Frontiers in tax

Polish edition

December 2016

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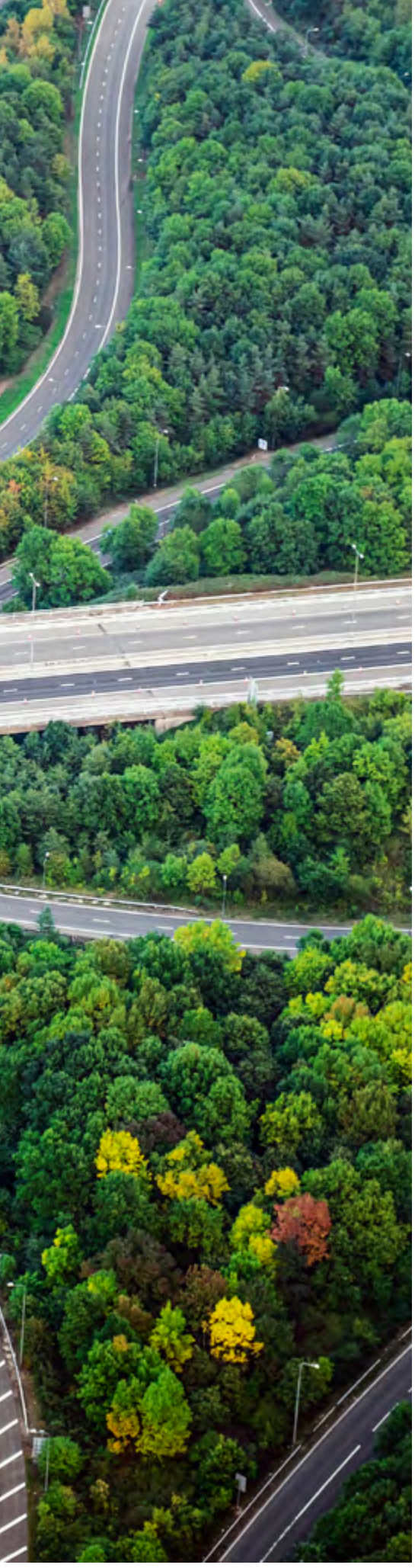

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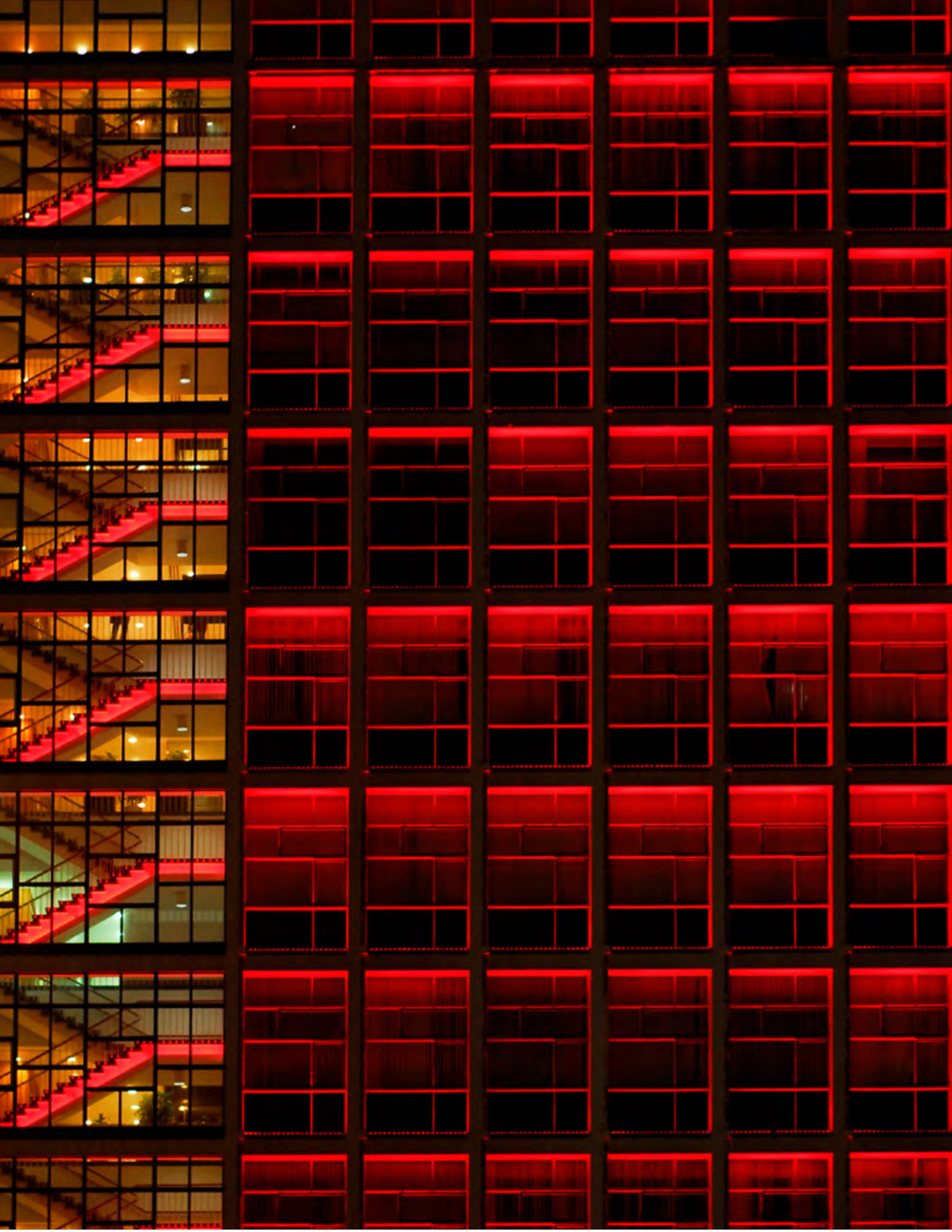


