

## **ANTI-CRISIS SHIELD ADOPTED**

### **SUMMARY OF THE FINAL VERSION**

**Wrocław, 2<sup>nd</sup> of April 2020**

On the weekend of 21<sup>st</sup> and 22<sup>nd</sup> March this year, the first information on detailed solutions of the planned package of laws, known as the anti-crisis shield, was published. Only a few hours later it was revealed that proposals for changes and additions were presented by the Ministry of Justice, the Ministry of Family, Labour and Social Policy, the Social Insurance Institution and the Office of Competition and Consumer Protection (Urząd Ochrony Konkurencji i Konsumentów; UOKiK). It has also been made public that the new provisions are to take into account proposals for supporting entrepreneurs announced by the President of the Republic of Poland. In the meantime, a draft act was made available.

On 26<sup>th</sup> March this year, a partially amended draft was adopted by the Council of Ministers and sent to the Polish Parliament. The Sejm (lower Parliament's chamber) adopted the law that included further amendments on 28<sup>th</sup> March. Already on 30<sup>th</sup> March, the Senate considered the document submitted by the Sejm and introduced a number of significant changes. The Sejm rejected most of them the next day, restoring the content of the law to its original version. The Act on amending the Act on special solutions related to the prevention, counteracting and eradication of COVID-19, other infectious diseases and crisis situations caused by them (Journal of Laws of 2020, item 568) was signed by the President as well as published and it entered into force on the same day.

Below you can find a summary of the adopted solutions divided into specific relevant topics.

**Team of SDZLEGAL Schindhelm**



**CONTENTS**

**CO-FINANCING FOR ENTREPRENEURS ..... 3**  
**WAGE SUBSIDY ..... 4**  
**STOPPAGE BENEFIT ..... 4**  
**LOANS TO MICRO-ENTREPRENEURS..... 5**  
**SOCIAL SECURITY CONTRIBUTIONS AND BENEFITS..... 6**  
**PIT ..... 6**  
**CIT ..... 7**  
**VAT ..... 8**  
**TRANSFER PRICING ..... 8**  
**OTHER TAXES AND FEES..... 8**  
**OTHER TAX ISSUES ..... 8**  
**LABOUR LAW ..... 9**  
**LEGALISATION OF FOREIGNERS PERMIT ..... 10**  
**CREDIT AGREEMENTS ..... 10**  
**PUBLIC PROCUREMENT ..... 10**  
**WASTE MANAGEMENT ..... 12**  
**TOURISM INDUSTRY ..... 12**  
**LEASE CONTRACTS..... 13**  
**TRADE INDUSTRY ..... 13**  
**FUNCTIONING OF COMPANIES ..... 14**  
**BUILDING LAW ..... 14**  
**INDUSTRIAL PROPERTY LAW ..... 15**  
**SUPPORT FOR CREATORS AND ARTISTS ..... 15**  
**COURT AND ADMINISTRATIVE CASES ..... 15**



## → CO-FINANCING FOR ENTREPRENEURS

A part of the costs of business of an entrepreneur who is a natural person and **does not employ employees shall be co-financed**. The co-financing shall be granted in case of a **decrease of the entrepreneur's turnover by at least 30%**.

**A turnover decrease** is defined as a decrease in the sale of goods or services (in volume or value), calculated **as a proportion of the entrepreneur's total turnover for any 2 consecutive months**, falling after 1.01.2020 to the day preceding the date of submitting the application for co-financing, **to the total turnover of the entrepreneur reached during analogous 2 consecutive months in 2019**. A month is considered to be 30 consecutive calendar days.

The co-financing is provided by the local authority (starosta) on the basis of a contract concluded with the entrepreneur, **for a maximum of 3 months**. The co-financing amounts:

- in the event of decrease of the entrepreneur's turnover by at least 30% – to 50% of the minimum wage per month;
- in the event of decrease of the entrepreneur's turnover by at least 50% – to 70% of the minimum wage per month;
- in the event of decrease of the entrepreneur's turnover by at least 80% – to 90% of the minimum wage per month.

