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Doing Business in Poland Guidebook for Finnish Investors



INTRODUCTION

This brief presentation prepared by the **Embassy of Finland** in Warsaw and **Peter Nielsen and Partners Law Office** in Warsaw is aimed at providing Finnish investors with basic but crucial information on Polish business climate and legal system. We hope that this presentation helps you make decisions on investment in Poland.

For further information please visit home page of the Finnish Embassy at www.finland.pl and Peter Nielsen and Partners Law Office at www.pnplaw.pl or contact us directly.

“Doing Business in Poland. Guidebook for Finnish Investors” takes into consideration legal regulations as of May 1, 2012.

DISCLAIMER

This document is for information purposes only and it cannot be considered as legal advice on any matter. We have carefully examined all issues to ensure that the information contained herein is credible and current. However, we do not guarantee the credibility and validity of the material and we are not responsible for any errors or omissions or for any consequences of using the information. Prior to making any decision or taking any action, you should consult your lawyer or any other relevant adviser.

WELCOME TO POLAND



Poland has gradually assumed its position as a large European nation during its membership of the EU since 2004. This has improved the country's image in Finland. Today, Poland is the 11th or 12th biggest market for Finnish exports and among the 14 biggest trading partners of Finland. More than 200 Finnish companies are well established here. This country offers still great opportunities for doing business.

Companies have many reasons for choosing Poland: a market of 38 million consumers; a growing economy; only less than two hours flight from Helsinki, good ferry connections and improving road network. Poland is certainly worth of attention: a fast growing domestic market, neighbour of two other huge markets, massive investments in infrastructure and inflow of EU funds, skilled manpower and well-educated society are some of the key advantages of Poland.

In addition, apart from the political agenda, Poland also used its EU Presidency during the second half of 2011 to promote business and tourism, which made it better known among both politicians and businessmen. In Finnish – Polish relations an important event was the visit of Prime Minister Katainen in Warsaw in December 2011. The Finnish and Polish Prime Ministers decided to enhance co-operation between the countries. The work starts by identifying all areas of common interest where added value can be achieved.

The Finnish Embassy in Warsaw works together with the trade promotion organisation Finpro and other interest groups like Scandinavian-Polish Chamber of Commerce to help Finnish companies – both those already operating and those just interested in the opportunities of the Polish market. The intention of this guidebook is to provide answers to many questions frequently asked by Finnish companies, before and during start up in Poland. The Embassy of Finland hopes this will be helpful to entrepreneurs taking their first steps towards the Polish market.

We wish you the best of success in your business.

Ambassador of Finland



In the countries to the Southwest, West and North of Poland authorities and industry organizations are facing an increasing problem: the younger generations lack ambitions which leads to lower degrees in education, career and entrepreneurship than that of the previous generations.

In Poland the equivalent younger generations tasted the hard times themselves, financially as well as politically, or at least their parents did. Polish tradition also leads them to think relatively more about the common benefit and less about their individual interest.

This results in a completely different attitude than that of the West. Ambitions are motivating people to work very hard and constantly become better and better educated. Government programs (the most known one called Human Capital) are supporting this trend.

Trends are beneficial for Poland generally as one of the fastest growing EU economies. This enables Poland to stay competitive and even increase its competitiveness in production, entrepreneurship and innovation.

Investors from Finland should benefit from these trends, but they should also be aware of the most important disadvantage of Poland, which also constitutes one of the major challenges for future governments: the everlasting and often senseless bureaucracy which imposes heavy and unreasonable burdens on citizens and businesses.

Legal matters and business culture in Poland differ a lot from those of Finland and businesses will from day one have to cope with the bureaucracy in order to avoid unbearable problems in the future. Therefore we hope that this booklet will guide you properly although it cannot replace concrete legal advice.

I wish you all the best for the business.

Peter Tærø Nielsen
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WHY TO INVEST IN POLAND

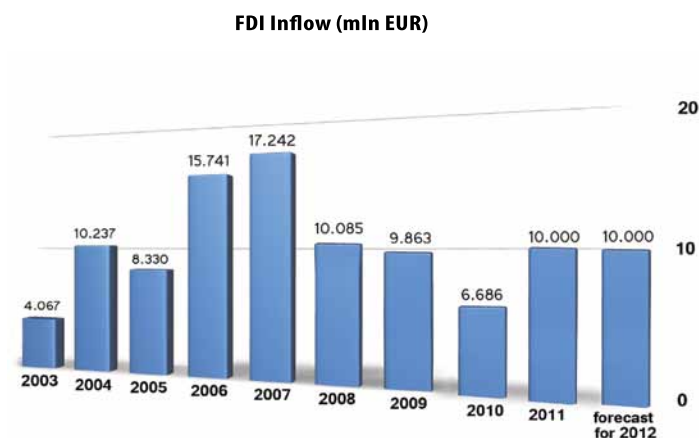
1. Why Poland?

