

SPCC magazine

IN THE

SPCC

ON THE

GREEN WAY

FROM

MEMBERS

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WITH HANNA
ZDANOWSKA,
MAYOR OF ŁÓDŹ

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IN CITIES.
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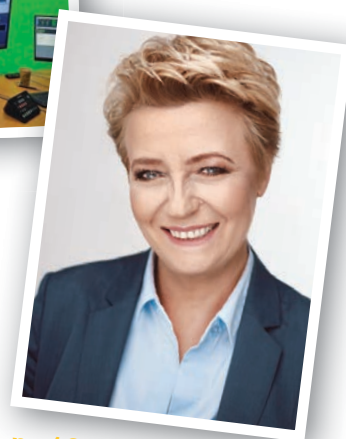
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SPCC Magazine: *Scandinavian-Polish business community online*

Magazine is a quarterly publication in online format distributed by Scandinavian-Polish Chamber of Commerce (SPCC) among wide group of readers interested in Scandinavia and Scandinavian-Polish cooperation. We reach SPCC Members, business organizations, media and individual readers interested in topics related to Scandinavia.

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LETTER FROM MANAGING DIRECTOR



Dear Members,

Time for talks

With the loosening of pandemic restrictions, autumn in Warsaw and throughout Poland abounds in numerous conferences, events, and long, inspiring talks. We need face-to-face meetings to establish and maintain relations, initiate projects, gain knowledge and use the potential to create new solutions.

After 18 months, meeting you is a great inspiration for us, a source of knowledge, and information about your needs as employers, innovators, and investors.

Since the beginning of September, the Board and the Chamber Team have had the opportunity to meet with more than a few hundred member companies during events organized by the SPCC, numerous study tours to companies, and small talks during the "fika".

The conclusion of the discussions is visible in the growing numbers: investments of Nordic companies in Poland are a significant driving force of economic growth. Investors from the north offer innovative solutions and thousands of new jobs in modern sectors related to the decarbonization of industry, renewable energy, medicine, and business services. At the same time, the general investment climate is crucial for investors, which is why SPCC actively participates in creating a dialogue with authorities at the local and state level.

During this summer and at the beginning of September we consulted with our member companies on several legislative topics (a list of postulates addressed to the authorities can be found here)

Numerous legislative initiatives have shaped this issue. SPCC experts share their knowledge on the "Polish Deal" and the draft legislation introducing the model of the so-called extended producer responsibility (ROP)¹.

We continue the dialogue with local authorities on different levels and we are proud that subsequent investments of our member companies change the Polish cities. When choosing a location for further investments, apart from infrastructure, availability of staff, universities and office space, a particularly important issue for Nordic investors is the city's green strategy. In this issue, you can read an interview with the Mayor of Łódź, Hanna Zdanowska, about a green city as an organism that develops sustainably, ensuring the optimal use of resources, including water, renewable energy sources and reducing car traffic in favour of zero-emission means of public transport.

Already on 14 October we invite you to a meeting with local authorities of the Tricity on the strategy of sustainable management of the urban fabric - Tricity 2030. Together with a group of international foreign investors we will talk about how business can support cities in creating the green environment in the city. The next meetings of this cycle will be held in Wrocław and Poznań.

This event is a part of SPCC's leading project On the GREEN WAY and refers to the June conference GREEN (R)EVOLUTION IN CITIES, its summary you can read on page 14 of SPCC Magazine.

We invite you to follow the next initiatives of the Scandinavian-Polish Chamber of Commerce, express your needs, exchange experiences and actively contact the SPCC Team and the Board. I wish you an inspiring read and encourage you to share with us your thoughts!

Agnieszka Zielińska
Managing Director

IN THE SPCC

Overview of activities

On the 17th of June 2021, the General Assembly of the Scandinavian-Polish Chamber of Commerce appointed a new Board of Directors of the organization. Carsten Nilsen, a member of Amaze's Board, took over the position of President for another term.



The Annual General Assembly of the SPCC

Managing Director, Agnieszka Zielińska presented the implemented activities and plans for the future:

"We have developed our action plan for 2021 based on the needs, opinions, and feedback received from Members and the lessons learned during the pandemic. We will continue to develop digital tools as an alternative to traditional solutions. We have defined green transformation, sustainable economy, the labour market from the perspective of Nordic employers, and Nordic healthcare solutions as our main content areas for the coming year."

The Vice Presidents of the SPCC Board of Directors, who also act as national section chairs, were respectively:

Leif Christiansen, Managing Partner of Proactive, Chairman of the Board of the SPCC Danish Section Board;

Artur Swirtun, Legal Counselor at Legal Kraft at Legal Kraft, Swirtun i Wspólnicy, Chairman of the Board of the SPCC Swedish Section;

Marcin Bruszewski, Head of Legal Department, Fortum, Chairman of the Board of FTG, SPCC Finnish Section.

Other members of the new management board are:

Tuomas Asunmaa, Spondeo
Wanda Brociek, Wings of Change Wanda Brociek Advisory
Markku Ekholm, Suomen Unipol Oy
Lech Gniady, Peter Nielsen & Partners Law Office
Daniel Jastrun, Maruta Wachta & Partners
Alexandra Kazimierski, Morgan Philips Hudson Executive Search
Siren Knudsen, PURO Hotels
Artur Tomaszewski, DNB Bank Polska SA

Conferences

The 3rd On the GREENWAY Conference took place in June. Representatives of Nordic cities and representatives of Scandinavian companies spoke about "Green (R)evolution in cities". The discussion was divided into three panels. A detailed report is published [here](#)

Events

In September, the epidemiological situation made it possible to organize meetings with the physical presence of participants on a larger scale. It was a very intensive time at the SPCC. Members from Pomerania participated in two events in Szczecin and a cocktail party in Gdansk. There were two big national section meetings - the Swedish section's Crayfish Party and the traditional Finnish Summer Picnic. After a long break, we also had the opportunity to visit the



Participants of Oktoberfest in Wroclaw by the car turned into a house on wheels, thanks to EscapeVans equipment.



