

Economy Profile  
Poland

# Doing Business 2020

Comparing Business  
Regulation in  
**190** Economies



WORLD BANK GROUP

**Economy Profile of Poland**

*Doing Business 2020 Indicators  
(in order of appearance in the document)*

<b>Starting a business</b>	Procedures, time, cost and paid-in minimum capital to start a limited liability company
<b>Dealing with construction permits</b>	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
<b>Getting electricity</b>	Procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs
<b>Registering property</b>	Procedures, time and cost to transfer a property and the quality of the land administration system
<b>Getting credit</b>	Movable collateral laws and credit information systems
<b>Protecting minority investors</b>	Minority shareholders' rights in related-party transactions and in corporate governance
<b>Paying taxes</b>	Payments, time, total tax and contribution rate for a firm to comply with all tax regulations as well as postfiling processes
<b>Trading across borders</b>	Time and cost to export the product of comparative advantage and import auto parts
<b>Enforcing contracts</b>	Time and cost to resolve a commercial dispute and the quality of judicial processes
<b>Resolving insolvency</b>	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
<b>Employing workers</b>	Flexibility in employment regulation and redundancy cost

## About Doing Business

The *Doing Business* project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The *Doing Business* project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.


*Doing Business* captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. *Doing Business* also measures features of employing workers. Although *Doing Business* does not present rankings of economies on the employing workers indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, *Doing Business* encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

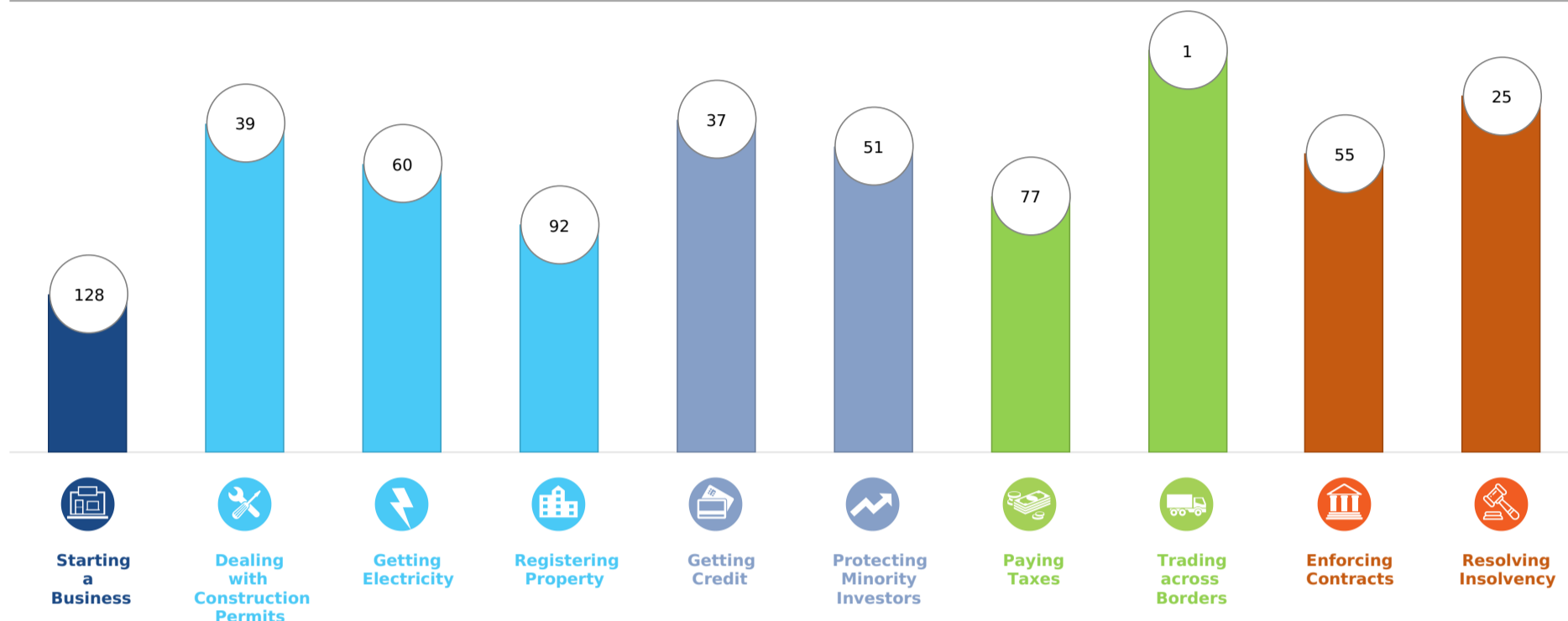
In addition, *Doing Business* offers detailed [subnational studies](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These studies provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that *Doing Business* has ranked.

The first *Doing Business* study, published in 2003, covered 5 indicator sets and 133 economies. This year's study covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where *Doing Business* also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

To learn more about *Doing Business* please visit [doingbusiness.org](http://doingbusiness.org)

<p>Ease of Doing Business in <b>Poland</b></p> 	<b>Region</b>	OECD high income	<b>DB RANK</b>	<b>DB SCORE</b>
	<b>Income Category</b>	High income	40	76.4
	<b>Population</b>	37,978,548		
	<b>City Covered</b>	Warsaw		

Rankings on Doing Business topics - Poland



Topic Scores



<b>Starting a Business</b> (rank)	128
Score of starting a business (0-100)	82.9
Procedures (number)	5
Time (days)	37
Cost (number)	11.6
Paid-in min. capital (% of income per capita)	9.3
<b>Dealing with Construction Permits</b> (rank)	39
Score of dealing with construction permits (0-100)	76.4
Procedures (number)	12
Time (days)	137
Cost (% of warehouse value)	0.3
Building quality control index (0-15)	10.0
<b>Getting Electricity</b> (rank)	60
Score of getting electricity (0-100)	82.3
Procedures (number)	4
Time (days)	113
Cost (% of income per capita)	16.3
Reliability of supply and transparency of tariff index (0-8)	7
<b>Registering Property</b> (rank)	92
Score of registering property (0-100)	63.9
Procedures (number)	6
Time (days)	135
Cost (% of property value)	0.3
Quality of the land administration index (0-30)	19.0

<b>Getting Credit</b> (rank)	37
Score of getting credit (0-100)	75.0
Strength of legal rights index (0-12)	7
Depth of credit information index (0-8)	8
Credit registry coverage (% of adults)	0.0
Credit bureau coverage (% of adults)	100.0
<b>Protecting Minority Investors</b> (rank)	51
Score of protecting minority investors (0-100)	66.0
Extent of disclosure index (0-10)	7.0
Extent of director liability index (0-10)	2.0
Ease of shareholder suits index (0-10)	9.0
Extent of shareholder rights index (0-6)	5.0
Extent of ownership and control index (0-7)	4.0
Extent of corporate transparency index (0-7)	6.0
<b>Paying Taxes</b> (rank)	77
Score of paying taxes (0-100)	76.4
Payments (number per year)	7
Time (hours per year)	334
Total tax and contribution rate (% of profit)	40.8
Postfiling index (0-100)	77.4

<b>Trading across Borders</b> (rank)	1
Score of trading across borders (0-100)	100
<i>Time to export</i>	
Documentary compliance (hours)	1
Border compliance (hours)	0
<i>Cost to export</i>	
Documentary compliance (USD)	0
Border compliance (USD)	0
<i>Time to export</i>	
Documentary compliance (hours)	1
Border compliance (hours)	0
<i>Cost to export</i>	
Documentary compliance (USD)	0
Border compliance (USD)	0
<b>Enforcing Contracts</b> (rank)	55
Score of enforcing contracts (0-100)	64.4
Time (days)	685
Cost (% of claim value)	19.4
Quality of judicial processes index (0-18)	11.0
<b>Resolving Insolvency</b> (rank)	25
Score of resolving insolvency (0-100)	76.5
Recovery rate (cents on the dollar)	60.9
Time (years)	3.0
Cost (% of estate)	15.0
Outcome (0 as piecemeal sale and 1 as going concern)	1
Strength of insolvency framework index (0-16)	14.0

## Starting a Business

This topic measures the number of procedures, time, cost and paid-in minimum capital requirement for a small- to medium-sized limited liability company to start up and formally operate in each economy's largest business city.

To make the data comparable across 190 economies, *Doing Business* uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times the income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally start and formally operate a company (number)</b></p> <ul style="list-style-type: none"> <li>• Preregistration (for example, name verification or reservation, notarization)</li> <li>• Registration in the economy's largest business city</li> <li>• Postregistration (for example, social security registration, company seal)</li> <li>• Obtaining approval from spouse to start a business or to leave the home to register the company</li> <li>• Obtaining any gender specific document for company registration and operation or national identification card</li> </ul> <p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day (2 procedures cannot start on the same day)</li> <li>• Procedures fully completed online are recorded as ½ day</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul> <p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> <li>• No professional fees unless services required by law or commonly used in practice</li> </ul> <p><b>Paid-in minimum capital (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Funds deposited in a bank or with third party before registration or up to 3 months after incorporation</li> </ul>	<p>To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.</p> <p><b>The business:</b></p> <ul style="list-style-type: none"> <li>-Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the limited liability form most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office.</li> <li>-Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>-Performs general industrial or commercial activities such as the production or sale to the public of goods or services. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It is not using heavily polluting production processes.</li> <li>-Does not qualify for investment incentives or any special benefits.</li> <li>-Is 100% domestically owned.</li> <li>-Has five business owners, none of whom is a legal entity. One business owner holds 30% of the company shares, two owners have 20% of shares each, and two owners have 15% of shares each.</li> <li>-Is managed by one local director.</li> <li>-Has between 10 and 50 employees one month after the commencement of operations, all of them domestic nationals.</li> <li>-Has start-up capital of 10 times income per capita.</li> <li>-Has an estimated turnover of at least 100 times income per capita.</li> <li>-Leases the commercial plant or offices and is not a proprietor of real estate.</li> <li>-Has an annual lease for the office space equivalent to one income per capita.</li> <li>-Is in an office space of approximately 929 square meters (10,000 square feet).</li> <li>-Has a company deed that is 10 pages long.</li> </ul> <p><b>The owners:</b></p> <ul style="list-style-type: none"> <li>-Have reached the legal age of majority and are capable of making decisions as an adult. If there is no legal age of majority, they are assumed to be 30 years old.</li> <li>-Are in good health and have no criminal record.</li> <li>-Are married, the marriage is monogamous and registered with the authorities.</li> <li>-Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.</li> </ul>

Starting a Business - Poland

Standardized Company

Legal form	Sp z o.o. - Limited Liability Company
Paid-in minimum capital requirement	PLN 5,000
City Covered	Warsaw

Indicator	Poland	OECD high income	Best Regulatory Performance
Procedure - Men (number)	5	4.9	1 (2 Economies)
Time - Men (days)	37	9.2	0.5 (New Zealand)
Cost - Men (% of income per capita)	11.6	3.0	0.0 (2 Economies)
Procedure - Women (number)	5	4.9	1 (2 Economies)
Time - Women (days)	37	9.2	0.5 (New Zealand)
Cost - Women (% of income per capita)	11.6	3.0	0.0 (2 Economies)
Paid-in min. capital (% of income per capita)	9.3	7.6	0.0 (120 Economies)

Figure - Starting a Business in Poland - Score

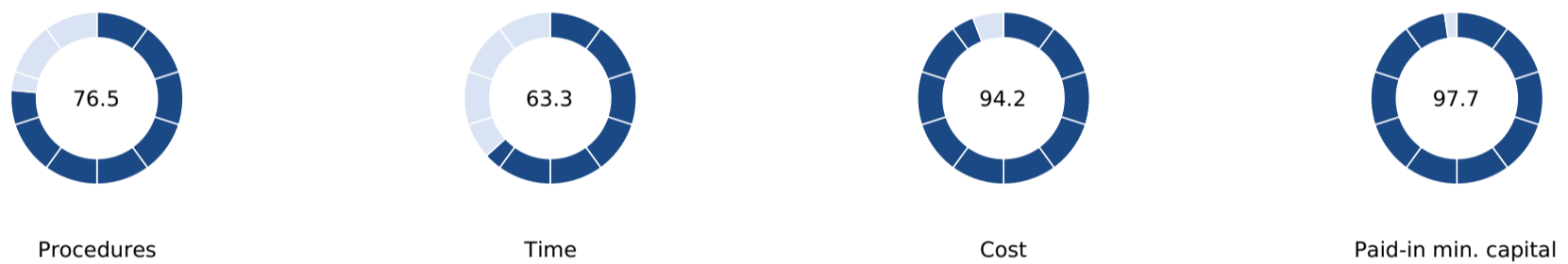
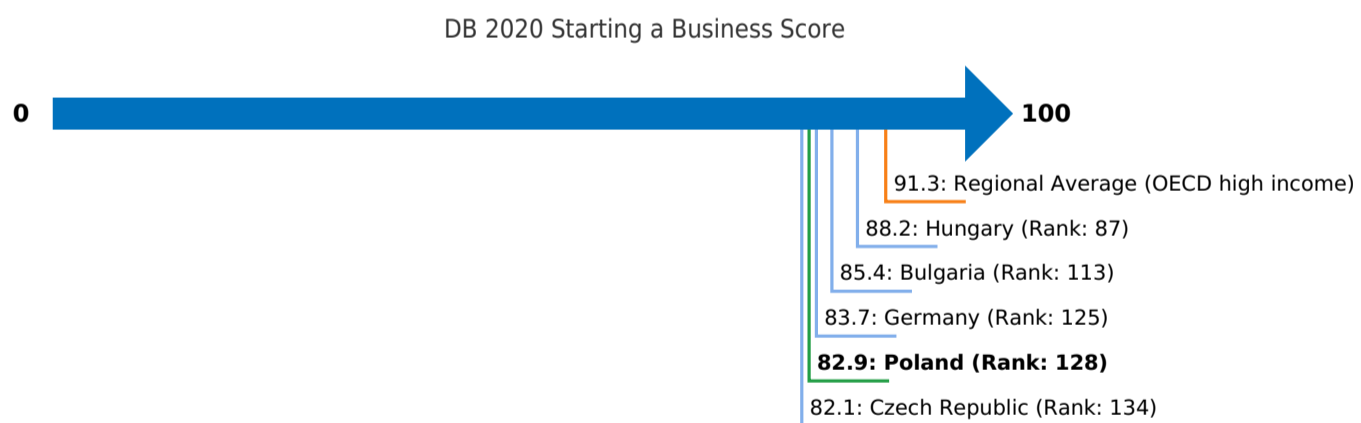
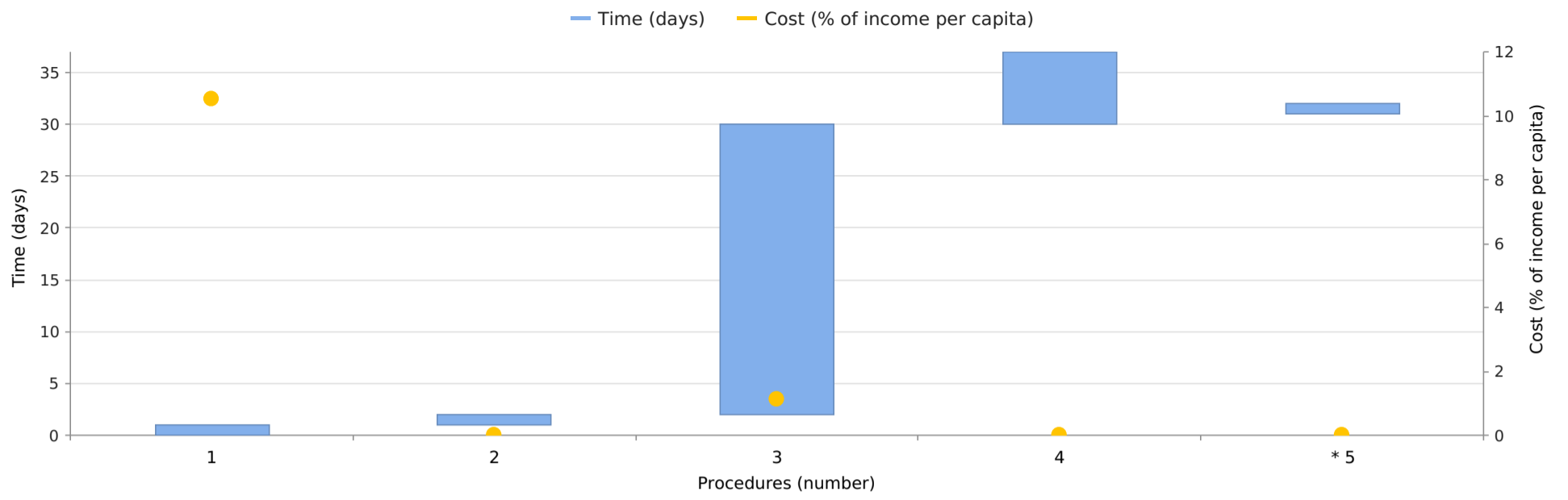


Figure - Starting a Business in Poland and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

Figure - Starting a Business in Poland - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

