

100924

Doing Business in Poland 2015



**COMPARING BUSINESS REGULATIONS FOR DOMESTIC FIRMS
IN 18 CITIES WITH 188 OTHER ECONOMIES**

© 2015 International Bank for Reconstruction and Development / The World Bank
1818 H Street NW, Washington, DC 20433
Telephone: 202-473-1000; Internet: www.worldbank.org

Some rights reserved
1 2 3 4 17 16 15 14

This work is a product of the staff of The World Bank with external contributions. The findings, interpretations, and conclusions expressed in this work do not necessarily reflect the views of The World Bank, its Board of Executive Directors, or the governments they represent. The World Bank does not guarantee the accuracy of the data included in this work. The boundaries, colors, denominations, and other information shown on any map in this work do not imply any judgment on the part of The World Bank concerning the legal status of any territory or the endorsement or acceptance of such boundaries.

Nothing herein shall constitute or be considered to be a limitation upon or waiver of the privileges and immunities of The World Bank, all of which are specifically reserved.



This work is available under the Creative Commons Attribution 3.0 IGO license (CC BY 3.0 IGO) <http://creativecommons.org/licenses/by/3.0/igo>. Under the Creative Commons Attribution license, you are free to copy, distribute, transmit, and adapt this work, including for commercial purposes, under the following conditions:

Attribution—Please cite the work as follows: World Bank. 2015. *Doing Business in Poland 2015*. Washington, DC: World Bank.

Translations—If you create a translation of this work, please add the following disclaimer along with the attribution: *This translation was not created by The World Bank and should not be considered an official World Bank translation. The World Bank shall not be liable for any content or error in this translation.*

Adaptations—If you create an adaptation of this work, please add the following disclaimer along with the attribution: *This is an adaptation of an original work by The World Bank. Views and opinions expressed in the adaptation are the sole responsibility of the author or authors of the adaptation and are not endorsed by The World Bank.*

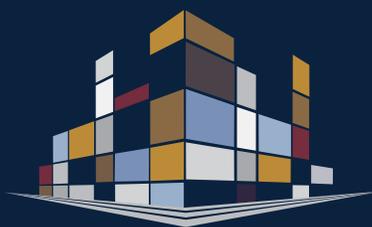
Third-party content—The World Bank does not necessarily own each component of the content contained within the work. The World Bank therefore does not warrant that the use of any third-party-owned individual component or part contained in the work will not infringe on the rights of those third parties. The risk of claims resulting from such infringement rests solely with you. If you wish to re-use a component of the work, it is your responsibility to determine whether permission is needed for that re-use and to obtain permission from the copyright owner. Examples of components can include, but are not limited to, tables, figures, or images.

All queries on rights and licenses should be addressed to The Publishing and Knowledge Division, The World Bank, 1818 H Street NW, Washington, DC 20433, USA; fax: 202-522-2625; e-mail: pubrights@worldbank.org.

Doing Business in Poland 2015



COMPARING BUSINESS REGULATIONS FOR DOMESTIC FIRMS
IN 18 CITIES WITH 188 OTHER ECONOMIES



Resources on the Doing Business website

Doing Business in Poland 2015

<http://www.doingbusiness.org/Poland>

Current features

News on the *Doing Business* project

<http://www.doingbusiness.org>

Rankings

How economies rank—from 1 to 189

<http://www.doingbusiness.org/rankings>

Reports

Access to *Doing Business* reports as well as subnational and regional reports, reform case studies and customized economy and regional profiles

<http://www.doingbusiness.org/reports>

Methodology

The methodologies and research papers underlying *Doing Business*

<http://www.doingbusiness.org/methodology>

Research

Abstracts of papers on *Doing Business* topics and related policy issues

<http://www.doingbusiness.org/research>

Doing Business reforms

Short summaries of DB2015 business regulation reforms, lists of reforms since DB2008 and a ranking simulation tool

<http://www.doingbusiness.org/reforms>

Subnational and regional projects

Differences in business regulations at the subnational and regional level

<http://www.doingbusiness.org/>

Subnational

Law library

Online collection of laws and regulations relating to business

<http://www.doingbusiness.org/law-library>

Entrepreneurship data

Data on business density (number of newly registered companies per 1,000 working-age people) for 139 economies

<http://www.doingbusiness.org/data/exploretopics/entrepreneurship>

Distance to frontier

Data benchmarking 189 economies to the frontier in regulatory practice

<http://www.doingbusiness.org/data/distance-to-frontier>

Information on good practices

Showing where the many good practices identified by *Doing Business* have been adopted

<http://www.doingbusiness.org/data/good-practice>

Doing Business iPhone app

Doing Business at a Glance—presenting the full report, rankings and highlights for each topic for the iPhone, iPad and iPod touch

<http://www.doingbusiness.org/special-features/iphone>



Contents

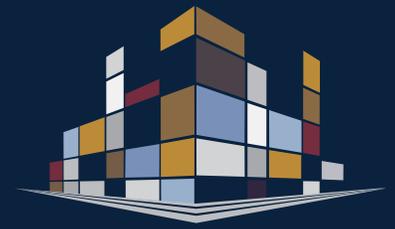
v	Foreword
1	Overview
11	About <i>Doing Business</i> and <i>Doing Business in Poland 2015</i>
<hr/>	
19	Starting a business
27	Dealing with construction permits
37	Registering property
45	Enforcing contracts
<hr/>	
53	References
59	Data notes
69	City snapshots
75	Indicator snapshots
79	List of procedures
80	<i>Starting a business</i>
97	<i>Dealing with construction permits</i>
132	<i>Registering property</i>
149	Indicator details: <i>Enforcing contracts</i>
<hr/>	
151	Acknowledgments

Doing Business in Poland 2015 is the first subnational report of the *Doing Business* series in Poland. It measures business regulations and their enforcement in all 16 voivodeships across 18 cities—taking account of pairs of voivodeship capitals: Zielona Góra and Gorzów Wielkopolski, Bydgoszcz and Toruń. The cities are compared against each other, and with 188 other economies worldwide.

Comparisons with other economies are based on the indicators in *Doing Business 2015, Going Beyond Efficiency*, the twelfth in a series of annual reports published by the World Bank Group. The indicators in *Doing Business in Poland 2015* are also comparable with almost 400 cities from 55 economies benchmarked in other subnational *Doing Business* studies. All data and reports are available at www.doingbusiness.org/subnational.

Doing Business investigates the regulations that enhance business activity and those that constrain it. Regulations affecting 4 stages of the life of a business are measured at the subnational level in Poland: starting a business, dealing with construction permits, registering property, and enforcing contracts. These indicators were selected because they cover areas of local jurisdiction or practice. The indicators are used to analyze economic outcomes and identify what reforms have worked, where and why. The data in *Doing Business in Poland 2015* are current as of September 1st, 2014.

This study is the result of collaboration of the Ministry of Infrastructure and Development of the Republic of Poland and Bank Gospodarstwa Krajowego with the World Bank Global Indicators Group, Development Economics, and the Poland Country Office.



Foreword

Poland's economic growth over the last 25 years has been spectacular. In that period, Poland has more than doubled its income per capita and became a European growth champion. It was the only EU country to avoid a recession in 2009. Its current GDP growth rate is strong. Poland seems to be on the brink of its new "golden age."

But past success does not guarantee future success. Maintaining the impressive growth record and fully catching up with Western Europe will be a challenge. A vibrant private sector—where companies invest, create jobs, and improve productivity—is key to promoting sustained and inclusive economic growth. However, private sector growth driven by high productivity requires improved competitiveness, including a favorable business climate so that entrepreneurs with good ideas and energy create and grow their own businesses, generating employment. This is important for Poland, where a large productivity gap with top-performing OECD countries still exists, and where regional disparities within the country still prevail. Strengthening the business environment and promoting a cohesive regional development strategy are key actions in Poland's long-term competitiveness and productivity agenda.

Doing Business in Poland 2015 is the first subnational report of the *Doing Business* series in Poland. It measures business regulations and their enforcement from the perspective of a small to medium-size domestic firm. The idea is a simple one: if entrepreneurs

spend fewer resources on regulatory burdens, they will have more time to devote to productive activities. If laws and regulations are clear, accessible, and transparent and, at the same time, enforceable before the courts, entrepreneurs will feel more confident to do business with people they don't know, and expand their client and supplier network.

In line with the importance of regional development, *Doing Business in Poland 2015* goes beyond Warsaw and benchmarks 17 other cities in Poland—including capitals of each of the sixteen regions—capturing local differences in business regulations or in the implementation of the national laws. Local authorities can see how they compare with the rest of the country and the rest of the world, learn about good practices, and take steps to increase their competitiveness. This is important for the development of small and medium-size enterprises, which play a crucial role in economic development at the local level.

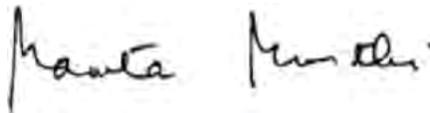
Doing Business is limited in scope. It does not focus on the usual elements of economic policy, such as fiscal policy, stimulus, and welfare. Rather, it focuses on the day-to-day functioning of the economy at the point where regulations directly impact small entrepreneurs. *Doing Business* does not attempt to measure all costs and benefits of a particular law or regulation to the society as a whole. Nor does it measure all aspects of the business environment that matter to firms and

investors, or affect the competitiveness of an economy. Its aim is simply to supply business leaders and policy makers with a fact base for informing policy making and to provide open data for research on how business regulations and institutions affect such economic outcomes as productivity, investment, informality, corruption, unemployment, and poverty. The results are revealing: this report found significant regulatory differences from one city to another in Poland and uncovered good practices that could be replicated and leveraged to empower local entrepreneurs.

The gap between the 18 cities benchmarked is significant. By adopting existing good practices found across the country in the four areas measured by this report, Poland would rank 24th out of 189 economies globally—eight positions higher than Poland's current ranking according to *Doing Business 2015*—placing the country ahead of France and the Netherlands. Promoting convergence among regions and cities towards the top performers and thus improving the ease of doing business in the whole country is a challenge worth taking.

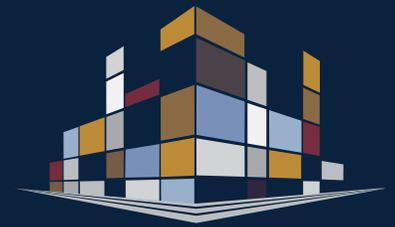
The publication of comparable data on the relative ease of doing business in different countries inspires governments to act. Comparisons between cities within a country are even stronger drivers for reform because it is more difficult for local governments to justify why doing business in their city or region is more burdensome than in neighboring locations, in Poland and abroad.

We hope that this study will empower reform-minded local policy-makers with the right data to inform their strategies, share lessons across cities and regions, increase competitiveness, and help improve the local business regulatory environment across the country, creating better conditions for sustainable growth and inclusion.



Mamta Murthi

Regional Director
Central Europe and the Baltic Countries
World Bank Group



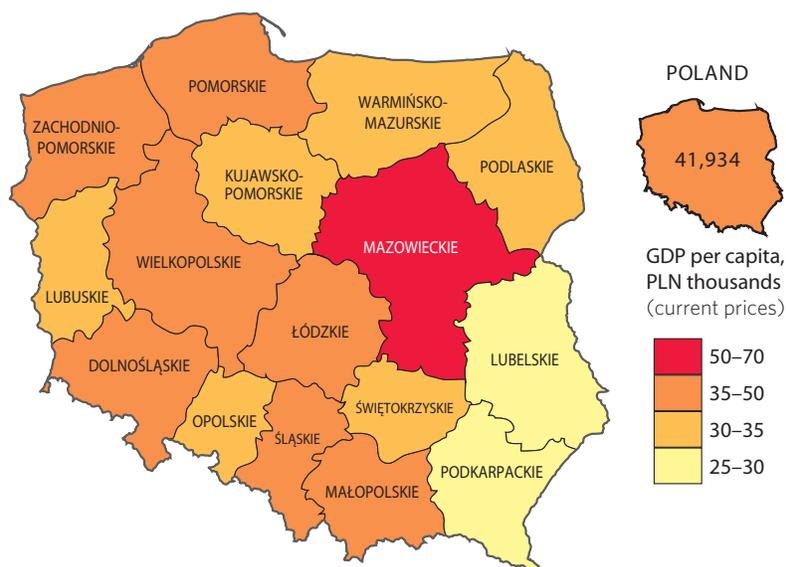
Overview

Ask anyone in Poland about the country's future and you will likely get an optimistic answer. This is no surprise. The country recently celebrated the anniversary of three memorable events from its modern history. The year 2014 marked 25 years of freedom, 15 years of NATO membership and 10 years in the European Union. Poland has transformed itself from a country at Europe's periphery to an influential EU member state with the largest economy in Central Europe. The country is now classified as a high-income economy, a remarkable achievement. As Polish citizens have prospered within the EU, their international stature has grown, as has their confidence and enthusiasm for the country's future within the union.¹