Poland is a Baltic neighbour of Finland, and since 2004 a member of the European Union. Even during the last couple of years of global crisis, Poland has enjoyed a solid economic growth. Therefore, it has become an increasingly interesting business destination for Finnish companies. For the vast majority of companies investing in Poland, the following reasons were important for selecting this market for their expansion:

- Proximity to Finland and central location between Germany and Russian speaking markets
- Large home market of 38 million consumers
- Access to skilled and well-educated employees
- Strong and growing economy
- Investment incentives (e.g. EU funds)
- Cost optimisation (including labour costs)
- Improving infrastructure
- Public procurement opportunities
- Political stability based on EU and NATO membership
- Large domestic supplier network available for most types of operations.

2. Foreign Direct Investment (FDI)

Poland has been benefiting from large inflow of FDI during recent years, peaking at EUR 17 billion in 2007 and reaching the value of EUR 10 billion in 2011, which was 50 per cent more than in 2010. In 2012 the global economic situation is supposed to affect investments.



Sources: NBP, Polish Information and Foreign Investment Agency

The largest investors in Poland are traditionally: Germany, France, Luxembourg, Sweden, the Netherlands and the United States. In the last few years, Finnish investments to Poland have increased remarkably. Today the Finnish FDI stock to Poland is the level of 1,5 billion Euro. According to the Embassy's estimates there are over 200 Finnish companies active on the Polish market. They are located in practically all regions of the country. Some of the most important fields of activity are machinery, food and building; especially the machinery and IT sectors are growing.

Poland has traditionally been perceived as a production outsourcing destination in a vast number of sectors including: automotive, machine and metal production, food processing, plastics, etc. However, in recent years, Poland has been successful in attracting a great number of investors focused on Business Process Outsourcing and Shared Service Centres. Furthermore, from Finnish companies' perspective Poland is becoming an attractive place for locating investment in the cleantech sector. Finally, positive developments in the Polish consumer and retail market have been noticed by the retail and luxury goods sector resulting in new brands and chains becoming available in Poland.



FINANCIAL AID FOR INVESTORS

Poland offers support to companies making new investments in various production and services sectors. Special focus is given to projects implementing new technologies, based on R&D works, leading to creating new products and using environment friendly solutions and creating new renewable energy sources.

EU funds 2007-2013	Distributed through a number of nationwide and regional programmes. Most of grants are allocated based on the results of open calls for applications. The total EU funds allocation for Poland in the period 2007-2013 exceeds EUR 67 billion. Cash grants are mainly paid as reimbursement of the costs paid by the investor.
CIT exemptions in Special Economic Zones	Companies that decide to invest in Special Economic Zones can benefit from the corporate income tax (CIT) exemption in relation to income generated from business carried out on the zone's terrain. There are 14 zones located in different parts of Poland and min. investment cost must be EUR 100,000.
Real estate tax exemptions	This type of support is offered by individual municipalities to companies making new investments.
Government grants	This type of support is offered on the basis of a bilateral agreement concluded between the Minister of Economy and the investor. Support is granted for investments in the following priority sectors: automotive, electronic, aviation sector, modern services sector, research and development, biotechnology. It can be also offered to significant investments in other sector creating min. 500 new job places.
Other	Other types of support can cover e.g. employment grants (covering unemployed persons) or soft loans and grants offered to companies investing in renewable energy sources.