**The co-financing shall be paid on a monthly basis**, after the entrepreneur submits a declaration on operating business in a month, for which the co-financing shall be paid. The entrepreneur is obliged to operate its business during the period for which co-financing was provided and after the end of co-financing during the equal period to the period for which co-financing was provided. In the event of not operating business for the period described above, the entrepreneur is obliged to return the co-financing without interest, proportionally to the period of not operating the business, within 30 days of the date of delivery of the local authority's (starosta) call. The Council of Ministers may extend the maximum period of co-financing by a way of a regulation.

The application for the co-financing shall be submitted by the entrepreneur to the local employment agency (powiatowy urząd pracy) having jurisdiction over the place of the conducting business, within 14 days from the date of announcement of recruitment by the director of the local employment agency. We recommend to check regularly the website of the relevant local employment agency.

In connection with the downtime resulting from counteracting COVID-19, there is no reduction in funding from the State Fund for Rehabilitation of the Disabled (Państwowy Fundusz Rehabilitacji Osób Niepełnosprawnych; PFRON) of the costs of operation of institutes of economic activity (zakłady aktywności zawodowej).



## → WAGE SUBSIDY

Employee Benefits Guarantee Fund (Fundusz Gwarantowanych Świadczeń Pracowniczych) shall subsidise employees' wages for the benefit of entrepreneurs who have recorded a decrease in turnover. The decrease in turnover shall amount to:

- **not less than 15%** calculated as the ratio of the total turnover in any two consecutive calendar months after 1.01.2020 until the day preceding the date of application, compared to the total turnover from the corresponding 2 consecutive calendar months of the previous year, or
- **not less than 25%** calculated as the ratio of the total turnover for any given calendar month, after 1.01.2020 until the day preceding the application date, compared to the turnover of the previous month.

The employer shall be able to obtain subsidy:

- **up to the amount of 50% of the minimum wage** - in case of introducing economic downtime, considering working time;
- **up to the half of the wage for work in reduced working hours, but not more than 40% of the average monthly wage from the previous quarter** - in case of a reduction in working hours, considering working time.

The subsidy is not to be granted in relation to the wages of persons whose wage obtained in the month preceding the month in which the application was submitted was higher than 300% of the average monthly salary from the previous quarter, announced by the President of the Central Statistical Office on the basis of regulations on pensions from the Social Security Fund, in force on the date of application.

The maximum period for receiving such benefits shall amount up to 3 months.

Further subsidy, not only relating to the wages of persons employed on the basis of an employment agreement, but also those employed on the basis of an tolling contract or a mandate contract or other contract for the provision of services, may be granted by a local authority (starosta) on the basis of a contract with an entrepreneur.

## → STOPPAGE BENEFIT

**Persons conducting business activity and performing civil law contracts shall be entitled to a stoppage benefit**, if they are not subject to social insurance on another account. The above is **also applicable to foreigners** legally residing in the territory of the Republic of Poland.

The stoppage benefit is granted if, following the occurrence of COVID-19, a stoppage in business activity has occurred, respectively, by a person conducting non-agricultural business activity or by ordering party with whom a civil-law contract has been concluded.



A person conducting business activity is entitled to a stoppage benefit if he or she started this activity before 1 February 2020 and:

- **did not suspend the business activity and the income** from conducting this activity obtained in the month preceding the month of submitting the application for the stoppage benefit was at least 15% lower than the income obtained in the month preceding that month and was not higher than 300% of the average monthly wage from the previous quarter announced by the President of the Central Statistical Office (Prezes Głównego Urzędu Statystycznego) based on the regulations on pensions from the Social Insurance Fund, in force on the day the application was submitted;
- **suspend the business activity after 31 January 2020 and the income** from this activity obtained in the month preceding the month in which the application for the stoppage benefit was submitted was not higher than 300% of the average monthly wage from the previous quarter announced by the President of the Central Statistical Office (Prezes Głównego Urzędu Statystycznego) based on the regulations on pensions from the Social Insurance Fund, in force at the day the application was submitted.