FTG members during the Finnish Summer Picnic in Warsaw's Wilanów district.



Welcome Back Cocktail gathered at the Radisson Collection over a hundred SPCC members.



Carsten Nilsen, Chairman of the SPCC, welcomed the new members of the Chamber by presenting them with their certificates of membership



hospitable thresholds of the Radisson Collection, where the Welcome Back Cocktail took place. In parallel, many seminars and substantive meetings took place online. Members appreciate the opportunities to benefit from substantive knowledge regardless of the location from which they currently work.

B2G

In recent months, due to numerous legislative initiatives and proposals of legislative changes SPCC alone and as part of the International Group of Chambers of Commers took several actions to reach out to legislative bodies.

As part of the public consultations, comments were presented on the **simplification of transfer pricing** under the "Polish Deal", the Draft Act amending the Act on personal income tax, the Act on corporate income tax, and certain other acts (**the CIT Act**) concerning the introduction of the so-called minimum income tax, hidden dividend and the tax on passed-through income.

Bilateral chambers of commerce operating in Poland, on behalf of investors representing the

offshore wind energy sector, submitted to the Minister of Infrastructure, Mr. Andrzej Adamczyk, their comments regarding the changes in the draft Regulation on the evaluation of applications submitted in the adjudication procedure of Article 27g.2 of the Act of 21 March 1991 on maritime areas of the Republic of Poland, and marine administration in the wording provided for in the draft Act on the promotion of electricity generation in offshore wind farms.

The letter expresses concern over the direction of the proposed changes and their possible inconsistencies with the European Union law and international agreements binding for Poland.

SPCC also communicated to the Minister of Infrastructure its position on the Draft Act on amendments to the Act on Road Transport and certain other acts (UC93) published in the Bulletin of Public Information of the Government Legislation Centre. The letter indicates changes that raise a concern of the business community, including changes to the working time of drivers on business trips.

UPCOMING EVENTS

For the next two months, we have planned several events, both physical and online. We invite you to check the SPCC calendar. It's worth saving some dates already today!

Artificial Intelligence is changing the world. Meeting with prof. Aleksandra Przeglasińska, 5/10/2021, online

Technology is ubiquitous today. Artificial Intelligence is present in every area of life. Countless possibilities? Of course, however, AI also causes concern. What are we most afraid of? How will technology change our lives and shape our world?

We invite you to the next meeting in the **SPCC Influencer** series. Our guest will be Professor Aleksandra Przeglasińska, an artificial intelligence researcher, philosopher and futurologist.

SPCC Economic Outlook with BNP Paribas Bank Polska, 7/10/2021, online

The Post-Covid World. Heading back to normal or starting a new economic reality?

The nature of the crisis caused by the pandemic, its lasting effects, forecasts for the near future, and long-term scenarios for the Polish economy - we will discuss this with BNP Paribas Bank Polska during the Economic Outlook in October.

SPCC Academy with Interculture, 10/13/2021, online

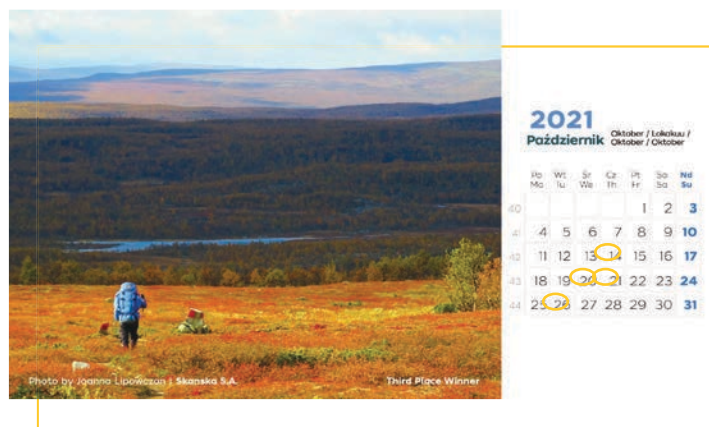
Lifelong learning is no longer an option. It is a must. The ability to learn quickly has become a competitive advantage.

How to speed up the learning process? What is the innovative model of "collaborative learning"? What are the most common mistakes made during training?

Join the online workshop session to learn how to learn!

International Chambers Round Table. Green Transformation Business Breakfast, 14/10/2021, Sopot

The International Chambers Round Table meeting is a joint initiative of bilateral chambers operating in Poland, allowing entrepreneurs to meet representatives of local authorities and talk about the most current economic topics.



The first "round table" will be held in Sopot and will be devoted to the green transformation of Poland. How can businesses, administration, local governments, and non-governmental organizations successfully carry out a green revolution in Polish cities? The session will be attended by representatives of Gdańsk, Gdynia, and Sopot.

The next meetings in this series will be held in Wrocław (October 26) and Poznań (November 23).

SPCC Businesswomen Network with Peter Nielsen & Partners Law Office, 21/10/2021, Warsaw

Is it possible to sell the property without the consent of the co-owner? What are the statutory rules of inheritance? What is worth knowing about marital property relations? The experts of the PNP law firm will dispel any doubts regarding legal issues in everyday life.

SPCC Community Afterwork, 28/10/2021 October, Warsaw

Let's meet after work for a moment to talk to other SPCC members. We invite you to networking in a casual atmosphere with light snacks and drinks. See you in Radisson Collection in Warsaw!

International Speed Business Meeting, November 2021, Warsaw

Those gatherings, regularly organized by bilateral chambers, invariably attract great interest. Business people from various sectors and countries have a unique opportunity to network and cooperate. Another ISBM coming in November!

WELCOME IN SPCC!

Since January we have welcomed 26 new companies to the SPCC. Meet the new members of our Nordic-Polish community!