The economic integration with the European Union has been an effective mechanism for promoting convergence: since 2004, gross domestic product has doubled²—Poland was also the only EU country to avoid a recession during the recent global crisis³—and the country is catching up with EU living standards. Rising incomes, open borders and EU accession have allowed Poland to participate in global economic, social, and technological progress to an extent never experienced before.⁴ A new generation of entrepreneurs has not only risen to the challenge of increased global competition, but also taken advantage of the opportunities offered by the integration into the EU market. Today, micro, small and medium-size enterprises represent

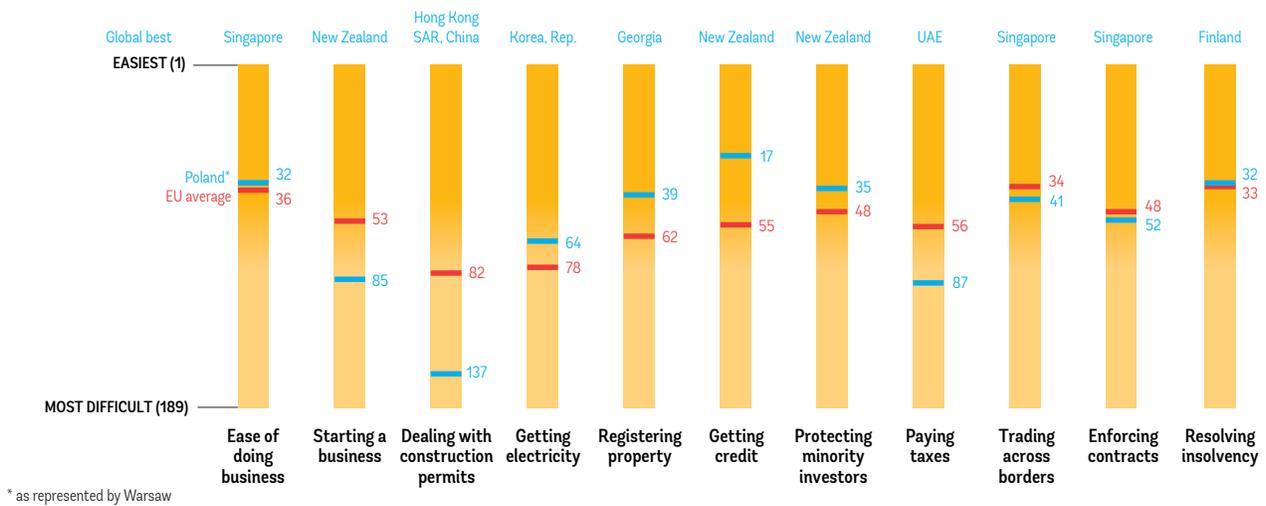
- Polish entrepreneurs face different regulatory hurdles depending on where they establish their businesses. This is due to varying efficiency levels at the public agencies in charge of the 4 areas benchmarked—starting a business, dealing with construction permits, registering property and enforcing contracts—and discrepancies in the interpretation of national legislation.
- Smaller cities tend to do better overall across the 4 indicators: of the 18 cities measured, Bydgoszcz tops the aggregate ranking. However, several large cities rank at or near the top of individual indicators—for example, Poznań and Wrocław on starting a business and dealing with construction permits, respectively—proving that high demand for business services can be dealt with efficiently.
- No single city does equally well on all 4 indicators. With the exception of Kielce, all cities do better than average on at least one indicator and 13 out of 18 rank in the top third on at least one indicator.
- Reform-minded local officials can make tangible improvements by replicating measures already successfully implemented in other cities in Poland.
- On all indicators, there are good practices to be found across Poland. If a hypothetical city were to adopt the best practices found across the 18 cities, it would rank 24th out of 189 economies globally—8 positions higher than Poland's current ranking according to *Doing Business 2015*—placing the country ahead of France and the Netherlands.

FIGURE 1.1 Gross domestic product per capita by voivodeship (2012)



Source: Statistical Yearbook of the Regions. Central Statistical Office. Warsaw. 2014.

FIGURE 1.2 Poland ranked 32nd out of 189 economies on the ease of doing business in 2014, but its performance varies significantly across indicators



Note: Data are based on the *Doing Business 2015* report.
Source: *Doing Business* database.

99% of all economic entities and provide work for 70% of people employed in non-financial enterprises.⁵

Despite these important achievements, a number of challenges remain. While before the global economic crisis the growth rate of income for the bottom 40% outpaced the average, this trend was reversed. In addition, persistent regional imbalances across the 16 voivodeships (regions) and internal divergence within regions—typically with large cities faring better than smaller towns and rural areas⁶—threaten the attainment of smart, sustainable and inclusive growth for all (figure 1.1).

Doing Business studies business regulations from the perspective of small and medium-size domestic firms. A fundamental premise of *Doing Business* is that economic activity benefits from good rules and institutions. These include rules that establish and clarify property rights, reduce the cost of solving commercial disputes, increase the predictability of economic outcomes and provide contractual partners with core protections against abuse. The objective: regulations designed to be efficient, accessible to all and simple in their implementation.

Over the past five years, Poland has implemented 16 reforms across the 10 indicator areas measured by *Doing Business*. Since 2009, it has registered the most progress on the *Doing Business* “distance to frontier” (DTF) metric—a measure of absolute performance with respect to the world’s best practices—of any EU country.

From a more granular perspective, however, the performance remains uneven: on half of the 10 *Doing Business* indicator areas, the country’s business environment lags behind the EU averages. Interestingly, indicators measuring the strength of regulation tend to fare better than those measuring the complexity of regulatory processes or government efficiency (figure 1.2). For example, Poland’s *Doing Business* scores show a strong secured lending regime and credit information system, ranking among the top 20 economies globally. However, to start a business in Warsaw, a Polish entrepreneur has to wait almost three times longer and pay three times more, on average, than his competitor in another EU country. To deal with construction permits, he would have to comply with almost twice as many requirements—with

Poland ranked in the bottom third of all economies globally.

Reforms aimed at improving legal institutions typically entail substantial changes in legal frameworks, are costly to implement and take years to yield positive results. Thanks in part to the reform efforts motivated by the transition and EU integration, a set of comprehensive and ambitious economic and institutional reforms were undertaken in Poland. Combining these ongoing reforms with further enhancing the regulatory efficiency of government agencies can have a strong impact. Take the example of starting a business: one could see the improvements introduced over time as a continuum starting with a reduction in registration costs and minimum capital, moving to reduce the need for multiple interactions between agencies and the entrepreneur by creating a one-stop shop, eliminating procedures, and then a move to more sophisticated reforms with the help of technology—including the online “S24” platform and the recent electronic exchange of information between agencies (box 1.1).

BOX 1.1: Reforming business start-up in Poland—six years in the making

Since 2009 Poland has introduced important changes with the objective of making it easier and less expensive to start a business. The minimum capital requirement and registration fees were lowered and a one-stop shop for business registration was set up at the National Court Register (*Krajowy Rejestr Sądowy*, or KRS). In addition, an online system for registering limited liability companies with standard articles of association is now available as another option for entrepreneurs (the “S24” system).

The idea of the one-stop shop was for KRS not only to be in charge of company registration, but also to manage the process for obtaining the statistical and tax identification numbers on behalf of the entrepreneur and register the company with the Social Insurance Office. However, the back-office start-up procedures were not re-engineered. As a result, KRS simply played the role of a post-office: receiving paper applications from the entrepreneur and sending them on to the respective agencies, which, in turn, returned the approved documents, still in paper format. While the reform looked good on paper, the process continued to take approximately one month—the same as before the reform—casting doubt on whether the entrepreneur was better off with the one-stop shop.

In 2012, the online “S24” platform was launched, allowing entrepreneurs to register limited liability companies with the KRS using standard articles of association without requiring a notary deed. The system not only sharply reduced the cost of starting a business, but also enabled the processing of applications by KRS in just 1-2 days. Even though entrepreneurs had to register in person with the statistical, tax and social insurance offices, these direct interactions were almost 3 weeks faster than going through the one-stop shop. Currently, two years after the launch, approximately 30% of new limited liability companies are set up through the “S24” system, although the uptake varies across cities.¹ Challenges remain, which may be limiting higher uptake. The system is not as user-friendly as it could be—for example, all company founders need to be logged in simultaneously and applications cannot be saved in draft format. In addition, the registration process is not fully electronic—applicants still have to pay the civil law transaction tax in-person.

Recent reforms seek to build on both systems and address their limitations (table 1.1).² Effective December 1, 2014, the new law on the one-stop shop came into force. Entrepreneurs no longer need to submit separate applications for the tax office and statistical office when registering with the KRS. Instead, the KRS shares information electronically with the National Register of Taxpayers, which, in turn, shares it with the Statistical Office and the Social Insurance Office. The same information submitted to KRS is used to generate the statistical and tax identification numbers. Users of the “S24” system will also be able to use the reformed one-stop shop. In addition, a recent legal amendment expands the “S24” system to registered partnerships and limited partnerships and reduces registration fees and the need to submit the specimen of board members signatures among other changes to further encourage its use.

It is still too early to assess the impact of the recent reforms on the ease of starting a business across locations in Poland. Achieving a significant time reduction requires that the KRS local court divisions and the other agencies involved in the start-up process have well-functioning electronic systems. In addition, to reduce delays, the review of applications at the KRS court divisions will need to become more efficient, as is already the case for the standard articles of association used by the online “S24” system.

Consistent implementation across locations can be challenging, as the case of Italy illustrates. There, an electronic one-stop shop connects five different entities involved in business start-up. However, the time to start a business varies significantly across cities due to different response times at the local level. Also, ensuring that electronic systems work well from the outset is critical to ensure credibility. In Mexico, the electronic portal tuempresa.gob.mx for business start-up was off to a good start, until a glitch suspended the platform for two months in 2012. Despite subsequent improvements to the portal, the uptake has not recovered, as users favor alternative mechanisms—even if they involve more steps.

1. Data include limited liability companies created from June 2013 to May 2014. Ministry of Justice of Poland.

2. Act of June 26, 2014 amending the National Court Register Act (Journal of Laws of 2014 Item 1161), effective December 1, 2014 - *Ustawa z dnia 26 czerwca 2014 r. o zmianie ustawy o Krajowym Rejestrze Sądowym oraz o zmianie niektórych innych ustaw (Dz.U. 2014 poz. 1161)*.

TABLE 1.1 Business start up in Poland—before and after reform

Functions	Before December 1, 2014		As of December 1, 2014	
	One-stop shop at KRS	"S24" online registration	One-stop shop at KRS	"S24" online registration
Registration with the National Court Register (KRS)	✓	✓	✓	✓
Registration with the tax office and obtaining tax identification number (NIP)	✓	✗	✓	✓
Registration with statistical office and obtaining statistical number (REGON)	✓	✗	✓	✓
Notification to the Social Insurance Office	✓	✗	✓	✓
Use of standard articles of association	✗	✓	✗	✓
Information exchange	Manual: paper copies sent by the KRS court divisions to local tax, statistical and social insurance offices.	The entrepreneur personally submits applications in paper form to tax, statistical and social insurance offices.	The one-stop shop manages applications to tax, statistical and social insurance offices through electronically interconnected systems.	
Total time	30 days (17-city average)	8 days (Poznań data)*	not yet available**	

* In Poznań, most limited liability companies are set up using the "S24" online system—the highest uptake among the 18 cities.

** The data of *Doing Business in Poland 2015* are valid as of September 1, 2014 and do not reflect the impact of the December 1, 2014 changes.

WHAT DOES DOING BUSINESS IN POLAND 2015 MEASURE?

Warsaw represents Poland in the annual *Doing Business* report, which compares 189 economies globally. However, in a large country with a decentralized system of government comprising 16 regions (voivodeships), 373 districts (*powiats*) and 2,489 municipalities (*gminy*),⁷ entrepreneurs face different local practices and regulations. In short, Warsaw does not tell the full story.

In order to give a more complete representation of Poland's business and regulatory environment, this study expands the benchmarking exercise to all voivodeship capitals.⁸ The focus is on indicators that measure the complexity and cost of regulatory processes affecting three stages in the life of a small-to-medium-size domestic firm: starting a business, dealing with construction permits, and registering property. It also benchmarks the strength of legal institutions across the country by measuring enforcing a commercial contract before a local court.

The same national legal framework defines requirements, regulates costs and sets time limits in all four indicator areas. But while the law is the same across the cities, its implementation may vary—mainly due to discrepancies in its interpretation and to different efficiency levels of the public agencies in charge of the areas benchmarked. In three of the four areas measured—starting a business, registering property, and enforcing contracts—the role of the judiciary is paramount to many of the transactions measured by this report. In addition to dispute resolution, Polish civil and commercial courts operate the immovable assets registry (Land and Mortgage Registry) and the business registry (National Court Register), respectively. Meanwhile, city and district authorities play a large role in the other indicator area: dealing with construction permits.