A person performing a civil law contract is entitled to a stoppage benefit if:

- the civil-law contract was concluded before 1 February 2020;
- the income from the civil law contract obtained in the month preceding the month in which the application for the stoppage benefit was submitted was not higher than 300% of the average monthly wage from the previous quarter, announced by the President of the Central Statistical Office (Prezes Głównego Urzędu Statystycznego) on the basis of the regulations on pensions from the Social Insurance Fund, in force at the day of submitting the application.

**The benefit is a one-off payment of 80% of the minimum wage.** If the revenues from civil law contracts, obtained in the month preceding the month in which the application for the stoppage benefit was submitted, are less than 50% of the minimum wage for work estimated in 2020, the entrepreneur is entitled to the stoppage benefit in the amount of the sum of wages for the performance of these civil law contracts. Applications for stoppage benefit may be submitted to the Social Insurance Institution (ZUS) at the latest within 3 months of the month in which the announced epidemic state was cancelled. The Council of Ministers may, by way of a regulation, grant a new payment of the stoppage benefit for persons who have already received this benefit.

No set-off or enforcement proceedings shall be made from the stoppage benefit.

## ➔ LOANS TO MICRO-ENTREPRENEURS

A local authority (starosta) may grant **a single loan of up to PLN 5.000** to cover the current costs of business for **micro-entrepreneur** who operated a business before 1.03.2020. The loan's fixed interest rate per year is 0,05 of the rediscount rate for bills of exchange accepted by the National Bank of Poland (currently the rediscount rate is 1,05). The repayment period may not exceed 12 months, with a grace period for repayment of capital and interest of 3 months from the date of granting the loan.



An application for a loan is to be submitted by a microentrepreneur to the relevant local employment agency (powiatowy urząd pracy) for the place of conducting the business by that microentrepreneur, after an announcement by the director of the local employment agency. We recommend to check regularly the website of the relevant local employment agency. In the application for a loan, a microentrepreneur declares what was the number of the employees in his firm as of 29.02.2020 in terms of full-time work.

**The loan may be remitted**, provided that the entrepreneur does not reduce the employment in terms of full-time work in comparison with the employment as of 29.02.2020 within 3 months from the date of its granting.

### → SOCIAL SECURITY CONTRIBUTIONS AND BENEFITS

**At the contribution payer's request**, who on 29 February 2020 reported less than 10 insured persons to social security contributions for compulsory social security, health insurance, Labour Fund (Fundusz Pracy), Solidarity Fund (Fundusz Solidarnościowy), Employee Benefits Guarantee Fund (Fundusz Gwarantowanych Świadczeń Pracowniczych) or Briding Pension Fund (Fundusz Emerytur Pomostowych), **due for the period from 1.03.2020 to 31.05.2020 shall be released.**

In the case of an entrepreneur who does not employ employees, an application may only be submitted by one who in the month preceding the submission of the application achieved income from non-agricultural activity not exceeding 300% of the forecasted average monthly gross wage in the national economy in 2020. During the redundancy period the right to social security benefits is retained from the payment of contributions.

Persons covered by agricultural pension insurance are exempt from the payment of contributions for this insurance for the second quarter of 2020.

In addition, in the case of a deferral of the payment or a payment in instalments concerning the contributions due for the period from 1 January 2020 **no prolongation fee shall be charged** if the application is submitted in the right time. Only by way of a regulation may the Minister competent for public finance refrain from collecting interest in whole or in part for late payment of tax arrears. No such regulation was issued so far.

The period of entitlement to **rehabilitation benefits** shall be extended for further period of 3 months from the date of expiry of a given decision.

### → PIT

Taxpayers who have suffered negative economic consequences due to the COVID-19 epidemic may **pay the tax advances collected in March and April 2020** on income from the public service relationship, employment relationship, outwork, cooperative employment relationship, and social security benefits **until 1.06.2020.**



**The provisions regarding PIT payments on the so-called bad debts** to the taxpayer who is the debtor do not apply if, as a result of COVID-19, the taxpayer's revenues in 2020 will be at least 50% lower than the previous tax year. This also applies to taxpayers using flat-rate taxation.

