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SETTING UP ECONOMIC ACTIVITY

What conditions must be met in order for a foreigner to have the same rules as for Polish citizens (to be able to register economic business as a Polish citizen)?

Foreigner:

- 1) Is a citizen of a Member State of the European Union or the European Economic Area
- 2) Is a citizen of another state and has, among others:
 - a permanent residence permit
 - long-term resident's European Union residence permit
 - temporary residence permit granted in connection with, among others with family reunification legally resident in Poland, full-time education
 - refugee status
 - subsidiary protection
 - permission to stay for humanitarian reasons or a permit for tolerated stay
 - temporary residence permit for the purpose of carrying out economic activity already conducted on the basis of an entry in the Central Register and Information on Economic Activity
 - temporary protection in Poland
 - valid Pole's Card

What if I don't meet the above-mentioned conditions?

To run a company in Poland, you can only operate in the form of partnerships :

- limited liability company
- jointstock company
- limited jointstock partnership
- limited partnership

You can also join, acquire and subscribe for such shares.

What are the most important types of economic activity in Poland?

- 1) Individual business (including civil partnership)
- 2) Commercial companies
 - limited companies (limited liability company and jointstock company)
 - partnerships (general partnership, limited partnership, limited jointstock partnership)



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What are the characteristics of self-employment?

- 1) It's the simplest form of doing business
- 2) It's meant for individuals
- 3) It's registered in CEDIG (can be registered online)
- 4) Does not require a minimum capital
- 5) Accounting depends on the form of taxation. When taxing on general principles, it can be conduct simplified accounting (Revenue and Expense ledger) if last year's revenues did not exceed 2 000 000 Euro. A lump sum record is required for the lump sum. Accounting is not required for the tax card.
- 6) The entrepreneur is liable with all his property for liabilities arising as a result of conducting business activities
- 7) The entrepreneur's company given in CEDIG must contain at least the first and last name of the applicant, e.g. Jan Kowalski. It is possible to add other elements to the company, e.g. determining the business profile
- 8) The entrepreneur has the sole right to represent his activities
- 9) The entrepreneur is a PIT taxpayer
- 10) The entrepreneur can be a VAT taxpayer

Where are companies and individual business registered?

- 1) You register sole proprietorship in [Centralna Ewidencja Informacji Działalności Gospodarczej]
- 2) A civil contract should be reported to the Central Statistical Office, you will obtain a REGON number for a civil contract
- 3) Other companies you register in National Court Register. You can register limited liability company and limited partnership using the template of the on-line agreement through the website of the Ministry of Justice, as well as the traditional way

What should you remember when setting up a sole proprietorship or partnership?

Remember!

If you register a one-person company online in the Central Business Information Register (CEDIG) and you don't have an NIP or PESEL number in your electronic signature, you should confirm the account on the CEDIG website at the city/commune office. If you don't have a PESEL number, you show an authorized employee of the commune office a passport or the other document confirming your identity and citizenship.

Company registration in the National Court Register

Attention!

In the application for the entry into the National Court Register or a change in the entry involving the acquisition or subscription for shares, stocks or general rights and obligations, and in the case of submitting to the registration files documents containing information about changes in the company's partners, the applicant shall provide a statement whether he's a foreigner within the meaning of the Act on the acquisition of real estate by foreigners. In case of having the status of a



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foreigner, the applicant also includes in the application for entry into the National Court Register a statement whether he is the owner or perpetual usufructuary of real estate located in Poland.

What should I know before I register a company with the office?

1) Do I have to register my company?

You don't always have to register your business. Check in which cases you should start a business. If you do a small business and your income does not exceed 50% of the minimum wage, you can run the so-called unregistered activities should not be reported to the office

2) What type of taxation should you choose?

As an entrepreneur, you will have several forms of taxation to choose from. Choose the one that will allow you to pay the lowest taxes possible. Remember that you will not be able to change it at any time. When registering, in addition to indicating the form of taxation, you will also specify how to pay tax advances (monthly or quarterly). The type of accounting in your company will also depend on the choice of taxation.