WHAT ARE THE FINDINGS?

On an aggregate level across the four indicators measured, it is easier to do business in Bydgoszcz and Olsztyn, but more difficult in Warsaw and Gdańsk

(table 1.2). Reviewing these findings in isolation may show unexpected results. Some cities that appear less dynamic may rank surprisingly high, while some larger business centers appear to lag behind. This is because *Doing Business* does not measure all aspects of the business environment that matter to firms or investors—nor does it measure all factors that affect competitiveness.⁹

A number of observations stand out. First, in Poland, there is a clear correlation between the size of the city (as measured by population) and the aggregate ranking.¹⁰ Smaller cities do better, in part because they receive less demand for business services than larger cities. Government offices in large business centers deal with a high volume of applications, which leads to bottlenecks and higher costs for professional services. However, Łódź and Wrocław are examples of large cities that capitalize on economies of scale and use resources at their disposal to invest in administrative modernization. Administrations in these cities issue a building permit in just over one month—similar to the delay in much smaller cities, such

as Olsztyn and Gorzów Wielkopolski, where the applications volume is five times smaller.¹¹ Similarly, trial time at the busy regional court of Kraków is less than a year—6 months faster than in Gdańsk or Warsaw. Judges in Kraków follow best national practices and use active case management, leveraging the existing provisions of the Code of Civil Procedure to frontload evidence and set a schedule of anticipated hearings and pleadings where possible. Another example is Poznań—ranked in the top third on starting a business and registering property—where high demand for business services in these areas is dealt with more efficiently than in smaller cities. Other cities should follow suit.

A good international example comes from Italy, where Milan and Turin—two of the largest business centers in the country—rank near or at the top on dealing with construction permits and enforcing contracts, respectively. A risk-based approach allows for fast-tracking of approvals for simple buildings in Milan. The court in Turin has successfully reduced pending cases and sped up civil proceedings by establishing clear guidelines on case management and tracking judges' performance—proving that large cities can be efficient and offer quality services.

A second observation is that no single city does equally well in all four areas. With the exception of Kielce, all cities do better than average on at least one indicator and 13 out of 18 rank in the top third on at least one indicator. In Toruń, for example, dealing with construction permits is easier than elsewhere, but starting a business is ranked below most other cities. Gorzów Wielkopolski ranks near the top on enforcing contracts but performs poorly when it comes to starting a business and dealing with construction permits. Gdańsk does well on starting a business but lags behind in the other areas. From a public-policy point of view, such dispersion or uneven performance across

TABLE 1.2 Doing Business in Poland: Where is it easier?

City (Voivodeship)	Aggregate rank on 4 indicators	Starting a business		Dealing with construction permits		Registering property		Enforcing contracts	
		Distance to frontier (score)	Rank	Distance to frontier (score)	Rank	Distance to frontier (score)	Rank	Distance to frontier (score)	Rank
Bydgoszcz (Kujawsko-Pomorskie)	1	85.79	9	69.84	1	82.14	3	72.69	6
Olsztyn (Warmińsko-Mazurskie)	2	87.80	2	64.65	9	81.02	5	76.12	1
Białystok (Podlaskie)	3	86.79	4	63.41	12	82.62	1	73.69	3
Toruń (Kujawsko-Pomorskie)	4	85.54	13	67.04	3	80.78	7	72.97	5
Opole (Opolskie)	5	86.79	4	66.31	6	79.43	13	73.05	4
Poznań (Wielkopolskie)	6	89.13	1	62.31	15	81.49	4	71.64	7
Rzeszów (Podkarpackie)	7	84.03	17	67.27	2	80.38	9	71.57	8
Zielona Góra (Lubuskie)	8	84.53	14	64.64	10	82.53	2	71.23	10
Łódź (Łódzkie)	9	85.79	9	66.35	5	80.66	8	68.98	14
Szczecin (Zachodniopomorskie)	10	82.77	18	65.98	7	80.82	6	71.08	12
Gorzów Wielkopolski (Lubuskie)	11	84.53	14	60.85	17	80.02	11	73.78	2
Katowice (Śląskie)	12	85.79	9	63.43	11	79.34	16	70.49	13
Wrocław (Dolnośląskie)	13	86.29	6	66.65	4	77.47	18	68.62	16
Lublin (Lubelskie)	14	86.04	7	65.92	8	78.39	17	68.67	15
Kielce (Świętokrzyskie)	15	84.28	16	63.06	13	79.38	15	71.11	11
Kraków (Małopolskie)	16	86.04	7	60.74	18	79.54	12	71.44	9
Warsaw (Mazowieckie)	17	85.79	9	62.97	14	80.30	10	64.83	17
Gdańsk (Pomorskie)	18	87.80	2	61.97	16	79.42	14	63.89	18

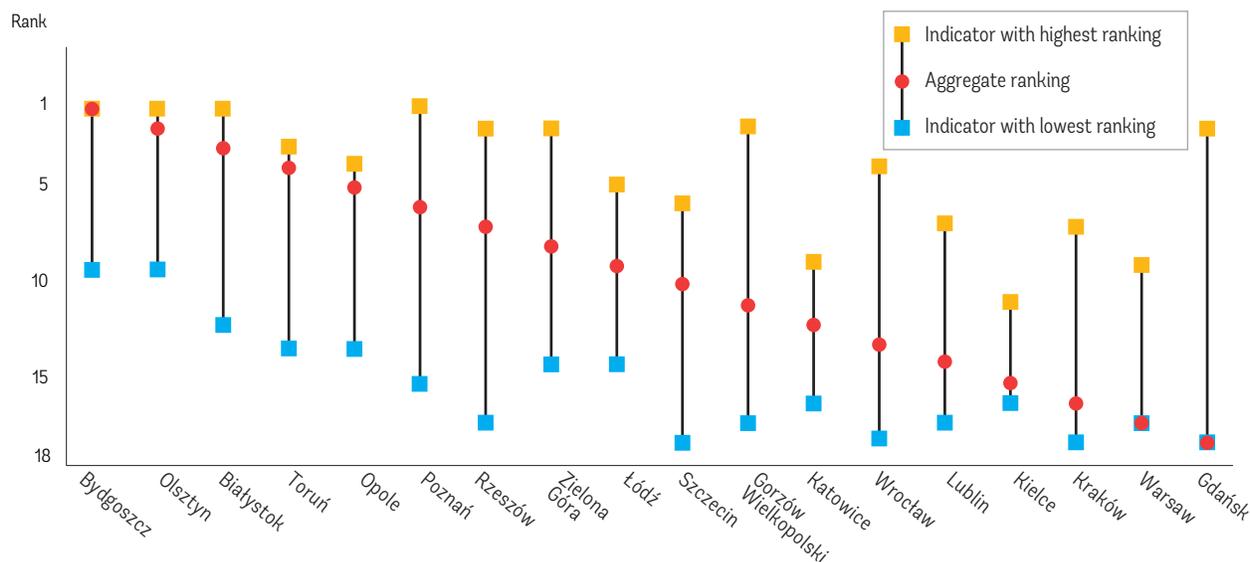
Note: The aggregate rankings are based on the average of each city's distance to frontier (DTF) scores for the four topics included in this study. The DTF score shows how far on average an economy is at a point in time from the best performance achieved by any economy on each *Doing Business* indicator since 2005. The measure is normalized to range between 0 and 100, with 100 representing the frontier of best practices. For more details, see the *About Doing Business* and *Doing Business in Poland 2015* section.

Source: *Doing Business* database.

the indicators measured can guide local policymakers to areas where improvements are possible without major legislative changes (figure 1.3).

Third, small local changes can make a difference in the bigger, global picture: the distance to frontier (DTF) score indicates the distance between a city's performance on a given indicator and the best performance globally across 189

FIGURE 1.3 A location's regulatory environment may be more business-friendly in some areas than others—revealing opportunities for reform



Source: Doing Business database.

economies. On dealing with construction permits, for example, Polish cities are furthest away from the global frontier of best practices. But within Poland, the distance between the best and worst performing cities is significant (figure 1.4). With a DTF score below 62, Gdańsk, Gorzów Wielkopolski and Kraków perform as poorly as economies ranking in the bottom fourth globally. Meanwhile, Bydgoszcz's DTF of 69.84 places the city close to the average global performance. This is not surprising: Bydgoszcz is one of the five cities with the fewest requirements because pre-construction clearances for water, rainwater and sewage connections can be requested in one single step. Dealing with construction permits is also relatively fast and inexpensive. Obtaining a building permit takes two weeks less than the 60-day limit set by law. According to anecdotal evidence, this is due to how City Hall administrators have organized the internal flow of documents and the way applications are channeled through the different departments. Moreover, fewer requirements and lower costs for hiring private experts, such as land surveyors, keep costs low.

COMPARING REGULATIONS ACROSS 18 CITIES FROM 16 VOIVODESHIPS

Starting a business

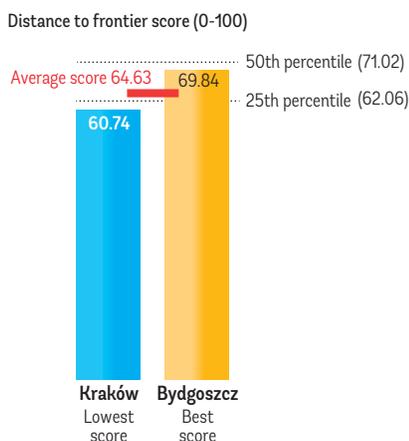
In Poznań, half of limited liability companies are set up with the help of the "S24" online system—the highest uptake among the 18 cities.¹² Startup requires six procedures, eight days and 6.9% of income per capita. In the remaining 17 cities, most businesses choose to register using the one-stop shop of the local court division of the KRS. This requires four procedures but causes longer delays—one month on average—and higher costs—12.9% of income per capita—well above the EU average of 11.6 days and 4.1% of income per capita. The volume of applications and resources, as well as different practices at the respective court division of the KRS, determine the duration of the start-up process. It takes 22 days in Olsztyn and Gdańsk and 42 days in Szczecin. Notary fees are the main source of costs in all cities using the KRS one-stop shop, but they are dropping as result of recent deregulation of the profession. In addition, company founders across Poland

need to deposit PLN5,000 (EUR1,166) or 12.3% of income per capita as paid-in minimum capital. Recent reforms—underway since December 2014—replace paper-based interactions between the agencies involved in the one-stop shop with interconnected databases. Poland could, over time, move to an entire on-line business start-up process similar to New Zealand or Slovenia.

Dealing with construction permits

Across Poland, dealing with construction permits takes on average 21 procedures and 175 days, at a cost equivalent to 0.2% of the warehouse value. In the EU, the same process is on average 10 times more expensive—2.3% of warehouse value—but significantly less complex—13 procedures. The Polish Building Law sets the regulatory and legal framework for the construction industry, defining requirements, setting time limits and regulating costs. However, there are local implementation differences across cities. It is easier to comply with the formalities to obtain a construction permit to build a warehouse and connect it to water and sewerage in Bydgoszcz and

FIGURE 1.4 Gap between the highest and lowest distance to frontier scores in dealing with construction permits within Poland



Source: Doing Business database.

Rzeszów, and more difficult in Gorzów Wielkopolski and Kraków. The number of steps required range from 19 in Bydgoszcz, Rzeszów, Szczecin, Warsaw and Wrocław to 22 in Gdańsk, Gorzów Wielkopolski, Kielce, Olsztyn and Opole. The differences arise from the 10–13 clearances required—related to electricity, water, sewerage, rainwater drainage and public road access—even before the building permit application is submitted and construction can commence. Smaller cities tend to require more pre-construction clearances compared to larger urban areas: four¹³ of the five cities that require more steps to deal with construction permits have 200,000 or fewer inhabitants. In all cities, there are no requirements during construction,¹⁴ seven after construction, and two to obtain water and sewerage connections. Complying with all requirements takes 137 days in Opole; in Kraków, Poznań and Warsaw it takes more than two months longer. The variation in time depends on three factors: the delay in obtaining pre-construction clearances, the time it takes City Halls to process building permit applications, and the days required to obtain an occupancy permit from the County Building Inspectorate. Although most fees are set nationally, in Bydgoszcz,

dealing with construction permits costs half what it costs in Warsaw—PLN3,142 (EUR733) versus PLN6,080 (EUR1,418). This is because the clearance from the municipal water works company is less expensive and because of the lower cost of hiring private third parties such as fire safety experts and land surveyors. Consolidating pre-construction clearances is a key factor to facilitating the construction permitting process in Poland—where the number of requisites before construction can even start is much higher than in most advanced economies. Investing in advanced zoning systems would also help reduce the burden of obtaining such clearances.

