

Investment agreement (PI)

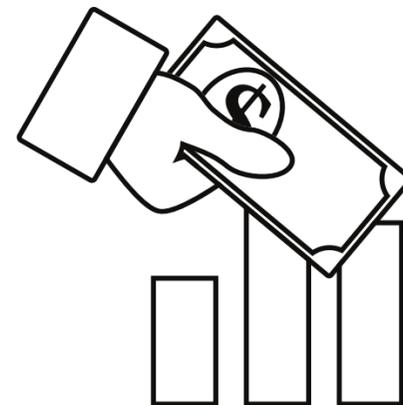
Investment agreement: it is an agreement on the tax consequences of investments planned or commenced in the territory of the Republic of Poland, between the investor and the Minister responsible for finance.

Investment

The investment within the meaning of the provisions of the Act on supporting new investments—e.g. setting up new plants, production diversification, fundamental changes to the production processes of the existing plants.

Minimum investment value

PLN 100 million
(PLN 50 million from 2025)



For whom?

The PI is addressed also to Polish residents, but mainly to foreign entities.



Investment agreement (PI)

■ Scope and purpose of the agreement:

The PI would be a tool that determines the tax consequences of investments in a comprehensive manner and ensures greater guarantee power than in the case of tax rulings



The agreement is to be an equivalent of the following administrative acts: tax ruling, binding rate information (WIS), binding excise information (WIA), advance tax decision (OZ), advance pricing arrangement (APA);

The investor would obtain one administrative act (instead of several separate ones) and contact one authority (instead of several bodies);



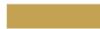
The investor would have to define the components for which it would like to determine the tax consequences of its decision (scope of one, two, three, four or five acts) and agree with the authority on the shape of the investment agreement;



Selected provisions on APA, OZ, WIA, WIS, tax ruling would be applied in the scope of submitting an application for concluding an agreement and agreeing its content (equivalence of provisions);



GOAL: increasing the certainty of tax law in Poland (ensuring a uniform and consistent interpretation of tax law provisions)—incentive for foreign investors,



Investment agreement (PI)

■ The PI may include:

- ✓ assessment of the transfer price of a controlled transaction (in terms of unilateral APA),
 - ✓ assessment that the provision on the application of the anti-avoidance clause does not apply to the tax advantage indicated in the application for conclusion of the agreement;
 - ✓ classification and type of excise goods or passenger car classification—in the system corresponding to the Combined Nomenclature (CN);
 - ✓ description and classification of the goods or service and the appropriate tax rate interpretation of tax law in the scope not covered in PI of parts which are equivalents of APA, OZ, WIA, WIS.
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■ Agreeing on the content of the PI

The scope and content of the investment agreement may be agreed between the authorities and the investor (the authorities may ask the investor to clarify any doubts/correct the application or organise a reconciliation meeting).

■ Application for conclusion of the PI:



- ✓ It can be submitted by the investor or a group of investors;
 - ✓ The application should contain the components resulting from the provisions to which the individual components of the PI refer (regarding tax rulings, WIS, WIA, OZ, APA), and therefore, depending on which parts are included in the PI—the provisions of individual acts should be applied.
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Investment agreement (PI) - fees

Initial fee



- Amounting to PLN 50,000 for each investor (any new investor joining the application will also need to pay the initial fee) applying for an investment agreement.
- In the case of an application to change the PI, the fee is to be half the initial fee: PLN 25,000 from each investor.

Opłata główna



- Its value is to be specified in the agreement, but it shall not be lower than PLN 100,000 and not higher than PLN 500,000.
- The amount is to depend on the declared value of the investment, its scope and complexity of the PI.
- In the case of an application to change the PI, the fee is to be half the main fee: **from PLN 50,000 to PLN 250,000.**



Investment agreement (PI)

■ Duration of the IP: the period to be determined in the agreement, but not longer than 5 fiscal years.

- ✓ Duration of the PI may be extended or shortened by the parties on the basis of joint voluntary amendment or unilateral voluntary termination.
- ✓ The PI may expire by operation of law on the date of entry into force of the provisions of tax law to the extent to which the agreement becomes inconsistent with such provisions, including when the non-compliance results from events specified in selected provisions of other acts.
- ✓ HOWEVER, in specific cases provided for by the law, the investor may comply with the content of the PI that has expired as a result of this change, which excludes the sanctioning effects of possible tax arrears.

■ The PI's guarantee function:

- ✓ The investment agreement is binding at all times for the investor and the authority competent for the agreement as well as the tax authorities for the settlement periods covered by the agreement.
- ✓ The content of the PI shall be binding on the investor and the tax authorities also after the expiry of its validity period.
- ✓ **GOAL:** increasing the standard of legal certainty on the part of the investors in relation to the institutions in force and used so far.