Introduction

Andrzej Marczak
Partner and Head of the PIT Team
Tax Advisory Department
KPMG in Poland

Any proposed changes to the personal income tax system always generate a high level of public interest - after all, it is our own money that is at stake. It has come to be accepted that income tax law is something that is constantly changing and evolving, and not just with regard to the actual legislation, but also the approach and decisions of the tax authorities and judiciary.

The current issue of our magazine Frontiers in Tax contains a number of interesting articles on the subject of personal income tax.

One of our articles focuses on a new definition of income received by individuals that are not resident in Poland for tax purposes, and the changes planned may come as a surprise to many taxpayers. From 2017 the scope of the regulations in this area has been widened and tax will now need to be withheld in Poland from payments made to nonresidents where previously such an obligation was not imposed.

Another article which you may find interesting is our analysis of motivational plans for employees based on equity compensation.

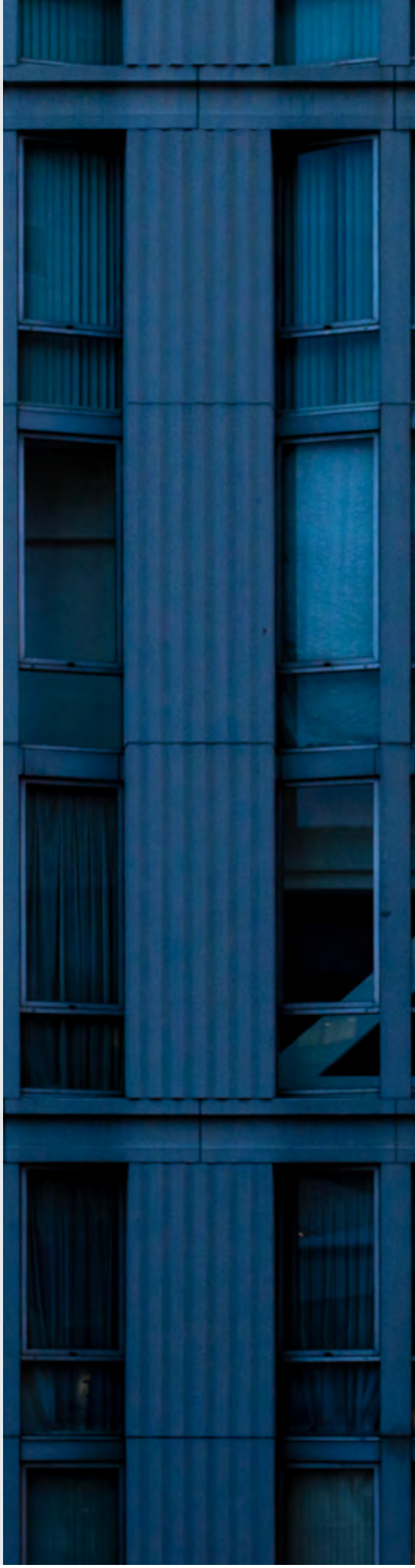
I also recommend reading a unique analysis we have prepared on the taxation of individuals that are beneficiaries of trusts. A trust is not recognized by the provisions of Polish law, and this results in difficulties in classifying payments from a tax perspective. A further article which may be of interest covers the taxation of company cars that are used for private purposes, in particular the matter of provision of fuel.

Finally, we have looked at the income tax consequences of cancellation/ redemption of debt. This solution is for many debtors their only available option, however, it is important to be aware that this may have tax consequences as well.

I do hope that the issues covered will raise your interest in this subject and that you will find our articles useful in reviewing your own tax situation, especially taking into account that the tax return filing season will shortly be upon us.

I wish you an interesting read!

Specifying the catalogue of income obtained by non-residents within the territory of the RP



Changes in personal income tax will come into effect in January 2017, introduced with an amendment to the Personal Income Tax Act of 5th September 2016. The changes will concern the catalogue of income obtained by non-residents within the territory of the Republic of Poland, as recognized in article 2 paragraph 2d of the Personal Income Tax Act.

Current regulations provide for the existence of four basic sources of income, which should be considered to be earned on the territory of the Republic of Poland - income from employment, from the activities carried out personally, from business activities and from real estate.

The amendment extends the catalogue of income earned on the territory of the Republic of Poland by a few items, including adjustable receivables, including those made available, paid and deducted by individuals, legal persons or organizational units without legal personality who have their domiciles, normal places of residence or head offices within the territory of the Republic of Poland, irrespective of the place of conclusion of the contract and performance of services.