Registering property

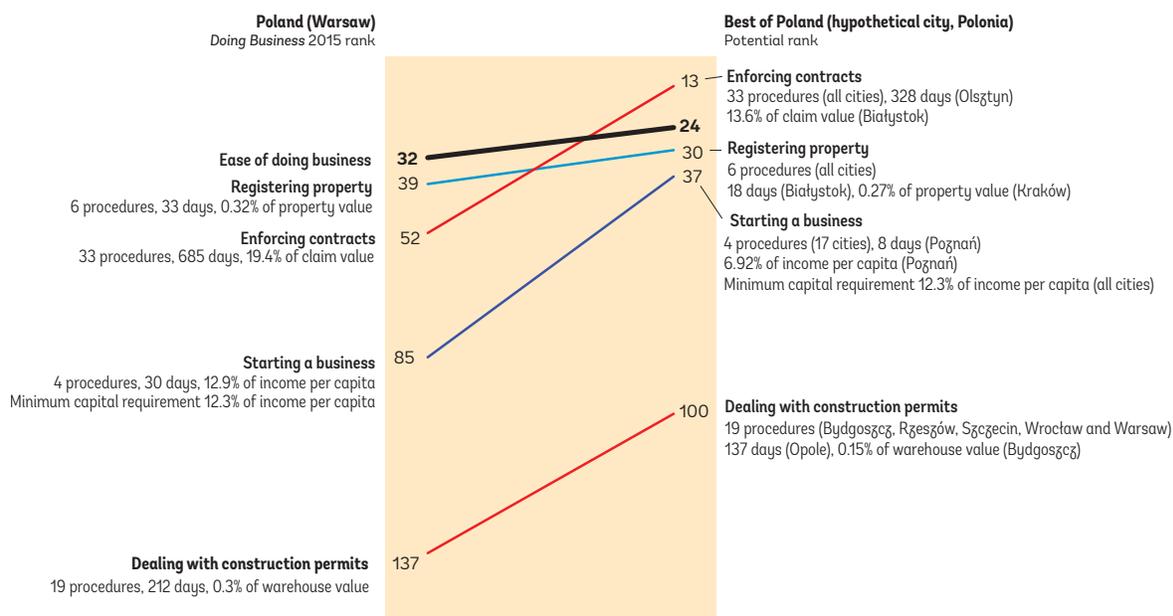
Registering property takes on average 33 days and costs 0.32% of the property value. Based on a common legal framework, the same six procedures apply throughout the country. Compared to the EU average of 4.45% of property value, Poland is inexpensive when it comes to registering property. On the other hand, it lags behind in terms of the time it takes to do so. Registering property is easiest in Białystok, where it takes only 18 days and costs 0.35% of the property value. By contrast, in Wrocław it takes 51 days. The delay is largely caused by the time it takes to go through registration with the Land and Mortgage Registry. The average time to complete this step is 25 days, but it can vary from 40 days in Wrocław to 10 days in Białystok and Zielona Góra, where the Land and Mortgage Registries have streamlined internal procedures and leveraged the assistance from legal secretaries to help the *referendarzs*.¹⁵ In Kraków, registering property costs 0.27% of property value, while in Gdańsk it costs almost 0.1% more because of differences in notary fees, which are subject to negotiation following the recent deregulation. On average, notary fees constitute 95% of the total cost to register a property in Poland. Consolidating land and real estate records in one electronic database

and sharing a single identification number to search for properties—both in the Cadastre and the Land and Mortgage Registry—would allow for quick identification of the legal status of the property, provide greater certainty for the parties engaged in a property transfer, and reduce the likelihood of mistakes. Making registration electronic would also bring significant improvements.

Enforcing contracts

On average, it takes 512 days and costs 15.9% of the claim value to resolve a commercial dispute across the 18 Polish cities measured. This makes Poland faster, by about two months, and cheaper, by nearly 6 percentage points, than the average EU economy. Enforcing contracts is easier in Olsztyn where it takes a total of 328 days and costs 15.3% of the claim value. It is more difficult in Gdańsk, where it takes 715 days and costs 19.7%. Variations in the time can be found at all stages of the enforcing contracts process: lengthy service time due to the postal operator in some cities, backlogs in the courts of the most populous cities, and multiple auctions at the enforcement stage in cities with a smaller market for moveable assets. In most cities where trial time is less than a year, judges use active case management by leveraging the provisions in the Polish Code of Civil Procedure to earmark and schedule anticipated hearings, and to require the frontloading of evidence. Poland has over the last 10 years implemented many reforms to speed up commercial justice, including a bold reform of the bailiff profession. However, commercial courts are facing an increasing flow of incoming cases and in the most populous cities, such as Warsaw, backlogs are on an upward trend. Promoting alternative dispute resolution, such as mediation, would allow cases to be resolved at an early stage and not have to go through multiple procedural steps, trial and judgment. Reviewing court resource allocation can help ensure that judges get the support

FIGURE 1.5 How would the adoption of good practices found across Polish cities impact Poland's global ranking?



Source: Doing Business database.

they need to manage an increasing caseload. Finally, institutionalizing good practices that have helped some courts to deal with increasing case flow could help courts throughout Poland reduce delays.

LEARNING FROM EACH OTHER

Publishing comparable data on the relative ease of doing business in different countries inspires governments to act. They uncover bottlenecks and identify where policymakers can look for good practices. Poland has a track record of successfully looking to the EU and using international benchmarks—like *Doing Business* or other similar indicators—to improve its regulatory framework.

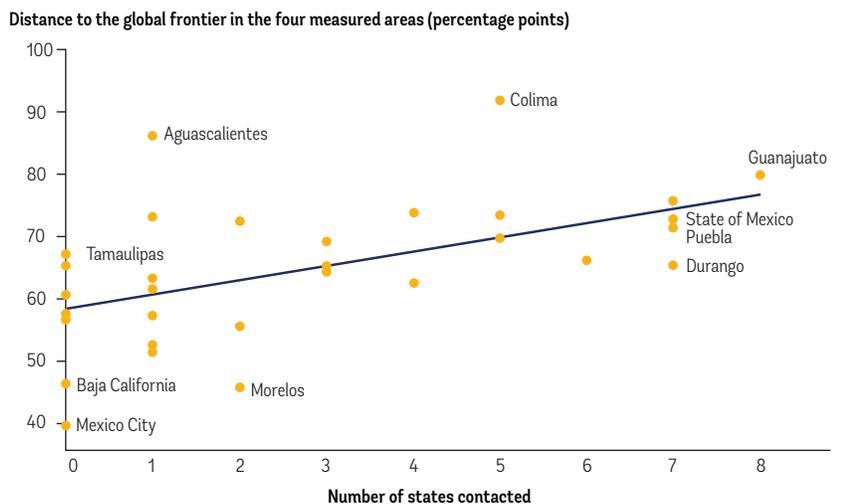
Now it is time to look inward: comparisons between locations in the same country can be even stronger drivers of reform, because it is more difficult for local governments to justify why doing business in their city

or region is more burdensome than in neighboring locations. The good news is that sharing the same national legal framework facilitates the adaptation of good practices. Reform-minded local officials can achieve tangible improvements by replicating measures already successfully implemented in other locations across Poland. Small administrative improvements that do not require major regulatory changes can make a big difference in the life of a small or medium-size firm.

Lessons can be learned from the cities that have the best performance and also from those that face the most challenges. For example, *referendarz*s in Warsaw deal with significantly more company registration applications than in any other city, yet the KRS court divisions manage to maintain their registration times well within the average. One reason behind Warsaw's higher efficiency may be a flexible work schedule that allows *referendarz*s to adjust to peaks in the volume of applications.

On all indicators, there are good practices to be found across Poland. If a hypothetical city—"Polonia"—were to adopt the best practices on starting a business, dealing with construction permits, registering property, and enforcing contracts found across the 18 cities, it would rank 24th out of 189 economies globally—eight positions higher than Poland's current ranking according to *Doing Business 2015*—placing the country ahead of France and the Netherlands (figure 1.5). Learning from Poznań what it takes to encourage the massive uptake of the "S24" online registration system among entrepreneurs, and then combining this faster and less expensive process with the streamlined procedures available through the one-stop shops at the National Court Register, would allow "Polonia" to rank 48 positions higher on starting a business. Similarly, reducing the time and cost of dealing with construction permits to 137 days, as in Opole—where obtaining a building permit takes two weeks less than the 2-month limit set by law and the occupancy permit is released in 10 days,

FIGURE 1.6 States in Mexico that strive the most to maintain an active dialogue with their peers have a better business regulatory environment



Note: The correlation between the distance to frontier and the number of states that were contacted by other states is 0.53 and the relationship is significant at 1%.

Source: *Doing Business* database—obtained in November 2013 during consultative meetings with authorities from Mexican states.

the fastest in Poland—and 0.15% of the warehouse value, as in Bydgoszcz, would put “Polonia” 37 places ahead on this indicator. In Białystok, the Land and Mortgage Registry leverages a modern case management system to improve internal processing times and, in Kraków, competition among notaries drove down property transfer costs—adopting these practices would rank the hypothetical city 30th, similar to the United States, on registering property. Finally, if “Polonia” were to adopt the speed to enforce a contract of Olsztyn (328 days) and the low cost of Białystok (13.6%), it would climb 39 positions to rank 13th globally, the same as Germany and ahead of Finland.

Other countries can serve as examples of how peer-to-peer learning works. A recent consultation of public officials from 31 Mexican states confirmed that peer learning is a significant tool for reform-minded states. The *Doing Business in Mexico* series and the biannual meetings organized by the Mexican Federal Commission on Regulatory Improvement are recurring opportunities to learn about good practices and connect to peers. Peer

learning also takes place when local policy makers visit neighboring states and cities. For example, policy makers of the state of Colima visited Sinaloa, where they learned about issuing land-use authorizations electronically; soon after, Colima set up a similar system on its own website. Not surprisingly, the states making the largest number of inquiries are those that consistently maintain and develop good practices. The data show that the better-performing states in the *Doing Business in Mexico* series are those that make the most efforts to contact others (figure 1.6). While saving time and money are immediate benefits for firms, there are larger economy-wide payoffs from business reforms. A study shows that after the introduction of local one-stop shops for business start-ups the number of new firm registrations rose 5%, employment increased by 2.2% and prices fell by nearly 1% because of the competition from new entrants.¹⁶

Governments that succeed in sustaining reform programs tend to have common features. Like Poland, they take a comprehensive approach that targets improvements across multiple areas

of the investment climate. They use existing benchmarks, firm statistics or surveys to identify opportunities for improvement, learn from others and measure progress regularly.

Consultation with stakeholders is another key component in the reform process. An effective platform to promote regular consultations and collaboration with the private sector, making the latter an important part of the reform process, is essential. Without understanding the private sector’s concerns and the barriers that prevent them from starting, operating and growing their businesses, no government can claim to have set up a comprehensive reform agenda that will make a real difference to its people. It would therefore be beneficial for Poland to strengthen its existing mechanisms that will allow for regular consultations and feedback mechanisms between the public and the private sectors, making this an important part of the reform process in the country.

Similarly, without effectively communicating the benefits of reforms, implementation suffers. In the area of construction permits, for example, the numerous amendments to the Polish Building Law were not disseminated consistently across enforcement agencies and private practitioners, resulting in confusion and uneven implementation across cities. Recently, the Building Law was modified to simplify the permitting process.¹⁷ Legislative amendments should be well communicated to all stakeholders—local implementing agencies, the business and legal communities and the general public—and accompanied by guidelines on how to interpret the new law in order to ensure that changes are understood and put in practice.