3p Logistics - has one goal - delivering global quality transport & logistics on the highest level. 8 offices across Europe, operating ocean, air, project and European logistics



Agus - designs and commercializes branded food products in 50+ countries on 4 continents



Bilot - digital services for different stages of the customer journey and business processes. Sales and marketing tools utilizing artificial intelligence and analytics



Business Care

Business Care - gathers experts in the fields of accounting, HR and payroll services. Financial & legal services complete company's offer



Comodality - provides logistics service, road/ sea/air shipments, FTL/LTL/ADR logistics, export and import custom clearance services



EmergoPharm®

Emergo pharm - research, development & supply in the areas of medical devices, dietary supplements and dermo cosmetics. Markets operated EU, LATAM, Africa and Asia



Escape Vans - manufactured in Poland by KB Skatelab, the highest quality equipment, providing safety, comfort, freedom and pleasure of driving



Exclusive worldwide - tailor-made accommodation services for business worldwide Professional and extensive support for global mobility and relocation projects



HUGIN CONSULTING
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Hugin Consulting - first point of contact for any organization willing to start or already doing business in Poland or Scandinavia



IGNITIS - a part of Ignitis group - one of the largest energy groups in the Baltic States. Operates in Lithuania, Latvia, Estonia, Poland and Finland



We bring our clients the best of both worlds: the cross-border experience of an international law firm, & the client-oriented approach of a local legal partner.



LHM Poland - servicing of demanding businesses, purchase, manufacturing, coating, assembling and testing for multiple industries, including offshore, railway and green energy



Mölnlycke - world-leading medical solutions' company designing and supplying medical solutions to enhance performance in healthcare



NaviRisk - one of the leaders in domestic and Central European market in business security and risk management services, intelligence, cybersecurity and security



Netcompany - delivery of strategic IT projects that accelerate customers' digital transformation through platforms, core systems and infrastructure services



No Fluff - job board dedicated to IT industry with mandatory salary brackets in every offer



Norautron - electronics-, electromechanical- and mechanical manufacturer providing the full range of services in a product life cycle



Novo Nordisk Pharma - a leading global pharmaceutical company with over 90 years of experience in developing innovative treatments for diabetes, obesity, and hemophilia.

optiveum

Optiveum - a boutique IT recruitment & outsourcing company supporting local & international clients with resources from Poland and other CEE countries



Polkont - sale, rental, shipper-own containers lease, buy back, modifications of all types of sea containers, modular, accommodation and special containers



Qlean Air Scandinavia - solutions that promote health by controlling indoor environment and air quality as well as protecting products and processes



Sołtysiński Kawecki & Szlęzak - leading Polish law firm offering a full spectrum of legal services to local and international businesses for 30 years.



TOMRA creates sensor-based solutions for optimal resource productivity and minimize waste, supporting the building of an effective closed-loop economy.



Ups - shipping & receiving and supply chain management company



Wave Europe - IT recruitment and outsourcing services, team setting and IT project management



White Bits - supports brands in digital world, builds communication strategies, adapts global brands' communication to the local market to effectively reach the audience

SPCC INTERVIEW WITH HANNA ZDANOWSKA, MAYOR OF ŁÓDŹ

Ewa Lisiewska, SPCC: “Green cities” is a capacious slogan. What does this term mean for you in the context of the development of Łódź?

Hanna Zdanowska, Mayor of Łódź: The world is on the brink of a climate catastrophe today and we need to talk about this very openly. Without substantial actions taken now, the chances of good living conditions for our children and grandchildren in the future will be slim. More than half of humanity lives in cities already and this is a growing trend, hence the need to make cities as green as possible. However, this is not only about more green areas or new planting along roads. A green city today and in the future is a sustainably developing organism which, in addition to the said greenery, of course, strives to retain and utilise as much rainwater as possible, uses renewable energy sources, reduces car traffic in favour of zero-emission public transport or manages waste rationally. All these issues set the priority directions for us in the development of Łódź, as part of which we are and will be taking actions so as to achieve the City's climate neutrality goal by 2050.

A green city is also a smart city. What can be the role of modern technologies in the achievement of Łódź' strategic goals?

No strategic goals, whether those I have just mentioned or the ones indicated in our new post-pandemic strategy for the City development, can be achieved without modern technologies. Today, virtually every area of our lives is becoming computerised. It is necessary to use all sorts of measuring devices and integrate them into specific systems as they allow us to determine our situation.

In the era where information is one of the most precious goods, only modern technologies enable us to set our activities properly, monitor their effects on an ongoing basis and ultimately achieve our goals while saving time and money.

During the SPCC debate “How to build sustainable cities?” Gaute Hagerup, the head of the C40 network office in Oslo, emphasised the important role of cities in actions taken for environmental protection. By choosing innovative and pro-environmental solutions for their projects, cities can reduce emissions efficiently while creating the market for climate friendly products and services.



Hanna Zdanowska,
Mayor of Łódź

Can you see a similar potential in the cooperation between Polish local governments and investors?

Certainly! And in Łódź, we provide space for this potential to be realised. Not so long ago, I proposed the Ecopact for Łódź as part of which we open ourselves up to cooperation with business, NGOs and other institutions having ideas for the improvement of the urban environment. We talk to them and implement together all kinds of projects with at least the slightest pro-climate effect. Fortunately, it does not take long to convince them because many companies are already well aware that a city is not just a local administration but an organism whose proper functioning requires not only efficient management or committed residents, but also socially responsible business. The important

thing is that we are learning from each other during the entire process.

Łódź is where many Scandinavian companies are seated, and pro-environmental attitudes are part of their DNA. What investments particularly contribute to the development of Łódź as a green city?

I have to admit that Scandinavian entrepreneurs are leaders in applying pro-environmental solutions and their practice provides examples aplenty for investors from other countries. Investments that help us create a green city are mainly those related to using renewable energy sources at companies, e.g. in the form of photovoltaic panels mounted on the roofs, energy-efficient LED lighting or ensuring correct recycling at their facilities. All those solutions that allow them to reduce negative emissions contribute to the creation of the green Łódź and are an important element in our race towards a zero emission city. However, I must not omit the very products and services offered by Scandinavian companies that have made Łódź their haven in Poland. As a local government, we note their particular understanding of the need for instance to reduce the carbon footprint of their operations.