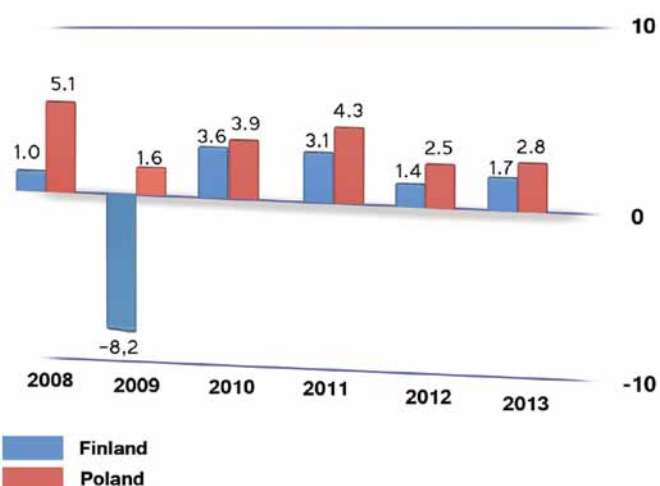
In case of the most popular investment incentives, the EU regional aid limits apply i.e. support cannot exceed 30-70% of project eligible costs (depending on the size of the company and location of the project).

It is also important that investors apply for support before starting the investments.

Polish money

POLAND - GENERAL ECONOMIC DATA

Poland has fared very well through the global crisis and with a real GDP growth at 1.7% saw the highest – and only positive growth rates in the EU in 2009. In 2011 Poland preceded among leaders in the EU with GDP growth of 4.3%.



Source: European Economic Forecast, autumn 2011 and Central Statistical Office of Poland

The GDP value in current prices (US dollars) estimates by the International Monetary Fund puts Poland among approximately 20 world largest economies and about 15 ranks ahead of Finland.

US Dollars	Poland	Finland
GDP, current prices	469 440 million	238 746 million
GNI per capita, current prices	12 440	47 720

Source: World Bank 2010

Over the last decade Poland has been experiencing a major drop in the unemployment rates, which reached a peak level of 20% just before entering the EU in 2004 and dropped to a record low of 7.1% in 2008.

Unemployment	2008	2009	2010	2011	2012	2013
Finland	6.4	8.2	8.4	7.8	7.7	7.4
Poland	7.1	8.2	9.6	9.3	9.2	8.6

Source: European Economic Forecast, autumn 2011 (Eurostat definition).

In the last few years, Poland has been experiencing higher inflation (HICP = Harmonised Index of Consumer Prices) than Finland, but it has managed to maintain inflation at a reasonable level.

HIPC	2008	2009	2010	2011	2012	2013
Fin-land	3.9	1.6	1.7	3.2	2.6	1.8
Poland	4.2	4.0	2.7	3.7	2.7	2.9

Source: European Economic Forecast, autumn 2011

However, the European economic outlook at the moment is rather cloudy, and there are many factors which can affect growth, unemployment and inflation. Therefore, some other sources give more pessimistic forecasts especially for Finland.

The currency in Poland is the Polish Zloty (PLN). The exchange rates of the Polish National Bank as of March 30, 2012 were approximately:

1 EUR = 4.1616 PLN

1 PLN = 0.2403 EUR

Poland is pursuing a policy of eurogroup-membership. The original aim of the current government has however been delayed by the international crisis, and the markets see the second half of the decade as a realistic target.

Warsaw sky line





HOW TO ORGANISE A BUSINESS IN POLAND

1. Forms of Business Organisation

The Polish law provides the following commercial forms of conducting economic activity which are not reserved for the State only:

English name	Polish name
Limited liability company	Spółka z ograniczoną odpowiedzialnością abbreviation - Sp. z o.o.
Joint-stock company	Spółka akcyjna abbreviation - S.A.
Registered partnership	Spółka jawna abbreviation - sp.j.
Professional partnership	Spółka partnerska abbreviation - sp.p.
Limited partnership	Spółka komandytowa abbreviation - sp.k.
Limited joint-stock partnership	Spółka komandytowo-akcyjna abbreviation - S.K.A.
Cooperative	Spółdzielnia
Branch of a foreign entrepreneur	Oddział przedsiębiorcy zagranicznego
Representative office of a foreign entrepreneur	Przedstawicielstwo przedsiębiorcy zagranicznego

In general, Finnish companies and other Finnish persons may conduct economic activity in any commercial form available to Polish persons as specified above.

Usually the establishment of economic activity in Poland does not require any earlier permits from the Polish authorities. Nevertheless, if an entrepreneur wants to start performing certain activities, it is obligatory for him/her to obtain a concession, permission or licence from the relevant authority. Furthermore, particular activities may be performed under additional conditions and upon registration in separate registers of the regulated activity. Moreover, the intention to establish a new company may be subject to examination by the President of the Office for Competition and Consumer Protection.

