories are already very keen to benefit from the relief:

businesses that create code

businesses that develop formulations of new drugs

businesses that improve technologies

businesses that create new products, not available on the market now



Which deductible costs incurred by the investor are included in eligible IP?

All costs incurred by you that serve to achieve, secure or preserve a source of income from an eligible intellectual property right are taken into account.

Examples of such costs are:

purchase of computer peripheral devices

purchase of software to create code

costs of training to improve skills

costs related to the use of the leased car

internet, telephone and legal services

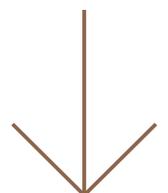
Can R&D and IP BOX reliefs be used at the same time?

Yes! Through the introduced changes, we enable simultaneous use of the R&D relief and IP BOX, thanks to which you can count on the reduction of investment costs using the combined reliefs. This will ensure that you are supported at every stage of implementing innovation.



EXAMPLE

A Kuwait-based IT company is developing a new video player programme. The first year of its operation brought profits of PLN 10 million. Thanks to the lower income tax rate (5% instead of 19%) resulting from the IP BOX relief, the company will pay only PLN 250,000 (approx. EUR 54,350) instead of PLN 950,000 (approx. EUR 206,520). In addition, the company also saved money earlier in the programme development process. The company deducted 200% of the cost of implementing a new video player from its taxable amount by using the R&D relief.



Decrease compliance costs for your business

Your business may generate significant revenue, but this is often reduced by the very high cost of maintaining the business. Tax grouping is a new solution which is also becoming available to foreign investors and may **reduce a significant part of the costs incurred by your company.**

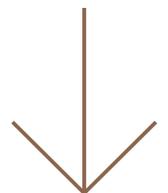
CIT grouping

What is CIT grouping?

It is a business model that allows group companies to jointly account for their income and losses. One of the group companies is responsible for calculating the tax of the entire group, calculating the amount of advance payments and collecting and paying the corporate income tax. In addition, transactions taking place between intra-group companies are exempt from the obligation to document transfer pricing. We carry out a number of facilitations for investors to make CIT grouping even more attractive and tailored to your needs.

What facilities are we introducing?

- **Offering them to smaller entities** - the requirement for average capital of companies in the CIT group - change from PLN 500,000 (approx. EUR 108,700) to PLN 250,000 (approx. PLN 54,350)
- **Reducing requirements for setting up the group** - we are removing the requirement that previously stipulated that companies in tax group may not hold shares in other subsidiaries in the group
- **Adjusting to the pandemic conditions** – due to the difficulties created by COVID-19, we are cancelling the condition for the CIT group to achieve profitability at 2% of revenue share
- **Settling losses** – we offer companies the settlement of losses they accumulated before joining the group, which they could not have done before. They may do so only against their own income, which they have earned themselves during their time in the CIT group
- **Establishing the CIT group easier** – until now, this was done by means of a notarial deed. We are now planning to move to an ordinary written form, which will significantly speed up the process of establishing the CIT group and reduce its costs





EXAMPLE

An airline from the United Arab Emirates is entering the Polish market with its subsidiaries. Because of the pandemic, their income has decreased significantly. Through the CIT group, they have managed to lower maintenance costs and weather the crisis.

VAT grouping

What is VAT grouping?

From now on, it will be possible to create the VAT group. It will not have capital limits like traditional CIT grouping and the shareholding criterion will only be 50% instead of the 75% that applies in CIT grouping. Such a group will be treated as a single taxable person for VAT purposes. As a result, businesses belonging to the VAT group will not pay VAT on transactions between themselves. The obligation to pay tax will only arise in the case of transactions outside the group.

What can you gain thanks to creating the group?

no VAT is charged on intra-group transactions

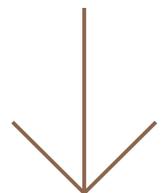
fewer documents to analyse

no need to apply the split payment mechanism within the group



EXAMPLE

A company from Saudi Arabia opens its branch in Poland. On the Polish market, it is related to a Polish company. These entities may form a VAT group so that they become a single taxable person for VAT purposes.



Poland as a springboard for development

The cumulative value of the Polish direct investments abroad in 2019 was PLN 96,5 billion (approx. EUR 21 billion). We are committed to let you grow freely and to provide you with the opportunity to offer your products or services to the widest audience possible. The following regulation will significantly **reduce costs**, which may pose a challenge in conquering new markets as well as expanding on the Polish market.

Expansion relief

We promote growth

Poland can be your springboard to Europe. With expansion outlays, in addition to the standard deduction as a tax deductible expense, you will also be able to count on the relief. The only condition to be met is an increase in sales of the commodity in question over a two-year period, which means deducting certain expenses twice from your taxed income! This will allow you to grow more dynamically both on the Polish market and to enter new European markets.

What types of expenses allow you to take advantage of this relief?

Examples of activities covered by the relief are:

market research

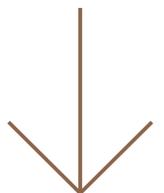
searching for new clients

analysing whether goods made in Poland have a chance of being accepted on other markets

preparing documentation required for the release of the product on the market concerned

participating in fairs

information-promotion activities





EXAMPLE

A Qatar-based fuel distribution company is planning to expand into European markets. They are choosing Poland as their stronghold in Europe. After operating in Poland for some time, they expand to other European countries. In the first year of operation they spend PLN 500,000 (approx. EUR 108,700) to prepare for entry into other markets and thus deduct as much as PLN 1 million (approx. EUR 217,400) from their revenue when paying CIT. Thanks to the significant income tax relief, the company is able to invest more, making it simpler, quicker and cheaper to expand the business.

MINISTERSTWO FINANSÓW



DISCLAIMER

The information provided in this brochure does not and is not intended to constitute an interpretation of law, legal advice or legal opinion; instead all information in this brochure, content, and materials are for general informational purposes only.