## Details - Starting a Business in Poland - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Notarize company agreement</b>  <i>Agency</i> : Notary</p> <p>The founding shareholders attend at the notary to sign the founding deed. The shareholders (or representatives) or a properly authorized attorneys (appointed pursuant to a notary deed) hear the notary read the founding deed aloud. The shareholders then initial each page of the deed and sign the last page with a legible signature. The notary also signs the document at that place. The notary will first require the persons present to sign declaration regarding source of funds and no connection to government. Persons signing will have to show proof of identity as well as other other documentation.</p> <p>One of the document to be submitted is a list of all the founders of the company with the number and nominal value of shares held by each shareholder. By law, each founder (5 founders assumed for the case study) must make a declaration on how they will cover cover their share of the capital. Such declarations are usually included in the provisions of the Articles of Association. The contributions are made after the execution of the notarial deed. Subsequently, the management board should make a statement that all contributions have been duly paid and the share capital is covered.</p> <p>The application for company registration should also be accompanied by a list of persons authorized to appoint the board, signed by the board members.</p> <p>The fee to notarize the company deed of association cannot exceed PLN 10,000 plus VAT and civil law transaction tax.</p> <p>Since January 1, 2012 a new alternative method for establishment of a company has been introduced that does not require notarization of the company's agreement. However, the system, i.e. S24, was finalized and became available in practice in 2015 (<a href="https://ekrs.ms.gov.pl/">https://ekrs.ms.gov.pl/</a>). The system requires online registration and e-signature, which the majority of entrepreneurs do not use. In order to sign the articles of association conducted under this process, as well as to submit an application to register an sp. z o.o. in the National Court Register, the qualified type of electronic signature and the signature certified by trusted profile (Polish: ePUAP) will be necessary. Furthermore, online registration system provides a very simplified template of the Articles of Association of a new company, allowing modifications to a limited extent only. More extensive changes to the Articles of Association of a new company must be notarized.</p>	1 day	PLN 1,010 + 0.4% of the amount of share capital over PLN 60,000 + 6 PLN cost per page (typically 10 pages are purchased) + (the amount of share capital - (Notary fee + 23% VAT) + Court fees)*0.5% civil law transactions tax
2	<p><b>Deposit paid-in capital at the bank</b>  <i>Agency</i> : Commercial Bank</p> <p>The procedure of opening a bank account differs from bank to bank. Banks always require the company's articles of association and some banks may also require REGON and NIP certificates (which as a rule are obtained together with National Court Registration number but may also be obtained independently before KRS registration). The National Court Register does not issue NIP and REGON automatically to the bank, however the bank can check this data on the internet platform of National Court Register which is easily and publicly available.</p> <p>Some banks require a whole set of registration, statistical and tax certificates to open a bank account. In such case, a bank account can practically be opened only after the company is registered at the National Court Register. According to the Art. 167 of the Code of Commercial Companies the motion for registration shall include just the declaration of the board that the share capital was transferred to the company. While the law provides for the obligation of the founders to pay the entire share capital before applying to the National Court Register to register a company, at the same time it does not authorize the National Court Register to verify whether such payments have actually been made. The Register can only verify the management board's statement in this respect. Therefore, in practice, if the company does not manage to open a bank account before registration in the National Court Register, the respective amounts to cover a share capital are temporarily deposited either at the founders' accounts or an account opened by the management board member(s), and are subsequently transferred to the company's bank account once it is opened.</p>	1 day	no charge



3	<p><b>File for company registration at the National Court Register</b>  <i>Agency</i> : National Court Register</p> <p>Registration with the National Court Register results in gaining full legal personality for a limited liability company in formation (upon the execution of the Articles of Association per procedure 1, company may already sue and be sued, acquire rights and obligations, own assets, and be party to contracts). However, the lack of the submission of the application for registration within 6 months (in non-online execution of the Articles of Association) will result in the dissolution of the company in formation by operation of law.</p> <p>The registration with the National Court Register determines the creation of a new business entity and is binding for other authorities such as: Tax Office, Statistical Office and Social Insurance Office. Newly established companies are given their tax identification number (NIP) and statistical number (REGON) automatically within few days of court registration. Additional required information should be submitted directly to the authorities after the registration. After registration of the company, the National Court Register sends the registration data to a newly established central register of taxpayers (Centralny Rejestr Podmiotów - Krajowa Ewidencja Podatników).</p> <p>The National Court Register offers online registration. Online registration system was introduced in 2012, and became operational in 2015. However, the electronic registration is not used by the majority of firms. The e-registration requires an electronic signature or ePuap as well as the presence of at least one shareholder and management board members with ePuap profile. Also, the electronic system provides for a very simplified template of articles of association of the new company allowing modifications to a limited extent only.</p> <p>Pursuant to the Act amending the Act on the National Court Register and Certain Other Acts adopted on January 26, 2018 (Journal of Laws from 2018, item 398), from March 1, 2020, all applications to the National Court Register will have to be submitted electronically.</p>	around 4 weeks	PLN 500 for registration in person or PLN 250 for registration online, plus PLN 100 for publication
4	<p><b>Register for taxes and VAT</b>  <i>Agency</i> : Tax Office</p> <p>All information included in the registration application to the National Court Register is automatically sent to the tax office. A Tax Identification Number (NIP) is automatically assigned to a company. A NIP number may also be obtained before the registration of the company in the National Court Register. However, in more documents must be presented to finalize the tax registration process. A newly registered business entity will be required to file a form NIP-8 (containing supplementary data) with the head of the tax office within 21 days after the entity is initially entered in the National Court Register, or in the case of changes in the supplementary data within 7 days of occurrence of the circumstances justifying the change.</p> <p>The company must register for VAT 7 days prior to commencing business activities subject to VAT. The registration must be submitted with the Tax Office. The company must provide:</p> <ul style="list-style-type: none"> <li>(a) its business name and legal form;</li> <li>(b) tax identification number (Polish: NIP);</li> <li>(c) start date for its business activities; and</li> <li>(d) the address of its registered office.</li> </ul> <p>Detailed documentary requirements are provided at <a href="https://www.biznes.gov.pl/pl/firma/podatki-i-ksiegowosc/chce-rozliczac-vat/proc_1609-rejestracja-vat">https://www.biznes.gov.pl/pl/firma/podatki-i-ksiegowosc/chce-rozliczac-vat/proc_1609-rejestracja-vat</a> .</p> <p>Company may request to obtain a certificate confirming the VAT registration, which costs PLN 21. However, it is not mandatory.</p> <p>If the Company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. VAT and EU VAT registration may be done simultaneously by filing one VAT-R form. The company must submit that application before commencing foreign trade activity within the European Union.</p>	7 days	no charge
⇒ 5	<p><b>Register employees with the Social Security Agency (Zakład Ubezpieczeń Społecznych - ZUS)</b>  <i>Agency</i> : Social Security Agency (Zakład Ubezpieczeń Społecznych - ZUS)</p> <p>The registration of a newly established company as an employer should be done within 7 days from the date when the first employee(s) start their employment at the company (which is usually the date of signing the employment contract, but can also be a later or an earlier date). Both the company and the employees are registered at ZUS (separate applications that can be filed at the same time). Both registrations are made in the ZUS branch relevant for the registered office of the company. Subsequently, each new employee of the company should be registered by the company in ZUS within 7 days from the date of starting work.</p> <p>After obtaining information from National Court Register and supplementary data through NIP-8 form submitted to tax office, ZUS opens a contribution payer's account for all the paid contributions. To finalize registration, the company has to submit:</p> <ul style="list-style-type: none"> <li>- form ZUS ZPA (registration of employer);</li> <li>- form ZUS ZUA (registration of employees covered with social and health insurance or only with social insurance);</li> <li>- form ZUS ZZA (registration of employees covered with only health insurance).</li> </ul> <p>The forms can be submitted at ZUS, by mail or online (<a href="https://pue.zus.pl/portal/rejestracja.npi">https://pue.zus.pl/portal/rejestracja.npi</a>). The online procedure requires the use of qualified electronic signature, as well as special software (program "Płatnik" which can be downloaded at <a href="http://pue.zus.pl/platnik">http://pue.zus.pl/platnik</a>). Most companies perform the first registration with ZUS in person.</p>	1 day (simultaneous with previous procedure)	no charge

## Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in May 2019. [See the methodology for more information](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally build a warehouse (number)</b></p> <ul style="list-style-type: none"> <li>• Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates</li> <li>• Submitting all required notifications and receiving all necessary inspections</li> <li>• Obtaining utility connections for water and sewerage</li> <li>• Registering and selling the warehouse after its completion</li> </ul> <p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul> <p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> </ul> <p><b>Building quality control index (0-15)</b></p> <ul style="list-style-type: none"> <li>• Quality of building regulations (0-2)</li> <li>• Quality control before construction (0-1)</li> <li>• Quality control during construction (0-3)</li> <li>• Quality control after construction (0-3)</li> <li>• Liability and insurance regimes (0-2)</li> <li>• Professional certifications (0-4)</li> </ul>	<p>To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.</p> <p><b>The construction company (BuildCo):</b></p> <ul style="list-style-type: none"> <li>- Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.</li> <li>- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.</li> </ul> <p><b>The warehouse:</b></p> <ul style="list-style-type: none"> <li>- Will be used for general storage activities, such as storage of books or stationery.</li> <li>- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.</li> <li>- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.</li> <li>- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).</li> </ul> <p><b>The water and sewerage connections:</b></p> <ul style="list-style-type: none"> <li>- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.</li> <li>- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.</li> <li>- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.</li> </ul>

Dealing with Construction Permits - Poland

Standardized Warehouse

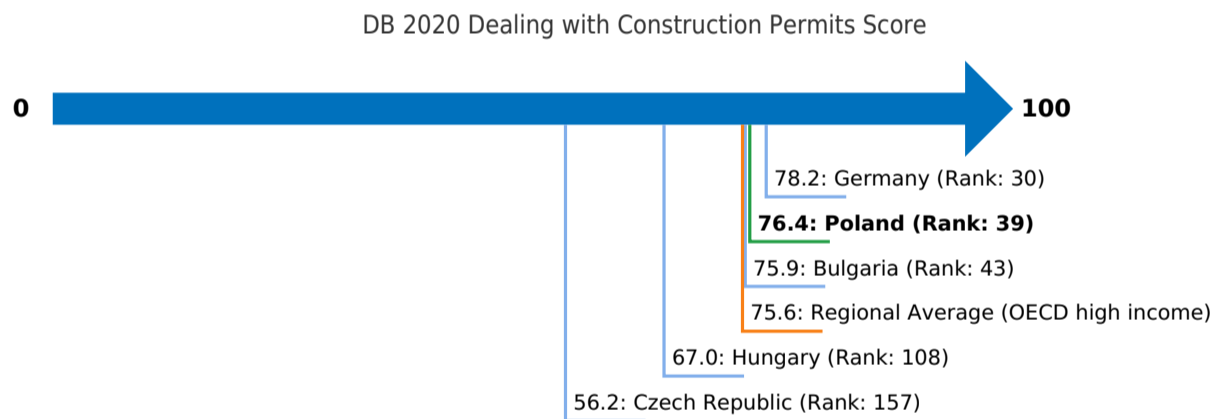
Estimated value of warehouse	PLN 2,677,557
City Covered	Warsaw

Indicator	Poland	OECD high income	Best Regulatory Performance
Procedures (number)	12	12.7	None in 2018/19
Time (days)	137	152.3	None in 2018/19
Cost (% of warehouse value)	0.3	1.5	None in 2018/19
Building quality control index (0-15)	10.0	11.6	15.0 (6 Economies)

Figure - Dealing with Construction Permits in Poland - Score

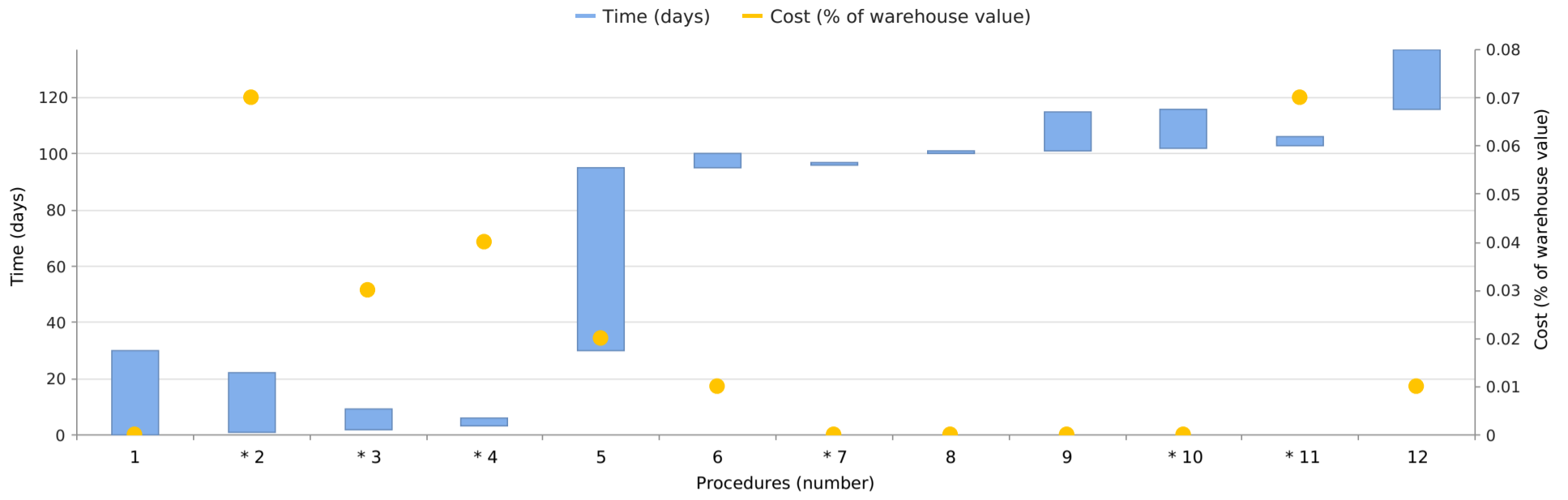


Figure - Dealing with Construction Permits in Poland and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their scores for dealing with construction permits. These scores are the simple average of the scores for each of the component indicators.

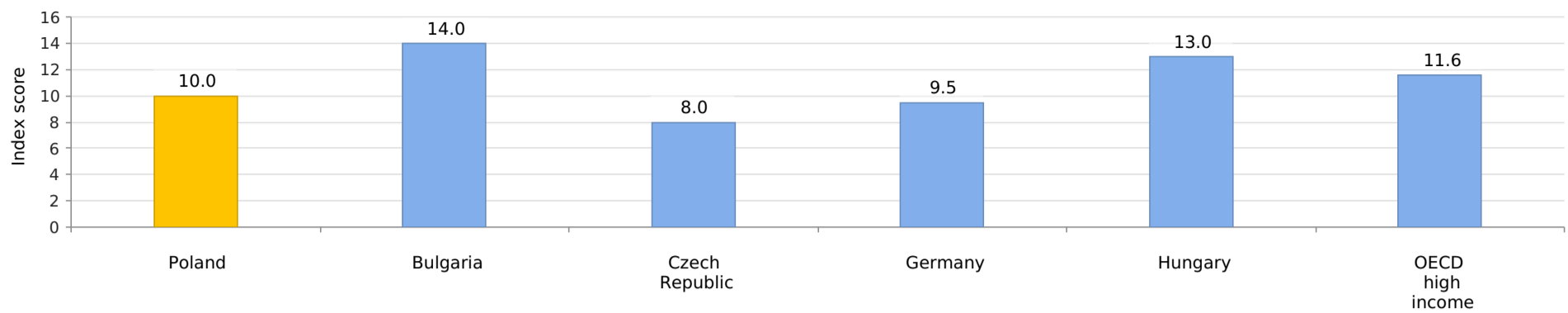
Figure - Dealing with Construction Permits in Poland - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Dealing with Construction Permits in Poland and comparator economies - Measure of Quality



## Details - Dealing with Construction Permits in Poland - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Receive an approval from the Project Documentation Coordination Unit (ZUDP) about the lack of conflicts among utility connections</b></p> <p><i>Agency: Project Documentation Coordination Unit (ZUDP)</i></p> <p>The Project Documentation Coordination Unit (Zespół Uzgodnień Dokumentacji Projektowej, ZUDP) consists of city officials, representatives of utility companies and representatives of any agency that might manage cables, pipes or other underground material. ZUDP meets once every 3 weeks to analyze the proposed project of connecting to the utilities and check if there is any conflict among the different networks. Obtaining this approval can be done simultaneously with obtaining other pre-approvals before obtaining the building permit. The building permit cannot be issued without the positive opinion of ZUDP. The investor- or its representatives - are invited to participate when ZUDP meets, but they are not required to be there.</p>	30 days	no charge
⇒ 2	<p><b>Obtain current geodesic map</b></p> <p><i>Agency: City Administration</i></p> <p>Obtaining a current geodesic map is necessary for preparing a building project. According to the Building Code, a building project should consist of an architectural project; a major planning scheme of the plot; declarations of energy, water and sewage, and other suppliers, if applicable; a declaration by the administrator of the public road about the possibility of connecting the plot to the public road; the results, if applicable, of the geological examinations; and a specification of the geotechnical conditions of the property.</p> <p>One of these documents, the major planning scheme of the plot, should be corrected by an expert on a copy of the most recent geodetic map. Such a map is collected by the division of the County Office (Starostwo) or, as in Warsaw and some other cities, by the relevant division of the city administration. This map is valid until any changes occur in the development of the land or plot, which explains the need for it to be kept up to date. Once obtained, the map needs to be updated by an expert (surveyor) and certified by the local administrative office of Geodetic and Cartographic Service. The process should be taken by a surveyor who obtains the base map from the public office (or online) and makes the necessary updates to the map.</p> <p>In practice majority of companies hire a private surveyor who obtains the map from the municipality (or online) and makes the necessary corrections on the outdated map. This will cost around PLN 2000 which includes administrative fees payable to the municipality.</p>	21 days	PLN 2,000
⇒ 3	<p><b>Request and obtain consent from licensed sanitary expert</b></p> <p><i>Agency: Licensed Sanitary Expert</i></p> <p>The building project must be reviewed by a licensed sanitary expert. An expert approves the project by affixing his or her name stamp and an approval/non approval clause to the project. The authority issuing building permits then checks whether this procedure has been completed by the expert.</p>	7 days	PLN 750
⇒ 4	<p><b>Request and obtain consent from licensed fire safety expert</b></p> <p><i>Agency: Fire Safety Expert</i></p> <p>The building project must be reviewed by a licensed fire safety expert. Fire safety experts are supervised by the Commander of the Fire Department and appointed by the Polish General Commandant of the Governmental Fire Department. An expert approves the project by affixing his or her name stamp and an approval/non-approval clause to the project.</p>	3 days	PLN 1,000

