

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.

WIEWIÓRSKI LAW FIRM



ESTABLISHING A LIMITED LIABILITY COMPANY IN POLAND

A. Basic information about the Polish “Spółka z ograniczoną odpowiedzialnością” (Limited Liability Company, further referred to as “company” or “LLC”)

Minimum share capital	PLN 5,000.
Minimum value of one share	PLN 50.
Number of founders	A minimum of one. Please note that a sole-shareholder LLC may not be established by another sole-shareholder LLC.
Possible contributions	Cash or in-kind contribution.
Moment when capital must be contributed by the shareholder(s)	Before the LLC is entered into the court register.
Requirement to audit the in-kind contribution	None.
Shareholder liability for obligations of the LLC	None. From the economic perspective, the shareholders’ risk is limited to the value of the shares they acquire or subscribe for.
Governing bodies of the LLC	Shareholders’ Meeting, Management Board (obligatory), Supervisory Board or Audit Commission (optional). The Supervisory Board or Audit Commission is obligatory if the share capital of the LLC exceeds PLN 500,000 and, at the same time, the LLC has more than 25 shareholders. In the case of a sole-shareholder LLC, the sole shareholder acts as the Shareholders’ Meeting.

B. Founding of an LLC – milestones

- 1) Collecting the documents required for executing the Company Deed of Association.
 - Draft Deed of Association;
 - Document confirming that the person representing the shareholder is authorized to sign the Deed of Association. This may be a copy from the shareholder’s commercial register, provided that the person signing the deed is disclosed in the above document as the shareholder’s representative and holds the necessary authority to establish the LLC. Otherwise, in addition to the excerpt from the commercial register, a power of attorney for the person signing the deed is required. The power of attorney must be presented in the form of a notarial deed;
 - If it is required by the internal regulations of the shareholder or by the law of the shareholder’s country of origin, the appropriate governing body of the shareholder (Board of

Directors/Supervisory Board/Shareholders' Meeting) must adopt a formal decision on establishing an LLC in Poland;

- All documents issued abroad must be legalized by a Polish consul (not required in countries where obtaining an Apostille is possible, or if particular provisions of law provide otherwise).

- 2) Checking whether any approvals or permits are required for incorporation of the company or transfer of an in-kind contribution to the company; in particular, checking whether the consent of antimonopoly authorities is required.
- 3) Executing the Deed of Association.

The deed must be prepared in the Polish language and before a Polish notary. If the person signing the deed does not speak Polish, the presence of a sworn translator is required.

- 4) Appointing the company's Management Board (obligatory) and Supervisory Board or Audit Commission (if provided for).
- 5) Concluding a contract for the lease of office space or obtaining other legal title to office space (obtaining an official address).
- 6) Opening a bank account for the company.
- 7) Depositing contributions to the share capital by the shareholders.
- 8) Signing the documents required for the company's registration by each member of the Management Board:
 - Acceptance of appointment to the Management Board;
 - Declaration that the share capital has been paid in full;
 - List of the shareholders;
 - Application to the registry court;
 - Other miscellaneous documents;
- 9) Filing an application with the registry court for registration of the company in the enterprise register.
- 10) Registration of the company with the enterprise register and publication of an announcement of registration in the official journal *Monitor Sądowy i Gospodarczy*.
- 11) Assignment of a tax identification number (NIP) and statistical number (REGON).
- 12) Notifying the bank of the company's registration.
- 13) Filing an additional notification to the Tax Office with information not disclosed in the enterprise register (such as information about bank accounts, number of employees, etc.).
- 14) Further tax registration filings for the purpose of VAT, VAT-UE and CIT (Corporate Income Tax) taxation.

C. Timing

In our experience, the entire process of registering an LLC as presented in section B above normally takes up to 8 weeks:

- 1) preparing all the required documents for executing the Deed of Association and filing the application for registration of the LLC in the enterprise register - up to 3 weeks. This period can be significantly shortened if the shareholder can obtain the documents referred to in section B.1 above without undue delay,
- 2) registration proceedings at the registry court - up to 3 weeks,
- 3) registration with the tax office - up to 2 weeks.

Within the next few months the process of LLC registration as described above should become shorter. Following the most recent changes in Polish law, registration for tax purposes (assignment of a tax identification number - NIP) and statistical purposes (assignment of a statistical number - REGON) should take place on the same day as registration of the company 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.

However, under Polish law an LLC may conduct business activities (even ones as significant as the purchase of real property) immediately after the company's Deed of Association is executed. Therefore, if timing is a crucial factor, please note that an LLC may be ready to do business **within a few days** after the investor decides to incorporate the company.



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