One example comes from the United States. *The Open Government Initiative*,¹⁸ launched in 2009, attempts to foster greater transparency

TABLE 1.3 Suggested reforms to improve the ease of doing business across Poland

SUGGESTED REFORMS	RELEVANT MINISTRIES/ AGENCIES*
Starting a business	
<ul style="list-style-type: none"> • Improve efficiency at the National Court Register by adopting existing good practices • Allow the use of standard articles of association for registration at the one-stop shop of the National Court Register • Create a single online process for starting a business • Assess the feasibility of replacing the civil law transaction tax with a business registration fee based on a cost recovery principle • Eliminate the minimum capital requirement 	<p>Local level:</p> <ul style="list-style-type: none"> • District Court: National Court Register division • Tax Office • Statistical Office • Social Insurance Office <p>National level:</p> <ul style="list-style-type: none"> • Ministry of Justice • Ministry of Finance • Central Statistical Office • National Council of the Judiciary
Dealing with construction permits	
<ul style="list-style-type: none"> • Consolidate or eliminate pre-construction clearances • Clarify and better communicate the construction permitting process and requirements • Invest in advanced zoning systems • Consolidate and simplify post-completion inspections and the issuance of the occupancy certificate • Develop an electronic platform for the construction permit administration 	<p>Local level:</p> <ul style="list-style-type: none"> • City Hall: Architecture department • City Hall: Geodetic department • City Hall: Urban Planning department • County Building Inspectorate • Public utility providers <p>National level:</p> <ul style="list-style-type: none"> • Ministry of Infrastructure and Development • General Office of Building Control • Head Office of Land Surveying and Cartography • National Sanitary Inspectorate • State Fire Service
Registering property	
<ul style="list-style-type: none"> • Optimize available resources to reduce delays at the Land and Mortgage Registry of the relevant court • Move toward electronic registration • Improve the interconnection between the Land and Mortgage Registry and the Cadastre • Use a single identification number for property searches at the Land and Mortgage Registry and the Cadastre • Improve public service delivery at the City Hall 	<p>Local level:</p> <ul style="list-style-type: none"> • District Court: Land and Mortgage Registry • City Hall: Urban Planning department • City Hall: Cadastre department <p>National level:</p> <ul style="list-style-type: none"> • Ministry of Justice • National Council of the Judiciary
Enforcing contracts	
<ul style="list-style-type: none"> • Establish a mediation culture among judges and litigants • Expand court automation • Ensure effective financial and human resource allocation within the courts • Institutionalize good practices across commercial divisions 	<p>Local level:</p> <ul style="list-style-type: none"> • Regional Court: Commercial division • Mediation centers <p>National level:</p> <ul style="list-style-type: none"> • Ministry of Justice • National Council of the Judiciary • Polish Council for the Alternative Methods of Disputes and Conflicts Resolution

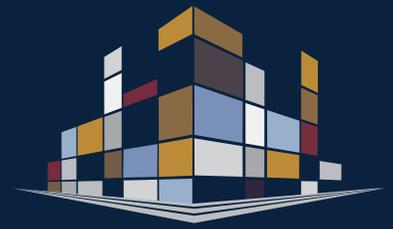
*The list includes the main ministries and departments but additional departments or ministries might be implicated.

Note: All suggested reform recommendations are detailed in the "What to reform?" section of each chapter.

in an effort to engage citizens and businesses more actively in the regulatory process. The initiative marks a departure from previous transparency measures. It focuses on "collaborative governance," meaning that regulatory agencies must take proactive steps to work in collaboration with businesses and citizens and stakeholders. Its goal is to strengthen accountability, secure public trust, and increase efficiency and effectiveness in government.

Poland's economic performance is undoubtedly a success story. As the country continues down a path of growth and development, a number of new challenges are emerging. In the longer term, Poland will have to face the problem of an aging society, while trying to avoid the "middle income trap"—getting stuck at its current economic level. Enhancing the business environment can be a powerful tool for maintaining a high level of competitiveness and establishing a solid foundation

for sustainable growth (table 1.3). Removing needlessly bureaucratic regulations and red tape reduces the cost for Polish firms to do business and thus boosts productivity and enhances their efficiency and competitiveness abroad. The national economies that have managed to increase their footprint in the global marketplace are those that have made sustained efforts to create an environment that is more conducive for private sector development. Poland's proven reform track record provides optimism that similar efforts will be undertaken in the years to come, leading to sustained growth and progress.



About Doing Business and Doing Business in Poland 2015

Economic activity requires sensible rules that encourage firm start-up and growth and avoid creating distortions in the marketplace. *Doing Business* measures the rules and regulations that can help the private sector thrive—because without a dynamic private sector, no economy can provide a good, and sustainable, standard of living for people. *Doing Business* promotes rules that establish and clarify property rights, minimize the cost of resolving disputes, increase the predictability of economic interactions and provide contractual partners with core protections against abuse.

The *Doing Business* data highlight the important role of the government and government policies in the day-to-day life of domestic small and medium-size firms. The objective is to encourage regulations that are designed to be efficient, accessible to all who use them and simple in their implementation. Where regulation is burdensome and competition limited, success tends to depend on whom one knows. But where regulation is efficient, transparent and implemented in a simple way, it becomes easier for aspiring entrepreneurs to compete on an equal footing and to innovate and expand. In this sense *Doing Business* values good rules as a key to social inclusion. Enabling growth—and ensuring that all people, regardless of income level, can participate in its benefits—requires an environment where new entrants with drive and good ideas can get started in business and where good firms can invest and grow, thereby creating more jobs.

Doing Business was designed with 2 main types of users in mind: policy makers and researchers.¹ *Doing Business* is a tool that governments can use to design sound policies for the creation of firms and jobs. But this tool should not be used in isolation. *Doing Business* provides a rich opportunity for benchmarking by capturing key dimensions of regulatory regimes. Nevertheless, the *Doing Business* data are limited in scope and should be complemented with other sources of information.

Doing Business is also an important source of information for researchers. It provides a unique data set that enables analysis aimed at better understanding the role of business regulation in economic development.

WHAT DOES DOING BUSINESS AND DOING BUSINESS IN POLAND 2015 MEASURE?

Doing Business captures several important dimensions of the regulatory environment as it applies to local firms. *Doing Business* provides 2 main types of indicators: those that broadly measure the complexity and cost of regulatory processes and those that measure the strength of legal institutions. Indicators of the first type (starting a business, dealing with construction permits, getting electricity, registering property, paying taxes and trading across borders) promote efficiency in transactions handled by the government, such as in the process to register

- *Doing Business* measures business regulations that affect domestic small and medium-size firms in 11 areas across 189 economies. *Doing Business in Poland 2015* covers 4 of these areas: starting a business, dealing with construction permits, registering property and enforcing contracts.
- *Doing Business* and *Doing Business in Poland 2015* do not capture other aspects of the business environment, such as security, market size and macroeconomic stability.
- The *Doing Business* methodology is based on standardized case scenarios in the largest business city of each economy. *Subnational Doing Business* studies expand the *Doing Business* analysis beyond this largest business city to measure variations in regulations or in the implementation of national laws across locations within an economy or a region.
- *Doing Business in Poland 2015* relies on the following main sources of information: the relevant laws and regulations, private sector respondents, government officials, magistrates and World Bank Group staff.
- Governments use *Doing Business* as a source of objective data providing unique insights into good practices worldwide. Many *Doing Business* indicators are “actionable”—though depending on the context, they may not always be “action-worthy.”

BOX 2.1 Comparing regulations at the local level: subnational *Doing Business* studies

The subnational *Doing Business* studies expand the *Doing Business* analysis beyond the largest business city of an economy. They measure variation in regulations or in the implementation of national laws across locations within an economy (as in Italy or Colombia) or a region (as in South East Europe or Central America). Projects are undertaken at the request and in collaboration with governments.

Data collected by subnational reports over the past 2 years show that there can be substantial variation within an economy. In Mexico in 2013, for example, transferring property took as few as 2 days in Colima and as many as 74 in Mexico City. Indeed, within the same economy one can find cities that perform as well as economies ranking in the top 20 on the ease of registering property and cities that perform as poorly as economies ranking in the bottom 40 on that indicator (see figure).

Different locations, different regulatory processes, same economy

Distance to frontier score for registering property (0–100)



Note: The average score shown for each economy is based on all locations covered by the data: 36 cities in Nigeria, 23 cities in Colombia, 15 locations and governorates in the Arab Republic of Egypt, 13 cities in Italy and 31 states and Mexico City in Mexico. The worst score shown for each economy is that of the location with the most complex process for transferring property, and the best score that of the location with the most efficient one. The 10th and 90th percentile values are based on economy-level scores for the 189 economies covered by *Doing Business*.

Source: Subnational *Doing Business* database.

The subnational *Doing Business* studies create disaggregated data on business regulations. But they go beyond a data collection exercise. They have proved to be strong motivators for regulatory reform at the city level:

- The data produced are comparable across locations within the economy and internationally, enabling locations to benchmark their results both locally and globally. Comparisons of locations that are within the same economy and therefore share the same legal and regulatory framework can be revealing: local officials find it hard to explain why doing business is more difficult in their jurisdiction than in a neighboring one.
- Pointing out good practices that exist in some locations but not others within an economy helps policy makers recognize the potential for replicating these good practices. This can prompt discussions of regulatory reform across different levels of government, providing opportunities for local governments and agencies to learn from one another and resulting in local ownership and capacity building.

Since 2005 subnational reports have covered 367 cities in 55 economies, including Brazil, China, India, Indonesia, Morocco and Pakistan. In 2014, subnational studies were completed in Mexico, Nigeria and more recently in the Central America region.

Subnational reports are available on the *Doing Business* website at <http://www.doingbusiness.org/subnational>.

a transfer of property. The second set of indicators (getting credit, protecting minority investors, enforcing contracts and resolving insolvency) show limited variability across cities in the same economy since they mainly draw from national laws with general applicability.

The choice of *Doing Business* indicators has been guided by economic research and firm-level data, particularly data from the World Bank Enterprise Surveys.² These surveys provide data highlighting the main obstacles to business activity as reported by entrepreneurs in more than 120 economies. The design of the *Doing Business* indicators has also been informed by theoretical insights gleaned from extensive research and the literature on the role of institutions in enabling economic development. In addition, the background papers developing the methodology for each of the *Doing Business* indicator sets have established the importance of the rules and regulations that *Doing Business* measures for such economic outcomes as trade volumes, foreign direct investment, market capitalization in stock exchanges and private credit as a percentage of GDP.³

Doing Business in Poland 2015 is the first subnational *Doing Business* report in the country (box 2.1) and as such it captures several important dimensions of the regulatory environment as they apply to local firms in 18 Polish cities. It provides quantitative measures of regulations in 4 business areas: starting a business, dealing with construction permits, registering property and enforcing contracts.

TWO AGGREGATE MEASURES

Doing Business presents data both for individual indicators and for 2 aggregate measures—the distance to frontier metric and ease of doing business ranking—to provide different

perspectives on the data. The ease of doing business ranking compares economies with one another; the distance to frontier score benchmarks economies with respect to regulatory best practices, showing the absolute distance to the best performance on each *Doing Business* indicator. When compared across years, the distance to frontier score shows how much the regulatory environment for local entrepreneurs in an economy has changed over time in absolute terms, while the ease of doing business rankings show how much the regulatory environment has changed relative to that in other economies.

The distance to frontier measure aids in assessing the absolute level of regulatory performance and how it improves over time. This measure shows the distance of each economy to the “frontier,” which represents the

best performance observed on each of the indicators across all economies in the *Doing Business* sample since 2005 or the third year in which data were collected for the indicator. This allows users both to see the gap between a particular economy’s performance and the best performance at any point in time and to assess the absolute change in the economy’s regulatory environment over time as measured by *Doing Business*. This measure shows not only how economies are ordered on their performance on the indicators but also how far apart they are.

Doing Business in Poland 2015 includes rankings of the 18 cities measured on 4 topics: starting a business, dealing with construction permits, registering property and enforcing contracts. The rankings presented are based on the distance to the frontier score. The distance to frontier score captures the

TABLE 2.1 What is the frontier in regulatory practice in the areas measured by *Doing Business in Poland 2015*?

Topic and indicator	Who sets the frontier	Frontier	Worst performance
Starting a business			
Procedures (number)	Canada; New Zealand	1	18 ^a
Time (days)	New Zealand	0.5	100 ^b
Cost (% of income per capita)	Slovenia	0	200 ^b
Minimum capital (% of income per capita)	Australia; Colombia ^c	0	400 ^b
Dealing with construction permits			
Procedures (number)	Hong Kong SAR, China	5	30 ^a
Time (days)	Singapore	26	373 ^b
Cost (% of Warehouse value)	Qatar	0	20 ^b
Registering property			
Procedures (number)	Georgia; Norway; Portugal; Sweden	1	13 ^a
Time (days)	Georgia; New Zealand; Portugal	1	210 ^b
Cost (% of property value)	Saudi Arabia	0	15 ^b
Enforcing Contracts			
Procedures (number)	Singapore	21	53 ^a
Time (days)	Singapore	120	1,340 ^b
Cost (% of claim value)	Bhutan	0.1	89 ^b

a. Worst performance refers to the 99th percentile among all economies.

b. Worst performance refers to the 95th percentile among all economies.

c. One hundred and ten other economies also have a minimum capital of 0.

Source: *Doing Business* database.

gap between a city's performance and a measure of best practices across the areas covered by the report. For starting a business, for example, Canada and New Zealand have the smallest number of procedures required (1) and New Zealand the shortest time to fulfill them (0.5 days). Slovenia has the lowest cost (0.0% of income per capita), and Australia, Colombia and 110 other economies have no paid-in minimum capital requirement (table 2.1). For each topic covered, *Doing Business* uses a simple averaging approach for weighting component indicators, calculating rankings and determining the distance to frontier score. To test the robustness of this approach, other approaches were explored, including using principal components and unobserved components.⁴ These turn out to yield results nearly identical to those of simple averaging. In the absence of a strong theoretical framework that assigns different weights to the topics covered for the 189 economies worldwide, the simplest method is used: weighting all topics equally and, within each topic, giving equal weight to each of the topic components.