Łódź has issued bonds for 10 years already but it is now the first Polish city that has decided to cooperate with DNB Bank Polska to issue a green version of this instrument. What makes green bonds so special? How is the City going to use the funds so obtained?

The City of Łódź has decided to issue green bonds for the first time to encourage other



local self-government units to use this financial instrument as well. By choosing green bonds, the City has selected projects to be co-financed with proceeds therefrom. Issuing green bonds, the City has prepared the Green Bond Framework determining for instance how projects are to be selected, how the proceeds are to be managed, and how we will report on project implementation. These elements ensure full transparency on the use of funds and a positive effect of the projects on the environment, which is very well received by banks and investors. DNB's role has also been significant as it has supported the City and cooperated on the issuance of green bonds.

In this year's Europolis report by the Robert Schumann Foundation and the Konrad Adenauer Foundation Łódź has ranked third, which is very high. High marks have been given for example to the City's efforts for air quality, public transport and electric personal transport. Can you tell us more about the specific solutions so appreciated by the experts?

The measures taken into account in the ranking comprise, of course, some of the areas of our particular concern as part of our climate change mitigation and adaptation efforts. Air quality is one of the biggest problems across Poland, therefore this year we have allocated almost PLN 300 million for this purpose. This includes funds to subsidize the replacement of furnaces. A complex issue are solutions for the public transport. On the one hand, we are constantly looking to improve the quality of our urban transport fleet and rolling stock. By making public transport more state-of-the-art and thus more attractive





for residents and competitive with private vehicles we significantly reduce the emissions. The number of stops, which simply makes public transport in Łódź accessible, is also important for this competitiveness. Finally, in order to achieve the e-mobility indicators, we strive to implement solutions that facilitate the use of electric means of transport. It is worth mentioning here that we are not afraid of ambitious projects such as cooperation with a parcel operator in expanding the network of charging stations - today, the lack of such infrastructure is one of the main problems encountered by users of this type of vehicles.

Apart from these unquestionable successes, Łódź, just like any other Polish city, faces many challenges. What ranks highest on the list of priorities you find the most important to deal with right now?

In the new strategy for Łódź, currently being prepared with the participation of residents, the environment is - which should be repeated - one of its most important pillars. The City must be sustainable and resilient to environmental crises. Therefore, we focus not only on comprehensive reduction of CO₂ emissions and quick elimination of low-stack emission sources but also on introducing green spaces much more widely into the urban fabric, which is facilitated by the area revitalisation.

This is why the consistent area revitalisation combined with the construction of the New Centre of Łódź by the City - all this as part of the City co-created by its residents, fully participatory also at the level of projects submitted and implemented by Łódź residents themselves

- provides such a huge challenge: because without it, transforming Łódź into a fully green city would simply be impossible.

It is worth noting that our revitalisation has mainly a social dimension. This is what residents want: we calm traffic in the city centre, create woonerfs, expand the cycle network, make the system of urban e-bikes and e-scooters more available and accessible. And we invest in public transport, especially the rail one - e.g. trams. But we also cooperate on the creation of an agglomeration railway system and soon (once the railway tunnels under the City are completed) we will even have our small "metro" - with several underground railway stations in key locations across Łódź. As part of the area revitalisation, precisely thanks to the extensive social participation that underpins it, all these projects are implemented more and more efficiently.

Therefore - in line with residents' wishes - as part of the area revitalisation, which is gradually expanding beyond the very centre of Łódź, we plan to ultimately transform Łódź into a garden city: with a green ring of parks around its centre, with rehabilitated urban rivers, with parks, green squares and other recreational areas accessible for every Łódź resident - within a walking distance of no more than a few minutes from their places of residence. With woonerfs and green courtyards in the city centre. With vertical gardens. What is more, as the City is to be co-created by its residents, we give them the initiative to develop such friendly spaces in their immediate surroundings. Because even the Covid epidemic has showed us how important it is to make such spaces available for residents.

In general, the most important task of Łódź and its local government is the increase in the quality of life of its residents - and in all age groups, too. For this is the only way to improve the demographic situation. And so, young people will find it important to have quality education, high-paying jobs with high added value, the opportunity to participate fully in sports, culture, etc. Middle age residents will also appreciate recreation and leisure activities, public transport, career advancement opportunities, good education for their children, accessible and adequate health care. For seniors, additionally, the accessibility of the City and its services, green areas at close distance and active lifestyle possibilities will count.

Putting it simply - the City is meant to be friendly and conducive for all of us - which is now the basic paradigm for our actions.

GREEN (R)EVOLUTION IN CITIES. THE 3RD ON THE GREEN WAY CONFERENCE ORGANIZED BY THE SCANDINAVIAN-POLISH CHAMBER OF COMMERCE

On a global scale, cities occupy about 1% of the land area, they are inhabited by almost 55% of the world's population, in Europe this percentage is even higher and amounts to almost 75%. It is estimated that in 2050 as much as 70% of the population will live in cities globally, and 85% in Europe. Buildings and the construction industry generate nearly 40% of annual global greenhouse gas emissions. What is the future of cities in the face of these facts, forecasts, and the climate crisis?

REPORT FROM THE DEBATE “HOW TO BUILD SUSTAINABLE CITIES?”

Energy efficiency is not enough

Until a few years ago, the discussion on the green transformation of cities focused mainly on increasing the energy efficiency of buildings. Now we focus more on people and residents' perspectives.

Monika Kupska-Kupis, an architect representing **VELUX Polska**, emphasized that from today's perspective, reducing energy consumption is far from sufficient. The energy balance of buildings should be at least neutral and renewable energy sources should play more important role; high attention is also to be paid to air quality, comfort, climate-neutral materials, and adapting the investment to local conditions.

In the context of the green transformation, both in Poland and throughout Europe, renovation is an important field for construction sector. In Poland, 60% of buildings were built over 40 years ago.

Unfortunately, changes in this sector are not going as fast as we could wish. Investors often focus on short-term goals. Whereas building renovation is de facto a long-term health and financial investment both lowering the energy and building's operation costs and increasing comfort in our living and working environments.