5	<p><b>Request and obtain building permit</b>  <i>Agency</i> : Municipality (Office of Architectural and Building Administration)</p> <p>Construction work cannot begin before BuildCo has obtained the building permit. To acquire the building permit, the investor must send the official application form to the appropriate office of architectural and building administration at the Municipality.</p> <p>The following documents should be attached to the application:</p> <ul style="list-style-type: none"> <li>• Four copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts</li> <li>• The investor's formal written statement concerning the right to dispose of the real estate on which the building is to be built</li> <li>• The decision regarding the conditions of building in the area, as stated within the framework of a binding special layout plan, if such a decision (which is not obligatory) was issued before applying for the building permit</li> </ul> <p>The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. In practice, they are obtained by the architect who prepares the project.</p> <p>The building project should be accompanied by a document certifying that the project designer is registered as a building expert. The decision on the conditions of building in a certain area is obligatory when the area is not covered by a binding special layout plan.</p> <p>In 2006, the official fees changed slightly due to the adoption of the new Law on Official Payment. As of 2007, these fees amount to PLN 539.00 for issuance of a building permit (PLN 1.00 per sq. m., but no more than PLN 539.00) and PLN 47.00 for approval of the building project. PLN 2.50 is added for the cost of wire transfer. Thus, the total cost is about PLN 588.50. In case the application is to be signed and filed by an authorized representative, an authorization should also be attached.</p> <p>The legally allowed time for making an administrative decision granting a building permit is 30 days (Administrative Code, General Administrative Regulations, Art. 35.3), but Article 35 Section 6 of the construction law provides 65 days for resolving difficult cases. Even so, the administration frequently reviews a case for a few months as it can sometimes requests many new documents and an explanation from the applicant and can suspend proceeding with the application until these documents and explanations are submitted.</p> <p>Formally, the time to validate the administrative decision is 14 days from the date it was delivered to the parties. In practice, the investor should expect that other parties, such as neighbors and ecological organizations, will appeal against this decision. Appeal cases may take a few years.</p> <p>Therefore, making an administrative decision can take from 60 days (legally) to 365 days (in practice), while validation takes from 14 days (legally, and with no trouble arising) to 4 years (in case of appeals).</p> <p>Since February 1, 2013, the Mayor's office must enter the date of application and the date the permit was delivered. It is electronic and the application can be tracked down.</p>	65 days	PLN 588
6	<p><b>Conclude agreement with utility provider: water and sewage</b>  <i>Agency</i> : Water and Sewage Municipal Agency for the Capital City of Warsaw S.A.</p> <p>BuildCo incurs the cost of building a connection to a water and sewage networks. This cost depends on the technical conditions and may amount to approximately PLN 200.00 to PLN 300.00. Initiating the flow of water by the supplier does not require any additional payment.</p>	5 days	PLN 250
⇒ 7	<p><b>Notify municipal authority about the beginning of construction and register the building diary</b>  <i>Agency</i> : District Inspector of Construction Supervision in Warsaw</p> <p>BuildCo must notify the authority that issued the building permit of the start of construction work 7 days in advance (Article 41.4, Section 5 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.</p> <p>The following documents must be attached (Article 41.4 of the Construction Law):</p> <ul style="list-style-type: none"> <li>• Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works</li> <li>• Statement of the supervising inspector regarding control assumption</li> <li>• Certificates confirming the building director's and supervising inspector's professional skills</li> <li>• Information regarding the safety and hygiene of working conditions on the building site</li> </ul> <p>The investor must immediately inform the relevant authority of any changes in the data above and register the building log with this authority.</p>	1 day	no charge
8	<p><b>Receive inspection from Warsaw Water Company and obtain water and sewage connections</b>  <i>Agency</i> : Water and Sewage Municipal Agency for the Capital City of Warsaw S.A.</p> <p>When the water and sewage connection project is agreed upon, BuildCo may submit a declaration to start the connection works. Within 3 days after such declaration, the Water and Sewage Municipal Agency shall draft the agreement on supervision of connection works which shall be signed by both parties. The Water and Sewage Municipal Agency may conduct a technical inspection of construction works and will connect the warehouse to water and sewage systems on the same day. All works are done by the contractor and the agency will verify that the connection for water is done properly.</p>	1 day	no charge

9	<p><b>Receive inspection from the National Sanitary Inspectorate and obtain approval</b>  <i>Agency</i> : National Sanitary Inspectorate for the Capital City of Warsaw S.A.          Upon completion of the building and prior to commencement of its use, Buildco should notify the State Sanitary Inspectorate (Sanepid) about the same. Sanepid should issue its opinion on the compliance on the compliance of the building and building project (design) in respect to sanitary matters within 14 days.</p>	14 days	no charge
⇒ 10	<p><b>Receive inspection from the State Fire Service and obtain approval</b>  <i>Agency</i> : State Fire Service          Upon completion of the building and prior to commencement of its use, Buildco should notify the State Fire Service about the same. The State Fire Service should issue its opinion on the compliance of the building with the building project (design) in respect of sanitary matters within 14 days.</p>	14 days	PLN 50
⇒ 11	<p><b>Obtain geodetic post-executive inventory</b>  <i>Agency</i> : Municipality          When the building is complete, it is necessary to undertake the geodetic post-executive inventory to confirm the real, final layout of the building on the geodetic map.</p>	3 days	PLN 2,000
12	<p><b>Request and receive occupancy permit</b>  <i>Agency</i> : County Building Supervision Inspectorate          When the building works are over, BuildCo must inform the authority that issued the building permit in writing of its intention to start using the building.</p> <p>The special exploitation, or occupancy, permit must be obtained before beginning exploitation, or occupancy. If such a requirement is mentioned in the building permit text, BuildCo must submit an application for an occupancy permit. In many cases, this permit must be preceded by the obligatory post-executive control inspection carried out by the authority that issued the building permit. The application should be filed with the County Building Supervision Inspectorate. The maximum payment for an occupancy permit amounts to PLN 135.00.</p> <p>The following documents must be attached to the application:</p> <ul style="list-style-type: none"> <li>• Original copy of the building diary (register)</li> <li>• Building director's written statement, indicating that the building was completed in total compliance with the project, building permit, and law regulations, and that the building site and its neighborhood have been cleared of construction debris</li> <li>• Expert's reports and protocols of required tests and controls</li> <li>• Geodetic post-executive protocol</li> <li>• Investor's written statement of lack of objections from the authorities</li> <li>• Confirmation of completion of the building connection to utility networks</li> </ul> <p>According to Article 54 Section 1 of the Construction Law the use of a building structure, the construction of which requires an occupancy permit, may be commenced, subject to Art. 55 and 57, after the competent authority has been notified about the completion of construction if such authority, within 14 days of the delivery of the notification, does not lodge an objection in a decision. In practice, occupancy permit is usually issued within 2-3 weeks.</p>	21 days	PLN 135

⇒ Takes place simultaneously with previous procedure.

## Details - Dealing with Construction Permits in Poland - Measure of Quality

	Answer	Score
<b>Building quality control index (0-15)</b>		<b>10.0</b>
<b>Quality of building regulations index (0-2)</b>		<b>1.0</b>
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid.	0.0
<b>Quality control before construction index (0-1)</b>		<b>1.0</b>
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect; Licensed engineer.	1.0
<b>Quality control during construction index (0-3)</b>		<b>2.0</b>
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice; Inspections are not mandated by law but commonly occur in practice during construction.	1.0
<b>Quality control after construction index (0-3)</b>		<b>2.0</b>
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, in-house engineer submits report for final inspection; Final inspection is not required by law.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection does not always occur in practice.	0.0
<b>Liability and insurance regimes index (0-2)</b>		<b>2.0</b>
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	Architect or engineer; Construction company.	1.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance ; Architect or engineer; Construction company; Insurance is commonly taken in practice.	1.0
<b>Professional certifications index (0-4)</b>		<b>2.0</b>
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	University degree in architecture or engineering; Being a registered architect or engineer; Passing a certification exam.	1.0
What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)	University degree in engineering, construction or construction management; Being a registered architect or engineer; Passing a certification exam.	1.0



## ⚡ Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to obtain an electricity connection (number)

- Submitting all relevant documents and obtaining all necessary clearances and permits
- Completing all required notifications and receiving all necessary inspections
- Obtaining external installation works and possibly purchasing material for these works
- Concluding any necessary supply contract and obtaining final supply

#### Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- Value added tax excluded

#### The reliability of supply and transparency of tariffs index (0-8)

- Duration and frequency of power outages (0-3)
- Tools to monitor power outages (0-1)
- Tools to restore power supply (0-1)
- Regulatory monitoring of utilities' performance (0-1)
- Financial deterrents limiting outages (0-1)
- Transparency and accessibility of tariffs (0-1)

#### Price of electricity (cents per kilowatt-hour)\*

- Price based on monthly bill for commercial warehouse in case study

\*Note: *Doing Business* measures the price of electricity, but it is not included in the ease of doing business score nor in the ranking on the ease of getting electricity.

### Case study assumptions

To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption are used.

#### The warehouse:

- Is owned by a local entrepreneur and is used for storage of goods.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.
- Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).

#### The electricity connection:

- Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).
- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road.
- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.

#### The monthly consumption:

- It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- Tariffs effective in January of the current year are used for calculation of the price of electricity for the warehouse. Although January has 31 days, for calculation purposes only 30 days are used.

Getting Electricity - Poland

Standardized Connection

Name of utility	Innogy Stoen Operator
Price of electricity (US cents per kWh)	13.7
City Covered	Warsaw

Indicator	Poland	OECD high income	Best Regulatory Performance
Procedures (number)	4	4.4	3 (28 Economies)
Time (days)	113	74.8	18 (3 Economies)
Cost (% of income per capita)	16.3	61.0	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	7	7.4	8 (26 Economies)

Figure - Getting Electricity in Poland - Score

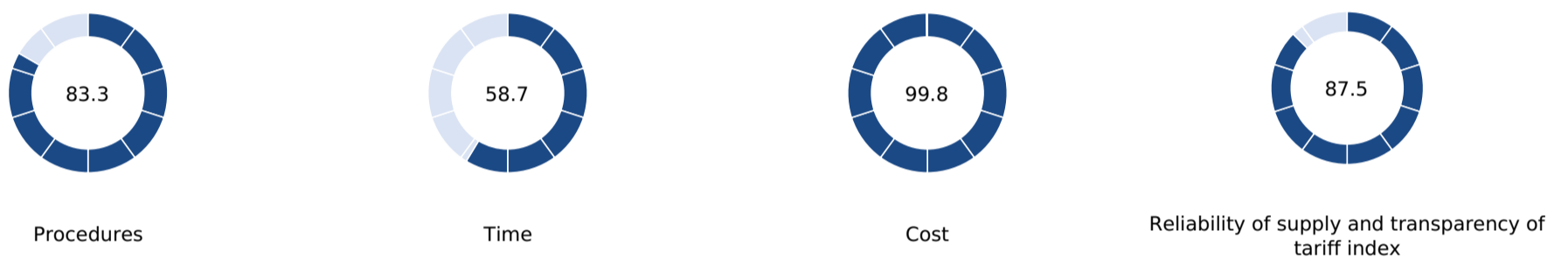
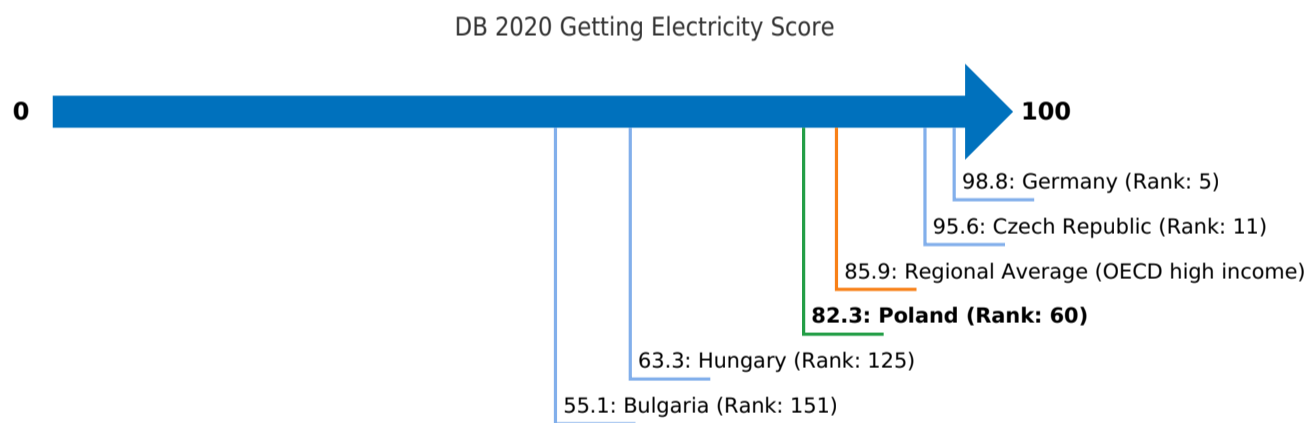
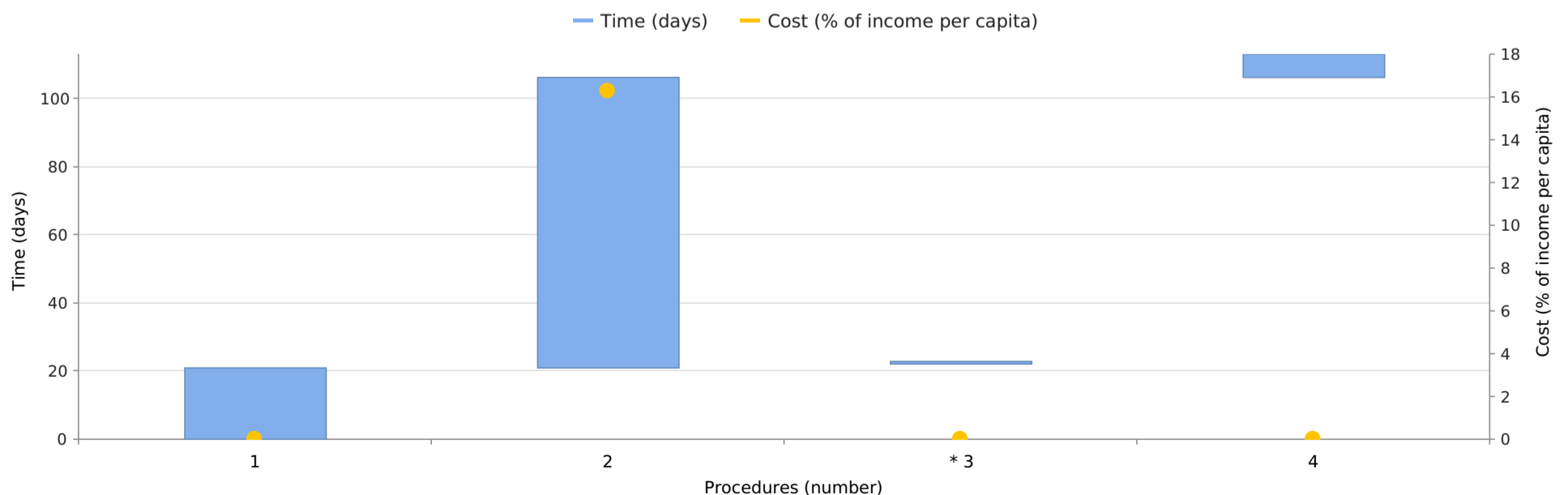


Figure - Getting Electricity in Poland and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

Figure - Getting Electricity in Poland - Procedure, Time and Cost

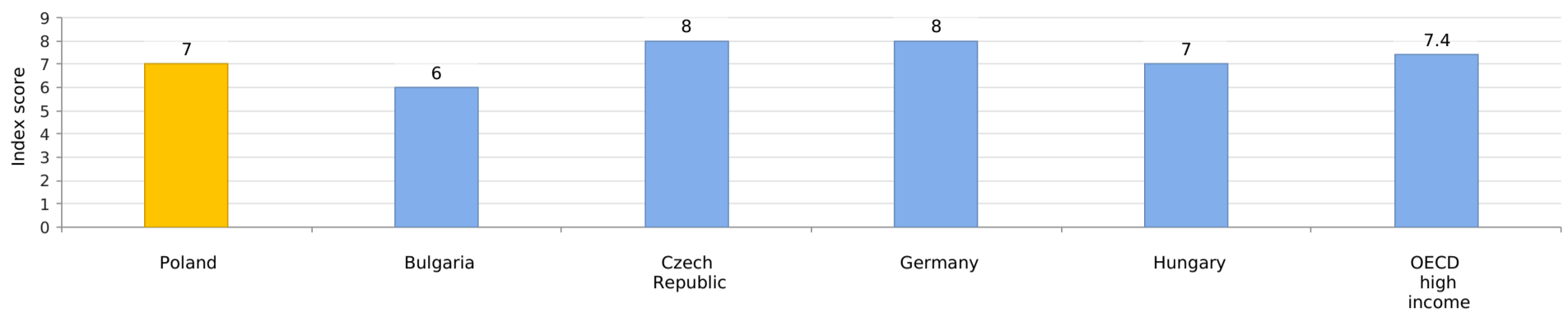


\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures

reflected here, see the summary below.