In the next chapter we describe the main features of a limited liability company which is the most popular form of economic activity for foreign investors in Poland.

2. Limited Liability Company

A limited liability company (Sp. z o.o.) is a kind of a capital company which is conducted by a limited number of shareholders. This type of company is an equivalent of the Finnish private limited company - osakeyhtiö (oy). It is the most common legal form of economic activity intended for conduct of small and medium-size commercial enterprises. Some large companies also prefer to conduct economic activity in the form of a limited liability company, because corporate operations in a limited liability company are simpler in comparison to a joint-stock company.

Shareholders in a limited liability company are not liable for the company's liability with their private property, with the exception of one case. In accordance with the Polish law a shareholder may be responsible for obligations of the "company in organisation".

The minimum initial capital of a limited liability company amounts to PLN 5,000.00. The minimum nominal value of one share amounts to PLN 50.00. Contributions of the company's shareholder to the capital of the company can be made either in cash or in-kind.

The authorities of a limited liability company consist of:

- shareholders' meeting,
- supervisory board or audit commission,
- management board.

The supervisory board or audit commission has to be appointed in companies whose initial capital exceeds PLN 500,000.00 and where there are more than twenty-five shareholders. In other situations creation of the supervisory board or audit commission is not necessary.

The supreme executive body, and the only body holding the right to represent and sign for the company, is the management board. The management board represents the company and manages its daily matters.

3. Registration Procedures, Timing and Costs

An entrepreneur who is going to start economic activity in Poland is obliged to perform a number of registration procedures:

- registration of the economic activity in the National Court Register or another relevant register,
- registration of the entrepreneur in the Voivodship Statistical Office,
- opening a bank account,
- registration in the local tax office,
- registration of employees in the Social Security Agency („ZUS”).

The standard registration procedures (National Court Register, statistical office, tax office and ZUS) last between 4 and 7 weeks. In case a licence or permit for a business activity is necessary it takes additional 4 to 10 weeks.

The costs related to the establishment of economic activity depend on the legal form chosen for conducting economic activity in Poland.

An example below: the main official costs related to the establishment of a limited liability company with a minimum initial

capital (5000 PLN) with the assumption that no permissions, concessions or licences are necessary.

Cost	Amount	Description
Tax on acts in civil law	PLN 25	the rate of the tax amounts to 0.5% of the initial capital
Notary fee	approx. PLN 200	cost of drawing up the notary articles of association, the copies of the articles issued to the client are charged separately
Stamp duty re VAT registration	PLN 170	cost of registration of the company as a VAT payer
Court registration fee	PLN 500	cost of registration of the company in the court register
Publication in MSiG	PLN 500	cost of announcing the registration of the company
Lawyer's fee		depends on particular agreement between client and lawyer
Patterns of signature	Approx. PLN 24	For each pattern of signature confirmed by a notary public

LABOUR LAW

1. Employment Contract in General

Labour relationship arises by a contract of employment or by an appointment act.

In further description of the labour law we will focus on employment contract as the most popular form of labour relationship

The contract of employment may be agreed for an indefinite time, for a definite time, for conducting a certain job and for substitution of an employee for the time of excused absence of the employee. Each of these contracts may be preceded by a contract for a trial period, however not exceeding 3 months. The contract should be put in writing, with the type and terms and conditions of contract explicitly outlined.

2. Termination of Employment Contract

Termination of the contract may occur:

- on the basis of mutual consent of both parties,
- with or without notice by either party,
- at the end of the task for which it was concluded,
- on the date when the work for which it was concluded is completed.

The termination of an employment contract without notice may take place on the basis of reasons indicated in the Labour Code only. In case of a contract for an indefinite time, both parties may terminate the contract with notice. This termination is not subject to any further conditions, however the employer is always obligated to give the employee a reason justifying the termination. The notice period depends on the period of employment with a given employer.

3. Remuneration and Salary Levels in Poland

Remuneration for work should be fixed in a manner corresponding to a particular type of work performed and qualifications required for that work's performance. It must also take into account the quantity and quality of the work performed.

When speaking of salary rates in Poland, the gross levels are mentioned in salary statistical data and job interviews with potential candidates. The gross levels are calculated as net salary level plus cost of the social and tax contributions paid by employees. The super gross salary level is interpreted as the total cost of the employee in the company (gross level plus social contributions paid by the employer). Rates of social contributions are described in the further part of this report as Compulsory Insurance Rates.