In particular, this will be related to issues of taxation of receivables paid to non-residents as referred to in Article 29 of the Personal Income Tax Act, which provides for lump-sum taxation of certain categories of income earned on the territory of the Republic of Poland, such as: income from interest, copyrights, trademarks or advisory and legal services.

What will this mean for Polish entrepreneurs conducting transactions with foreign entities?

It arises from the explanatory memorandum to the amendment to the act that the introduced changes are aimed, above all, at tightening the tax system. In the wake of other similar regulations introduced in the Polish tax system in the recent years, these changes are aimed at restricting the application of tax preferences for transactions that may satisfy the conditions of legal acts artificial in character, undertaken in order to achieve a tax advantage or even related to tax evasion.

The legislator indicates that some provisions of the Act may be used, as is expressed, in optimization schemes carried out by tax payers. However, does every cross-border transaction have to be seen as an element of an aggressive tax optimization? Possibly such a theory is too far-reaching.

In fact, the legislator seeks to extend the maximum range of potential taxpayers, counting on the fact that only the provisions of the various agreements on double taxation will settle these issues definitively.

Another reason for the introduction of the provision is to resolve the questions of interpretation which has emerged in the jurisprudence. Thus far, there has been a dispute in the doctrine about the eligibility of income obtained within the territory of the Republic of Poland.

It was deliberated whether the territory of Poland should be understood in terms of a geographical area in which the legal act comes into effect, or more broadly – where the territory of the Republic of Poland is a place of the constitution of the source of income earned by non-residents, as it is the place of origin of the beneficiary of the service.

The Voivodship Administrative Court in Gliwice (I SA / Gl 377/15), in a case regarding the tax obligation resulting from the purchase of legal services, did not concur with the opinion of the tax authority issuing individual interpretation, as to the fact that the income obtained within the territory of the Republic of Poland includes income derived from the Polish tax payer paid to a person who renders their services abroad due to the economic connection of this income to the Polish territory. The court accepts the position that the notion of income earned on the territory of the Republic of Poland cannot be equated with the concept of income obtained from the territory of the Republic of Poland.

In 2014, the Voivodship Administrative Court in Warsaw (III SA / Wa 3182/13) rightly indicated that the legislator deliberately hasn't included in the catalogue of income obtained within the territory of the Republic of Poland receivables from entities domiciled on the territory of Poland. Therefore, there is no legal basis to apply the interpretation broadening the tax obligation of non-residents in this scope.

In 2016, however, the legislator made the decision to expand the catalogue. According to the new wording of the provision, applying the same interpretation guidelines would lead to completely different conclusions.

Such as those appearing in the second, yet the nondominant trend presented by the doctrine of the tax law.

According to the reasoning demonstrated by the Supreme Administrative Court in its 2010 judgment (II FSK 1108 to 1109), the question whether income from rendering a nonmaterial service has been obtained on the territory of Poland will be decided on the basis whether its effect will be utilized in Poland. According to the court, the source of income arises in a country where the debtor has fulfilled his obligation towards the creditor.

In practice, this means that the activity taxed on the basis of income tax conducted on behalf of a Polish entity, will result in a tax obligation on the Polish territory for the non-resident, regardless of the place of conduct of this activity.

In such a situation, a Polish entity, making due payments to a non-resident in respect of activities which have so far been treated as being performed outside the territory of the Republic of Poland, will be forced to pay tax in accordance with the principles of flat-rate taxation of income earned by non-residents.

In the interpretation of these rules, the provisions of agreements on double taxation of income should be taken into account. The use of preferential taxation resulting from the agreements is conditional upon presenting the current certificate of tax residence of the counterparty.

However, in case of the use of cross-border services incidental in nature, such as transportation, airfare, entertainment and sports services, enforcing such a document from the service provider can be very difficult, if not impossible.

This will have a real impact on the economic situation of the entrepreneur. In particular, it will increase transaction costs, because in many cases the Polish entrepreneur will not be able to afford to negotiate the price of the service. Moreover, the regulation may result in the emergence of the phenomenon of shifting the tax burden to the Polish entrepreneur, resulting in a tax obligation arising for him in the economic sense.

Another reason for the introduction of the provision is to resolve the questions of interpretation which has emerged in the jurisprudence

Natalia Wytrykowska
Specialist of the PIT Team

Employee incentive compensation plans in the context of PIT

Employee incentive compensation plans which operate on the basis of enabling an unpaid or partly paid acquisition of shares or stock options by employees are still one of the most popular compensation systems in companies belonging to international corporate groups. Because these plans have been implemented abroad for years, this issue is not unknown to the local tax systems. The situation is different in Poland, where the lack of explicit reference to rewards in the tax law, along with the shaky line of interpretation of the tax authorities causes that both employees and employers have to confirm their approach by obtaining a tax ruling issued by the Minister of Finance to protect their interests.

General remarks

The operational principle of incentive compensation plans is simple. Employees receive stock options or restricted stock units which after the so called vesting period can be reclassified into shares. During this period the employees have no rights related to the participation in the program. No income arises on their part, they have no rights to dividends or voting rights at the shareholders' meetings. They only gain these rights after a certain period of time, as laid out in the regulations, and sometimes after meeting additional conditions. At this point they become shareholders of the company. This is precisely when tax-related issues arise.

Income at the time of purchase?