Each topic covered by *Doing Business* relates to a different aspect of the business regulatory environment. The distance to frontier scores and rankings of each economy vary, often substantially, across topics, indicating that strong performance by an economy in one area of regulation can coexist with weak performance in another. A quick way to assess the variability of an economy's regulatory performance is to look at its distance to frontier scores across topics. Croatia, for example, has an overall distance to frontier score of 66.53. Its distance to frontier score is 85.43 for starting a business, while at the same time, it has a distance to frontier score of 44.97 for dealing with construction permits. Variation in performance across the indicator sets is not at all unusual. It reflects differences in the degree of priority that government

authorities give to particular areas of business regulation reform and in the ability of different government agencies to deliver tangible results in their area of responsibility.

Calculation of the distance to frontier score

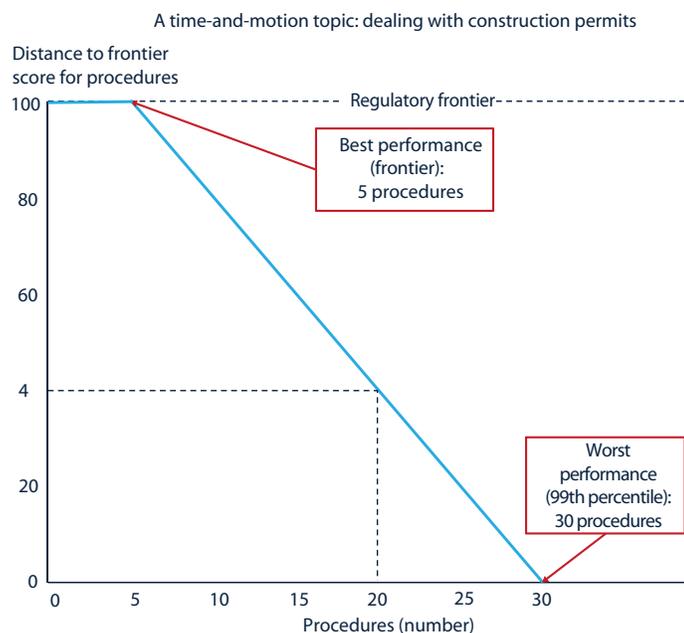
In the present report, calculating the distance to frontier score for each city involves 2 main steps. First, individual component indicators are normalized to a common unit where each of the component indicators y is rescaled using the linear transformation $(\text{worst} - y)/(\text{worst} - \text{frontier})$. In this formulation the frontier represents the best performance on the indicator across all world economies since 2005 or the third year after data for the indicator were collected for the first time.

In the same formulation, to mitigate the effects of extreme outliers in the distributions of the rescaled data for most component indicators (very few economies need 700 days to complete the procedures to start a business, but

many need 9 days), the worst performance is calculated after the removal of outliers. The definition of outliers is based on the distribution for each component indicator. To simplify the process, 2 rules were defined: the 95th percentile is used for the indicators with the most dispersed distributions (including time, cost and minimum capital), and the 99th percentile is used for number of procedures (figure 2.1).

Second, for all cities in *Doing Business in Poland 2015*, the obtained scores are presented for each measured topic: starting a business, dealing with construction permits, registering property and enforcing contracts. More complex aggregation methods—such as principal components and unobserved components—yield a ranking nearly identical to the simple average used by *Doing Business*.⁵ Thus *Doing Business* uses the simplest method: within each topic, giving equal weight to each of the topic components.

FIGURE 2.1 How are distance to the frontier scores calculated for indicators? An example



Source: *Doing Business* database.

A city’s distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier. All distance to frontier calculations are based on a maximum of 5 decimals. However, indicator ranking calculations and the ease of doing business ranking calculations are based on 2 decimals.

WHAT DOES DOING BUSINESS NOT MEASURE?

Doing Business does not cover many important policy areas, and even within the areas it covers its scope is narrow (table 2.2). *Doing Business* does not measure the full range of factors, policies and institutions that affect the quality of an economy’s business environment or its national competitiveness. It does not, for example, capture aspects of security, the prevalence of bribery and corruption, market size, macroeconomic stability, the state of the financial system or the level of training and skills of the labor force.

Even within the relatively small set of indicators included in *Doing Business*, the focus is deliberately narrow. The trading across borders indicators, for example, capture the documents, time and cost required for the logistical process of exporting and importing containerized goods by seaport, but they do not measure the cost of the sea transport or of tariffs or capture any aspects relating to international trade agreements. Thus through these indicators *Doing Business* provides a narrow

TABLE 2.2 What <i>Doing Business</i> does not cover
Examples of areas not covered
Security
Prevalence of bribery and corruption
Market size
Macroeconomic stability
State of the financial system
Level of training and skills of the labor force

perspective on the infrastructure challenges that firms face, particularly in the developing world. It does not address the extent to which inadequate roads, rail, ports and communications may add to firms’ costs and undermine competitiveness (except to the extent that the trading across borders indicators indirectly measure the quality of ports and roads). Similarly, the starting a business indicator does not cover all aspects of commercial legislation.

Doing Business does not attempt to measure all costs and benefits of a particular law or regulation to society as a whole. Measuring business laws and regulations provides one input into the debate on the regulatory burden associated with achieving regulatory objectives. These objectives can differ across economies. *Doing Business* provides a starting point for this discussion and should be used in conjunction with other data sources

WHAT ARE THE STRENGTHS AND LIMITATIONS OF THE METHODOLOGY?

The *Doing Business* methodology was designed to be an easily replicable way

to benchmark business regulation. It has advantages and limitations that should be understood when using the data (table 2.3).

A key consideration for the *Doing Business* indicators is that they should ensure comparability of the data across a global set of economies. The indicators are therefore developed around standardized case scenarios with specific assumptions. *Doing Business* recognizes the limitations of the standardized case scenarios and assumptions. But while such assumptions come at the expense of generality, they also help ensure the comparability of data. For this reason it is common to see limiting assumptions of this kind in economic indicators. Inflation statistics, for example, are often based on prices of a set of consumer goods in a few urban areas, since collecting nationally representative price data at high frequencies would be prohibitively costly in many countries. GDP estimates are also subject to a number of limiting assumptions, which have not prevented their widespread use.

Some *Doing Business* topics include complex areas, and so it is important that the standardized cases are carefully defined. For example, the

Feature	Advantages	Limitations
Use of standardized case scenarios	Makes the data comparable across economies and the methodology transparent	Reduces the scope of the data and means that only regulatory reforms in the areas measured can be systematically tracked
Focus on largest business city ^a	Makes the data collection manageable (cost-effective) and the data comparable	Reduces the representativeness of the data for an economy if there are significant differences across locations
Focus on domestic and formal sector	Keeps the attention on where regulations are relevant and firms are most productive—the formal sector	Fails to reflect reality for the informal sector—important where that is large—or for foreign firms where they face a different set of constraints
Reliance on expert respondents	Ensures that the data reflect the knowledge of those with the most experience in conducting the types of transactions measured	Results in indicators that do not measure the variation in experiences among entrepreneurs
Focus on the law	Makes the indicators “actionable”—because the law is what policy makers can change	Fails to reflect the reality that where systematic compliance with the law is lacking, regulatory changes may not achieve the full desired results

a. Subnational *Doing Business* goes beyond the largest business city within a country or region.

standardized case scenario usually involves a limited liability company or its legal equivalent. The considerations in defining this assumption are twofold. First, private limited liability companies are, empirically, the most prevalent business form for firms with more than one owner in many economies around the world. Second, this choice reflects the focus of *Doing Business* on expanding opportunities for entrepreneurship: investors are encouraged to venture into business when potential losses are limited to their capital participation.

Another assumption underlying the *Doing Business* indicators is that entrepreneurs have knowledge of and comply with applicable regulations. In practice, entrepreneurs may not know what needs to be done or how to comply and may lose considerable time trying to find out. Alternatively, they may deliberately avoid compliance altogether—by not registering for social security, for example. Where regulation is particularly onerous, firms may opt for bribery and other informal arrangements intended to bypass the rules—an aspect that helps explain differences between the de jure data provided by *Doing Business* and the de facto insights offered by World Bank Enterprise Surveys. In economies with particularly burdensome regulation, levels of informality tend to be higher. Compared with their formal sector counterparts, firms in the informal sector typically grow more slowly, have poorer access to credit and employ fewer workers—and these workers remain outside the protections of labor law.⁶ Firms in the informal sector are also less likely to pay taxes. *Doing Business* measures one set of factors that help explain the occurrence of informality and give policy makers insights into potential areas of regulatory reform.

Rules and regulations fall under the direct control of policy makers—and they are often where policy makers

start when intending to change the set of incentives under which businesses operate. *Doing Business* not only shows where problems exist in the regulatory framework; it also points to specific regulations or regulatory procedures that may lend themselves to reform. And its quantitative measures of business regulations enable research on how specific regulations affect firm behavior and economic outcomes.

HOW ARE THE DATA COLLECTED?

The *Doing Business* data are based on domestic laws and regulations as well as administrative requirements. The data are collected through several rounds of interaction with expert respondents (both private sector practitioners and government and public agencies operating at the central and/or local level)—through face to face interviews, responses to questionnaires, conference calls and written correspondence. *Doing Business* relies on several main sources of information: the relevant laws and regulations, private sector respondents, government officials, magistrates and World Bank Group staff. For a detailed explanation of the *Doing Business* methodology, see the Data Notes.

Relevant laws and regulations

Doing Business in Poland 2015 indicators are based on laws and regulations. Besides participating in interviews or filling out written questionnaires, *Doing Business in Poland* respondents provided references to the relevant laws, regulations and fee schedules, which were collected and analyzed by the *Doing Business in Poland* team.

For the rest of the data the team conducts extensive consultations with multiple contributors to minimize measurement error. For some indicators, the time component and part of the cost component (where fee schedules are lacking) are based on actual practice

rather than the law on the books. This introduces a degree of judgment. When sources indicate different estimates, the time indicators reported in *Doing Business* represent the median values of several responses given under the assumptions of the standardized case.

Doing Business in Poland 2015 respondents

Over 400 professionals participated in the study providing the data that inform the 4 *Doing Business* indicators. The sub-national *Doing Business* website and the acknowledgement section of this report list the names and credentials of those respondents wishing to be acknowledged. Respondents are professionals who routinely administer or advise on the legal and regulatory requirements in the specific areas covered by *Doing Business in Poland 2015*, selected on the basis of their expertise in these areas. Because of the focus on legal and regulatory arrangements, most of the respondents are legal professionals such as lawyers or notaries. Builders, architects, engineers and other professionals provided information related to dealing with construction permits. Local government officials and magistrates also provided information that is incorporated into the indicators.

Doing Business in Poland 2015 approach was to work with professionals who regularly undertake the transactions involved. Following the standard methodological approach for time-and-motion studies, *Doing Business* breaks down each process or transaction, such as starting a business or registering a property, into separate steps to ensure a better estimate of time. The time estimate for each step is given by practitioners with significant and routine experience in the transaction. When time estimates differ, further interactions with respondents are pursued to converge on one estimate or a narrow range that reflects the majority of applicable cases.

Doing Business does not survey firms for 2 main reasons. The first relates to the frequency with which firms engage in the transactions captured by the indicators, which is generally low. For example, a firm goes through the start-up process once in its existence, while an incorporation lawyer may carry out 10 such transactions each month. The incorporation lawyers and other experts providing information to *Doing Business* are therefore better able to assess the process of starting a business than are individual firms. They also have access to the latest regulations and practices, while a firm may have faced a different set of rules when incorporating years before. The second reason is that *Doing Business* mostly gathers legal information, which firms are unlikely to be fully familiar with.

Governments and World Bank Group staff

After the analysis of laws and regulations and after conducting follow-up interviews with *Doing Business in Poland 2015* respondents, the *Subnational Doing Business* team shared the preliminary findings of the report with governments and public agencies operating both at the central and local level. Through this process government authorities had the opportunity to comment on the preliminary data, both through meetings with World Bank Group staff and in writing.

HOW DO GOVERNMENTS USE THE DATA?