Taxpayers, who **because of COVID-19 in 2020:**

- will suffer a **loss** on non-agricultural business activity and
- will achieve total **revenues** from non-agricultural economic activity **lower by at least 50%** than the total revenues achieved in 2019 from this activity,

may once **reduce revenue or income achieved in 2019 from non-agricultural economic activity by the amount of this loss, but no more than by the amount of PLN 5 000 000**, by submitting a correction of the tax return for this year.

**Stoppage benefit received under the COVID-19 Act shall be exempted from income tax.** The exemptions also shall apply to taxpayers using flat-rate taxation.

**The taxpayer may deduct donations made in 2020 to counteract COVID-19, depending on the month of making a donation up to 200% of its value.** Donations can also be deducted by a taxpayer using flat-rate taxation. Further tax facilities support applies to entities producing goods related to fighting the epidemic and those conducting research in this area.

Small taxpayers who have chosen the simplified form of advance payments for 2020 may opt out of it during the tax year if they have suffered negative economic consequences due to COVID-19.

**The deadline for tax payments on revenues from properties for the months March-May 2020 is postponed to 20.07.2020** if, as a result of COVID-19, the taxpayer's revenues in a given month are lower by at least 50% compared to the same month of the previous year tax.

## → CIT

**The provisions regarding CIT payments on the so-called bad debts** to the taxpayer who is the debtor does not apply if, as a result of COVID-19, the taxpayer's revenues in 2020 will be at least 50% lower than the previous tax year

Taxpayers, who **due to COVID-19 in 2020:**

- will incur a **loss** on their activities and
- will achieve total **revenues at least 50% lower** than the total revenues achieved in 2019,

may once **reduce income achieved in 2019 by the amount of this loss, but no more than by the amount of PLN 5,000,000** by submitting a correction of the tax return for this year. The provisions apply by analogy to tax years that not overlap with calendar years.

**The taxpayer may deduct donations made in 2020 to counteract COVID-19, depending on the month of making a donation up to 200% of its value.** Further tax support applies to entities producing goods related to fighting the epidemic and those conducting research in this area.

Small taxpayers who have chosen the simplified form of advance payments for 2020 may opt out of it during the tax year if they have suffered negative economic consequences due to COVID-19.



**The deadline for tax payments on revenues from properties for the months March-May 2020 was postponed to 20.07.2020** if, as a result of COVID-19, the taxpayer's revenues in a given month are lower by at least 50% compared to the same month of the previous year tax.

→ **VAT**

Deadline for all taxpayers for submitting a **new JPK\_VAT** file were **postponed from 1.04.2020 to 1.07.2020**.

The deadline for submitting notification that a **payment has been made to the account not included to the list of VAT taxpayers** was extended to **14 days**.

→ **TRANSFER PRICING**

The information on transfer pricing may be submitted until **30.09.2020**.

→ **OTHER TAXES AND FEES**

The annual **perpetual usufruct** fee (opłata za użytkowanie wieczyste) for 2020 may be paid by **30.06.2020**. The Council of Ministers may extend this period by a way of regulation.

**Loans** granted to entrepreneurs whose financial liquidity has deteriorated in connection with COVID-19 **are not subject to tax on civil law acts**. The rule applies to contracts made until 31<sup>st</sup> August 2020.

There is no general exemption from **property tax**: land, buildings, and structures related to business operations. The exemption may be introduced by the district council by way of resolution. In addition, the head of the district council (mayor, city president) may extend the dates of payment of property tax installments payable in April, May, and June, no longer than until 30.09.2020.

A excise tax inspector may decide not to be present at the **inspection regarding excise goods**. The controlled person should inform the controlling person about the course of the control.

The application of the **Retail Tax Act** was postponed. It shall first apply to revenues from retail sales achieved from **1.01.2021**.

→ **OTHER TAX ISSUES**

If the payment deadline is postponed or taxes paid to the state budget are paid in installments (including PIT, CIT), **no extension fee shall be charged** if the application is submitted in due time.

The deadline for issuing individual interpretations was extended by additional three months.





