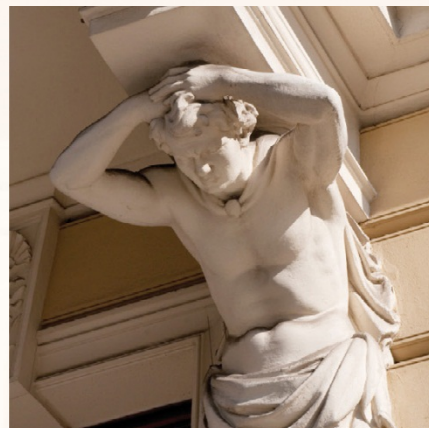


Established in 2004, Wiewiórski Law Firm is one of the largest law firms in Wrocław. We specialise in the provision of legal services to entrepreneurs, primarily large international companies. Our clients include the leading foreign investors in the Wrocław Agglomeration and major Polish enterprises.

KANCELARIA PRAWNA WIEWIÓRSKI



## ESTABLISHING A BRANCH AND REPRESENTATIVE OFFICE IN POLAND

### A. Basic information about branches and representative offices of foreign entrepreneurs in Poland

A branch and/or representative office may be established in Poland by a foreign enterprise which is already doing business outside the territory of Poland. The branch and representative office operate with no legal separation from the business structure of the foreign enterprise. These forms of business activity enable a foreign enterprise to do business in Poland only within the scope admissible by law, which is different for a branch and for a representative office.

Please also note that investors from some countries may not be able to establish a branch and/or representative office in Poland. However, investors from within the EU enjoy absolute freedom to establish the aforementioned business units in Poland.

<b>Branch</b>	
<b>Objective</b>	The objects of the branch's business should be consistent with the objects of the original business of the foreign enterprise as conducted abroad, though the branch may conduct business within a more limited scope.
<b>Founder</b>	Only one foreign enterprise - foreign entity doing business outside the territory of Poland. It is not permissible to establish joint branches by multiple foreign enterprises.
<b>Specific features</b>	The branch is a separate part of a foreign undertaking which acts independently outside the registered office of the enterprise.  However, from the legal point of view, the branch is a <b>part of the foreign entity</b> and it does not possess legal personality nor legally separate assets. Moreover, all actions taken by the branch directly affect the foreign enterprise.
<b>Minimum share capital</b>	A branch has no separate capital.
<b>Liability</b>	The founder (foreign enterprise) bears full liability.

<b>Representative office of foreign enterprise</b>	
<b>Objective</b>	Solely advertising and promotion of the foreign enterprise's business on the territory of Poland. No other business activity is allowed.
<b>Founders</b>	Foreign enterprises and foreign entities formed for the purpose of promoting the economy of the country of their registered office.
<b>Specific features</b>	<p>The representative office of a foreign enterprise is a legally dependent and fully subordinated business unit in relation to its parent company. Its only activity is advertisement and promotion on behalf and to the benefit of the foreign enterprise.</p> <p>The only entity conducting business activity is the foreign enterprise, and authorised persons acting in a representative office act directly on behalf and to the benefit of the foreign enterprise.</p>
<b>Minimum share capital</b>	A representative office has no separate share capital.
<b>Liability</b>	The founder (foreign enterprise or foreign entity appointed to promote the economy).

## **B. Establishing a branch – milestones**

### 1) Collecting the documents required for entering the branch in the enterprise register

- Declaration of establishment of a branch in the territory of Poland by the foreign enterprise;
- Declaration of the foreign enterprise on the appointment of a person authorised to represent the foreign enterprise in the Branch (this person must have an address in Poland);
- A document confirming that the person representing the founder is authorised to sign the above documents. This may be a duplicate from the commercial register of the founder, providing that the person signing documents is disclosed in the above document as the founder's representative, possessing the necessary authorization to establish the branch. Otherwise, in addition to the duplicate from the commercial register, power of attorney for the person signing the documents is required;
- A notarized specimen signature of the person authorised to represent the foreign enterprise in the branch;

- Consent from the person authorized to represent the foreign entrepreneur accepting the appointment;
- A duplicate of the deed of incorporation, articles of association or statute with a certified translation into Polish (if the foreign enterprise acts on the basis of any of the above documents);
- A transcript from the commercial register with certified translation into Polish (if the foreign entrepreneur acts on the basis of an entry in such a register);
- If it is required by the internal regulations of the founder or by the law of the country of the founder's origin, the appropriate governing body of the founder (Board of Directors/Supervisory Board/Shareholders' Meeting) must additionally adopt a formal decision on establishing the branch in Poland;
- Some of the documents issued abroad must be legalized by a Polish consul (not required in countries where obtaining *apostille* is possible or if specific provisions of law provide otherwise).

2) Conclusion of a lease contract for office space (obtaining an official address).

3) Registration of the branch in the enterprise register of the National Court Register and publication of an announcement of registration in the official journal *Monitor Sądowy i Gospodarczy*.

4) Issuing of a Tax Identification Number (NIP) and statistical number (REGON).

5) Opening a bank account for the branch.

6) Filing an additional notification with the Tax Office containing information not disclosed in the enterprise register (such as information about bank accounts, number of employees, etc.).

7) Possible further tax office registrations for purposes of VAT, VAT-UE and CIT (Corporate Income Tax) taxation.

### **C. Establishing a representative office – milestones**

The procedure for establishing a representative office is similar to that described in section B above, however, the representative office is listed in the register of representative offices of foreign enterprises maintained by the Polish Minister of Economy. There is also a requirement to apply for a REGON number and (if the representative office employs employees) a NIP number, as well as an independent application to the Social Insurance Institution (ZUS), separately for each competent institution.

### **D. Length of procedure**

#### **a) Branch office**

In our experience, the entire process of registering a branch as presented in section B above normally takes about 6-7 weeks:

- 1) preparation of the documents required for entry of the branch into the commercial register - about 2 weeks. This period can be significantly shortened if the founder can quickly obtain the documents listed in section B.1,

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- 2) registration proceedings at the registry court - about 2-3 weeks,
- 3) tax registrations - about 2 weeks.

Within the next few months the duration of the branch registration process described above should become shorter. This is because under recent changes in Polish law which went into effect on 1 December 2014, registration for tax purposes (assignment of a tax identification number - NIP) and statistical purposes (assignment of the statistical number - REGON) should take place on the same day as the registration of the branch in the enterprise register. In practice, however, the system is not yet fully functional, so at this point it is difficult to know for certain how it will operate in the future

Under Polish law, a branch may undertake business activity only after being entered in the commercial register.

#### **b) Representative office**

In our experience, the entire process of registration of a representative office as described in section C takes about 3-5 weeks:

- 1) preparation of documents required for the registration of a representative office in the register of representative offices of foreign enterprises - about 2 weeks. This period can be significantly shortened if the founder can quickly obtain the necessary documents for registration,
- 2) registration proceedings at the register of representative offices of foreign entrepreneurs – about 1 week,
- 1) registration in the Tax Office (obtaining a tax identification number – NIP) - about 2 weeks (necessary only in certain cases)



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