For a long time tax authorities took the view that at the moment of the acquisition of shares or stock options income arises from the employment relationship which is the basis for social security contributions and taxes. It wasn't important for the authorities that the de facto organizational entity of the compensation plan is not the employer, that the remuneration is not derived from an employment contract or remuneration regulations or that the entity selecting groups of positions which take part in the program is not a Polish entity. However, the line of interpretation has changed and at the moment, as a rule, authorities do not qualify the acquisition of shares or stock options as income from an employment contract.

The issue here lies in the substantive qualification of the acquired shares from the point of view of the Personal Income Tax Act. The current dispute on the line taxpayer - tax authority - administrative court is based on the recognition whether:

- The acquired shares or stock options constitute income at the moment of purchase and whether it is considered to be income from other sources, hence taxable under the general rules (progressive rate), or
- The acquired shares or stock options do not constitute income at the moment of acquisition, hence the value of the shares sold by the employee constitutes income only at the moment of disposal (flat tax rate, 19%).

According to the administrative courts a taxable event occurs only at the moment of the disposal of shares

Until recently, the tax authorities recognized that at the moment of acquisition the taxpayer should tax the value of the acquired shares as income from other sources. This value (value of acquired and reported shares) can be considered, however, as deductible costs at the time of the disposal of shares, Administrative courts, however, have gotten in the way of the tax authorities… which created quite a big problem in the line of interpretation.

The jurisprudence of administrative courts

The first significant judgments, which shed new light on this issue were the two judgments of the Supreme Administrative Court (ref. II FSK 1665/10, II FSK 111/12 and 601/12 II FSK), in which the judges considered that the acquisition of shares by employees under the incentive compensation program does not result in income arising on the part of the employees.

According to the administrative courts a taxable event occurs only at the moment of the disposal of shares. In the judgment of the Supreme Administrative Court of 13 March 2013 (ref. II FSK 1433/11), the judges declared that "income obtained by the beneficiary of the program in connection with the fulfillment of rights conferred onto him by the company through stock acquisition options by the payment of the difference between the price of the valuation and the share exercise price should be qualified as income from capital gains within the meaning of art. 17 paragraph 1 point 10 of the PIT Act."

In other rulings administrative courts have repeatedly indicated that the interest of the state is included and secured by systematically taxing the sale of the shares as income from capital gains.

The judges have given the widest interpretation in its judgment of 13 February 2014 (ref. II FSK 601/12), explicitly rejecting the argumentation presented by the tax authorities concerning the possibility of recognizing the value of the acquired shares as deductible costs at the time of the disposal of shares, and considering that such a structure cannot be used by the taxpayer, meaning that the only option to avoid double taxation of the same income is considering it as income only at the moment of disposal of shares, not their acquisition.

The presented jurisprudence may be regarded as established and stable (Supreme Administrative Court of Poland judgments: 13 February 2014 (ref. II FSK 640/12), 13 February 2014 (ref. II FSK 665/12), 19 February 2014 (ref. II FSK 650/12), 3 February 2015 year (ref. II FSK 3136/12), as well as judgments of the Voivodship

Administrative Court of Gliwice dated 11 August 2011 (ref. I SA / Gl 572 / 11), 14 May 2014 (ref. I SA / Gl 288/14), 19 August 2014 year (ref. I SA / Gl 522/14), judgment of the Voivodship Administrative Court in Krakow of September 18, 2015 (ref . I SA / Kr 1000/15) and the judgment of the Voivodship Administrative Court in Poznań of 14 June 2016 (ref. I SA / Po 353/16).

The issue is still relevant, as evidenced by the recent judgments of Voivodship Administrative Court / the Supreme Administrative Court of Poland from 2015 and 2016 related to this matter. This means that, despite the well-established case law, the position of the tax authorities is unstable and negative decisions / interpretations have to be appealed to the administrative courts by the taxpayer.

Steps for the future?

Until the dispute is not be settled by the legislator in the form of a binding tax provisions, the only solution for safeguarding the interests of the taxpayer is to approach the tax authority to issue an individual tax ruling As has been emphasized, there is a risk that the authorities will issue a negative ruling which will make it necessary to proceed to an administrative court. Here, however, given the high volume of jurisprudence, there is a possibility that the Voivodship Administrative Court will accept the arguments presented by the taxpayer and repeal the negative interpretation of the Minister of Finance. The process of obtaining interpretation is longer in this scenario, yet worth considering from the point of view of the potential tax savings which the taxpayer can get.

Mateusz Wąsik
Counsel, Tax Advisor of the PIT Team

Taxation of an individual as a beneficiary of a trust

As a legal institution with a long tradition, especially in the Anglo-Saxon legal system, a trust raises a number of tax implications for its beneficiary. Of particular interest is the issue of taxation of payments from an inheritance trust.

A trust can also be a succession planning tool, hence an alternative to business succession by heirs

What is a trust?

A trust is an institution derived from the common law system, which does not exist in the Polish legal system. Therefore, the Polish tax resident cannot create a trust on the Polish territory. Nothing, however, precludes such a person from becoming a settlor or a beneficiary of a trust established abroad. A trust must be understood as an agreement under which the settlor of the trust disposes of his property rights in favor of the trustee, who, in turn, agrees to manage the property rights handed to him in his own name but on behalf of the beneficiary of the trust. The transfer of assets to a trustee means the transfer of effective control over the assets. This entails that the creditors of the founder of the trust cannot submit claims to the assets located in the trust. From a practical point of view, the trust assets are not private property of any of the persons appearing in the structure of the trust.