Cooperation of cities, businesses, and residents

During the debate, experts emphasized the importance of cooperation and partnership as necessary conditions for introducing real changes. Changes which can happen only as a result of



informed decisions and joint actions of local authorities, businesses, and social partners.

Gaute Hagerup, head of the **C40 office in Oslo**, believes cities have a powerful tool. Skillful use of purchasing power to support innovative solutions can effectively accelerate emissions reductions. Green solutions simply have to be a profitable business.

How does it work in Oslo? One of the ideas to reduce emissions from the construction industry was to use zero-emission construction machinery in the implementation of projects. However, no devices meeting the requirements were found on the market. So the city started consultations

with business. The industry was interested in creating such solutions, as long as there is a sufficiently large market for them. Oslo started the process and other Norwegian cities joined the initiative. Two years later, the first battery-powered devices were ready for operation.

Today, the demand for zero-emission devices is huge. The project is growing in scale thanks to the C40 city network, and in November 2020 Oslo, Los Angeles, Mexico City, and Budapest committed, in collaboration with leading companies and innovative business communities, to halve emissions from all construction work in their cities by 2030.

Another example of close cooperation between the private sector and cities is the satellite-based green area monitoring system developed by Husqvarna. HUGSI allows you to control the size and condition of green spaces in all C40 cities, provides insight into historical data, and shows trends. **Marcin Andrzejczyk**, CEE regional marketing director, **Husqvarna** notes that these data are a very helpful tool for cities, they constitute a starting point for discussions and changes.

Residents want to get more and more involved in shaping the urban space. Local is the keyword and it is the basis of the concept of 15-minute cities, according to which every resident should have access to basic city services within a 15-minute walk or bicycle ride. How can this



Press materials Velux

be achieved? **Maria Dolniak**, consultant for sustainable buildings, **SWECO** argues that it is time for a flexible approach to the functionality of buildings. For example, a school that is empty on weekends may well serve the local community in other ways.

– Cities of the future are created today, it is up to the decisions made by investors, city authorities, and company representatives in which space we will live. There are no doubts that when making any investment decision, we must take into account its impact on the climate – says **Agnieszka Zielińska**, SPCC Managing Director, moderator of the debate.

REPORT FROM THE “CIRCULAR CITIES” DEBATE

Circular cities are, above all, friendly cities where people want and can live in a clean and safe environment. Clean air and a highly efficient and emission-free energy system, effective waste, and water management are essential elements of sustainable cities.

Waste management

In 2019, almost 225 million tonnes of municipal waste was generated in the EU. According to Eurostat data, the amount of waste recycled and composted has almost tripled in recent

years. Since 1995, the amount of municipal waste incinerated in the EU has doubled from 30 million tonnes to 60 million tonnes in 2019, and the total amount of municipal waste landfilled in the EU has more than halved to 54 million tonnes.

This is a positive trend, but effective waste management remains a challenge for cities. As Hans Christian Christiansen from the Copenhagen City Hall points out, the success of the Danish capital began with the creation of a comprehensive plan in this area. The city authorities were at the



same time prepared for flexible operation and introducing changes in the system, depending on the needs.

Re-use and recycling play an increasing role as a source of raw materials for the industry. And the industry is a significant part of the city environment. Businesses generate large amounts of waste. However, compared to municipal waste, the distance between the waste producer and the plant is much shorter. As a result, waste is more precisely segregated at the source and has a higher quality.

Lars Ibsen from **Stena Recycling** notes that today a major trend is cross-industry cooperation. Companies expand their perspectives and look not only at the needs of their own production because some of the recovered materials can be used by other producers.

Until a few years ago, entrepreneurs were inclined to keep silent about the use of recycled materials. They were afraid their products would be associated with low quality. Today companies are proud to say they use recycled materials, because conscious consumers expect this from them. Cities play an essential role in supporting and promoting this positive trend.

Waste-to-energy technologies

Unfortunately, all waste is not recyclable, and even the recovered materials cannot be recycled endlessly.

As **Izabela van den Bossche** from **Fortum** argues, CHP plants powered by alternative fuel (RDF) are an essential element of waste management. They do not compete with waste treatment plants, they are a complementary part of the system. Waste-To-Energy Plants also operate successfully in countries that can boast the highest percentages of processed waste.

The waste from which we recover energy would end up in to landfill, and this is the worst solution. In addition, the waste-to-energy process produces bottom ash that can be recycled to recover several types of ferrous and non-ferrous metals (iron, aluminium, copper, etc.).

Circular cities - cities of the future

The circular city is not an idealistic vision, but a strategy that brings real economic and social **benefits**, emphasizes **Piotr Woźniakowski** from **KOZK**. Striving to create a circular economy stimulates the emergence of new business models. Repair services are gaining in popularity, and designing products from recovered raw materials is a huge field for start-ups.

he social benefits cannot be overlooked. The sharing economy is conducive to the formation of stronger social ties, cooperation between enterprises is tightening, and the symbiosis of the industry is conducive to strengthening the local economy.

Circular cities are cities good to live in, environmentally friendly, and favour sustainable economic development.

REPORT ON THE DEBATE “SMART MEANS GREEN - TECHNOLOGY IN CITIES”

“Smart cities” means not only modern technologies supporting and improving the quality of public services. It is part of a holistic view of the city as a sustainable, intelligent and green ecosystem.

5G more than a new technology

Ecosystem is, according to **Katarzyna Pąk** representing **Ericsson**, the right word when talking about 5G technology. 5G is not just another new technology, but also a change the way of how the technology enter our business and daily life. That's why multilateral cooperation, first of all with the cities, is necessary, and in the case of cooperation between Ericsson and Łódź, also very successful.

In the Łódź Special Economic Zone Ericsson not only provides 5G test network but also supports start-ups in creating business concepts or technological solutions based on 5G, furthermore helps to obtain financing for the implementation. These activities have a positive impact on the development of the entire city.

