

Issues and Requests Relating to Foreign Trade and Investment - Poland

	Category	No	Issue	Issue Details	Requests	References
14	Taxation Systems	(1)	Changed Rules related to the Timing of VAT Levy	- Due to the changed rule for the Timing of VAT Levy enforced since 2014, the tax liability accrues not on the Invoice Issuing Date, but upon completion of the service provision. For transporting business, etc., it is difficult to confirm instantly the completion of the service provided. The changed rules have complicated the business operations.	- It is requested that Government of Poland (GOP) simplifies the rules.	- Tax Laws
		(2)	Irrational Procedures and Implementation of VAT Taxation System Amendment	- During the Interim Period (January through February 2014) of Amended VAT Taxation System (scheduled for enforcement after March 2014), GOP released Notification that VAT 23% (after enforcement half of the VAT 23% is deductible) would be exempted in full to Purchasers under Fleet Contract (PFC), subject to Acquisition of Licence for Commercial Use of Passenger Vehicles affixed with Partitions. However, there remain problems concerning the timeline for the process and the disclosure requirements, pending announcement of the Interim Measures. In addition, after enforcement of the New Taxation System, VAT reduction becomes available on vehicles having the same costs in fuel and maintenance, not just the vehicles destined to PFC. However, the substantive detailed requisite terms and conditions are incomprehensible so that proper explanation is hoped for. While the Interim Period pending implementation of the new VAT taxation system is proper, as it is shorter than expected, the question remains if it is really practicable as regards the nailing down of the details for the various terms and conditions, and the executability of the implementation itself. (Note) Fleet Contract: Contract in which a purchaser of the Car Insurance Policy "Owns or Uses more than 10-Cars."	- It is requested that GOP gives, in advance, a Clear-Cut, and Easy-To-Understand Written Notification, when introducing and implementing the New Taxation System.	- VAT Taxation System
16	Employment	(1)	Difficulty in Acquisition and Extension of Work Permit and Visa	- <u>The procedures are complex for acquisition of Work Permit and Visa. It is frequently time consuming in many cases. In addition, it is nebulous in its implementation as its handling differs from case to case.</u>	- It is requested that GOP <u>-- streamlines and clearly defines the procedures, and</u> <u>-- cuts down the time required for acquisition of Work Permit and Visa.</u>	
				<b>(Reference)</b> - Work Permit and Work Visa must be acquired to work in Poland. It takes about 30-days to obtain Work Permit from the filing date of application with Labour Bureau. With Work Permit obtained at Labour Bureau in hand, application for Work Visa (normally valid for one-year) is filed at Poland Embassy abroad, which application requires presentation of Work Permit.		

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			The Work Visa so obtained does not cover the applicant's dependant family members, who must obtain either Stay Visa or Stay Permit separately after entering Poland. The validity of Work Permit is maximum 3-years (maximum 5-years for enterprise directors), while Work Visa is valid for 1-year maximum. If the scheduled stay in Poland exceeds 1-year, Stay Permit must be obtained. Stay Permit application may be filed at Regional Immigration Bureau (RIB) at place of residence after acquisition of Work Permit. While Stay Permit is supposed to be valid for two-years, recently in many cases, it is good only for one-year. The validity varies at discretion of each Labour Bureau. Application for Stay Permit must be filed at least 45-days before expiry of Work Visa. It takes about 2-months to its acquisition from the filing of application complete with requisite documents at RIB. Applicants accompanying dependant family members will simultaneously file application for their Stay Permit.		
	(2)	Excessive Workers' Protection	<ul style="list-style-type: none"> <li>- With Medical Certificate issued by a doctor in hand, employees are entitled to Sick Leave for an indefinite term, plus payment of one-month wage.</li> <li>- With 10 or more Union Members, it is free to form Labour Union, and the Union Executive is fully protected from dismissal for 5-years. Union Members may abandon the normal work responsibility for the reasons to perform the Union activities.</li> <li>- When a managerial staff (MGS) takes leave, employers, under customary practice, must secure the same post for MGS, when MGS resumes assumption of his/her job responsibility. As it stands, it has become extremely difficult to maintain employment of backup staff for employees, who take maternity leave, or infant-care leave. Furthermore, the job separation rate has recently become higher of employees just before promotion to managerial position. Cases have increased after the managerial staff's resumption of job responsibility, while problems abound on fostering human resources. Managerial staffs tend to resist being transferred to other sections, after resumption of their job responsibility.</li> </ul>	<ul style="list-style-type: none"> <li>- It is requested that GOP reviews the relevant legislation.</li> <li>- It is requested that GOP reviews the relevant legislation.</li> <li>- It is requested that GOP takes steps to correct the customs of the excessive labour protection from the Socialist Administration Days.</li> </ul>	Labour Act
17	(1)	VAT related to Private Copying Remuneration System	- <u>GOP requires increase in the range of 22 to 23% upon payment of Personal Copying Compensation Levy System (PCLS). A Firm Subsidiary was given to understand that sales price for calculation of PCLS is exclusive of VAT (22 to 23%). However, without notice, GOP begins to insist that it should include VAT.)</u>	- <u>It is requested that Ministry of Culture (MOC) will amend the Decree that the sales price is exclusive of VAT for the purpose of calculating PCLS.</u>	MOC Decree No. 2003.6.2, etc.
22	(1)	Delayed Enforcement of Legislation Related to New Energy	- In October 2012, Ministry of Economy announced in draft form New Energy Law, New Renewable Energy Act and Gas Law. However, due to the procedural delays, confirmation remains pending both in contents and in its implementation timing. A Firm is unable to decide investment into Renewable Energy Business Sector, such as Wind Power Generation.	- It is requested that GOP gets New Energy Law, New Renewable Energy Act and Gas Law promulgated and enforced as soon as possible on the basis of the respective drafts.	Drafts of <ul style="list-style-type: none"> <li>-- New Energy Law,</li> <li>-- New Renewable Energy Act, and</li> <li>-- Gas Law</li> </ul>