**Figure - Getting Electricity in Poland and comparator economies - Measure of Quality**



## Details - Getting Electricity in Poland - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Submit application to Innogy Stoen Operator and await technical connection conditions</b>  <i>Agency: Innogy Stoen Operator</i>            The application to the utility (Innogy Stoen Operator) can be submitted online, however, the following documents are required: type of building, entitlement to use the building, the service requirement, the commencement date (date this warehouse will start its activity), the detailed information on the client (REGON/NIP/Bank account), map with plan of the building, Spacial-Programme Conception, and a copy of the building permit. No external inspection is required.</p>	21 calendar days	PLN 0
2	<p><b>Receive investment agreement and external works from utility</b>  <i>Agency: Innogy Stoen Operator</i>            After processing the application, Innogy Stoen Operator will send the technical conditions and a draft contract containing the investment agreement which details the connection fees, the cost of design, all the materials and labor cost.</p> <p>Connection fees are annually approved by the Regulator.</p> <p>Once the fees are paid, Innogy Stoen Operator hires an engineering company (surveyors, designers) to do the electrical design and to obtain all approvals and decisions required by law.</p> <p>Once the design has been approved by utility, the engineering company submits all documents related to the construction of connection to the municipality. For instance, for a 140kVA power connection, an underground cable is necessary and in order to lay the cables, the engineering company needs to get municipal approval for the external connection works.</p> <p>Meanwhile, Innogy Stoen Operator hires a construction company to build the connection in the field and construct the connection including excavation and the use of drilling machine (faster and recommended technology) to lay 150 m low-voltage cable on the ground.</p>	85 calendar days	PLN 8,712.2
⇒ 3	<p><b>Receive protocol from Innogy Stoen Operator that connection is completed</b>  <i>Agency: Innogy Stoen Operator</i>            Innogy Stoen Operator will be physically present on the day that the contractor (the owner's personal contractor) is ready to pull the cables and connect them to the connection box. All work on the property of the warehouse is to be done by the private contractor of the client that is pulling the cables from the warehouse to the connection box (installed by utility, with the connection box ready to receive those cables with stops to prevent any further surge). Once this connection is done, Innogy Stoen Operator will give to the Owner a protocol that the connection is finished. This protocol is necessary to sign the supply contract.</p>	1 calendar day	PLN 0
4	<p><b>Conclude supply agreement and await opening of the meter</b>  <i>Agency: Electricity supplier</i>            After the external connection works have been approved, the customer concludes a supply contract and waits for the opening of the meter.</p> <p>Electricity cannot flow if the client has not signed a contract with a provider of electricity but the supplier will not sign a contract unless the owner has the protocol provided by Innogy Stoen Operator stating that the connection is finished. Once the signing is done, the supplier will inform the utility directly that they have been chosen by the client to be his/her electricity provider (supplier).</p>	7 calendar days	PLN 0

⇒ Takes place simultaneously with previous procedure.

## Details - Getting Electricity in Poland - Measure of Quality

	Answer
<b>Reliability of supply and transparency of tariff index (0-8)</b>	7
<b>Total duration and frequency of outages per customer a year (0-3)</b>	2
System average interruption duration index (SAIDI)	1.1
System average interruption frequency index (SAIFI)	1.1
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	3.0
<b>Mechanisms for monitoring outages (0-1)</b>	1
Does the distribution utility use automated tools to monitor outages?	Yes
<b>Mechanisms for restoring service (0-1)</b>	1
Does the distribution utility use automated tools to restore service?	Yes
<b>Regulatory monitoring (0-1)</b>	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
<b>Financial deterrents aimed at limiting outages (0-1)</b>	1
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes
<b>Communication of tariffs and tariff changes (0-1)</b>	1
Are effective tariffs available online?	Yes
Link to the website, if available online	<a href="http://enerad.pl/porownywarka-kalkulator/porownanie/01-689/102194/20/577/14/1000/100/100/577/1/12/60/14/0/0/0/0/1+/0/0.4590/0/1/6/0/">http://enerad.pl/porownywarka-kalkulator/porownanie/01-689/102194/20/577/14/1000/100/100/577/1/12/60/14/0/0/0/0/1+/0/0.4590/0/1/6/0/</a>
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

**Note:**

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

## Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to legally transfer title on immovable property (number)

- Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration procedures in the economy's largest business city.
- Postregistration procedures (for example, filling title with municipality)

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

#### Cost required to complete each procedure (% of property value)

- Official costs only (such as administrative fees, duties and taxes).
- Value Added Tax, Capital Gains Tax and illicit payments are excluded

#### Quality of land administration index (0-30)

- Reliability of infrastructure index (0-8)
- Transparency of information index (0-6)
- Geographic coverage index (0-8)
- Land dispute resolution index (0-8)
- Equal access to property rights index (-2-0)

### Case study assumptions

To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

#### The parties (buyer and seller):

- Are limited liability companies (or the legal equivalent).
- Are located in the periurban (that is, on the outskirts of the city but still within its official limits) area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Are 100% domestically and privately owned.
- Perform general commercial activities.

#### The property (fully owned by the seller):

- Has a value of 50 times income per capita, which equals the sale price.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone (that is, on the outskirts of the city but still within its official limits), and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.
- Will not be subject to renovations or additional construction following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants, and no other party holds a legal interest in it.

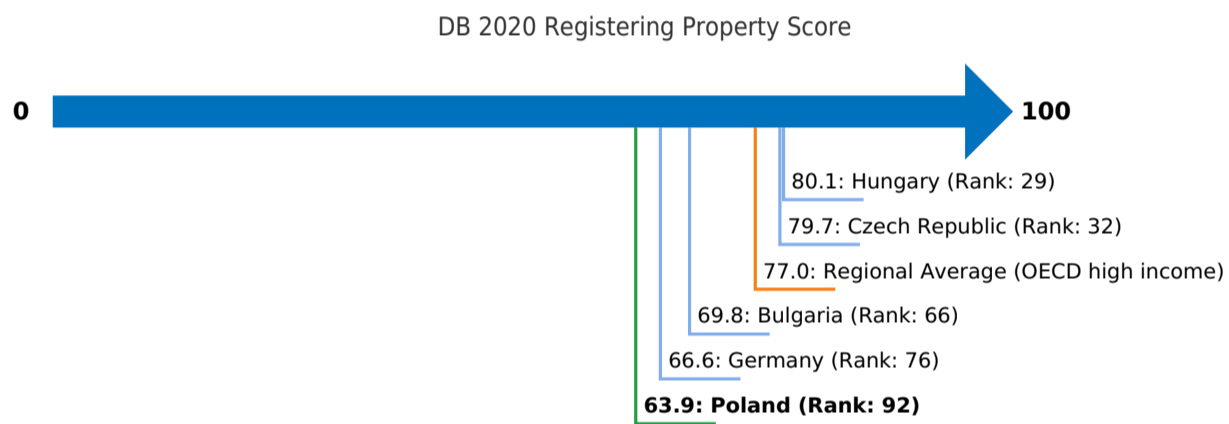
Registering Property - Poland

Indicator	Poland	OECD high income	Best Regulatory Performance
Procedures (number)	6	4.7	1 (5 Economies)
Time (days)	135	23.6	1 (2 Economies)
Cost (% of property value)	0.3	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	19.0	23.2	None in 2018/19

Figure - Registering Property in Poland - Score

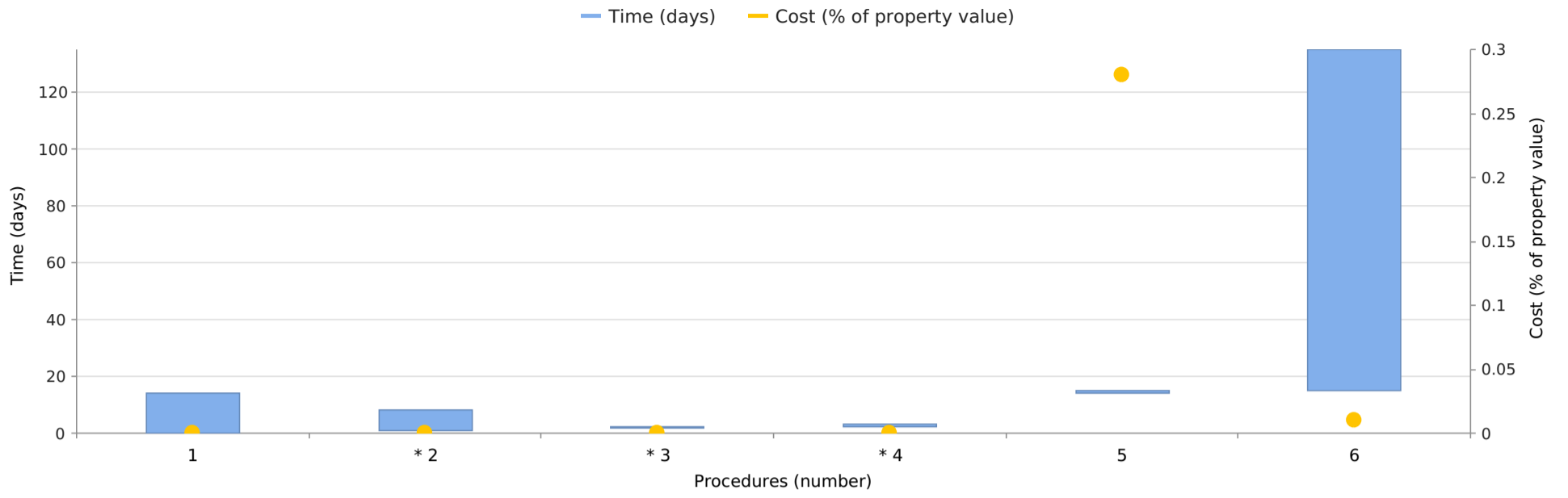


Figure - Registering Property in Poland and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. These scores are the simple average of the scores for each of the component indicators.

Figure - Registering Property in Poland - Procedure, Time and Cost

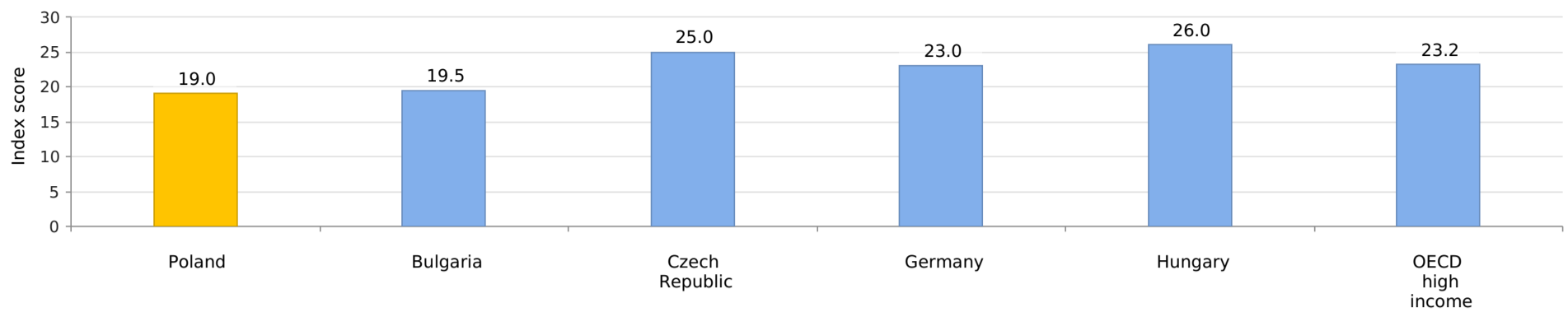


\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.



Figure - Registering Property in Poland and comparator economies - Measure of Quality



Details - Registering Property in Poland - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Obtain a certificate of the property allocation in the local Spatial Development Plan</b>  <i>Agency:</i> Warsaw City Hall - Office of Architecture and Spatial Planning</p> <p>Parties obtain a certificate from the local Spatial Development Plan entry in order to verify that the property is not classified as agricultural property. If it were agricultural, certain limitations on the transfer would apply. Due to changes in national legislation, many local Spatial Development Plans have expired and new plans have not been adopted yet. Therefore, in many cases the notary must be presented with a certificate of property allocation in the Spatial Development Plan that also certifies, if applicable, that there is no Plan for the relevant property. The cost of the certificate is PLN 17. Some information concerning the Spatial Development Plan (e.g. information about the coverage by the plan) is also available online. If the information online is sufficient and detailed, the notary may not need to request an additional document.</p>	14 days	<p>PLN 17; (Charges:                      PLN 17; (PLN 5 for the application and PLN 12 for the certification - commonly obtained in our case scenario)</p> <p>For full extract: from up to 5 pages - PLN 30.00.                      Copy of more than 5 pages - PLN 50.00 (not commonly obtained in our case scenario))</p>
⇒ 2	<p><b>Obtain an extract of the Cadastre entry</b>  <i>Agency:</i> Warsaw City Hall - Office of Geodesy and Cadastre</p> <p>Parties obtain an extract of the Cadastre entry held by respective geodesic authorities, stating the evidentiary number and the boundaries of the real estate on the official map, as well as information regarding the character of the plots comprising the real estate (e.g. agricultural, housing, urban). If no local Spatial Development Plan is adopted for the area this information will constitute the basis to determine the plot type.</p>	7 days	<p>PLN 50; (PLN 40 (electronic extract)                      PLN 50 (printed extract)                      PLN 140 (extract along with the Cadastre map - in electronic form)                      PLN 150 (printed extract along with the Cadaster map);)</p>
⇒ 3	<p><b>Obtain an extract of the Land and Mortgage Registry entry</b>  <i>Agency:</i> Land and Mortgage Registry</p> <p>The seller must obtain an extract of the Land and Mortgage Registry entry, which will need to be presented to the notary. This document discloses the owner or perpetual usufructuary of the property. It also discloses whether there are any mortgages or other encumbrances over the property. The extract of the entry from the Land and Mortgage Register can be issued either by the relevant court, or directly through the online platform. The cost of the full extract is of PLN 60 if obtained through the court, and PLN 50 if requested online. The price of the abbreviated extract is of PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on <a href="http://www.ekw.ms.gov.pl">www.ekw.ms.gov.pl</a></p>	Less than one day, online	<p>PLN 50; (PLN 20 (abbreviated extract); PLN 50 (full extract))</p>
⇒ 4	<p><b>Obtain company record from the National Court Register</b>  <i>Agency:</i> National Court Register</p> <p>Since the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register is required, in order to establish who is authorized to transfer the property (e.g. who is an authorized director in the case of a limited liability or a joint stock company).</p>	Less than one day, online	<p>No cost (extract obtained online);                      PLN 30 (abbreviated extract);                      PLN 60 (full extract)</p>

5	<p><b>A notary executes the sale or transfer agreement</b>  <i>Agency</i> : Notary</p> <p>The agreement on the transfer of ownership or perpetual 'usufruct' of the property must be executed in the form of a notarial deed. The notarial deed includes information obtained from the Land and Mortgage Registry, from the Cadastre, from the Spatial Development Plan and from the National Court Register. Necessary documents are either brought by the parties or obtained by the notary through online platforms. Based on this information, the notary will also establish whether the persons who sign the agreement are authorized to represent the company. The corporate consent of the shareholders' meeting for the transfer of the property is required by the Companies Code unless the Articles of Association excludes such necessity. The relevant corporate consent must be presented to the notary public, in order to establish the validity of the transfer of the property.</p> <p>For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). He sends this information to the GIIF through a dedicated webpage: <a href="https://www.giif.mofnet.gov.pl/giif/">https://www.giif.mofnet.gov.pl/giif/</a>;</p> <p>Additionally the notary sends:</p> <ol style="list-style-type: none"> <li>A letter to the Tax Office (to inform about the transaction);</li> <li>A letter to the Cadastre (to inform about the changes);</li> <li>A letter to the City Hall (to inform of the change of the owner).</li> <li>Statement providing the actual beneficiary of the transaction, stating whether actual beneficiary is person in prominent political position, relative to such person or family member of such person</li> </ol>	1 day	<p>PLN 7,617.5; (Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees:</p> <ol style="list-style-type: none"> <li>up to 3,000 PLN - 100 PLN;</li> <li>from 3,000 PLN to 10,000 PLN - 100 PLN + 3 % of excess over 3,000 PLN;</li> <li>from 10,000 PLN to 30,000 PLN - 310 PLN + 2 % of excess over 10,000 PLN;</li> <li>from 30,000 PLN to 60,000 PLN - 710 PLN + 1 % of excess over 30,000 PLN;</li> <li>from 60,000 PLN to 1,000,000 PLN - 1,010 PLN + 0,4 % of excess over 60,000 PLN;</li> <li>from 1,000,000 PLN to 2,000,000 PLN - 4,770 PLN + 0,2 % of excess over 1,000,000 PLN;</li> <li>from 2,000,000 PLN - 6,770 PLN + 0,25 % of excess over 2,000,000 PLN, but no more than 10,000 PLN, and if the transaction is between close relatives 7,500 PLN.</li> </ol> <p>The fee cannot exceed 10,000 PLN or 7,500 PLN (for the person from the first group of taxpayer).  Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004.)</p>
6	<p><b>Apply for registration at the Land and Mortgage Registry of the relevant court</b>  <i>Agency</i> : Land and Mortgage Registry</p> <p>Ownership of the property is legally transferred from the moment of the signature of the sale agreement in the presence of the notary. However, updating the Land and Mortgage Registry is a necessary step to finalize the property transfer, and allow the new owner to fully benefit from the property (for example by using the property as a collateral for a loan). Starting July 1, 2016 the notary sends the notarial deed with the application for entry into the Land and Mortgage Register electronically via the ICT system. The notary is obliged, no later than the day of conclusion (the signing) of the agreement, to apply for entry in this register via the ICT systems. Next steps in the registration proceedings are not yet carried out via the ICT system. The procedure is complete when the owner receives an official notification from the court that the transfer is registered. If the parties believe a mistake was made in the registration, they can file a complaint to contest the decision. The registration becomes legally binding after 7 days (if a Referendarz registered the property) and 14 days (if it was a judge).</p>	120 days	<p>PLN 200; (The registration fee amounts up to PLN 200 to PLN 150 depending on circumstances (transfer of ownership for whole real estate) or the equivalent part (transfer of partial ownership) but no less than PLN 100.)</p>

⇒Takes place simultaneously with previous procedure.