In line with the Anglo-Saxon tradition, the main purposes of the trust include securing the assets from loss as a result of a bad disposition or death. A trust can also be a succession planning tool, hence an alternative to business succession by heirs. An entrepreneur fearing that his heirs will not be able to duly continue to run his business and at the same time would like his heirs to benefit from the profit that the business generates, can set up a trust to this end, appointing a trustee and indicating his heirs as beneficiaries.

A trust, which transfers full control over the assets to the trustee is a discretionary trust, which means that the trustee decides how much and in what timeframe payments shall be made from the trust to the beneficiary. The beneficiary can only expect to receive the payment. There is no legal possibility of requesting a payment or influencing a decision of the payment, which positively affects the reliability of the beneficiary if there is any doubt on the part of tax authorities. This in turn strengthens the credibility of the establishment of an irrevocable trust, through which the founder of the trust disposes for life of the possibility of recovery of the right to manage the property of the trust as its owner. For this reason it is worthwhile to take care of such a formulation of the trust agreement which lists as the beneficiaries also the heirs of the founder. This will prevent the loss of property in case of death of the primary beneficiary.

Taxation of payments from a foreign inheritance trust

The lack of regulation of the institution of a trust in the Polish legal system causes a problem with the proper classification of income in case of withdrawal of funds from a trust to a beneficiary who is a Polish resident. Among tax advisors and tax authorities there exist two competing opinions regarding the qualification of payouts from a trust as income. One can often encounter a situation where the settlor of the trust has stipulated in the contract of the trust that the beneficiary may make payments to its beneficiaries only after the death of the settlor.

With regard to such a situation the prevailing view states that in qualifying income to the appropriate source, the aim of the establishment of the trust should be referred to. If the trust was created with the aim of protecting assets in the event of death, this is an inheritance trust. In such form it should be taxed on the basis of the on the inheritance and gift tax law. This qualification is much more favorable to the taxpayer, enabling the exemption from tax of the closest family and tax allowances as part of specific tax groups. It allows the use of exemptions for the immediate family and for tax-free amounts within individual tax groups. In addition, it represents the tax scale more preferably, where it ranges from 3% to 20% (depending on the tax bracket).

This position is accepted by the tax authorities, as confirmed by the issued individual interpretations. The Minister of Finance in the individual interpretation of 22 June 2010 (IPPB2 / 436-132 / 10-2 / AF) and the individual interpretation of 29 October 2015 (IPPB4 / 4511-998 / 15-4 / JK2) found that the payment from the trust constitutes income from bequest.

According to the competing, isolated view, a payment from a trust should be treated as income from other sources and, therefore, should be taxed according to the tax scale (18% and 32%). The Minister of Finance expressed this position in the individual interpretation IPPB2 / 415-266 / 11-6 / MK of 16 June 2011.

In case any doubt arises about the correct classification of payments from the inheritance trust, it is worthwhile to submit a request for an individual interpretation of tax law to the Minister of Finance.

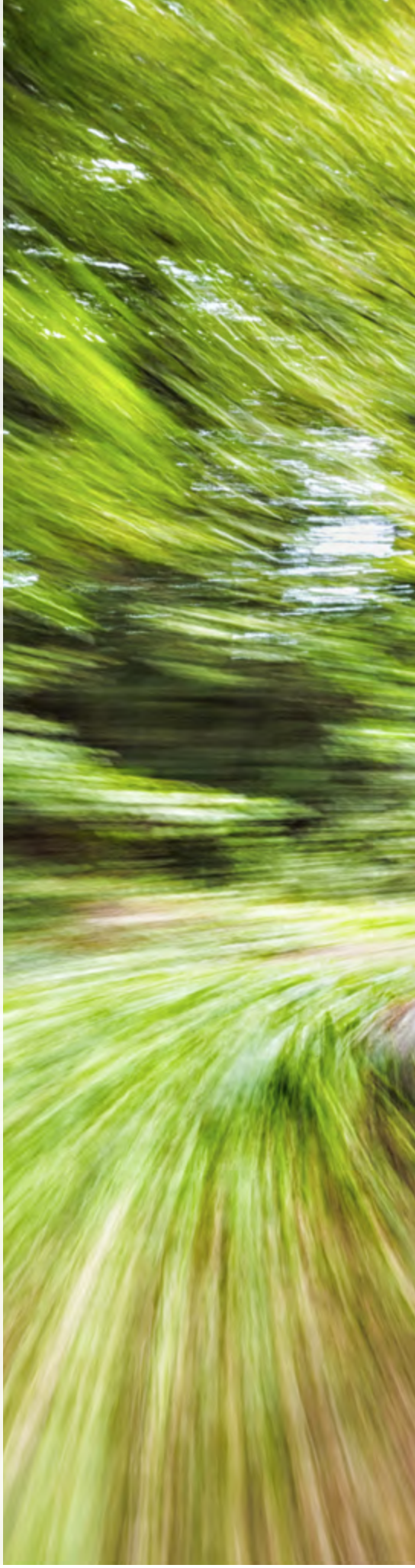
Other applications of a trust

A Polish tax resident may encounter the institution of a trust also when he is a shareholder in a foreign company. It often occurs that the control over the assets of a foreign company is transferred to a trust. Also in this case the choice of such a solution is supported by the will to protect the assets e.g. against loss due to improper management. The distribution of income from the participation in the company in this case is arranged through a trust. It seems, however, that in such a situation, the construction of a trust should be tax neutral.