3) Think when your company should start

In the application for registration of the company, you must enter the specific date of commencement of business activity (it can be later than the day on which you apply). Register your company when you have sufficient funds to run it, an equipped office and your company's business plan. Remember that with registration you take over the entrepreneur's obligations regarding, among others paying social security contributions. Why is the start date so important? If you use the ZUS discount to start and, for example, start a company at the beginning of the month, then the period of 6 months without ZUS social security contributions will start to count. However, if you register your activity in the middle of the month, then the 6-month discount period will begin to run from the next full month

4) Choose a good name for the company

Every activity must have its own name. It should be simply and easy to remember. For the simplest activities, the name must include your name. Before registering, you can check, e.g. on the Internet, if someone no longer uses the name you choose.

5) Determine what your company will do and select PKD codes

When registering a company, you must report what kind of business you will be doing. In the registration application you enter the so-called PKD code, i.e. type of activity. This will depend on, among others taxation method and other obligations (e.g. possession of cash register)

6) Think about where you want to run a business account

Even before you register a company, you can check which bank offers the best terms for your company account. You can use a private account, but a separate account for your business is much more convenient. Some banks allow you to set up a business account before registering your business. In others you will be able to do this only after registering your company. After creating a company account, you will have to report its number to the office

7) Are you afraid of complicated procedures?

Use the telephone support or start a business through your bank. If you want to register a company, but you are afraid of being not able to complete the application correctly, take



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advantage of free assistance. Call 801 055 088 or 22 765 67 32. We also encourage you to use the biznes.gov.pl Help Center. You can also set up a company via electronic banking (at PKO BP and mBank). You will get the necessary help in registering your business.

8) Create a Trusted Profile or electronic signature

Before you register a company, we encourage you to set up a Trusted Profile. This is a free tool that is used to confirm your identity (this is a type of electronic signature). Thanks to the Profile you will be able to register your company online and deal with other official matters electronically. The electronic signature has the same function (it is paid, as opposed to the Trusted Profile).

9) The Proxy

Company can be also registered by a proxy

Where to register your company and what to do after registration?

- 1) Prepare necessary documents and register the company. In the case of a sole proprietorship, an ID card is enough to register, and if you want to set up a company via the Internet, you should also have a Trusted Profile or an electronic signature. If you register a company, prepare all documents required for registration (company agreements, statements about making contributions etc.).

The office where you submit your application will vary depending on the type of your company.

You register one-man business in the Central Register and Information on Economic Activity (you get an entry in the register). You can do it online or submit an application to the Commune Office. You must register a civil partnership at the Central Statistical Office (REGON register). Partners (natural persons) should be registered in CEIDG. A limited company, a general partnership, a partnership, a limited partnership, a limited joint-stock partnership, a joint-stock company are registered in the National Court Register. You can do it on a paper form or online.

2) Apply for insurance in ZUS / KRUS

When you register your company, you will be automatically reported to ZUS as the insurance payer. However, you must also apply for insurance. If you are setting up a business for the first time, or have a long break from closing your business, you can take advantage of the start discount (for 6 months you can only pay health insurance) or reduced premiums for 24 months. If you set up a sole proprietorship, you can register with ZUS during the company registration (online or at the office). If you want to do it after registration, you have 7 days from the start of business. You should also report your employees and cooperating persons to ZUS.

3) Register as a VAT taxpayer.

If you want to be a "taxpayer" from the beginning of your activity, or you have a legal obligation to be a taxpayer, register with a tax office as a VAT taxpayer. If, for example, you intend to buy services from other EU companies and settle VAT from these purchases, also register as a VAT-EU taxpayer



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4) Get a business permit

Make sure you don't need additional permits to run your business. If your business is regulated (requires entry into the register of regulated activities), you should report its start to relevant institution.

5) Set up and register a company account

A separate bank account for company settlements will be more convenient for you than using a private account (although micro-entrepreneurs are not obliged to set up a company account). Learn what are the rules for setting up and using a company account. also which bank offers best conditions for entrepreneurs

6) Make an inventory by nature

If you set up a business and keep a tax book of revenues and expenses, it is necessary to prepare and include in the book an inventory by nature on the day of starting business activity. This also applies to entrepreneurs who are partners in companies.

7) Other obligations after company registration - cash register, RTV receiver registration

Apart from the obligations related to ZUS, VAT registration, obtaining permits, remember about other matters. For some types of activity (e.g. taxi), it will be necessary to purchase and register a cash register. If you use a TV set in business (e.g. it is equipped with your service point), you should register it and pay a subscription.

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**WSPIERAMY
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