During an emergency epidemic state or epidemic state declared due to COVID-19, the running of terms in proceedings and controls conducted under the Tax Ordinance (Ordynacja podatkowa), customs and tax inspections and proceedings in matters related to gambling does not start, and existing terms are suspended for this period. [concerning other deadline see COURT AND ADMINISTRATIVE CASES]

Term does not start, and existing term is suspended also:

- concerning disposal of the matter without notice by the authority,
- in other matters, in which the authority's lack of objection, decision, order or other resolution entitles a party or participant in the proceedings to take action or affect the scope of rights and obligations of a party or participant in the proceedings,
- for expressing by the authority opinion or for issuing of individual interpretations, except for individual interpretation referred to in Tax Ordinance (Ordynacja podatkowa).

Until 30.06.2020 deadlines for tax schemes other than cross-border schemes may not expire.

The Council of Ministers may by way of a regulation suspend administrative enforcement proceedings against monetary receivables. Withdrawals from a seized bank account may be made during the suspension period.

## → LABOUR LAW

The employer **shall be able to reduce wages in the event of economic downtime by no more than 50%. Reduced wages cannot be lower than the minimum wage.** An employer **who has experienced a decrease in business trading as a result of COVID-19 may reduce working hours by 20%, not more than 0.5 FTEs** Employers are granted additional rights to **make the working time more flexible.** Up to 50% of the minimum wage may be subsidised from the funds of the Employee Benefits Guarantee Fund (Fundusz Gwarantowanych Świadczeń Pracowniczych).

An employer with a decrease in business trade (by 15% or 25%) may introduce the following changes:

- reduce the uninterrupted daily rest from 11 to 8 hours;
- reduce the uninterrupted weekly rest from 35 to 32 hours;
- conclude an agreement on the introduction of a balanced working time system where it is admissible to extend daily amount of working time, however for not more than 12 hours in the settlement period not longer than 12 months;
- conclude an agreement on the application of employment conditions less advantageous than the ones stipulated in the contracts of employment concluded with the employees to the extent and for the period determined in the arrangement (so-called crisis agreements).

For employers in Phase II of the implementation of Employee Capital Plans (**Pracownicze Plany Kapitałowe; PPK**) the maximum deadlines for taking the required actions were postponed by adopting the deadlines initially foreseen for Phase III. A contract to manage the PPK shall be concluded by **27.10.2020** and a contract to run the PPK shall be concluded by **10.11.2020**.



From the date on which an emergency epidemic state or epidemic state is declared, **periodic medical examinations of employees** shall be suspended. However, an employee shall still not be admitted to work without a current medical certificate stating that there are no contraindications to work in a particular position, i.e. without an initial examination. The check-up examinations are also not suspended.

If the authorised doctor is not available, the check-up or preliminary examination may be performed by another doctor. Such examination expires after 30 days.

The circle of those entitled to the **care allowance is extended to include children who have a judgment with a severe or moderate degree of disability up to the age of 18 or adults with disabilities or a decision on the special needs education**. The allowance is also to be granted to persons insured in the Agricultural Social Insurance Fund (Kasa Rolniczego Ubezpieczenia Społecznego; KRUS). The Act also provides for the granting of another care allowance of 14 days due to the necessity of personal care over a child under 8 years old. The Council of Ministers may decide on an extension in a separate regulation.

#### ➔ LEGALISATION OF FOREIGNERS PERMIT

**The deadline for submitting an application for a residence permit shall be extended to 30 days** after the cancellation of an emergency epidemic state or state of epidemic respectively. During the above mentioned period the foreigner's stay will be legal.

The same rules apply to the expiry of the visa and the residence permit.

#### ➔ CREDIT AGREEMENTS

It is possible to **change the conditions or repayment terms of loan agreements** granted before the day 8.03.2020 to **micro, small and medium-sized entrepreneurs**. **Importantly, the changes must be justified by the assessment of the borrower's financial and economic standing made by the bank not earlier than on the day 30.09.2019 and not on the current situation.**

An amendment to loan agreement is made on conditions agreed between the bank and the borrower however, it may not cause deterioration of the borrower's financial and economic situation.