## Details - Registering Property in Poland - Measure of Quality

	Answer	Score
<b>Quality of the land administration index (0-30)</b>		<b>19.0</b>
<b>Reliability of infrastructure index (0-8)</b>		<b>7.0</b>
Type of land registration system in the economy:	Deed Registration System	
What is the institution in charge of immovable property registration?	Land and Mortgage Registry	
In what format are past and newly issued land records kept at the immovable property registry of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	Yes	1.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Office of Geodesy and Cadastre, Warsaw City Hall	
In what format are past and newly issued cadastral plans kept at the mapping agency of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Separate databases	0.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
<b>Transparency of information index (0-6)</b>		<b>2.5</b>
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Freely accessible by anyone	1.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	No	0.0
Link for online access:		
Is the applicable fee schedule for any type of property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://bip.warszawa.s.o.gov.pl/uploads/files/migration/sow/Informacje/oplaty%20sadowe/oplaty%20sprawy%20prawa%20o%20ksi%20egach%20wieczystych.pdf">http://bip.warszawa.s.o.gov.pl/uploads/files/migration/sow/Informacje/oplaty%20sadowe/oplaty%20sprawy%20prawa%20o%20ksi%20egach%20wieczystych.pdf</a>	
Does the agency in charge of immovable property registration agency formally commit to deliver a legally binding document that proves property ownership within a specific timeframe –and if so, how does it communicate the service standard?	No	0.0
Link for online access:		
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
Contact information:		
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	No	0.0
Number of property transfers in the largest business city in 2018:		
Who is able to consult maps of land plots in the largest business city?	Freely accessible by anyone	0.5
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	No cost	0.5

Link for online access:	www.dziennikustaw.gov.pl. Plans can be examined online free of charge. Any official excerpts/outlines are chargeable. Each of the voivodships (regions) have their own official journals (freely accessible via internet), where the spatial development plans are published. The link applicable for the Mazovia voivodship: <a href="http://edziennik.mazowieckie.pl/#/booktabs">http://edziennik.mazowieckie.pl/#/booktabs</a>	
Does the cadastral/mapping agency formally specifies the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard?	No	0.0
Link for online access:	The authority issuing decision regarding plots is obliged to sent the updated information directly to the cadastral agency (it applies among other things to subdivision of plots).	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
<b>Geographic coverage index (0-8)</b>		<b>4.0</b>
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	Yes	2.0
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city mapped?	Yes	2.0
Are all privately held land plots in the economy mapped?	No	0.0
<b>Land dispute resolution index (0-8)</b>		<b>5.5</b>
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Legal basis:	The Land and Mortgage Law of 6th July 1982, Article 35	
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Type of guarantee:	State guarantee	
Legal basis:	Art. 5 of the Law of 6th July on Land & Mortgage Register Law	
Is there a is a specific, out-of-court compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	Yes	0.5
Legal basis:	Compensation from the State Treasury claimed on the basis of the general provisions of law - Articles 415 and 417 of the Civil Code from April 23, 1964.	

Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Registrar; Notary; Lawyer;	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Notary;	
Is there a national database to verify the accuracy of government issued identity documents?	No	0.0
What is the Court of first instance in charge of a case involving a standard land dispute between two local businesses over tenure rights for a property worth 50 times gross national income (GNI) per capita and located in the largest business city?	If the dispute is based upon article 10 of the Land & Mortgage Law it will be resolved by a district court (sąd rejonowy) in other cases - circuit court (sąd okręgowy) due to the value of the subject of the case	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Between 1 and 2 years	2.0
Are there publicly available statistics on the number of land disputes at the economy level in the first instance court?	No	0.0
Number of land disputes in the economy in 2018:		
<b>Equal access to property rights index (-2-0)</b>		<b>0.0</b>
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	
Do married men and married women have equal ownership rights to property?	Yes	0.0

## Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Strength of legal rights index (0-12)

- Rights of borrowers and lenders through collateral laws (0-10)
- Protection of secured creditors' rights through bankruptcy laws (0-2)

#### Depth of credit information index (0-8)

- Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)

#### Credit bureau coverage (% of adults)

- Number of individuals and firms listed in largest credit bureau as a percentage of adult population

#### Credit registry coverage (% of adults)

- Number of individuals and firms listed in credit registry as a percentage of adult population

### Case study assumptions

*Doing Business* assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.

In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.

#### Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:

- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Both ABC and BizBank are 100% domestically owned.

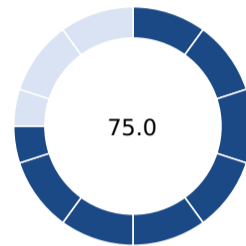
The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).

In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.

Getting Credit - Poland

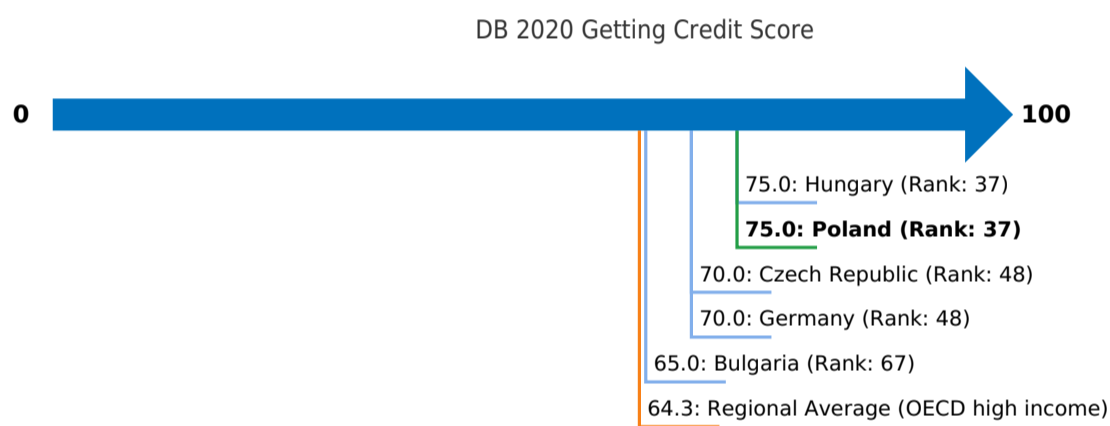
Indicator	Poland	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	7	6.1	12 (5 Economies)
Depth of credit information index (0-8)	8	6.8	8 (53 Economies)
Credit registry coverage (% of adults)	0.0	24.4	100.0 (2 Economies)
Credit bureau coverage (% of adults)	100.0	66.7	100.0 (14 Economies)

Figure - Getting Credit in Poland - Score



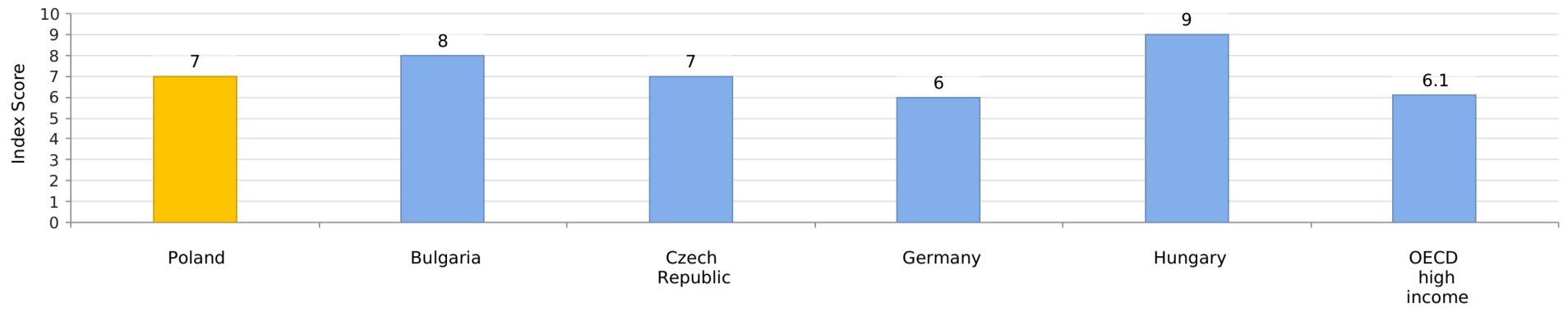
Score - Getting Credit

Figure - Getting Credit in Poland and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for the strength of legal rights index and the depth of credit information index.

Figure - Legal Rights in Poland and comparator economies





Details - Legal Rights in Poland

Strength of legal rights index (0-12)

7

Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy? No

Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral? Yes

Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral? Yes

May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets? Yes

Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered? Yes

Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name? Yes

Does a notice-based collateral registry exist in which all functional equivalents can be registered? No

Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party? No

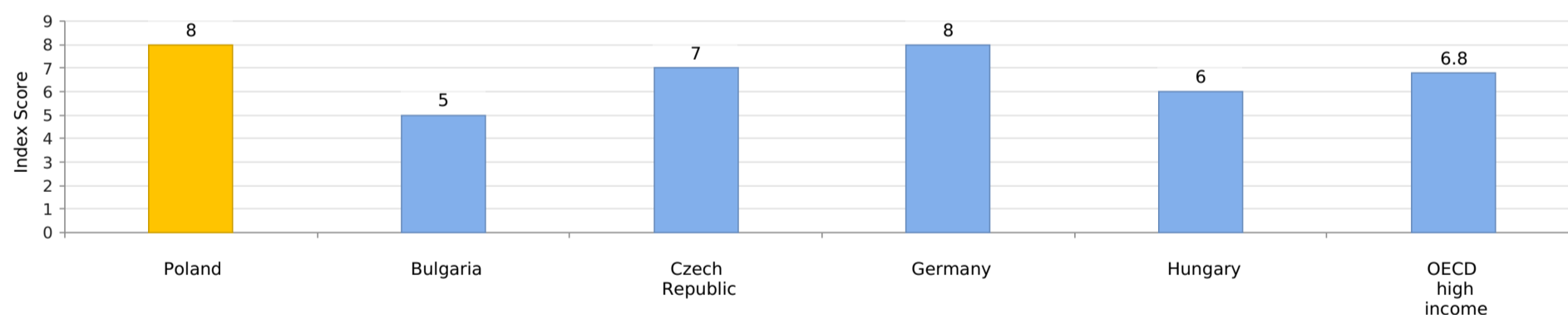
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? No

Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated? Yes

Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it? No

Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt? Yes

Figure - Credit Information in Poland and comparator economies



## Details - Credit Information in Poland

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	Yes	No	1
Are both positive and negative credit data distributed?	Yes	No	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	Yes	No	1
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	Yes	No	1
Are data on loan amounts below 1% of income per capita distributed?	Yes	No	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	Yes	No	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	Yes	No	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	Yes	No	1
<b>Total Score ("yes" to either public bureau or private registry)</b>			<b>8</b>

Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	24,974,000	0
Number of firms	1,104,000	0
Total	26,078,000	0
<b>Percentage of adult population</b>	<b>100.0</b>	<b>0.0</b>

## Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

- **Extent of disclosure index (0-10):** Disclosure, review, and approval requirements for related-party transactions
- **Extent of director liability index (0-10):** Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, disqualification from managerial position(s) for one year or more, rescission of the transaction)
- **Ease of shareholder suits index (0-10):** Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses
- **Extent of conflict of interest regulation index (0-30):** Sum of the extent of disclosure, extent of director liability and ease of shareholder suits indices
- **Extent of shareholder rights index (0-6):** Shareholders' rights and role in major corporate decisions
- **Extent of ownership and control index (0-7):** Governance safeguards protecting shareholders from undue board control and entrenchment
- **Extent of corporate transparency index (0-7):** Corporate transparency on ownership stakes, compensation, audits and financial prospects
- **Extent of shareholder governance index (0-20):** Sum of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices
- **Strength of minority investor protection index (0-50):** Sum of the extent of conflict of interest regulation and extent of shareholder governance indices

### Case study assumptions

To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.

#### The business (Buyer):

- Is a publicly traded corporation listed on the economy's most important stock exchange.
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.
- Has a supervisory board in economies with a two-tier board system on which Mr. James appointed 60% of the shareholder-elected members.
- Has not adopted bylaws or articles of association that go beyond the minimum requirements. Does not follow codes, principles, recommendations or guidelines that are not mandatory.
- Is a manufacturing company with its own distribution network.

#### The transaction involves the following details:

- Mr. James owns 60% of Buyer, sits on Buyer's board of directors and elected two directors to Buyer's five-member board.
- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.
- Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value.
- The proposed transaction is part of the company's principal activity and is not outside the authority of the company.
- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made—that is, the transaction was not entered into fraudulently.
- The transaction causes damages to Buyer. Shareholders sue Mr. James and the executives and directors that approved the transaction.

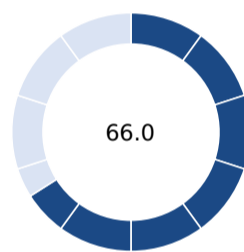
Protecting Minority Investors - Poland

Stock exchange information

Stock exchange	Warsaw Stock Exchange
Stock exchange URL	http://www.gpw.pl
Listed firms with equity securities	373
City Covered	Warsaw

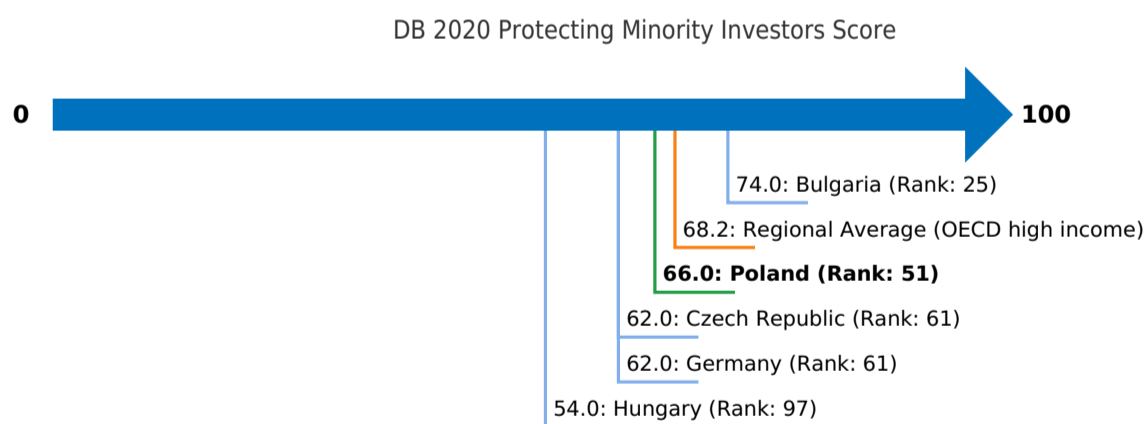
Indicator	Poland	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	7.0	6.5	10 (13 Economies)
Extent of director liability index (0-10)	2.0	5.3	10 (3 Economies)
Ease of shareholder suits index (0-10)	9.0	7.3	10 (Djibouti)
Extent of shareholder rights index (0-6)	5.0	4.7	6 (19 Economies)
Extent of ownership and control index (0-7)	4.0	4.5	7 (9 Economies)
Extent of corporate transparency index (0-7)	6.0	5.7	7 (13 Economies)