Electromobility

Almost 30% of total greenhouse emissions in the EU come from the transport sector; road transport was responsible for 72% of that. Electromobility is the answer to transportation problems of contemporary cities: noise, congested agglomerations, smog, and emissions.



Press materials Skanska



Press materials Volvo Group

Marek Gawroński, **Volvo Group Poland**, notes awareness of climate challenges has been shaping the Volvo business model for years. Multilateral cooperation between Volvo and partners representing city of Gothenburg and Lindholmen Science Park played a crucial role in products and services development. The result has been a more sustainable and efficient public transport system

Green buildings

Buildings are a critical part of the city and among many other elements that shape a city. Which buildings will be considered intelligent and sustainable?

Adam Targowski representing **Skanska** points to three important aspects: integration with the existing infrastructure and fitting into the neighbourhood, secondly, impact on the environment, and thirdly, how a building responds to human needs and how it ensures safe functioning. The last aspect has become particularly important during the pandemic.

Technology plays a huge role in intelligent buildings, making it possible to provide thermal and acoustic comfort and convenient infrastructure. However, smart solutions cannot be equated only with advanced technology. It is equally important to create a friendly space, valuable to the city, used by local residents when employees leave office buildings. Nowadays “smart” also means “green”, the construction sector aims to create climate-neutral solutions that enable buildings to be constructed and operated without negative impact on the climate.

The conference took place on 9/06/2021

FROM MEMBERS

SYSTEM OF EXTENDED PRODUCER RESPONSIBILITY IS APPROACHING

Polish authorities have published draft legislation introducing the model of the so-called 'extended producer responsibility' (EPR)¹. The new law will affect in particular entities introducing packagings and packaged products on the market, as well as waste management organisations. The regulations are aimed at implementing the EU Waste Package. The changes are to enter into force as of 1 January 2023.

The need for change.

As pointed out by market experts, the waste management system currently implemented in Poland is inefficient, prone to fraud (the scale of falsification of recycling data is estimated at as much as 30% of waste volume), does not provide for an institutional framework capable of achieving waste recycling at the required levels (by 2025, recycling of municipal waste at the level of at least 55%, and by 2035 - 65%), nor does it sufficiently mobilise the producers to improve packaging in view of reducing its negative environmental impact. Moreover, the costs born by waste introducers forming contribution to the waste management system are currently the lowest in Europe (in principle, several dozen times lower than in other countries). Finally, despite the fact that the countries of the "old EU Member States", even without top-down requirements resulting from directives, have applied comprehensive extended responsibility systems since the 1990s, the introduction of pro-ecological solutions has been delayed by successive Polish authorities.

Envisaged Solutions.

The new system divides packaging waste streams into consumer and other, i.e., generated by trade, distribution and industry. Each stream will be treated separately in terms of recycling obligations and fees.

Producers of waste from the consumer stream will be obliged to pay a packaging fee at various



Paweł Piechociński

„The new system divides packaging waste streams into consumer and other, i.e., generated by trade, distribution and industry. Each stream will be treated separately in terms of recycling obligations and fees.”

¹ Projekt ustawy o zmianie ustawy o gospodarce opakowaniami i odpadami opakowaniowymi oraz niektórych innych ustaw z 2 sierpnia 2021 r., <https://legislacja.rcl.gov.pl/projekt/12349805>

rates, e.g., depending on the type, recyclability or recycle content. The draft sets forth the maximum rate of the packaging fee (PLN 2 / kg). According to the authorities, however, this rate may be increased in the course of further works on the legislation. Detailed rates of the packaging fee will be determined by the Ministry by way of a regulation (pl. rozporządzenie). Determining the rate is to be supported, in terms of merits, by the Institute of Environmental Protection - National Research Institute which, on the basis of data generated from the system, is to analyse and estimate the so-called net cost (Article 8a of the Waste Framework Directive).

The introduction of the above solutions is also followed by changes in the institutional framework of the waste management system. The existing Packaging Recovery Organisations will be replaced by Producer Responsibility Organisations which, as the Ministry declares, will be subject to a thorough evaluation. The already mentioned Institute of Environmental Protection - National Research Institute will be granted with additional supervisory and analytical tasks over the extended producer responsibility system. The latter change will be followed by additional reporting obligations for producers, to public institutions.

In addition to the changes in the system, the proposed regulations introduce some detailed solutions. For example, it is planned to introduce detailed regulations concerning disposable beverage packaging (e.g. minimum share of recycled plastics, requirement to adjust packaging so that lids or caps remain attached to the containers during the intended use of the products). Another detailed solution is the imposition on producers of the requirement to place on the packaging a marking indicating the method of selective collection of waste generated from such packaging by waste fractions.

Initial reactions to the proposed legislation.

The first draft of the new regulations that has been published, was received with some level of reluctance. This is no surprise to the Ministry which points out that the changes will affect numerous industries with often contradictory interests. For example, producers, recycling organisations and local authorities have very different approaches to the preferred model of authority over waste and responsibility for arranging for the packaging waste management system, i.e., to what extent producers will have real impact on the structure of the system. The latter are afraid of becoming mere payers of a quasi-tax without any impact on the organization

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of the system and its efficiency, and that they may also effectively pay for the costs of management of waste not generated by them (the so-called cross-financing, e.g., management of bio-waste).

Much attention is paid to the proposed maximum rate of the packaging fee. Stakeholders indicate that it is not entirely clear where the adopted rate (PLN 2 / kg) originates from and what will be the detailed rules for establishing the eco-modulation mechanism (differentiating rates, e.g., by the content of recycled material and suitability for further recycling), which causes uncertainty as to the solutions to be implemented by the packaging producers. On the other hand, representatives of the recycling industry argue that the maximum rate is too low.

Challenging consultation time.