#### ➔ PUBLIC PROCUREMENT

Each party to a public procurement contract is required to **inform the other party without any delay of the impact, if any, the COVID-19** might have on the proper performance of that contract.



The impact of COVID-19 on the proper performance of the contract **must be confirmed by appropriate documents or statements**. By way of an example (the catalogue is open), the draft act lists such documents as those relating to:

- absent employees or other associates who are or could be involved in the execution of the contract;
- orders issued by voivodes or decisions issued by the Prime Minister related to the countermeasures against COVID-19;
- the suspension of supply of products, product components or materials as well as difficulties in accessing equipment or difficulties in providing transport services.

The above-mentioned circumstances may also apply to a subcontractor or a second-tier subcontractor.

If the contracting authority decides that the circumstances surrounding the occurrence of COVID-19 may affect or do in fact affect the proper performance of the contract, then, in consultation with the contractor, **it may amend the contract by**, in particular:

- changing **the delivery deadline** or suspending the performance of the contract or parts thereof;
- changing **the way** in which supplies, services or works are performed;
- changing **the scope** of the contractor's performance including a corresponding change in contractor's **remuneration**.

In the case of the main contract amendment related to public procurement, the contractor and the subcontractor have to agree on the appropriate amendments to the subcontract. The terms of the subcontract shall not be less favorable than those of the main contract. The same applies to the contract with the subsequent subcontractor.

Moreover, if the provisions of the contract contain **more favourable conditions** for the contractor concerning the amendments to the contract, the provisions of the contract shall apply and not the COVID-19 Act. The circumstances surrounding the occurrence of COVID-19 do not constitute a valid reason for withdrawal from the contract.

The 29.01.2004 Act on Public Procurement regulating public contracts for essential supplies or services does not apply in cases where the protection of public health against COVID-19 so requires or where there is a high probability of rapid and uncontrolled spread of the disease.

[on deadlines see **COURT AND ADMINISTRATIVE CASES**]



## → WASTE MANAGEMENT

**In the absence of technical and organizational possibilities in a voivodship (województwo) required to dispose of waste "generated in connection with counteracting COVID-19 other than medical waste with infectious properties" in accordance with applicable regulations – the local authority (wojewoda) may issue an order regarding the management of this waste also binding for entrepreneurs.** The order may also concern:

- **transferring** unsorted (mixed) municipal waste **to installations other than municipal ones;**
- **disposal on landfills or thermal treatment of municipal waste without (any or specific) initial treatment processes.**

The order does not have to refer only to municipal waste “generated in connection with counteracting COVID-19”, but to **all municipal waste.**

Moreover, a voivode may issue an order **changing or excluding criteria concerning the selective collection of municipal waste**, specified in municipal regulations and provisions of law. Moreover, the local authority (wojewoda) may also, at the request of a commune mayor, change the frequency of municipal waste collection and the manner of providing services by municipal selective waste collection points.

Until the implementing regulations have been issued, municipal waste and waste from the treatment of municipal waste may be thermally treated in an operating installation that had obtained an integrated permit or a permit for processing these waste before the date of entry of the draft act into force.

The problem of classifying **municipal waste generated in homes, e.g. by persons in quarantine**, and then it's safe collection **remains unresolved.** The draft act also does not introduce the possibility of processing waste beyond the limits resulting from permits. Although the draft act allows for the possibility of disposal on landfills unprocessed municipal waste, it lacks any regulations regarding the **marshal fee.**

## → TOURISM INDUSTRY

**The client have the right to withdraw from a travel contract before the start of the event** when the need to withdraw has a direct link with the epidemic. On the same basis, the **organiser is allowed to terminate such a contract.**

The parties shall settle accounts after 180 days. Within this period, a client may agree to accept a **voucher** worth at least as much as he or she has paid to the organiser – then a rescission or termination do not take effect and the traveller may use the voucher within one year from the day the vent was expected to take place.