Over the past decade governments have increasingly focused on reforming business regulation as one way of maintaining competitiveness in an increasingly globalized economy. *Doing Business* provides one source of actionable, objective data that give useful insights into good practices worldwide. Indeed, since 2003 governments have implemented more than 600 regulatory reforms that have been informed by *Doing Business*.⁷

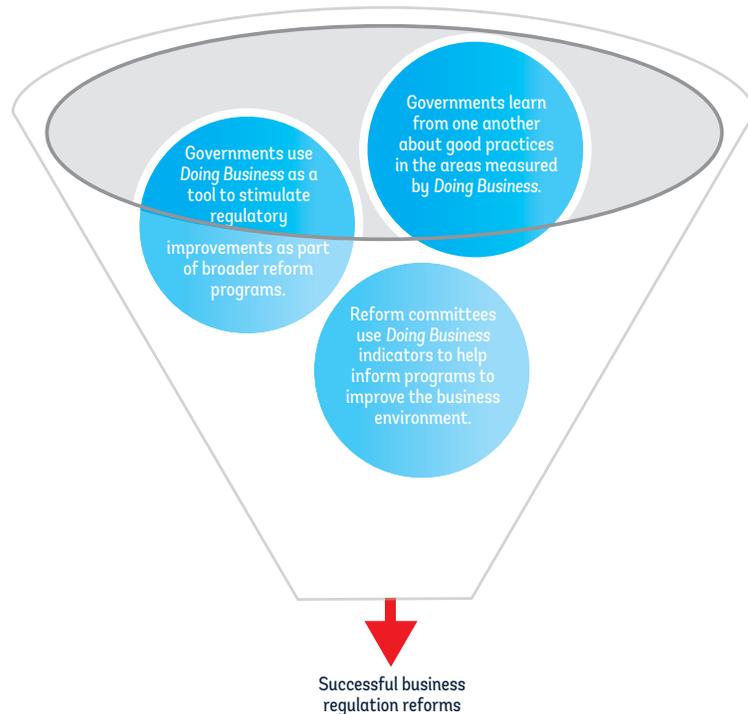
One venue for sharing success stories in business regulation reform is peer-to-peer learning events—workshops where officials from different governments across a region or even across the globe meet to discuss the challenges of regulatory reform and to share their experiences (figure 2.2).

In addition, reform committees within governments frequently use the *Doing Business* indicators as one input to inform their programs for improving the business environment. More than 50 economies have formed such committees—typically at the interministerial level or reporting directly to the president or the prime minister—to ensure the coordination of efforts across agencies. In East and South Asia they include Indonesia, the Republic of Korea, Malaysia, the Philippines and Sri Lanka. In the Middle East and North Africa: Algeria, Kuwait, Morocco, Saudi Arabia and the United Arab Emirates. In Europe and Central Asia: Azerbaijan, Croatia, the Czech Republic, Georgia,

Kazakhstan, Kosovo, the Kyrgyz Republic, the former Yugoslav Republic of Macedonia, Moldova, Montenegro, Poland, the Russian Federation, Tajikistan, Ukraine, the United Kingdom and Uzbekistan. In Sub-Saharan Africa: Botswana, Burundi, the Central African Republic, the Comoros, the Democratic Republic of Congo, the Republic of Congo, Côte d'Ivoire, Guinea, Kenya, Liberia, Malawi, Mali, Nigeria, Rwanda, Sierra Leone, Togo and Zambia. And in Latin America: Chile, Colombia, Costa Rica, the Dominican Republic, Guatemala, Mexico, Panama and Peru.

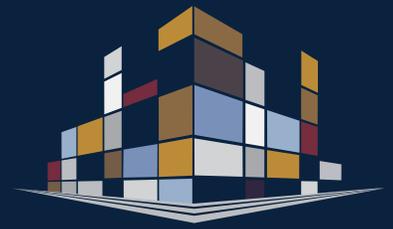
One reason behind the use of *Doing Business* indicators by governments is that many of these indicators can be considered “actionable,” measuring aspects over which governments have direct control. For example, governments can reduce (or even eliminate) the minimum capital requirement for new firms. They can invest in company and property registries to increase the efficiency of these public agencies.

FIGURE 2.2—How governments use *Doing Business* as a policy tool



They can improve the efficiency of tax administration by adopting the latest technologies to facilitate the preparation, filing and payment of taxes by businesses. And they can undertake court reforms to shorten delays in the enforcement of contracts. On the other hand, some *Doing Business* indicators capture costs that involve private sector participants, such as lawyers, notaries, architects, electricians or freight forwarders—costs over which governments may have little influence in the short run.

While many *Doing Business* indicators are actionable, this does not necessarily mean that they are always “action-worthy” in a particular context.⁸ Business regulation reforms are one element of a strategy aimed at improving competitiveness and establishing a solid foundation for sustainable economic growth. There are many other important goals to pursue—such as effective management of public finances, adequate attention to education and training, adoption of the latest technologies to boost economic productivity and the quality of public services, and appropriate regard for air and water quality to safeguard people’s health. Governments have to decide what set of priorities best fits the needs they face. To say that governments should work toward a sensible set of rules for private sector activity does not suggest that doing so should come at the expense of other worthy economic and social goals.



Starting a business

Poles are among the most enthusiastic about entrepreneurship in Europe, according to a 2012 report.¹ However, the report also found that Poland had the highest gap between those who describe themselves as self-employed and those who actually are. Turning this enthusiasm for entrepreneurship into real businesses requires hard work, dedication, and a favorable business environment. Yet, channeling the creative energy of young entrepreneurs is necessary to ramp up innovation, competitiveness, and job creation—three important pillars to sustain Poland’s impressive growth of recent years.²

WHY DOES STARTING A BUSINESS MATTER?

Entrepreneurs are more likely to start their businesses where few barriers to entry exist. Using data collected from company registries in 100 economies over eight years, researchers have found that simple business start-up is critical for fostering formal entrepreneurship.³ Other economic benefits follow. In fact, there is a positive relationship between entrepreneurship, growth and job creation. In 2007, young start-ups accounted for nearly 8 million of the 12 million new jobs created in the U.S. economy.⁴

In contrast, cumbersome regulations for starting a business are associated with a smaller number of legally registered firms, greater informality and

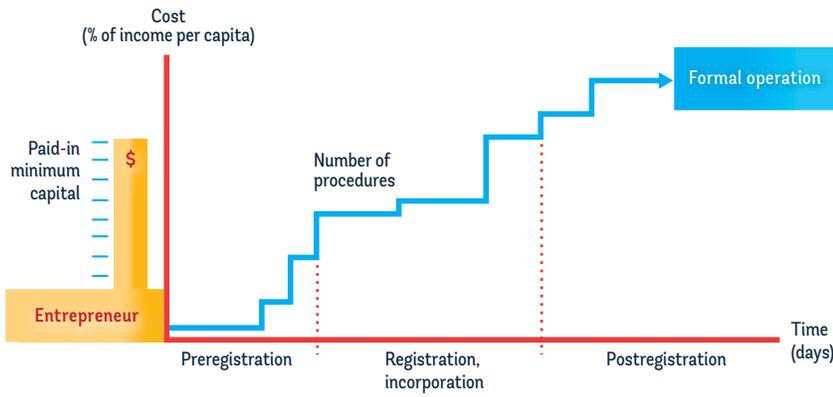
a smaller tax base.⁵ Using a sample of OECD countries, researchers found that, on average, halving the number of procedures required to start a business leads to a 14% increase in the number of new business registrations. A similar reduction in the number of days required leads to a 19% increase, while a similar cut in the cost leads to a 30% increase.⁶

Evidence at the country level supports these findings. After a reform in Mexico reduced the number of procedures needed to start a business by 60%, the country saw a 5% increase in the total number of firms.⁷ Comparable evidence exists on a regional level for Italy: provinces with a longer process for starting a business have lower rates of firm creation than those with a more streamlined process.⁸

Not surprisingly, facilitating business registration has been an area of focus for governments. Since 2005 *Doing Business* has recorded 462 business registration reforms in 165 economies, of which 15% were in OECD high-income countries.⁹ Research shows, however, that business registration should not be seen in isolation, as the benefits of an easier start-up process depend also on other factors such as tax administration, and land and labor regulation.¹⁰

- Although Poland has reduced the minimum capital requirement and created a one-stop shop for business registration, the time and cost remain high relative to the EU average.
- It is four times faster and half as costly to register online using the “S24” system, which does not require a notary deed.
- In Poznań, most businesses register online using the “S24” system, but the uptake is lower in other cities.
- Notary fees are the main cost for companies not using the “S24” system, but recent deregulation is bringing them down.
- Recent reforms, if well implemented, can address the current shortcomings of the one-stop shop and the “S24” system, reducing the time required to start a business and further improving the online start-up process.

FIGURE 3.1 What are the time, cost, paid-in minimum capital and number of procedures to get a local limited liability company up and running?



WHAT DOES STARTING A BUSINESS MEASURE?

Doing Business data measure the number of procedures, time, cost and paid-in minimum capital required for small and medium-size limited liability companies to formally operate (figure 3.1). To make the data comparable across 189 economies, Doing Business uses a standardized business that is 100% domestically owned, has a start-up capital equivalent to 10 times income per capita, engages in general industrial or commercial activities, and employs between 10 and 50 people within the first month of operations.

HOW DOES STARTING A BUSINESS WORK IN POLAND?

Over the last six years, Poland has reformed regulations relating to starting a business. During this period the number of limited liability companies in Poland has grown by over 70%, despite the economic crisis in Europe.¹¹ In 2009, the paid-in minimum capital was reduced by 90%, from PLN50,000 (EUR11,661) to PLN5,000 (EUR1,166). The cost of starting a business fell by 26%, from 17.5% of income per capita in 2008 to 12.9% in 2014, due partially to lower registration fees.¹² In 2009, Poland introduced a one-stop shop at the National Court Register (Krajowy Rejestr Sądowy, or KRS),¹³ and expanded it in 2013. Entrepreneurs can apply for the statistical number (Rejestr Gospodarki Narodowej, or

REGON), tax identification number (Numer Identyfikacji Podatkowej, or NIP) and registration with the Social Insurance Office (Zakład Ubezpieczeń Społecznych, or ZUS) at the time of registration with the local KRS court division (figure 3.2).¹⁴ The court division of KRS also takes care of the publication of the new company registration in the Court and Commercial Gazette. In addition, a reform of the Labor Code eliminated the requirement to inform the National Work Inspectorate (Państwowa Inspekcja Pracy) and the National Sanitary Inspectorate (Państwowa Inspekcja Sanitarna) of the new company registration.¹⁵ The number of procedures, as measured by Doing Business, fell from 10 to 4.

However, the one-stop shop had little impact on the time to start a business (figure 3.3) because no actual reengineering of procedures occurred. At the time of registration, the court division of KRS received the application forms for the tax identification and statistical numbers from entrepreneurs, which were then forwarded to the local Tax Office and Statistical Office. As one of the private sector contributors to this study put it: “they call it a one-stop shop, but in reality the KRS works as a post office.”

To reduce the time and cost to start a business, an online system to register limited liability companies, the so-called “S24”, was launched in 2012.¹⁶ Entrepreneurs choosing this system can use standard articles of association that do not require a notary deed, thus avoiding that fee.¹⁷ Initially designed only for registration with KRS and not as a one-stop shop, the “S24” system required entrepreneurs to register separately with the Tax Office, the Statistical Office and the Social Insurance Office. Registration with KRS through the “S24” system is usually completed within 1–2 days.

FIGURE 3.2 The one-stop shop at the National Court Register: How does it work?

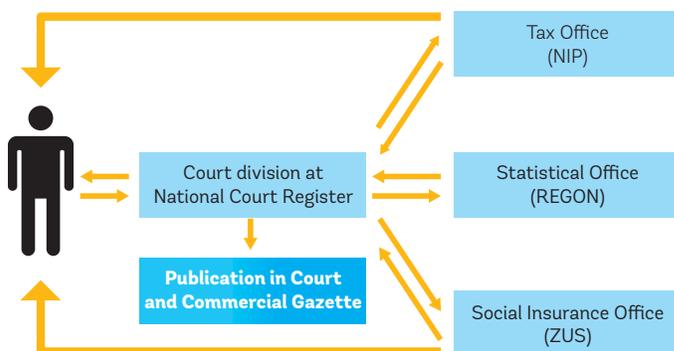
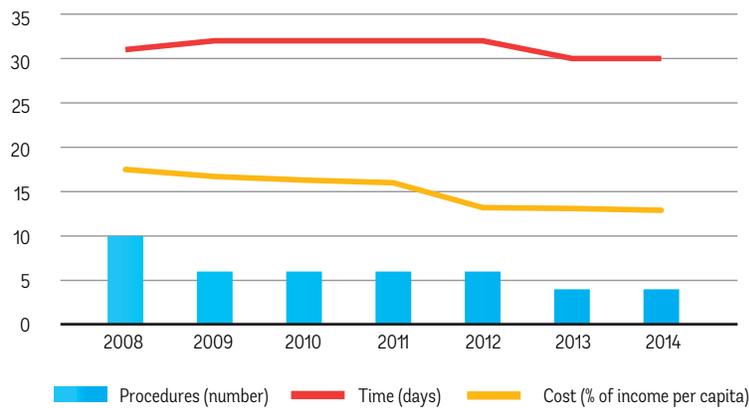
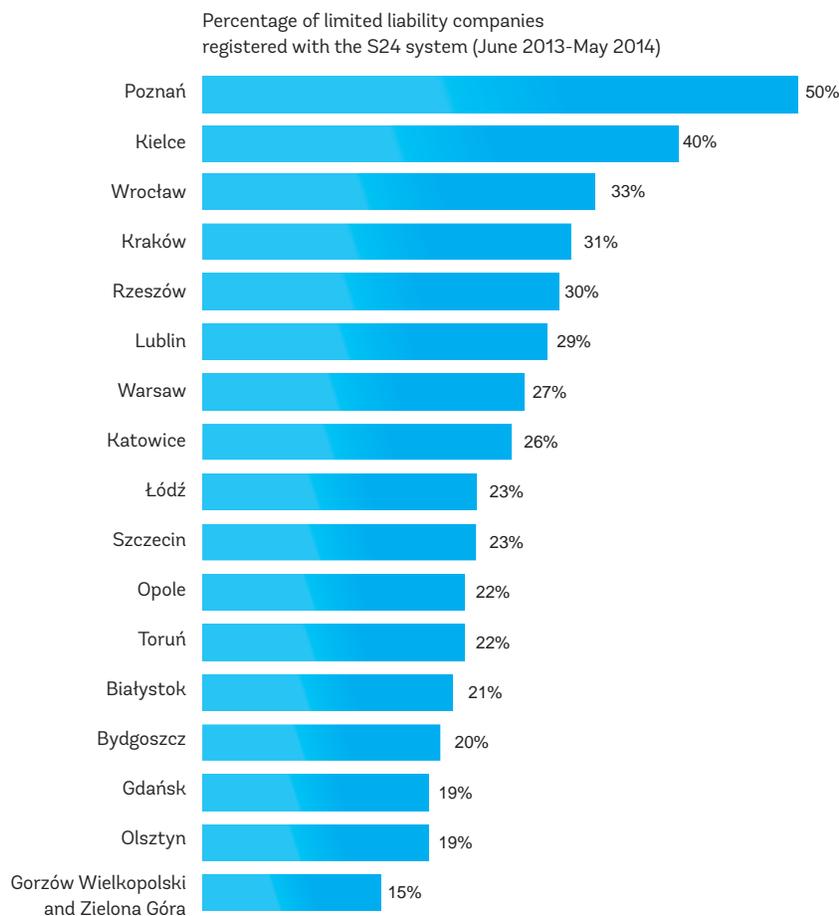