At the time of writing this article, the draft EPR published by the Ministry of Climate and Environment on 5 August 2021, is subject to ongoing public consultations. Due to the significant impact of the envisaged new system, numerous business organisations are calling on the government to prolong the consultations. Additionally, this autumn, the Polish government plans to publish another draft legislation, this time concerning the introduction of deposit system for selected types of packaging (solutions in this respect are not included in the EPR legislation, whose main objective is to urgently transpose the requirements of the EU Waste Package). The Ministry suggests that the solutions to be proposed in those regulations will largely result from the standpoints presented during the public consultations, also concerning the EPR, in particular whether the deposit system will be obligatory or voluntary. Active participation of the representatives of the industries concerned will therefore be crucial to the system to be introduced in the coming years.

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“POLSKI ŁAD” AND ITS IMPACT ON PERSONAL TAXES OF THOSE COMING TO WORK IN POLAND*



Maciej Roślowski
Senior Manager, Tax Advisory

Changes in PIT calculations

The solutions proposed under the “Polski Ład” scheme provide for a series of tax changes. As far as natural persons are concerned, particularly interesting are those relating to the income taxed in accordance with the general principles, i.e. progressively – specifically, income from employment and civil law contracts.

Proposed changes include:

- tax-free allowance increased from PLN 8 000 to 30 000 a year;

- tax threshold (above which the 32 percent, not the 17 percent rate, applies) to rise from PLN 85 528 to 120 000 a year;
- portion of the health insurance contribution no longer to be deductible and hence lower net income – presently 7.75 percent is deducted from the basis of assessment (from the total of 9 percent);
- credit to compensate for the negative effects of the changes for employees with gross monthly salary between PLN 5 701 and PLN 11 141.

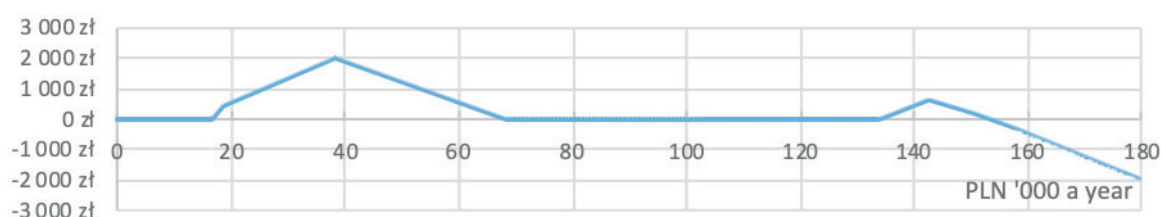
The changes will benefit the least paid employees (up to PLN 5 701 gross a month) and will be neutral for those with gross monthly salaries between PLN 5 701 and PLN 11 141. However, those on highest earnings will have their net income reduced. The table and the chart present the differences for income from employment.

Table. Employee's net salary as a percentage of gross salary.

Gross monthly salary	Net salary as % of gross salary		Average monthly difference in net salary
	Today	After the changes	
PLN 2 800*	73,62%	78,52%	+ PLN 137,23
PLN 4 000	72,70%	75,54%	+ PLN 113,74
PLN 6 000	71,98%	71,98%	PLN 0
PLN 10 000	69,37%	69,37%	PLN 0
PLN 15 000	66,19%	65,10%	-PLN 163,39
PLN 30 000	65,65%	61,33%	-PLN 1 297,41

* Minimum pay in 2021

Employee's net salary after the changes vs. current salary (depending on the annual gross revenue) *



* The values above the axis denote net salaries higher than presently, those below – lower (as proposed in the legislation).

The above calculations apply only to employees. However, "Polski Ład" contains a series of changes important also for the self-employed (or those considering self-employment). If one is planning to move to Poland and engage in an economic activity, one should be ready for the challenges brought by the new regulation, which for some taxpayers in the group include: a significant increase in the health insurance contribution due to realignment of its basis (similarly to employees, the contribution will no longer be tax deductible); changes in the accounting for revenue from disposal of ex-lease fixed assets for consideration, or changes in the depreciation of residential buildings and premises.

As far as residential premises and buildings are concerned, please note that the changes affect not only business persons, but also people gaining revenue from private rental (outside economic activity). If the proposed changes come into force, starting from 2022 such revenue will be subject to a flat-rate tax on the registered revenue (no depreciation or other tax-deductible expenses allowed). Please note that the rules of taxation of revenue from rental will apply to the revenue gained in Poland, but may also – depending on the provisions of Poland's double taxation conventions – affect foreign revenues from rental.

Credit for persons changing tax residence and flat-rate tax on foreign income

Contrary to the name ("return credit"), the credit is not designed only for Poles coming back from abroad, but to a wider group of persons who become tax residents in Poland, provided that before they were tax residents of another country for at least three full tax years as confirmed by a certificate of residence. The proposed regulations provide for a range of detailed credit eligibility criteria.

For the maximum period of four consecutive years (starting from the year of arrival to Poland or the following year – as decided by the taxpayer), the taxpayer could claim up to PLN 85 528 a year in tax exemptions on revenue from employment, contracts for services and non-agricultural activities.

The credit is set to operate as a tax incentive for future Polish tax residents. Please note that it carries a range of consequences, specifically a requirement that all income generated abroad is declared for taxation as a result of the change of

If one is planning to move to Poland and engage in an economic activity, one should be ready for the challenges brought by the new regulation, which for some taxpayers in the group include: a significant increase in the health insurance contribution due to realignment of its basis (similarly to employees, the contribution will no longer be tax deductible); changes in the accounting for revenue from disposal of ex-lease fixed assets for consideration, or changes in the depreciation of residential buildings and premises.

tax residence. Ultimately, an analysis of potential benefits depends on the particular circumstances of a given person. Undoubtedly, the credit may be of interest to foreigners moving temporarily to Poland.

As far as this group is concerned, one more solution proposed in "Polski Ład" should be mentioned: flat-rate tax on foreign income. Natural persons who become tax residents in Poland and generate considerable revenue from sources outside Poland, provided that they satisfy certain conditions, will be able to benefit from a flat-rate tax of PLN 200 000 for 10 consecutive years, regardless of the amount of revenue they generate.