The example of net, gross and super gross salary calculation is presented in the table on the next page.



Example calculation		
Net salary (paid to the employee)	Gross salary (net salary plus social & tax contributions paid by employees). Usually provided during job interviews.	Super gross salary (gross salary plus social contributions paid by the employer i.e. total cost of having the employee in the company).
PLN 2,156.72	PLN 3,000	PLN 3,618.30

The state specifies the minimum remuneration for work. In 2012, the minimum remuneration amounts to PLN 1,500 gross. In addition to the regular remuneration, the employer is obliged to pay bonuses for overtime work according to the rules specified in the Labour Code.

The average gross monthly wage in Poland in 2011 reached PLN 3,399.52 on general level (e.g. including commercial and public sector) and PLN 3,366.41 gross in the sector of enterprises (data of January 2012).

The wage levels vary depending on sector and the company's geographical location. According to the data of the National Statistical Office, the highest salary levels were paid in the sector of information and communication with the average level of PLN 6,477.28 gross (data for 1-3 quarters of 2011). The best paid region is Central Poland with the average level of PLN 4,314 gross.

Please see below the average salary levels according to chosen sectors in 1-3 quarters of 2011 based on the National Statistical Office data:

Sector	Wage in PLN (Gross)
Information and communication	6,474
Energy supply, gas, water	5,378
Mining	5,834
Construction	3,643
Trade, repair of motor vehicles	3,232
Manufacturing	3,289

4. Working Hours

As a general rule working hours must not exceed 8 hours a day and an average of 40 hours per 5-day working week within an adopted account period not exceeding 4 months. The overtime work must not exceed 4 hours a day and 150 hours a year. If it is justified by the type of work or organisation thereof, work schedules may be applied by which it is admissible to extend the working time with the limits specified by the labour law.

5. Employees' Vacation Leaves

An employee is entitled to an annual, continuous, paid vacation leave. The employee's right to the leave may not be renounced. According to the Labour Code the minimum period of annual leave is 20 working days. After 10 years of work the employee is entitled to the leave lasting 26 working days. The employee is entitled to the salary for the period of leave as if he/she regularly worked.

6. Retirement

Employees not younger than 60 years (women) or 65 years (men) with some exceptions are entitled to retirement.

The Polish government plans to increase the retirement age and make it identical for men and women. The increase of the retirement age up to 67 years is now being considered by the Polish Parliament.

7. Compulsory Insurance Rates

In principle, the gross remuneration of the employee constitutes the basis for calculating the amount of premiums for the pension, annuity insurance as well as sickness and accident insurance. The amounts of premiums are deducted partly from the gross remuneration of the employee. The rest of the premiums shall be covered by the employer from the employer's own means.

Another compulsory insurance is the premium to the National Health Fund [Narodowy Fundusz Zdrowia]. This whole premium burdens employees.

There are three more obligatory premiums paid by the employer namely: Labour Fund, Guaranteed Employees' Benefits Fund and Early Retirement Fund.



TAXATION

1. Taxation of Income of Companies

The scope of taxation depends on the status of the taxpayer: resident or non-resident. In other words the Polish tax law provides the rule of unlimited and limited tax liability. The unlimited tax obligation means that companies which have their registered seat or place of management in Poland are liable to Polish corporate income tax on worldwide income. The limited tax liability means that a taxpayer who does not have the seat or management in Poland pays tax levied only on the income earned within the Polish territory.

Corporate Income Tax Rate

The rate of income tax for companies in the year 2012 amounts to **19%**.

Corporate tax is payable annually, however advance payments have to be made each month.

Double Taxation Conventions and Certificate of Residence

In order to avoid a double taxation of income Poland and Finland concluded a double taxation convention. Polish entities making payments to Finnish persons in the form of interest, dividends and other income from a share in profits of legal persons are deemed tax remitters and are obliged to collect withholding tax on the date when such payments are made. However, it is possible to apply a reduced rate or waive the tax if a double taxation treaty concluded by Poland and Finland provides so. In such case, it is necessary to document the tax residence of the beneficiary of the payment (with a certificate of residence). The certificate of residence is a document used for tax purposes to certify that the tax residence of a foreign person is in a country with which Poland has concluded a tax treaty.