Natalia Jarzębowska
Tax Advisor of the PIT Team

Using a company car for private purposes and the cost of fuel

Beginning from 1st January 2015 the income tax treatment system related to the use of company cars for private purposes by employees has changed. The existing rules were replaced by a lump sum, which has defined the value of benefits received by an employee for the use of a company car for private purposes.



In line with article 12 paragraph 2a of the Act of 26th July 1991 on personal income tax (consolidated text in the Journal of Laws of the Republic of Poland 2012, position 361, with amendments, hereinafter: the PIT Act), the value of such benefits is fixed at PLN 250 per month for cars with engine capacity of up to 1600 cm3 or PLN 400 per month for cars with engine capacity of over 1600 cm3. These amounts are properly credited to the employee's income under his employment relationship.

This is a very convenient, logical and simple solution. It ensures equitable taxation of employees using company cars for private purposes and prevents the possibility of non-taxation of benefits. However, it also raises a lot of concerns, particularly of the tax authorities. Thus, the question arose whether the lump sum amount of the income on the basis of the benefit includes only the possibility of using the car or also the operating costs incurred by the employee.

The main point of contention between the taxpayers and the tax authorities are the operating costs of a company car used for private purposes. Fuel constitutes most of these costs. The question thus arose whether the cost of fuel paid by the employer and used by the employee through the operation of a company car for private purposes should generate additional income on part of the employee.

The tax authorities often take a position unfavorable for taxpayers, claiming that the lump sum covers only the costs arising from the employer providing a company car for private purposes.

As an example, it is worthwhile to cite the individual interpretation of 15th May 2015, no. IPPB2 / 4511-296 / 15-2 / AS in which the Director of the Tax Chamber in Warsaw recognized that the value of the substantive gratuitous benefit specified as a lump sum covers only the employer's costs arising from the provision of a company car for private purposes to the employee. In a situation where the employer decides to also cover the expenses of the employee, e.g. fuel used for purposes other than business, then the value of this fuel will constitute taxable income under the employee's employment relationship.

The breakthrough on this issue was, however, marked by the decision of the Voivodship Administrative Court in Wrocław on 23rd November 2015, ref. I SA / Wr 1595/15, which stated that the cost of fuel purchased by the employer and used for private purposes should not be added to the income of an employee using a company car. In its reasoning, the court rightly observed that:

"(...) the benefit received is the use of a company car for private purposes. Using is equal to utilizing, operating. Contrary to the position of the authority, the benefit here is not the sole provision of the car. It is ensuring the possibility of its proper use. This includes bearing all the necessary expenses that allow such use. There is no justification to consider one type of the expenses – fuel expenses – to be considered as constituting a separate benefit. As the applicant rightly pointed out, it is not possible to use a car without purchasing fuel."

The judgment also assumed that such understanding of the provision shows that the legislator has established different amounts of the lump sum, which were directly related to the engine capacity of the car. Thus, the main element evaluating the level of the lump sum is the parameter conditioning the usage of fuel. It should be also noted that, on the other hand, engine capacity has negligible impact on other operating costs.

Furthermore, the Voivodship Administrative Court confirmed the position of the legislature that the task of introducing a lump sum for the use of company cars for private purposes was to significantly simplify the regulations.

The tax authorities often take a position unfavorable for taxpayers, claiming that the lump sum covers only the costs arising from the employer providing a company car for private purposes. private purposes

"Including in the lump sum only the provision of the car or possibly the fixed costs associated with its operation with the need for a separate complex determination of the costs of fuel will not accomplish the identified objective. On the contrary, it would further complicate the collection of the necessary records," recognizes the court in its judgment.

In May 2016 two further rulings by the Administrative Court in Warsaw were issued (judgment of 5th May 2016, III SA / Wa 1925/15) and by the Administrative Court in Opole (judgment of 6th May 2016, I SA / Op 68 / 16), which confirm such a position.