Figure - Protecting Minority in Poland - Score



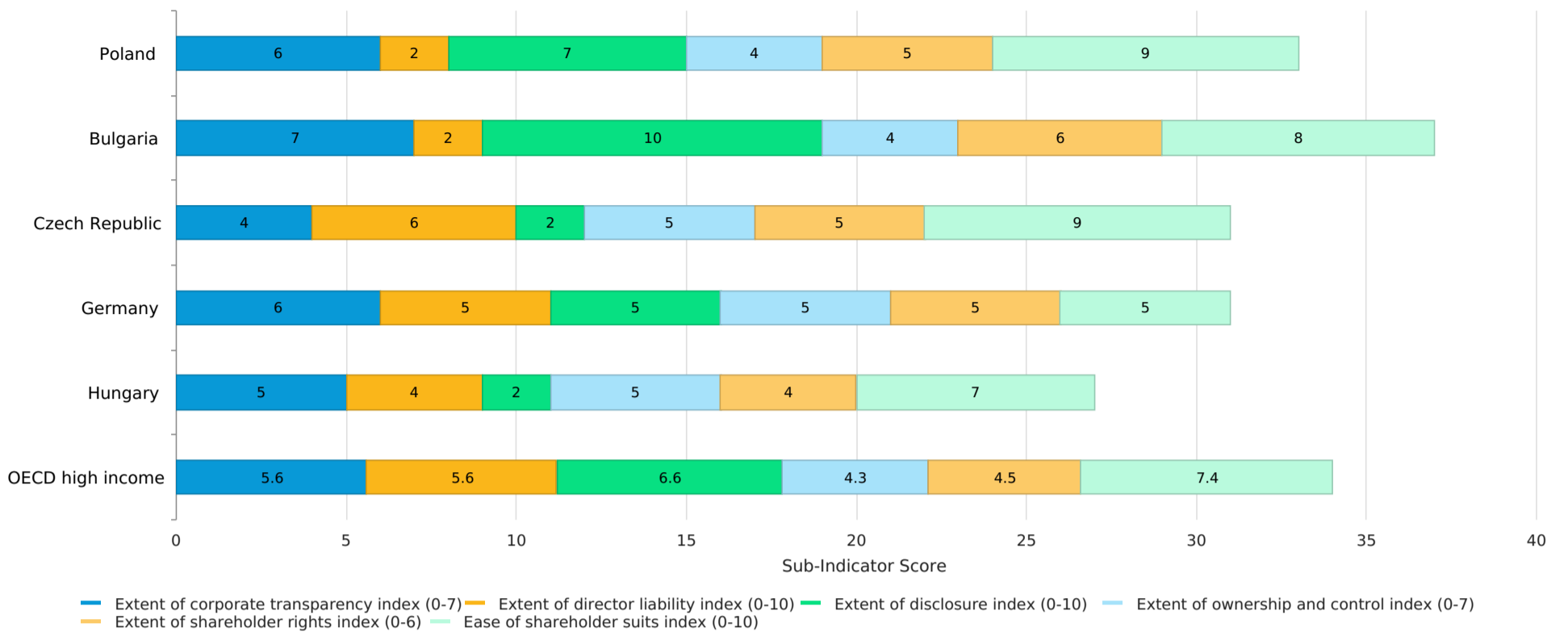
Score - Protecting Minority Investors

Figure - Protecting Minority Investors in Poland and comparator economies - Ranking and Score



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure - Protecting Minority Investors in Poland and comparator economies - Measure of Quality



## Details - Protecting Minority Investors in Poland - Measure of Quality

	Answer	Score
<b>Extent of conflict of interest regulation index (0-30)</b>		
<b>Extent of disclosure index (0-10)</b>		<b>7.0</b>
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	Board of directors excluding interested members	2.0
Must an external body review the terms of the transaction before it takes place? (0-1)	No	0.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Existence of a conflict without any specifics	1.0
Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Must Buyer immediately disclose the transaction to the public? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
<b>Extent of director liability index (0-10)</b>		<b>2.0</b>
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Not liable	0.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer? (0-2)	Liable if negligent	1.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	No	0.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	No	0.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Only in case of fraud or bad faith	0.0
<b>Ease of shareholder suits index (0-10)</b>		<b>9.0</b>
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Any relevant document	3.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	Yes	1.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Yes	2.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes if successful	1.0
<b>Extent of shareholder governance index (0-20)</b>		
<b>Extent of shareholder rights index (0-6)</b>		<b>5.0</b>
Does the sale of 51% of Buyer's assets require shareholder approval?	No	0.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	Yes	1.0
Do shareholders elect and dismiss the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
<b>Extent of ownership and control index (0-7)</b>		<b>4.0</b>
Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	Yes	1.0

Must the board of directors include independent and nonexecutive board members?	No	0.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	No	0.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	No	0.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	Yes	1.0
<b>Extent of corporate transparency index (0-7)</b>		<b>6.0</b>
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	No	0.0
Must Buyer disclose the compensation of individual managers?	Yes	1.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	Yes	1.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0

## Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as the administrative burden of paying taxes and contributions and complying with postfiling procedures (VAT refund and tax audit). The most recent round of data collection for the project was completed in May 2019 covering for the Paying Taxes indicator calendar year 2018 (January 1, 2018 – December 31, 2018). [See the methodology for more information.](#)

### What the indicators measure

#### Tax payments for a manufacturing company in 2018 (number per year adjusted for electronic and joint filing and payment)

- Total number of taxes and contributions paid or withheld, including consumption taxes (value added tax, sales tax or goods and service tax)
- Method and frequency of filing and payment

#### Time required to comply with 3 major taxes (hours per year)

- Collecting information, computing tax payable
- Preparing separate tax accounting books, if required
- Completing tax return, filing with agencies
- Arranging payment or withholding

#### Total tax and contribution rate (% of commercial profits)

- Profit or corporate income tax
- Social contributions, labor taxes paid by employer
- Property and property transfer taxes
- Dividend, capital gains, financial transactions taxes
- Waste collection, vehicle, road and other taxes

#### Postfiling Index

- Time to comply with VAT refund (hours)
- Time to obtain VAT refund (weeks)
- Time to comply with a corporate income tax correction (hours)
- Time to complete a corporate income tax correction (weeks)

### Case study assumptions

Using a case scenario, *Doing Business* records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.

To make data comparable across economies, several assumptions are used:

- TaxpayerCo is a medium-size business that started operations on January 1, 2017. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2018). Taxes and mandatory contributions are measured at all levels of government.

#### The VAT refund process:

- In June 2018, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2018.

#### The corporate income tax audit process:

- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.



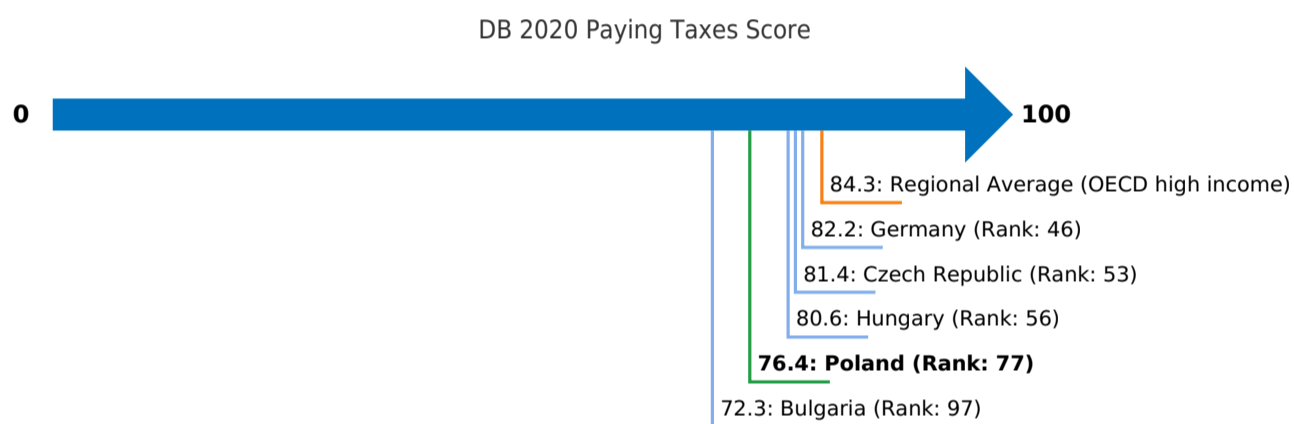
**Paying Taxes - Poland**

Indicator	Poland	OECD high income	Best Regulatory Performance
Payments (number per year)	7	10.3	3 (2 Economies)
Time (hours per year)	334	158.8	49 (3 Economies)
Total tax and contribution rate (% of profit)	40.8	39.9	26.1 (33 Economies)
Postfiling index (0-100)	77.4	86.7	None in 2018/19

**Figure - Paying Taxes in Poland - Score**

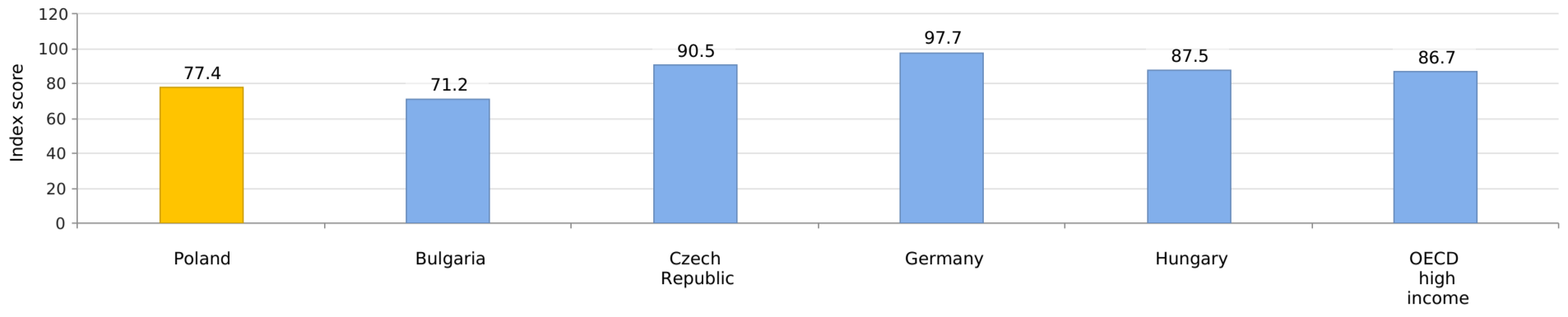


**Figure - Paying Taxes in Poland and comparator economies - Ranking and Score**



Note: The ranking of economies on the ease of paying taxes is determined by sorting their scores for paying taxes. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax and contribution rate below this threshold receive the same score as the economy at the threshold.

Figure - Paying Taxes in Poland and comparator economies - Measure of Quality



## Details - Paying Taxes in Poland

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Social security contributions	1.0	online	103.0	16.93%	gross salaries	19.10	
Corporate income tax	1.0	online	59.0	19%	taxable profit	14.48	
National disabled fund	1.0	online		40.65% x 6% x average salary	per employee	3.37	
Labor fund	0.0	online and jointly		2.45%	gross salaries	2.76	
Property tax	1.0			PLN 0.89 per square meter of a land plot and PLN 22.66 per square meter of building	property area in square meters	0.94	
Guaranteed employees' fund	0.0	online and jointly		0.1%	gross salaries	0.11	
Transport tax	1.0	online		PLN 1,421 per truck unit owned		0.06	
Value added tax (VAT)	1.0	online	172.0	23%	value added	0.00	not included
Employee paid - Social security contributions	0.0	online and jointly		22.75% (7.75% is credited against PIT liability)	gross salaries	0.00	withheld
Fuel Tax	1.0				included in the price of fuel	0.00	small amount
Totals	7		334			40.8	

## Details - Paying Taxes in Poland - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	14.5
Labor tax and contributions (% of profit)	25.3
Other taxes (% of profit)	1.0

## Details - Paying Taxes in Poland - Measure of Quality

	Answer	Score
<b>Postfiling index (0-100)</b>		<b>77.4</b>
<b>VAT refunds</b>		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	Yes	
Restrictions on VAT refund process	none	
Percentage of cases exposed to a VAT audit (%)	50% - 74%	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	8.0	84.0
Time to obtain VAT refund (weeks)	8.0	90.4
<b>Corporate income tax audits</b>		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	25% - 49%	
Time to comply with a corporate income tax correction (hours)	6.0	91.7
Time to complete a corporate income tax correction (weeks)	18.1	43.3

**Notes:** Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction.

N/A = Not applicable.

## Trading across Borders

*Doing Business* records the time and cost associated with the logistical process of exporting and importing goods. *Doing Business* measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Documentary compliance

- Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy
- Obtaining, preparing and submitting documents required by destination economy and any transit economies
- Covers all documents required by law and in practice, including electronic submissions of information

#### Border compliance

- Customs clearance and inspections
- Inspections by other agencies (if applied to more than 20% of shipments)
- Handling and inspections that take place at the economy's port or border

#### Domestic transport

- Loading or unloading of the shipment at the warehouse or port/border
- Transport between warehouse and port/border
- Traffic delays and road police checks while shipment is en route

### Case study assumptions

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

**Time:** Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as  $22 \times 24 = 528$  hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

**Cost:** Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

#### Assumptions of the case study:

- For all 190 economies covered by *Doing Business*, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy.

- It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000.

- The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport or land border crossing.

- All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process.

- A port or border is a place (seaport or land border crossing) where merchandise can enter or leave an economy.

- Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

Trading across Borders - Poland

Indicator	Poland	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	0	12.7	1 (19 Economies)
Cost to export: Border compliance (USD)	0	136.8	0 (19 Economies)
Time to export: Documentary compliance (hours)	1	2.3	1 (26 Economies)
Cost to export: Documentary compliance (USD)	0	33.4	0 (20 Economies)
Time to import: Border compliance (hours)	0	8.5	1 (25 Economies)
Cost to import: Border compliance (USD)	0	98.1	0 (28 Economies)
Time to import: Documentary compliance (hours)	1	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	0	23.5	0 (30 Economies)

Figure - Trading across Borders in Poland - Score

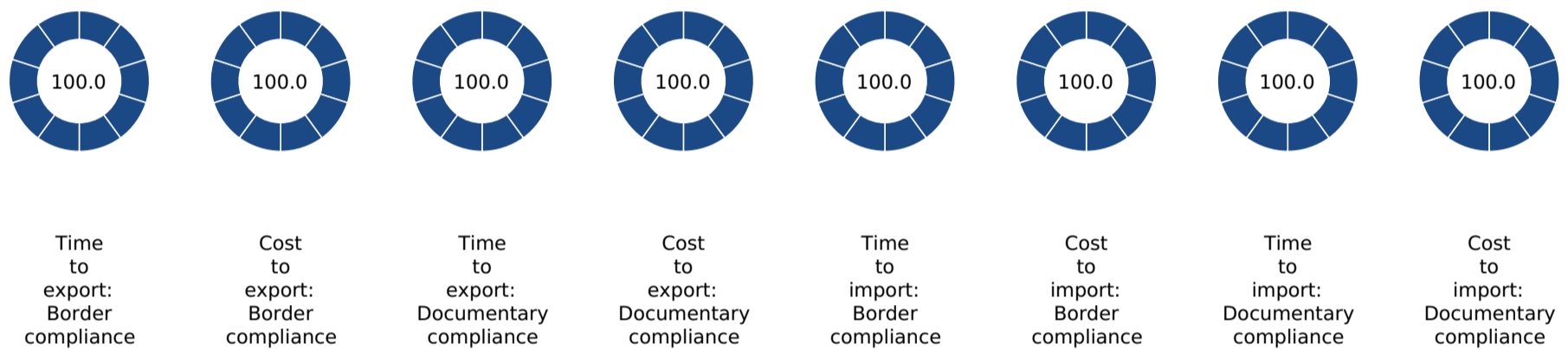
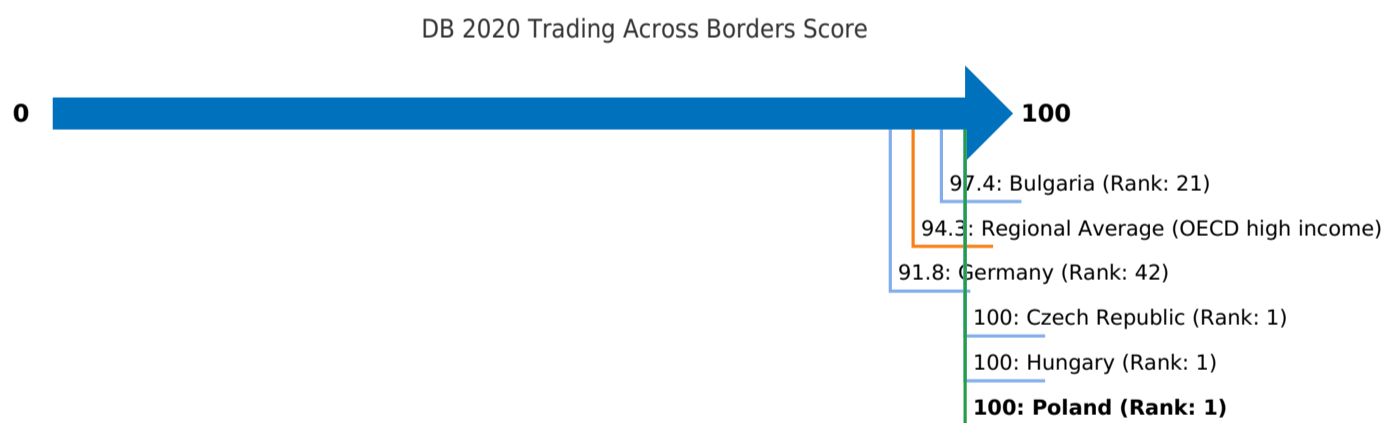
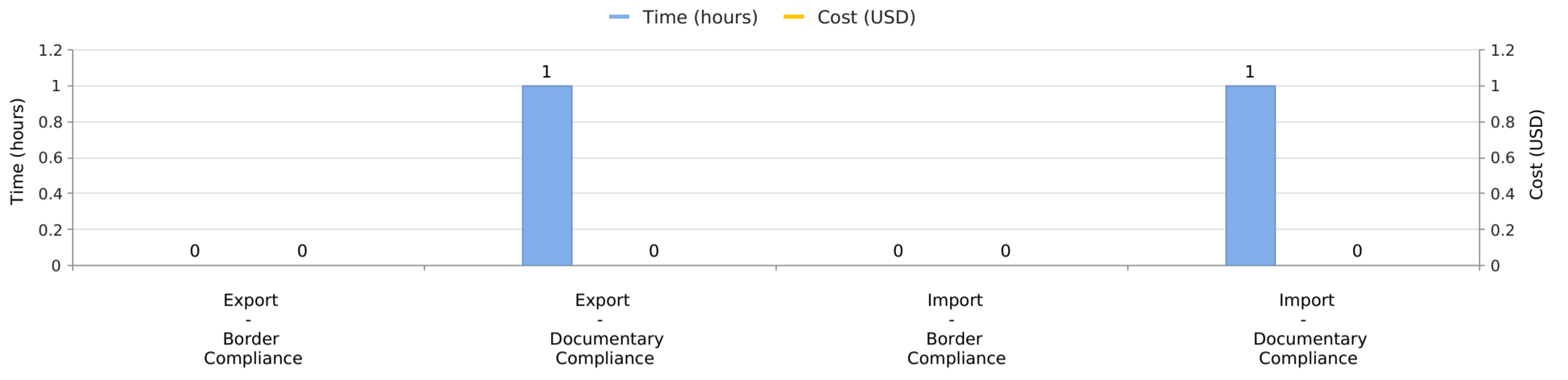


Figure - Trading across Borders in Poland and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

Figure - Trading across Borders in Poland - Time and Cost





## Details - Trading across Borders in Poland

Characteristics	Export	Import
Product	HS 87 : Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof	HS 8708: Parts and accessories of motor vehicles
Trade partner	Germany	Germany
Border	Poland- Germany border crossing	Poland- Germany border crossing
Distance (km)	472	472
Domestic transport time (hours)	8	8
Domestic transport cost (USD)	1000	1000

## Details - Trading across Borders in Poland - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	0.0	0.0
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	0.0	0.0
Import: Clearance and inspections required by customs authorities	0.0	0.0
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	0.0	0.0

## Details - Trading across Borders in Poland - Trade Documents

**Export****Import**

CMR waybill

CMR waybill

Commercial invoice

Commercial invoice

Packing list

Packing list

Intrastat

Intrastat

## Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Time required to enforce a contract through the courts (calendar days)

- Time to file and serve the case
- Time for trial and to obtain the judgment
- Time to enforce the judgment

#### Cost required to enforce a contract through the courts (% of claim value)

- Average attorney fees
- Court costs
- Enforcement costs

#### Quality of judicial processes index (0-18)

- Court structure and proceedings (-1-5)
- Case management (0-6)
- Court automation (0-4)
- Alternative dispute resolution (0-3)

### Case study assumptions

The dispute in the case study involves the breach of a sales contract between two domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.