Warsaw sky line



2. Taxation of Income of Individuals

Personal Income Tax Rates

As a general rule, revenue of any person (foreign or domestic) is subject to two taxation rates: **18%** and **32%** depending on the amount of income (progressive scale). Revenues up to PLN 3,091 per year are tax free.

Incomes:	Tax amount:
up to 3,091	no tax
up to 85,528	18% of the taxation base minus PLN 556.02
over 85,528	PLN 14,839.02 plus 32% of the surplus over PLN 85,528

Persons who conduct any non-agricultural economic activity (but not on the basis of a management contract) may choose either above presented standard progressive scale or the lump-sum rate of 19%.

Taxation of Foreigners

The place of residence determines the tax liability. Persons having their place of residence in Poland are obligated to pay tax on their overall income; persons not having their place of residence in Poland are obligated to pay tax on income earned or arising from a source in Poland only. The above provisions apply unless the provisions of international agreements provide otherwise. Pursuant to the Polish tax provisions a resident is:

- a person whose centre of personal or economic interests is located in Poland, or
- a person who stays in Poland for more than 183 days in a year.

3. Other Taxes

VAT and Excise Duty

Rates of VAT in Poland:

- standard rate - **23%**, (applicable to the majority of goods and services),
- reduced rates – 8% and 5%,
- preferential rate - 0%.

In Poland among the goods subject to excise duty are motor fuels, gas, alcohol and tobacco products, weapons, electric energy, boats and yachts.

Local Taxes

Local taxes include real estate tax, transportation tax imposed on trucks and buses, inheritance and donations tax, agricultural tax, forestry tax, dog tax. Local taxes are a part of own revenues of local governments.

ACCOUNTING AND AUDITING

The company should keep the accounts in accordance with the Law on Accounting. The provisions of the Polish Law on Accounting are applicable, among others, to:

- commercial companies,
- physical persons, registered partnerships of physical persons, professional partnerships - if their net revenue for the last year amounted to at least EUR 1,200,000,
- foreign persons, branch offices and representative offices of foreign entrepreneurs.

Account books have to be kept at the seat of the company (head office or branch) unless accounting is entrusted to a person authorised to perform such services. Accounting records should be kept and financial statements drawn up in the Polish language and expressed in the Polish currency.

The management board of the company should assure that the financial report of the company for the preceding financial year is prepared within three months from the end of this financial year and presented to the supervisory authorities and shareholders. Generally the annual financial statement shall be approved by the approving body not later than six months after the balance sheet date. The financial year means a calendar year or another period of 12 consecutive full calendar months, which is used also for tax purposes.

The financial report including the financial statement, profit and loss account and the written report of the management board regarding the company's activity within the preceding year should be submitted to the Registration Court within 15 days after approving of all these documents by the Shareholders' Meeting.



Zamość

Moreover, some companies are required to be audited. According to the Law on Accounting financial statements of the following entities are subject to audit:

- all banks, insurance companies, investment and pension funds,
- all joint-stock companies,
- entities which fulfilled at least two of the following conditions in the preceding financial year:
 - annual average employment – 50 persons,
 - total assets at the end of the financial year – EUR 2,500,000,
 - net sales revenue as well as financial income for the financial year – EUR 5,000,000,
- other listed companies.

Members of the management board of a limited liability company and a joint-stock company are responsible for the proper keeping of the company's accounts.



REAL ESTATES

1. Acquisition of Real Estates by Finnish Persons (Citizens and Entrepreneurs of Finland)

Since the day of the Polish accession to the EU, with some exceptions, real estates may be subject to acquisition by Finnish persons without any permits or other restrictions.

This general rule has two exceptions i.e.: acquisition of agricultural land or forests by a Finnish person requires a prior permission from the Polish Ministry of Internal Affairs and Administration. Poland may keep these restrictions for twelve years from the date of accession to the UE (i.e. till May 1, 2016).

2. Other Limitations in Purchase of Real Estates

The most significant limitation concerning the trade with real estates is the pre-emption right. Pre-emption right in case of a real estate results in two sale agreements, which usually prolongs the whole transaction. Most common is the pre-emption right of municipalities. Municipalities have the pre-emption right e.g. in case of sale of a non-developed real estate purchased previously from the State Treasury or self-governmental units. Sale agreements signed with the breach of the pre-emption right stipulated in the provisions of the law are null and void. Therefore we recommend to check whether the real estate is not burdened with the pre-emption right.