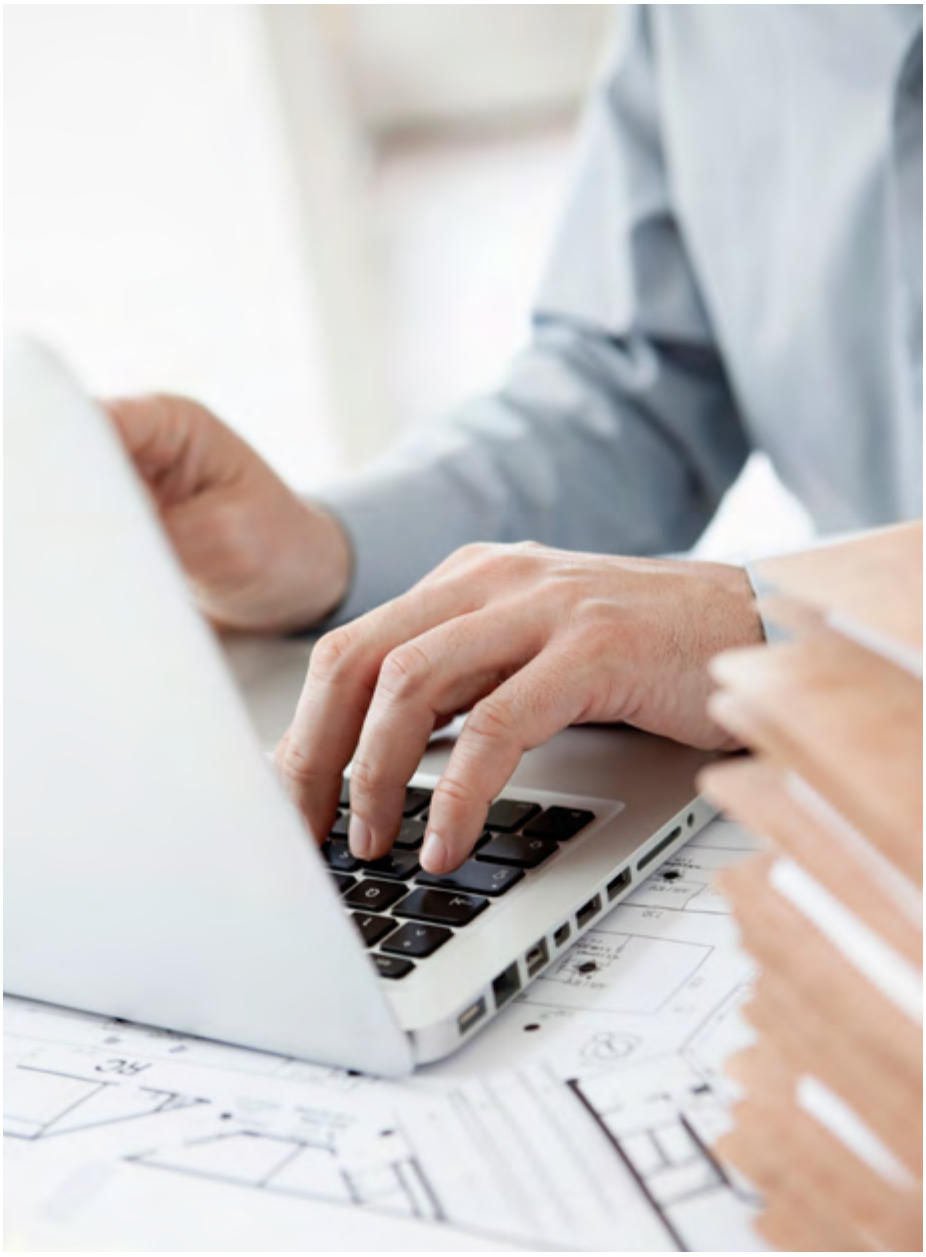
In practice, companies using the services of tax advisors determined the value of this benefit solely on the basis of the engine capacity of the car, not taking into account and adding the cost of operating the car, including fuel. These judgments confirm the accuracy of the interpretation of the rules and give confidence to employers, employees and advisors as to the method of determining the value of the service which is the use of a company car for private purposes.

Piotr Kamiński
Specialist of the PIT Team

The effects of a release from debt under the Personal Income Tax Act

For many debtors the institution of a release from debt seems to be a remedy for the financial problems with which they are unable to cope. Some of them forget, however, that the decrease in liabilities in this way as a rule constitutes a source of revenue, imposing on the debtors the obligation to settle such income with the tax authorities.

The catalogue of sources of revenue, of which income according to the provisions of the Act of 26th July 1991 about personal income tax (of 17 January 2012, Journal of Laws of the Republic of Poland of 2012 paragraph 361 amended, hereinafter: PIT Act) has to be demonstrated in the yearly tax return, is wide. Moreover, the provision article 9 paragraph 1 of the abovementioned Act indicates explicitly, that all types of income are taxable, except an exhaustive list indicated in the respective provisions of the PIT Act and income which is non-taxable based on the provisions of the Tax Ordinance. While classifying e.g. an employment relationship, non-agricultural activities, leases, paid sale of property or other things as sources of income raises no doubts, classifying within this group the action of a release from debt may raise some objections. How, indeed, can a debt exemption be considered an action in which the debtor generates income, if he doesn't receive any funds which he could actually have at his disposal?



Release from debt and gifts

As a preliminary point, it should be reminded what a release from debt is. According to the provision of article 508 of the Act of 23rd April 1964 – civil code (of 17th February 2016, Journal of Laws of the Republic of Poland of 2016 position 380 amended, hereinafter "CC"), it is a type of contract concluded between the creditor and the debtor, the effect of which is the discharge of liability between the parties through the cancellation of debt. The debt may be canceled entirely or in part; despite numerous controversies existing both in doctrine and in jurisprudence, release from future debt is also acceptable. Release from debt can be a paid or an unpaid activity – depending on the reason for which it is made, as well as the will of the parties to this action. It should be noted that the tax authorities are of the opinion that if at will of the parties the release from debt is to be subject of a gift, and so the aim of the action is to make a gift to the debtor, the debtor will have a tax obligation tied to such a gift – as has been recognized for example by the Director of the Tax Chamber in Katowice in the Individual Interpretation of 16th April 2014, ref. IBPBII/1/436-51/14/MCZ. In other cases, free release from debt is treated in principle as revenue, generating a tax obligation for the debtor based on the PIT Act.