To make the data on the time and comparable across economies, several assumptions about the case are used:

- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- The Buyer orders custom-made furniture, then fails to pay alleging that the goods are not of adequate quality.
- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.
- The Seller sues the Buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000 whichever is greater.
- The Seller requests the pretrial attachment of the defendant's movable assets to secure the claim.
- The claim is disputed on the merits because of Buyer's allegation that the quality of the goods was not adequate.
- The judge decides in favor of the seller; there is no appeal.
- The Seller enforces the judgment through a public sale of the Buyer's movable assets.

Enforcing Contracts - Poland

Standardized Case

Claim value	PLN 100,440
Court name	Warsaw Regional Court, Commercial Section
City Covered	Warsaw

Indicator	Poland	OECD high income	Best Regulatory Performance
Time (days)	685	589.6	120 (Singapore)
Cost (% of claim value)	19.4	21.5	0.1 (Bhutan)
Quality of judicial processes index (0-18)	11.0	11.7	None in 2018/19

Figure - Enforcing Contracts in Poland - Score

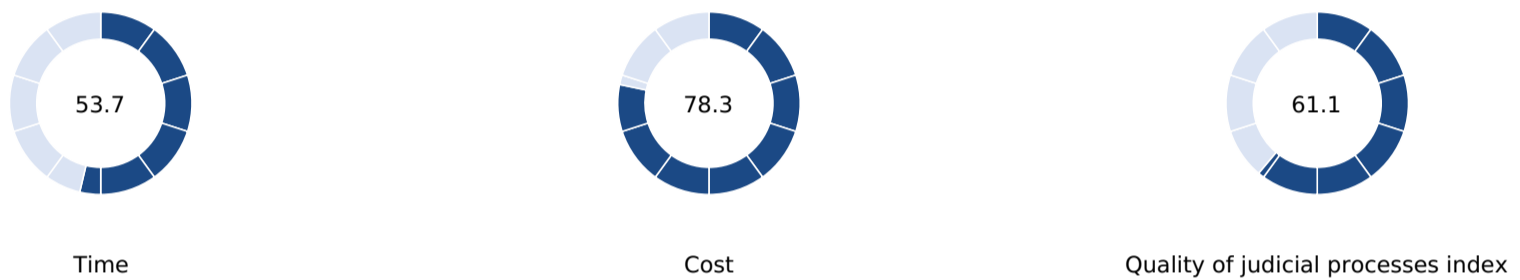
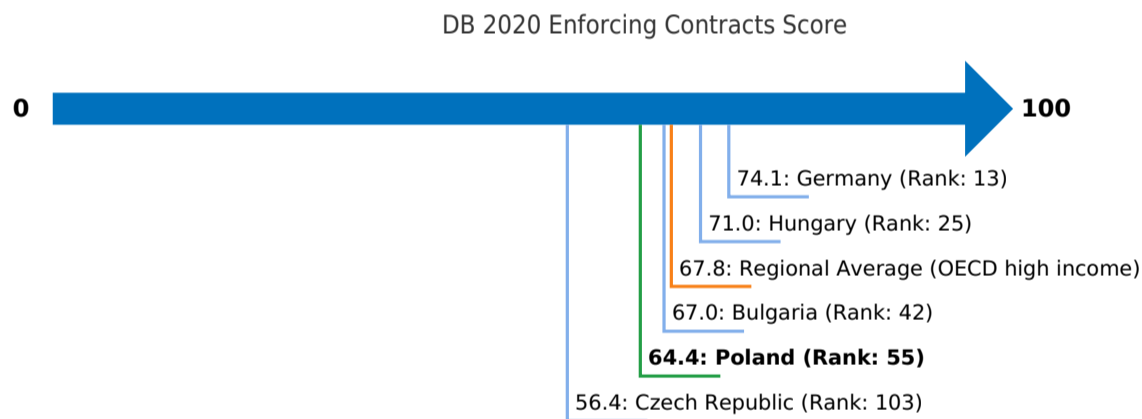


Figure - Enforcing Contracts in Poland and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their scores for enforcing contracts. These scores are the simple average of the scores for each of the component indicators.

Figure - Enforcing Contracts in Poland - Time and Cost

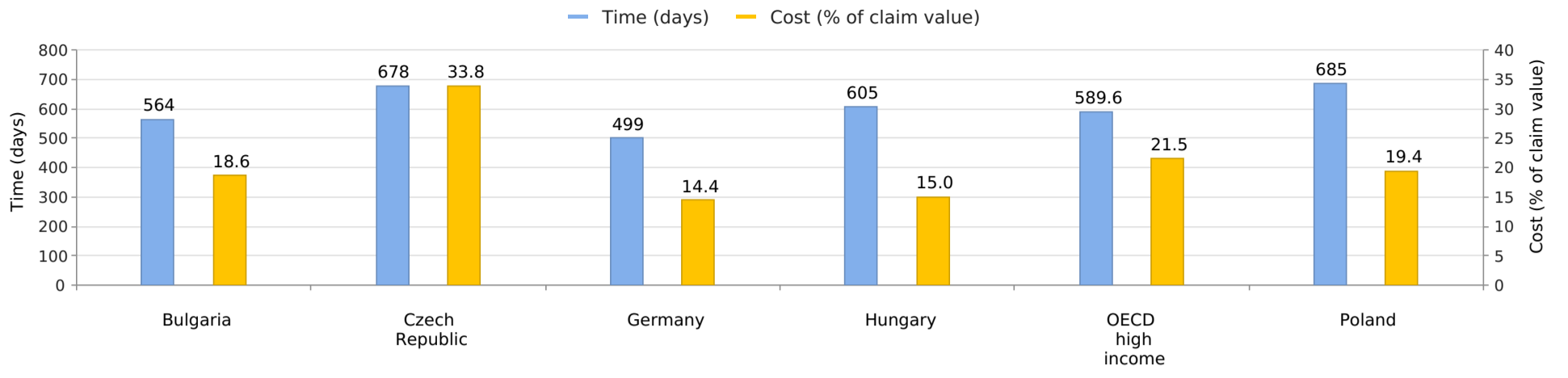
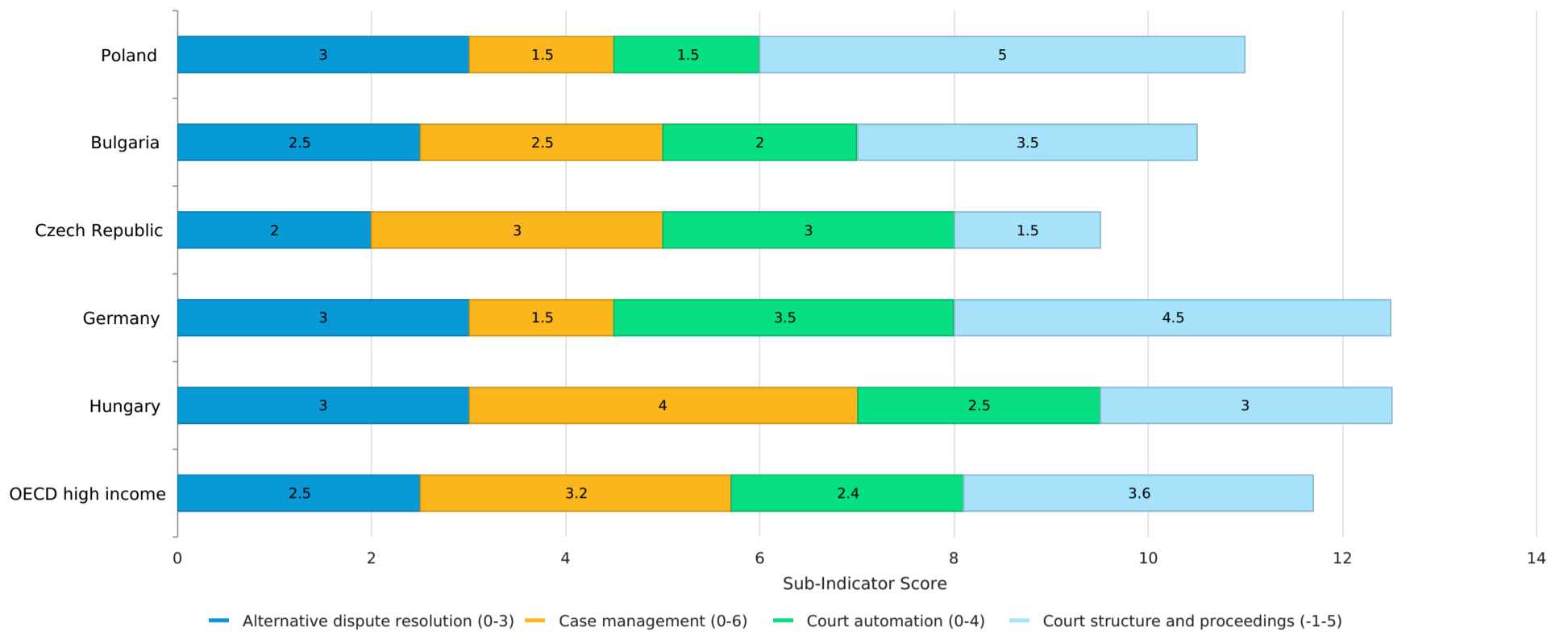


Figure - Enforcing Contracts in Poland and comparator economies - Measure of Quality



Details - Enforcing Contracts in Poland

	Indicator
<b>Time (days)</b>	<b>685</b>
Filing and service	60
Trial and judgment	480
Enforcement of judgment	145
<b>Cost (% of claim value)</b>	<b>19.4</b>
Attorney fees	12
Court fees	5.4
Enforcement fees	2
<b>Quality of judicial processes index (0-18)</b>	<b>11.0</b>
Court structure and proceedings (-1-5)	5.0
Case management (0-6)	1.5
Court automation (0-4)	1.5
Alternative dispute resolution (0-3)	3.0

## Details - Enforcing Contracts in Poland - Measure of Quality

	Answer	Score
<b>Quality of judicial processes index (0-18)</b>		<b>11.0</b>
<b>Court structure and proceedings (-1-5)</b>		<b>5.0</b>
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	Yes	1.5
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, automatic	1.0
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
<b>Case management (0-6)</b>		<b>1.5</b>
1. Time standards		0.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	No	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments		0.5
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	Yes	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	Yes	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	Yes	1.0
4. Is a pretrial conference among the case management techniques used before the competent court?	No	0.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	No	0.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	No	0.0
<b>Court automation (0-4)</b>		<b>1.5</b>
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	No	0.0
2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	Yes	1.0
4. Publication of judgments		0.5
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
<b>Alternative dispute resolution (0-3)</b>		<b>3.0</b>
1. Arbitration		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	

2. Mediation/Conciliation	1.5
2.a. Is voluntary mediation or conciliation available?	Yes
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects (for example, definition, aim and scope of application, design)?	Yes
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	Yes

---



## Resolving Insolvency

*Doing Business* studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, *Doing Business* uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit. The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Time required to recover debt (years)

- Measured in calendar years
- Appeals and requests for extension are included

#### Cost required to recover debt (% of debtor's estate)

- Measured as percentage of estate value
- Court fees
- Fees of insolvency administrators
- Lawyers' fees
- Assessors' and auctioneers' fees
- Other related fees

#### Outcome

- Whether business continues operating as a going concern or business assets are sold piecemeal

#### Recovery rate for creditors

- Measures the cents on the dollar recovered by secured creditors
- Outcome for the business (survival or not) determines the maximum value that can be recovered
- Official costs of the insolvency proceedings are deducted
- Depreciation of furniture is taken into account
- Present value of debt recovered

#### Strength of insolvency framework index (0- 16)

- Sum of the scores of four component indices:
- Commencement of proceedings index (0-3)
- Management of debtor's assets index (0-6)
- Reorganization proceedings index (0-3)
- Creditor participation index (0-4)

### Case study assumptions

To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:

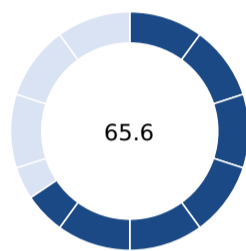
- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.
- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.
- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.

In addition, *Doing Business* evaluates the quality of legal framework applicable to judicial liquidation and reorganization proceedings and the extent to which best insolvency practices have been implemented in each economy covered.

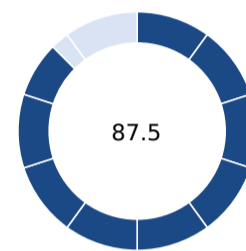
Resolving Insolvency - Poland

Indicator	Poland	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	60.9	70.2	92.9 (Norway)
Time (years)	3.0	1.7	0.4 (Ireland)
Cost (% of estate)	15.0	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	1	..	..
Strength of insolvency framework index (0-16)	14.0	11.9	None in 2018/19

Figure - Resolving Insolvency in Poland - Score

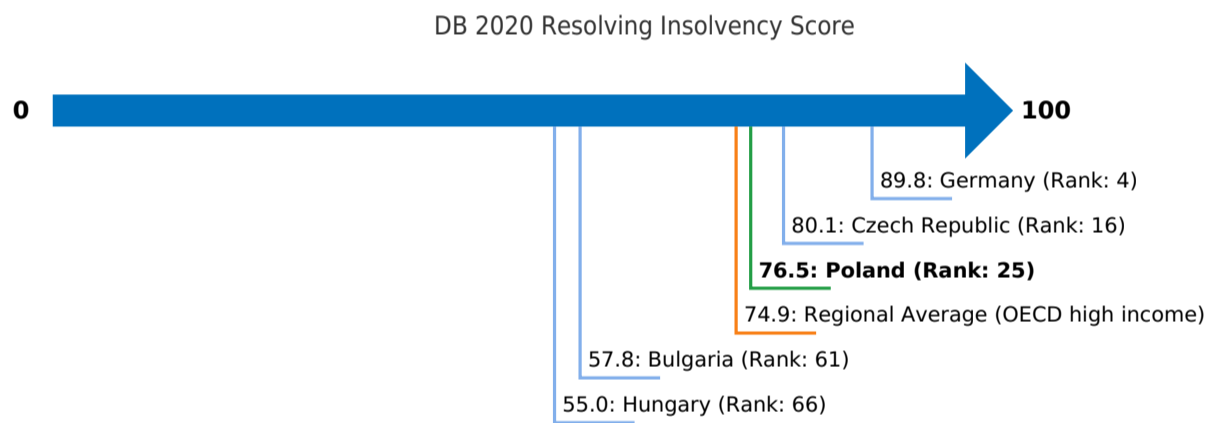


Recovery rate



Strength of insolvency framework index

Figure - Resolving Insolvency in Poland and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their scores for resolving insolvency. These scores are the simple average of the scores for the recovery rate and the strength of insolvency framework index.

