

POLAND

Poland - Civil Law

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Incorporating a company in Poland

Poland taxes

If you are willing to incorporate in Poland, this article will educate you on the tax laws for a LLC, which is the most common company structure in Poland.

Poland taxes corporate income on a worldwide basis. The established standard tax rate for income earned abroad, from our research, and these things do change, is 19%. Poland may not have exclusions and other available benefits to bring in foreign earned profits. Taxes are lower than average in Poland as the rate which LLC will pay tax is 19%. A lower tax rate of 15% may be available for entities whose sales revenues didn't exceed the previous year EUR 1.2m. Poland ranks 66th overall in terms of CIT globally.

The value added tax (VAT) rate is 23.00%, that ranks Poland as 60th overall with regards to VAT globally. In terms of other taxation, an employer will contribute 22.41% to the equivalent of a social security fund and an employee will contribute 13.71%. The overall complexity of the tax system is medium. This is measured by average time to comply with a country's labor tax requirements is as it is 124hours. Contributing to this is the number of yearly labor tax payments, which is 1 in PL.

Thin cap rules are in effect. This refers to any type of laws on a business and the debt-to-asset ratios.

Dividends received from a Polish resident company are not included in corporate tax base. However, it is subject at a 19% withholding tax on source, unless the beneficiary holds at least 10% of shares for two years of the paying company. Dividends received from foreign companies are taxed at the CIT standard rate, but a foreign tax credit may be available. Dividends received from EEA/EU/Switzerland companies may not be included in CIT base, if parent company holds at least 10% (Switzerland 25%) of the share capital for two years of paying company. A dividend is a distribution of a portion of a company profit, decided by the board, to a class of its shareholders. Dividends can be one of the following shares of stock, cash payments, or other property.

Capital Gains are usually treated as ordinary income and subject to Corporate Income Tax standard rates. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells a capital asset for a price that is higher than the purchase price.

The interest withholding tax rate is estimated at 20%. Which means that the tax authorities expects LLC 's to withhold 20% of interests paid abroad. The dividends withholding tax rate is 19%. This means that the taxman expects legal entities to automatically withhold 19% of dividends remitted abroad. The royalties withholding tax rate is 20%. This means that the tax authorities expects relevant legal entities to automatically withhold 20% of royalties remitted to non-residents. Payments that qualify under the EU directives may be tax-exempt. Withholding tax rates may be reduced under a tax treaty. There is no known tax on wealth in Poland. There are inheritance, transfer and real property taxes. There are no well known credits for innovation spend that include breaks on taxation in this country.

The above is not tax or legal advice for your specific situation. We are able to refer you to a tax advisor in Poland who can properly advise you. Contact us today. Click incorporate now if you are in a hurry, or press the free consultation button above.

The vat rate in Poland is 23% which ranks 165 in the world.

- ✘ Patent box
- ✘ RND credit
- ✘ Wealth tax
- ✔ Estate tax
- ✔ Transfer taxes

- 98 Tax treaties
- 19% Offshore Tax
- 19% Corp rate
- Loss carryback years

Poland Legalese

When incorporating, you must look at the law in the country, in Poland is civil law law. You will want to get some local advice as to how to best structure a company in Poland. One is permitted to electronically sign documents.

The country code PL is for Poland and the most common company structure in Poland is a LLC .

It typically takes about 4 Weeks to setup a LLC in PL. The types of cash you can use to setup your company is frequently PLN and any legal tender.

Yes, one is allowed to re-domicile a LLC from PL. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least This means it is not possible for you to own a LLC in Poland as a sole shareholder. You must have other shareholders, they can be nominees or de facto shareholders. Corporate Shareholders are allowed, meaning you could have a company as a shareholder. Foreign ownership is tolerated, up to 100% of the ownership of the legal entity.

There is a requirement to have at least 2 directors. Consequently, corporate directors are permitted. Directors are disclosed publicly. There is a requirement to have annual meetings of shareholders.

A registered legal firm must be retained for an address, paid by the company on an annual basis, for an address which can receive litigation or other legal process on behalf of the business. However, a company secretary is not a requirement.

There is an On that note, there is oftentimes a requirement to have these accounts audited.

Overall we think Poland is a ok option and have given it a score of 63 as an IO score, using the Incorporations.IO proprietary formula.

- ✘ **Directors not disclosed in a public registry**
- ✘ **Shareholders not disclosed in a public registry**
- ✔ **Redomiciliation permitted**
- ✔ **Registered office required**
- ✔ **Corporate director permitted**
- ✘ **Local Secretary not required**
- ✔ **Local Director not required**
- ✔ **Electronic signature**

- 2 Shareholders required**
- 2 Directors required**
- 4 Weeks to form**



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Country Info



🚩 National Flag of

**Rzeczpospolita Polska
(pol)**

💰 Currency

PLN

☎ Area Code

+48

🏛 Capital

Warsaw

📍 Region

Eastern Europe

🗣 Native Languages

Polish