3. Legal Form of the Transfer of Real Estate

In Poland acquisition of real estate requires a contract between a seller and a buyer drawn up by a notary public in a form of a notarial deed.

4. Price Indication

The price levels for investment plots vary considerably across the country depending on the specific location, distance to the main cities and transport routes as well as available infrastructure. It is our general experience that the price levels for investment plots suitable for different type of industry production are mainly in the range of PLN 50 – 200 for 1 sq. meter. The PLN 200 – level applies to plots located within the close distance to larger cities such as Wrocław, Poznań, Kraków or Łódź offering all basic infrastructure.



CONTRACTS

1. Entering into Contracts in Poland

Some formalities may be connected with entering into contracts in Poland. For instance, certain transactions have to be made in the form of a notarial deed, e.g. purchasing real estate or with signatures confirmed by a notary, e.g. transfer of shares in the limited liability company. It is often advisable to verify whether persons claiming to represent an entrepreneur are actually authorised to do so.

2. Obligation to Use the Polish Language

The law imposes the obligation to use the Polish language in the following situations:

- relations with the Polish state and local government authorities,
- relations and contracts in the field of labour law as well as consumer contracts with some exceptions where contract may be in a foreign language.

It concerns in particular names of goods and services, offers, advertisements, manuals, information on characteristics of goods and services, warranty terms, invoices, bills and receipts as well as warnings and information for consumers required by virtue of other provisions. Additionally, non-observance of the provisions of law with respect to relations with consumers as well as in the field of labour law may consequently result in a fine.

3. Venue and Governing Law

It is very important in the international business to agree on the law that will govern the contract as well as on the court that will be relevant in case of a dispute.



PUBLIC-PRIVATE PARTNERSHIP (PPP)

PPP is a form of economic cooperation of public and private sector well-known in the world.

Poland like other European states has built its own system of public-private partnership which defines terms and conditions of cooperation between public and private entities.

In Poland PPP may be applied in case of construction or renovation of structures, services, carrying out works - particularly consisting in equipping an asset with devices which increase its value or usefulness, or performance of other activities. For the purpose of performing contract obligations, the public entity and the private partner may establish a capital company, a limited partnership or a limited joint-stock partnership. The aim and subject of business activity of such a company cannot exceed the range of the PPP contract.



LEGAL PROFESSIONS

Legal assistance in Poland is provided by attorneys at law [adwokat] and legal advisers [radca prawny]. The attorney at law may advise in any field of law and may appear in court in all types of cases. The legal adviser may also appear in court in all types of cases and can advise in any field of law except for acting as a defence counsel in criminal or fiscal penal proceedings.

Notary [notariusz] is the third category of legal professionals in Poland. Polish law provides that some of the acts in law have to be carried out in the presence of a notary who will draw up the title and handle all the paperwork involved in the transaction, in particular:

- real estate transactions,
- donations,
- establishing perpetual usufructuary rights,
- preparing and signing the Articles of Association of a company.