Maciej Rośkoński

Senior Manager, Tax Advisory

Maciej is a graduate of Warsaw School of Economics and certified tax advisor. He specializes in personal income tax and social insurance advisory services. Maciej has substantial experience in the tax treatment of foreign employee assignments as well as in advising Polish employers, including verification of compliance with the tax remitter's duties as well as looking for cost-effective employment structures.

* These comments are relevant for the version of the bill examined by the Sejm's Public Finance Committee on 23 September 2021.

“590 INTERPRETATION” – A NEW TOOL DESIGNED TO ENHANCE INVESTMENT-ENVIRONMENT IN POLAND*

The Ministry of Finance has recently announced a plan to introduce in Poland a package of complex tax regulations, commonly referred to as the “New Polish Deal”, the purpose of which is (among others) to increase the number of investments in Poland and establishment of an investment-friendly environment here.

One of the key postulates, designed in order to enable this goal to be achieved, is implementation of the so-called “590 interpretation”. “590 interpretation” is a designed to be an instrument for large-scale investments in Poland. Based on this instruments potential investors will be entitle to pre-confirm with the Polish tax administration within one proceedings key tax implications related with the planned project – and thus, to minimize potential risks related with establishing and running a business in Poland.

From this perspective, this “590 interpretation” instrument is expected to replace the current practice observed in Poland, based on which investors, planning to set-up business in Poland, were made to seek pre-confirmation of the Polish tax implications of their plans through multiple tax proceedings These tax proceedings were overseen by different tax offices and not-coordinated from the Polish tax administrations’ side at all. Investors were obliged to separately initiate e.g.

- individual tax rulings proceedings in front of the Director of the Polish Fiscal Information Office – in case investors wanted to confirm correctness of their interpretation of tax technical provisions of the Polish tax laws;
- proceedings on issuance of opinion on the applicability of the General Anti-Avoidance Rules to the planned investment;
- advance pricing agreement (APA) proceedings – in case investors wanted to confirm compliance of the planned intragroup-transactions & models with the Polish transfer pricing (TP) rules;
- proceedings on issuance of binding VAT rate information – in case investors wanted to confirm VAT rate applicable to their future business in Poland;



Anna Rączkowska
Director, Tax Advisory Department

- proceedings on issuance of binding excise information – in case investors wanted to confirm VAT rate applicable to their future business in Poland.

The proposed “590 interpretation” instrument is expected to expedite and make investment process easier from the Polish tax perspective by consolidating different tax pre-confirmation proceedings into one single, comprehensive process, which could cover various tax aspects of a new investment in Poland.

A “590 interpretation” would be issued directly by the Polish Minister of Finance – therefore, assigning the highest importance to the arrangements made within this procedure and the highest expertise to the major investments planned to be undertaken in Poland.



Mateusz Rudnik
Senior Manager in the Tax Advisory Department

For now it is planned that the "590 interpretation" instrument will be available to domestic and foreign investors alike, who are planning large scale investments in Poland - i.e. investment valued at minimum of **PLN 100 million** (till the end of 2024) and investment valued at minimum of **PLN 50 million** (starting from 2025).

It is generally expected that "590 interpretation" proceedings - in opposite to a typical tax-related proceedings in Poland - will be largely run with the aim to explain and seek consensus between the Polish Ministry of Finance and investor(s), e.g. through negotiation meetings and arrangements discussed therein.

The administration fee is to range between **PLN 100,000** (approx. EUR 22k) and **PLN 500,000** (approx. EUR 111k) - depending on the investment size as well as the scope and complexity of a given "590 interpretation" application). This fee will be paid once the "590 interpretation" arrangement is concluded between an investor and the Polish Ministry of Finance. At the moment of filing the "590 interpretation" application each investor will be obliged to pay PLN 50 000 (approx. EUR 11k) as an introductory fee.

It is planned that "590 interpretation" will be valid for 5 years following its conclusion. During this period both the investor and the Polish tax authorities will be bound by the "590 interpretation". In case new important circumstances, potentially affecting the arrangements made, would change or the investor would not follow these arrangements - the Polish Ministry of Finance may terminate this "590 interpretation".

It is important to mention that "590 interpretation" is not the only instrument designed by the Polish tax authorities to encourage entities to invest in Poland. Some other pro-investment instruments concern e.g. new portfolio of tax incentives available in Poland (e.g. tax relief for trial production of new products or launching them into the Polish market, tax relief for robotization, etc.) and enhancement of the already existing in Poland (e.g. within IP Box regime and R&D tax relief).

All of the above instruments are planned to enter into force as from January 1st, 2022. However, the legislation process in this respect will be fully realized during autumn this year.

In case you are interested in learning more about investing in Poland, please contact us.

Anna Rączkowska
Director, Tax Advisory Department

Anna is a counsellor at law with a wide-ranging experience in Business Tax Advisory focused on corporate income tax. Over the years she has participated in a number of projects concerning inter alia: reorganizations of corporate structures and financing of business operations, ownerships changes, analyses of tax implications brought about by various intragroup service delivery models and ensured compliance with GAAR.

Mateusz Rudnik
Senior Manager in the Tax Advisory Department

Mateusz is an attorney at law and a Senior Manager in the Business Tax Team. He has 9 years of experience in tax advisory for companies from various sectors of the economy, including pharmaceutical, construction, consulting, production, and FMCG companies. He focuses on restructuring issues, carrying out tax reviews, and ongoing support for clients in the provision of hotline services.

* The comment refers to the draft act in its original form, i.e. of 26 July 2021



Archival photos of IKEA House of Tomorrow, press material

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Dom Skandynawski - Scandinavian Meeting Point Szczecin is a green space in the heart of Szczecin City, that has been created for all those who are fascinated by the countries of the North, their culture, lifestyle and work. It is also a place that brings together and integrates Scandinavians living in our city.

Those who feel the importance of ecology, nature, sustainable development and acting for green Szczecin will feel good here. We organize workshops, meetings, lectures and shows in cooperation with companies, non-governmental organizations and volunteers. Visit Dom Skandynawski – Scandinavian Meeting Point Szczecin and feel at home!