Similar provisions have been proposed for entrepreneurs and farmers providing **accommodation services** as well as for **fairs and congresses organisers, cultural, entertainment and leisure operators or those who organise exhibitions or outdoor events.**



## → LEASE CONTRACTS

Subject to detailed rules set out in the draft act:

- until 30 June 2020 the tenant may make a declaration that **the term of the lease contract shall be extended until this date;**
- until 30 June 2020 the landlord is allowed to neither terminate the lease contract nor increase the rent by giving notice;
- when the termination notice or the rent increase notice has been filed prior to the entry into force of the act and the notice period ends between its entry into force and 30.06.2020, the tenant may make until 30.06.2020 a declaration that the notice period for termination of the lease contract or increase of the rent shall be extended until this date.

## → TRADE INDUSTRY

**During the ban on operating in commercial facilities having a commercial area exceeding 2.000 m<sup>2</sup>, the mutual obligations of the parties to the lease, tenancy or other similar agreements whereby the commercial area is given for use, expire so as the obligation to pay the rent does.**

After the end of the ban, the user of the commercial area (e.g., the tenant) should submit to the party that makes the area available (e.g., the owner of this area) an unconditional and binding offer to extend the term of a contract under current conditions by the duration of the ban plus further six months. The offer should be submitted within three months from the day when the ban was lifted. Provisions concerning the expiration of the mutual obligations of the parties cease to bind upon the ineffective lapse of the period to submit an offer. It means that in such a case the landlord will be allowed to demand from the other party payment of the rent and other fees and charges due for all months when the ban was in force. The Act does not exclude the provisions of the Civil Code regulating contractual relationships in the event of the introduction of legal restrictions on the freedom of economic activity.

The ban on Sunday shopping shall not apply to some activities related to the trade, such as unloading, receipt, and exposition of essentials. Such activities may be carried out by an employer or a worker. This does not apply to Sundays being public holidays.

The application of the Act on **Tax on the Retail Sector** has been postponed. It shall apply to income generated from **1.01.2021**.

The **application of the provisions on the consumer contracts** to the sole traders, including provisions about the right of withdrawal from distance contracts, has been stopped until 1.01.2021.

The competent ministers will be allowed to adopt regulations providing for maximum prices or maximum wholesale and retail margins applied in the sale of goods or services of key importance for health protection, human safety or costs of living for households. Applying prices and margins higher than the maximum is about to be forbidden under pain of administrative penalty.

The maximum amount of non-interest credit costs shall be decreased.



## → FUNCTIONING OF COMPANIES

Board members of limited liability companies and joint-stock companies shall be released from **liability for stop making claims to contractors arising in a relationship with non-performance or improper performance of a public procurement contract** due to circumstances related to COVID-19. The same protection shall be granted if the public procurement contract was amended. The exemption concerns criminal liability (Article 296 § 1 of the Penal Code - criminal offense of mismanagement) and civil liability (Article 293 § 1 or Article 483 § 1 of the Commercial Companies and Partnerships Code).

**The deadline for complying with the obligation to submit information to the Central Register of Beneficial Owners (Centralny Rejestr Beneficjentów Rzeczywistych) shall be postponed from 13.04.2020 to 13.07.2020.**

The minister competent for financial institutions, by way of a regulation, may set a different date for the adoption by the general meeting of a public company of a resolution on remuneration policy for members of the management board and the supervisory board. At present, there is no information that the minister plans to exercise the aforementioned power, so in the current situation the deadline of 30 June 2020 for adopting such a resolution remains binding.

**The possibility shall be introduced to hold meetings by the management and supervisory boards of limited liability and joint-stock companies using the means of communication at a distance** (in telephone or video conference mode). The management boards shall be entitled to adopt resolutions also by circulation, also its members shall be entitled to cast votes in favour of resolutions through another board member. The same possibilities shall be provided to supervisory boards. The existing restrictions on the prohibition of adopting resolutions in writing or by means of direct remote communication shall be removed, if they concern the election of the chairman and vice-chairman of the supervisory board, the appointment of the management board and the dismissal and suspension of these persons.