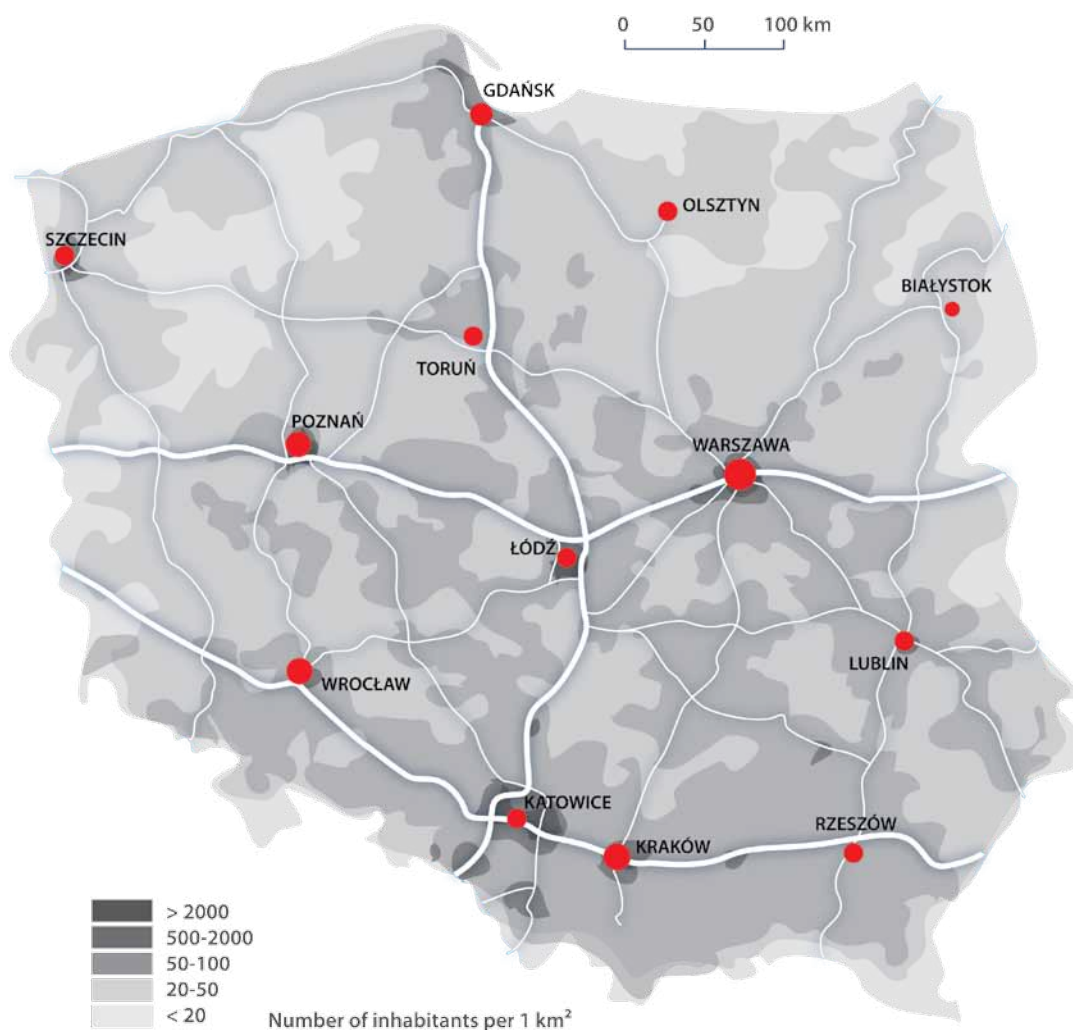
The notary may also make legal duplicate of a document or draw up a will.

A bailiff [komornik] is authorised to enforce judgements of courts.

In order to verify whether a person is authorized to practice law it is advisable to check with the local chamber of attorneys at law, legal advisers, notaries or bailiffs.



MAP OF POLAND



Largest cities and their population:

1. Warszawa – 1.7 million
2. Kraków – 754 thousand
3. Łódź – 744 thousand
4. Wrocław – 632 thousand
5. Poznań – 556 thousand
6. Gdańsk – 455 thousand
7. Szczecin – 405 thousand
8. Bydgoszcz – 358 thousand

Largest agglomerations and their population:

1. Górny Śląsk (Upper Silesia) - 5.2 million
2. Warszawa (Warsaw) – 2.8 million
3. Kraków (Cracow) – 1.2
4. Łódź – 1.1. million
5. Gdańsk – 1 million

	Poland	Finland
Total population	38.2 million	5.4 million
Land area	312,685 sq. km	338,424 sq. km

CONTACTS

Embassy of Finland

Among other tasks, Embassy of Finland in Warsaw monitors and promotes Finland's economic interests abroad. In cooperation with actors in the field, it provides companies with public services related to export promotion and internationalisation.

The Embassy works together with Finpro Poland, Finland Trade Center. Finpro is a global organization building the growth and success of Finnish companies in international markets. The Trade Center offers expert services that boost companies' success in the different phases of internationalisation.



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Peter Nielsen & Partners Law Office

Peter Nielsen & Partners Law Office is a modern Danish-Polish law firm having its seat in Warsaw, Poland; since its establishment in 1990 it has gained market recognition as a reliable and efficient adviser. During the period of over 20 years the law firm has introduced a significant number of foreign investors to the Polish market and still serves many of them. Its lawyers find practical solutions for clients within many areas of legal practice. The law firm undertakes to provide highly specialised legal assistance within: real estate market/construction law, foreign investments, mergers and acquisitions, labour law/HR, energy and environmental law, litigation and dispute resolution, insolvency and debt collection, commercial law, tax law as well as corporate law. For more information, please, visit the website www.pnplaw.pl



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