What is release from debt for tax purposes?

The Supreme Administrative Court, and following it – Voivodship Administrative Courts indicated that *"the value of the cancelled debt must be considered as income of the taxpayer derived from other gratuitous benefit,"* within the meaning of the provision of the Article 11 paragraph 1 of the PIT Act (judgment of the Supreme Administrative Court of Poland of 18th September 2007, ref. II FSK 984/06; similarly e.g.: Supreme Administrative Court in a judgment of 18th March 2015, ref. II FSK 467/13,

Release from debt can be a paid or an unpaid activity – depending on the reason for which it is made, as well as the will of the parties to this action.

Voivodship Administrative Court in Rzeszów in a judgment of 27th March 2014, ref. I SA/Rz 1154/13). According to the last of the abovementioned judgments, such service should be understood as *"situations where one party provides something to the other, and the other has no obligation to provide a mutual benefit constituting the equivalent of the received benefit."* The benefit may constitute both increasing the debtor's assets, as well as decreasing his liabilities, of which we speak in the case of release from debt.

Release from debt and determining the revenue generation point

In practice, in light of the fact that a release from debt is considered as a gratuitous benefit on the basis of the PIT Act, the most problematic issue is determining the moment of inception of income in the debtor's assets. There is no actual transfer of a certain amount of money to the debtor – only his liabilities are decreased. It should be noted, however, that although it is often impossible for the debtor to notice in a tangible way the benefit in his property, as e.g. the cancellation of unpaid credit interest, this benefit has a tangible financial dimension – thanks to this action he is released from the obligation to pay a certain amount of money which would deplete his property. According to the judgment of the Voivodship Administrative Court in Opole of 13th December 2013, ref. I SA/Op 565/13, the revenue generation point in the debtor's property from a gratuitous gift, which is the release from debt, in the moment in which he actually uses this benefit, hence the day of fulfilling the action of release from debt – the mere provision of a gratuitous benefit to the debtor is insufficient; before debt cancellation the benefit doesn't exist in the debtor's property.

Although the obligation to pay tax on cancelled debt may seem paradoxical due to the fact that the debtor is often a person who has no financial means to meet their obligations, it complements the principle of universality of taxation, according to which almost any gains in assets should be taxable, not only ones monetary in their character. Additionally, the tax burden itself constitutes only part of the amount that the debtor would be required to pay in case of a lack of a release from the claim, and thus, from the economic point of view – the institution of release from debt still remains the preferred option.

Magdalena Ostrowska
Assistant of the PIT Team

KPMG Publications

The KPMG analyses and reports are an output of our expertise and experience. The publications take up issues important to enterprises operating in Poland and globally.

Soft drinks market in Poland

The report was produced based on data analysis acquired from firms and institutions (primarily Euromonitor International) and statistical institutions (primarily Eurostat and the Central Statistical Office). The consumer survey was conducted in Q3 2016 on a representative sample of 1005 adult Polish consumers. Respondents were asked about their preferences and habits connected to the consumption and purchasing of non-alcoholic beverages. The data was also collected from a survey conducted among the representatives of enterprises from the non-alcoholic beverages industry. Big concerns as well as small and medium enterprises were included in the survey.

State of the business environment in the construction sector in Poland

The report was prepared based on interviews with management of more than a dozen biggest construction companies in Poland, a survey conducted in the last quarter on 2015 among medium and small contractors, both taking on the role of general contractors and specialist subcontractors, and a comparison with the available Central Statistical Office data. The aim of the report was to gather information about the opportunities for operating a construction company in the existing legal and economic environment. The report analyses the state of the market of construction companies and indicates areas requiring an urgent intervention.

Global Consumer Executive Top of Mind Survey 2016

The report was compiled based on a survey conducted in January and February 2016, commissioned by KPMG International and The Consumer Goods Forum organization. 400 people in 27 countries from top management of companies operating in the food industry and the consumer goods sector took part in the survey. For the first time additionally 7100 consumers from 19 countries were included, having filled online surveys.

"Case study – the system of online cash registers in Poland"

The report was prepared based on the analysis of the experiences of specific countries which have introduced or are currently introducing the system of online cash registers (or receipts). As a result of these analyses a framework solution was proposed for Poland, based to a great extent on the Hungarian model with the use of other solutions. Both for the Hungarian model and the proposed model for Poland the main costs and benefits of the solutions were described.

"Automotive industry," Q3/2016 Edition

The Q3/2016 Edition belongs to a series of quarterly reports whose aim of is to present current trends in the Polish automotive industry, including automotive retail, manufacturing and financial services. Analysis is based on the most recent registrations, statistical and market data and is a result of a joint endeavour by the Polish Automotive Industry Association and KPMG in Poland.

Venture Pulse Q2 2016

The report presents the global and regional conditions of the venture capital sector, and includes data about dominant trends. The survey was conducted on private VC-backed companies, including venture capital firms, corporate venture groups or super angel investors. The analysis includes data from Q2 2016.

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