Figure - Resolving Insolvency in Poland - Time and Cost

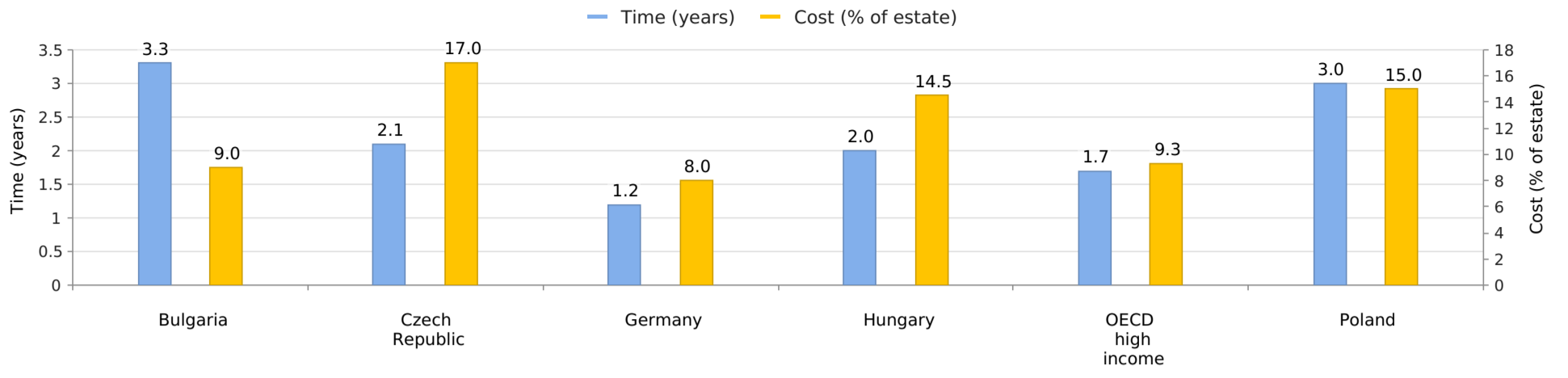
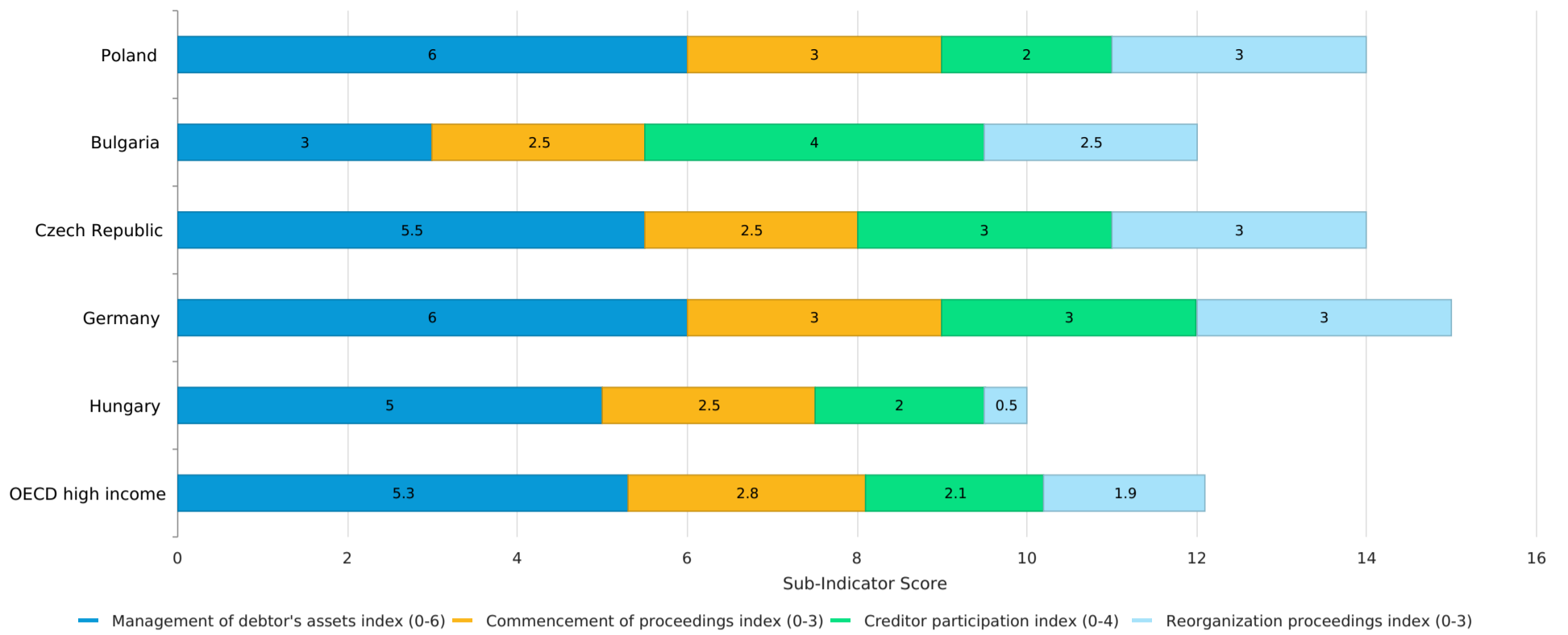
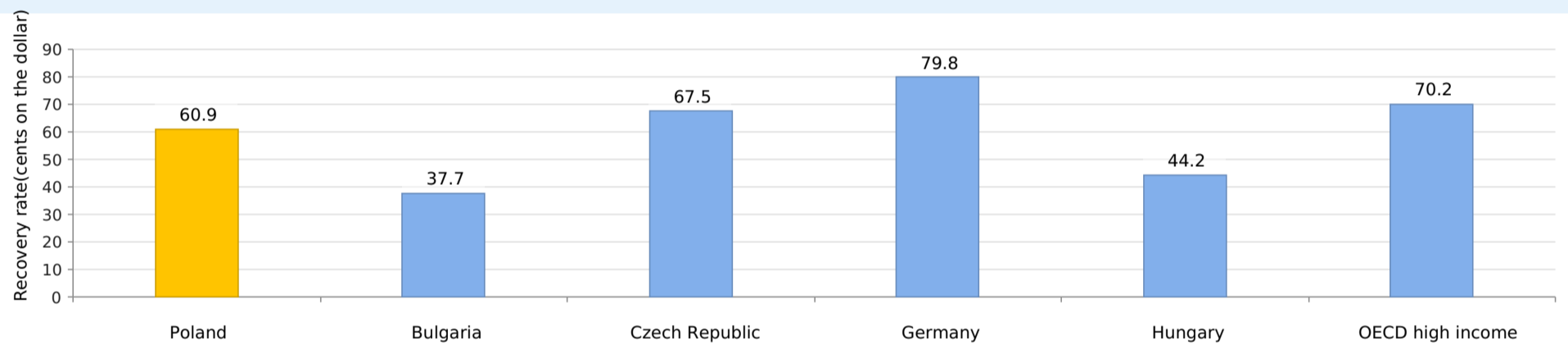


Figure - Resolving Insolvency in Poland and comparator economies - Measure of Quality



Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Figure - Resolving Insolvency in Poland and comparator economies - Recovery Rate



## Details - Resolving Insolvency in Poland

Indicator	Answer	Score
Proceeding	liquidation	Under Article 21 of the Law on Bankruptcy and Reorganization, debtor's management is obligated to file for bankruptcy within 2 weeks of the date when the debtor becomes insolvent. Although the bankruptcy law has provisions on reorganization, in practice, such proceedings are very rare and most bankruptcy cases are resolved through liquidation. Once the hotel management commences bankruptcy proceedings, the judge will have to decide whether to proceed with liquidation or with reorganization. The judge will most likely order the opening of liquidation proceedings.
Outcome	going concern	Because the value of an operating hotel is higher than selling its assets piecemeal, it is most likely that BizBank and Mirage management will agree that it is in both of their best interest for the hotel to continue operating, which will enable sale as a going concern.
Time (in years)	3.0	It will take 2-3 weeks for Mirage to prepare the bankruptcy application. After the application is submitted, it will take approximately 2 months for the court to appoint the judges and for the judges to review the case and issue a declaration of bankruptcy. After the declaration is issued, it must be published in the official gazette and at least one local newspaper (14 days). After the announcement is published, it may take up to 2 months to hold the first hearing with all the creditors present. The participants are likely to agree that the hotel should continue operating and the court will appoint an administrator to supervise the operations (up to 2 months). The creditors will then submit their claims to the administrator, who will prepare a list of creditors to be approved by the court. This process can take up to 11 months. After that, the court will likely decide that the company should be liquidated and will appoint a liquidator (up to 4 months). The liquidator must inventory and appraise the assets, which is a lengthy procedure and may take up to a year, because all participants can express opinions on the value of the assets and several appraisers may need to be hired to satisfy the objections of the debtor and creditors. After all the assets are appraised, the liquidator will organize an auction for the sale of assets. Usually, at least two auctions will take place, because most buyers will wait for the second auction, as the price at the second auction will be dropped by 30%. That is why this process of auctioning off the assets may take up to 4 months. BizBank can receive its portion of the sale proceeds within 30 days of the sale. The time estimates may change when the new restructuring proceedings become more common.
Cost (% of estate)	15.0	The costs will depend on how disputed the insolvency claims are. Attorneys' fees will be one of the main expenses (3-6%), as well as fees of the administrator (3%), auctioneer (1%) and other professionals involved in the insolvency proceedings (5-7%).
Recovery rate (cents on the dollar)		60.9

## Details - Resolving Insolvency in Poland - Measure of Quality

	Answer	Score
<b>Strength of insolvency framework index (0-16)</b>		<b>14.0</b>
<b>Commencement of proceedings index (0-3)</b>		<b>3.0</b>
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(a) Yes, a creditor may file for both liquidation and reorganization	1.0
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework? (a) Debtor is generally unable to pay its debts as they mature (b) The value of debtor's liabilities exceeds the value of its assets	(c) Both (a) and (b) options are available, but only one of them needs to be complied with	1.0
<b>Management of debtor's assets index (0-6)</b>		<b>6.0</b>
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	Yes	1.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	Yes	1.0
Does the insolvency framework assign priority to post-commencement credit?	(b) Yes over ordinary unsecured creditors but not over secured creditors	1.0
<b>Reorganization proceedings index (0-3)</b>		<b>3.0</b>
Which creditors vote on the proposed reorganization plan?	(b) Only creditors whose rights are affected by the proposed plan	1.0
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	Yes	1.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	Yes	1.0
<b>Creditor participation index (0-4)</b>		<b>2.0</b>
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	No	0.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	Yes	1.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0

**Note:** Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

## Employing Workers

*Doing Business* presents detailed data for the employing workers indicators on the *Doing Business* website (<http://www.doingbusiness.org>). The study does not present rankings of economies on these indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business.

The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the maximum probationary period; (iv) minimum wage; (v) ratio of minimum wage to the average value added per worker.

#### Working hours

(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) length of paid annual leave.

#### Redundancy rules

(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether the law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

#### Redundancy cost

(i) notice period for redundancy dismissal; (ii) severance payments, and (iii) penalties due when terminating a redundant worker. Data on the availability of unemployment protection for a worker with one year of employment is also collected.

### Case study assumptions

To make the data comparable across economies, several assumptions about the worker and the business are used.

#### The worker:

- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.
- Is a full-time employee.
- Is not a member of the labor union, unless membership is mandatory.

#### The business:

- Is a limited liability company (or the equivalent in the economy).
- Operates a supermarket or grocery store in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Has 60 employees.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.

## Employing Workers - Poland

## Details - Employing Workers in Poland

	Answer
<b>Hiring</b>	
Fixed-term contracts prohibited for permanent tasks?	No
Maximum length of a single fixed-term contract (months)	33.0
Maximum length of fixed-term contracts, including renewals (months)	33.0
Minimum wage applicable to the worker assumed in the case study (US\$/month)	594.5
Ratio of minimum wage to value added per worker	0.3
Maximum length of probationary period (months)	3.0
<b>Working hours</b>	
Standard workday	8.0
Maximum number of working days per week	5.5
Premium for night work (% of hourly pay)	20.0
Premium for work on weekly rest day (% of hourly pay)	100.0
Premium for overtime work (% of hourly pay)	50.0
Restrictions on night work?	No
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	20.0
Paid annual leave for a worker with 5 years of tenure (working days)	20.0
Paid annual leave for a worker with 10 years of tenure (working days)	26.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	22.0
<b>Redundancy rules</b>	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	No
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	No
Third-party approval if nine workers are dismissed?	No
Retraining or reassignment obligation before redundancy?	No
Priority rules for redundancies?	No
Priority rules for reemployment?	Yes
<b>Redundancy cost</b>	
Notice period for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	4.3
Notice period for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	13.0
Notice period for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	13.0
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	10.1
Severance pay for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	4.3
Severance pay for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	8.7



Severance pay for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	13.0
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	8.7
Unemployment protection after one year of employment?	Yes

## Business Reforms in Poland

From May 2, 2018 to May 1, 2019, 115 economies implemented 294 business regulatory reforms across the 10 areas measured by Doing Business. Reforms inspired by *Doing Business* have been implemented by economies in all regions. The following are reforms implemented since *Doing Business* 2008.

✓ = *Doing Business* reform making it easier to do business. ✗ = Change making it more difficult to do business.

---

### DB2020

✓ **Getting Electricity:** Poland made getting electricity faster by implementing a new customer service platform that allows the utility to better track applications for new commercial connections.

✗ **Registering Property:** Poland made transferring property more difficult by increasing the time needed to apply for registration at the Land and Mortgage Registry.

---

### DB2019

✗ **Registering Property:** Poland made transferring property more difficult by increasing the time to apply for registration at the Land and Mortgage Registry of the relevant court.

✗ **Paying Taxes:** Poland made paying taxes more complicated by requiring the monthly reporting of value added tax returns, extending the list of goods and services subject to a reverse charge mechanism and introducing new reporting obligations for SAF-T files.

✓ **Enforcing Contracts:** Poland made enforcing contracts easier by introducing an automated system to assign cases to judges randomly.

---

### DB2017

✓ **Dealing with Construction Permits:** Poland made dealing with construction permits simpler by streamlining the process of obtaining a building permit.

✓ **Getting Electricity:** Poland made getting an electricity connection faster by eliminating the need to secure an excavation permit for external connection works, which reduced the time of mentioned works.

✓ **Resolving Insolvency:** Poland made resolving insolvency easier by introducing new restructuring mechanisms, changing voting procedures for restructuring plans and allowing creditors greater participation in insolvency proceedings. It also established a central restructuring and bankruptcy register and released guidelines for the remuneration of insolvency representatives.

**Employing Workers:** Poland reduced the maximum duration of fixed term contracts to 33 months and limited the total number of fixed term contracts between the same employer and employee to three.

---

### DB2016

✓ **Getting Electricity:** The utility in Poland reduced delays in processing applications for new electricity connections by increasing human and capital resources and by enforcing service delivery timelines.

✓ **Paying Taxes:** Poland made paying taxes easier for companies by introducing an electronic system for filing and paying VAT and transport tax—though it also made paying taxes more costly by increasing transport tax rates and contributions to the National Disabled Fund paid by employers.

---

### DB2015

✓ **Getting Electricity:** Poland made getting electricity less costly by revising the fee structure for new connections.

✓ **Registering Property:** Poland made transferring property easier by introducing online procedures and reducing notary fees.

✓ **Trading across Borders:** Poland made trading across borders easier by implementing a new terminal operating system at the port of Gdansk.

---

### DB2014

✓ **Starting a Business:** Poland made starting a business easier by eliminating the requirement to register the new company at the National Labor Inspectorate and the National Sanitary Inspectorate.

✓ **Dealing with Construction Permits:** Poland made dealing with construction permits easier by eliminating the requirement to obtain a description of the geotechnical documentation of the land.

---

### DB2013

✓ **Registering Property:** Poland made property registration faster by introducing a new caseload management system for the land and mortgage registries and by continuing to digitize the records of the registries.

✓ **Paying Taxes:** Poland made paying taxes easier for companies by promoting the use of electronic filing and payment systems—though it also made paying taxes more costly by increasing social security contributions.

✓ **Enforcing Contracts:** Poland made enforcing contracts easier by amending the civil procedure code and appointing more judges to commercial courts.

✓ **Resolving Insolvency:** Poland strengthened its insolvency process by updating guidelines on the information and documents that need to be included in the bankruptcy petition and by granting secured creditors the right to take over claims encumbered with financial pledges in case of liquidation.

---

DB2012

- ✓ **Trading across Borders:** Poland made trading across borders faster by implementing electronic preparation and submission of customs documents.
  - ✓ **Resolving Insolvency:** Poland amended its bankruptcy and reorganization law to simplify court procedures and extend more rights to secured creditors.
- 

DB2011

- ✓ **Registering Property:** Poland eased property registration by computerizing its land registry.

**Employing Workers:** Poland reduced the maximum duration of fixed-term contracts.

---

DB2010

- ✓ **Starting a Business:** Poland made starting a business easier by reducing the minimum capital requirement and consolidating company registration with registration with the tax, social security and statistics authorities.
  - ✓ **Getting Credit:** Poland strengthened its secured transactions system by allowing all legal persons, including foreign entities, to hold a security interest in the form of a pledge and improved access to credit information by starting to collect and distribute information on firms.
  - ✓ **Paying Taxes:** Poland made paying taxes easier and less costly for companies by simplifying its value added tax law and reducing employers' social security contribution rates.
  - ✓ **Resolving Insolvency:** Poland enhanced its insolvency process through an amendment to its bankruptcy law introducing the option of a prebankruptcy reorganization procedure for financially distressed companies.
- 

DB2009

- ✓ **Resolving Insolvency:** Poland improved its insolvency process by tightening professional requirements for administrators and introducing lower limits on trustees' pay.
- 

DB2008

- ✓ **Registering Property:** Poland made registering property less costly by switching from variable registration fees to a fixed fee schedule.
- ✓ **Enforcing Contracts:** Poland made enforcing contracts easier by introducing stricter rules of procedure to increase the speed and efficiency of court proceedings.

*Doing Business 2020* is the 17th in a series of annual studies investigating the regulations that enhance business activity and those that constrain it. It provides quantitative indicators covering 12 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.

[www.doingbusiness.org](http://www.doingbusiness.org)



ISBN 978-1-4648-1440-2



SKU 211440