It shall also be allowed to participate in the general meeting of shareholders by means of electronic communication, unless the company contract or its statutes state otherwise. With respect to shareholders' meetings and general meetings convened before the date of entry into force of the act, the person convening the meeting may decide to enable participation in them by electronic means of communication, subject to the obligation to inform the shareholders thereof in the manner provided for the convening of the meeting and no later than 4 days before the date of the meeting.

Additionally, we point out that in the meantime, the minister competent for public finance has postponed the deadlines for the implementation of financial reporting obligations of commercial law companies and other entities by 3 months.

## → BUILDING LAW

The investor shall inform the architecture and building administration authority when it performs construction works or changes the intended manner of use of construction works or its part in relation to counteracting COVID-19.



## → INDUSTRIAL PROPERTY LAW

In the period from 8.03.2020 to 30.06.2020, **the deadline** for filing an objection to an application for a trademark and submission of a translation of the European patent into Polish by the Polish Patent Office as well as **the deadline** for submitting a limited translation into Polish or revised European patent **have been stopped**. The dates will start again on 1.07.2020.

## → SUPPORT FOR CREATORS AND ARTISTS

**Creators and artists** running their own businesses and working on a mandate contract or a specific work contract **may receive financial support up to 80% of the minimum wage**.

The collection of remuneration for the organization of collective management of copyright or related rights (including the association of authors ZaiKS) is suspended. The obligation to transfer payment on the revenue generated from the screening of films and advertisements in the cinema to the Polish Film Institute (Polski Instytut Sztuki Filmowej) and the data related to it by the cinema operator is also abolished.

## → COURT AND ADMINISTRATIVE CASES

In the period an emergency epidemic state or epidemic state declared due to COVID-19 **the deadlines specified in the administrative law shall stop or be suspended. This applies to:**

- deadlines on which depends the right to seek a remedy before a court or an administrative body as well as deadlines to perform by the party any action which may modify rights or obligations that party;
- **limitations periods for claims** or other deadlines, the exceeding of which leads to expiration or alteration of property law rights or claims and receivables as well as falling into delay;
- **mandatory time-limits**, the exceeding of which may produce negative effects to the party;
- **deadlines for making entries by entities or organizational units** subject to the entry in the appropriate register of activities that cause the obligation to report to this register, as well as time limits for the performance of obligations by these entities resulting from the regulations on their system – this includes, in particular, entries in Central Register and Information on Economic Activity (Centralna Ewidencja i Informacja o Działalności Gospodarczej, CEiDG) and National Court Register (Krajowy Rejestr Sądowy, KRS).

**The same applies to:**

- the prescribed statutes of limitations for criminal offenses and for execution of the penalty in cases of offences, fiscal offenses and fiscal petty offenses, and petty offenses;
- **procedural and court deadlines in court proceedings**, including administrative court proceedings, enforcement proceedings, criminal, fiscal offenses and petty offenses proceedings, administrative, administrative enforcement and other proceedings conducted under the laws (to read more about tax proceedings and tax controls see OTHER TAX ISSUES).



The stay or suspension of deadlines does not partly not apply to proceedings under the Public Procurement Law (Prawo zamówień publicznych) including deadlines for appealing against tenders' outcomes. **Nor does the regulation apply to time limits provided for in civil law, and thus, in particular, the limitation period for claims under contracts, torts and delicts and unjustified enrichment, as well as prescription. The actions or applications to the court necessary to comply with those time-limits should therefore be brought as if there were no emergency epidemic state or epidemic state.**

Court hearings are not to be conducted except for urgent cases.

**Please do not hesitate to contact us in case of any inquiries or doubts on the anti-crisis shield or any other legal questions concerning COVID-19.**

**SDZLEGAL Schindhelm**

**Kancelaria Prawna Schampera, Dubis, Zając i Wspólnicy sp. k.**

**ul. Kazimierza Wielkiego 3, 50-077 Wrocław**

**Tel.: +48 71 326 51 40**

**E-mail: [wroclaw@sdzlegal.pl](mailto:wroclaw@sdzlegal.pl)**

**[www.schindhelm.com](http://www.schindhelm.com)**