FIGURE 3.3 The one-stop shop did not significantly reduce the time to start a business



Source: Doing Business database.

FIGURE 3.4 Uptake of the “S24” online business registration system across cities



Note: KRS court divisions are in charge of business registration in each city. Statistics for Warsaw represent the average of data from the two KRS court divisions covering the city. The court division in Zielona Góra also covers Gorzów Wielkopolski. Data includes limited liability companies created from June 2013 to May 2014.

Source: Ministry of Justice of Poland.

The use of the “S24” system has picked up recently. On average, it represented about 30% of limited liability companies created in Poland in the first half of 2014, up 21% compared to the same period in 2013. There is room for improvement, however. For example, when Chile introduced an online system for business registration in 2013, half of new limited liability companies were using it just seven weeks after its launch.¹⁸ The Chilean system is free of charge. In Poland, meanwhile, entrepreneurs using the “S24” system as of September 2014 must pay a civil law transactions tax, registration fees, a stamp duty for VAT registration, and a small fee for online payment—for a total of PLN2,814 (EUR656) for the hypothetical company in the *Doing Business* case study.

The “S24” system’s user-friendliness could also improve. Currently, each of the owners and members of the board must enter their personal details to create an account, and they all need to log in simultaneously to provide their approvals. The system does not allow the saving of draft applications, so if the process is not completed in one session the user must start over. In addition, companies created using the “S24” system must go through the court division of KRS to make any modification, although a new act will soon enable online modifications for companies registered online.¹⁹

Recent changes seek to address some of the shortcomings of the one-stop shop at the KRS and the “S24” system. An amendment of the National Court Register Act, effective as of December 1, 2014, eliminates the need to attach separate applications for the tax identification and the statistical numbers at the time of registering with KRS.²⁰ Interconnected IT systems will allow the KRS to share information with the Tax Office, the Statistical Office, and the Social Insurance Office. The information provided to the KRS will

be used by the other agencies. The tax identification and statistical numbers will be generated and displayed at the Ministry of Justice's website.²¹ The reform also applies to the "S24" system, bringing it closer to a true "one-stop" shop. Entrepreneurs registering via the "S24" system no longer need to visit the tax, statistical and social insurance offices separately. However, after registration with KRS—either at the KRS one-stop shop or online using the "S24" system—entrepreneurs need to submit Form NIP-8 to the Tax Office with additional information about the business needed by the tax, statistical and social insurance offices.

All cities share the same regulatory framework for starting a business. However, the uptake of the "S24" system varies widely across the 18 cities included in this study, ranging from just over half of limited liability companies registered in Poznań to just 15% in Gorzów Wielkopolski and Zielona Góra (figure 3.4).²² It is not surprising that Poznań, an emerging technology center, has a higher uptake of the "S24" system than other cities.²³ Seventeen of the cities use primarily the one-stop shop, while 50% of limited liability companies in Poznań use the "S24" system, making it easier to start a business there (table 3.1). The remainder of this section describes the procedures, time and cost associated with starting a

business in the 18 cities on the basis of data as of September 1, 2014, prior to the changes described above.

Registering at the one-stop shop requires four procedures (figure 3.5). The first step is the preparation of the articles of association in a notarial deed.²⁴ Next, the entrepreneurs deposit the paid-in minimum capital at the bank.²⁵ The registration with the KRS follows; this results in the issuance of a statistical number, a tax identification number, and, once the latter has been granted, a notification sent to the Social Insurance Office. Finally, the company must register for value added tax with the Tax Office. It is possible to file for value-added-tax registration simultaneously with the registration with the KRS, but most entrepreneurs choose to register separately.²⁶ Two possible reasons for this are the fact that tax obligations are usually determined after registration and that the statistical number is required for value-added-tax registration.

By comparison, as data from Poznań illustrate, six procedures are necessary to register via the "S24" system. Although no notary deed is necessary, after registering with "S24" entrepreneurs must separately register to obtain a statistical number. They must also visit the local Tax Office to obtain a tax identification number, pay a civil law transaction tax, and register for value added tax. Then, they notify the Social Insurance Office about any new employees. Finally, they submit signatures of members of the board and inform the KRS's court division of the tax identification and statistical numbers.²⁷

However, despite requiring entrepreneurs to complete two additional procedures, the "S24" system in Poznań is almost four times faster. It takes just over one week, which is less than the EU average of 11.6 days, and much less than the one month (on average) required in the other cities. Among the

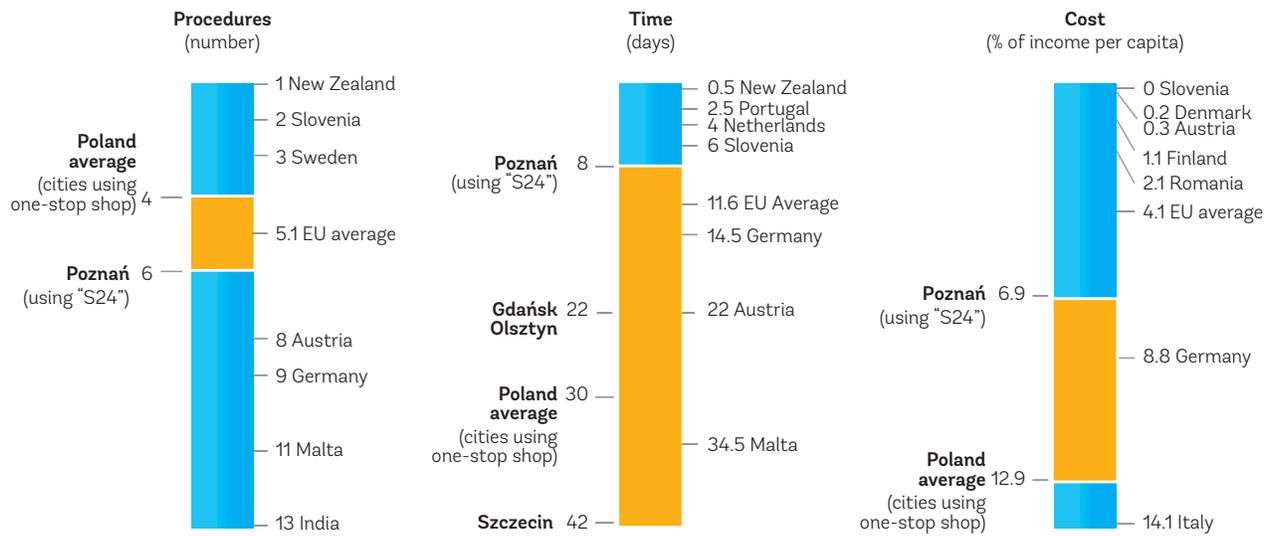
TABLE 3.1 Starting a business in Poland: Where is it easier?

City	Distance to frontier (score)	Rank	Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in minimum capital (% of income per capita)
Poznań	89.13	1	6	8	6.92	12.30
Gdańsk	87.80	2	4	22	12.94	12.30
Olsztyn	87.80	2	4	22	12.94	12.30
Białystok	86.79	4	4	26	12.94	12.30
Opole	86.79	4	4	26	12.94	12.30
Wrocław	86.29	6	4	28	12.94	12.30
Kraków	86.04	7	4	29	12.94	12.30
Lublin	86.04	7	4	29	12.94	12.30
Bydgoszcz	85.79	9	4	30	12.94	12.30
Katowice	85.79	9	4	30	12.94	12.30
Łódź	85.79	9	4	30	12.94	12.30
Warsaw	85.79	9	4	30	12.94	12.30
Toruń	85.54	13	4	31	12.94	12.30
Gorzów Wielkopolski	84.53	14	4	35	12.94	12.30
Zielona Góra	84.53	14	4	35	12.94	12.30
Kielce	84.28	16	4	36	12.94	12.30
Rzeszów	84.03	17	4	37	12.94	12.30
Szczecin	82.77	18	4	42	12.94	12.30

Note: Rankings are based on the average distance to frontier (DTF) score of procedures, time, cost and paid-in minimum capital associated with starting a business. The DTF measure is normalized to range between 0 and 100, with 100 representing the frontier of best practices. For more details, see the *About Doing Business* and *Doing Business in Poland 2015* section. Data for Poznań capture business registration using the online S24 system. Data are as of September 1st, 2014.

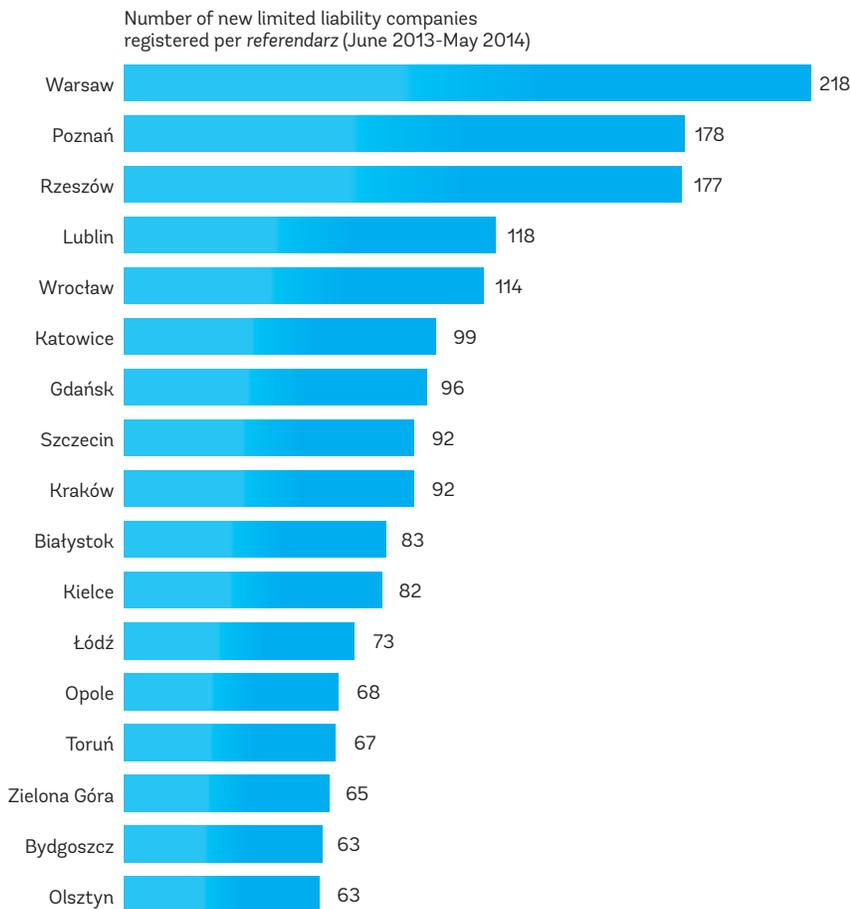
Source: *Doing Business* database.

FIGURE 3.5 Starting a business—Polish cities in global comparison



Source: Doing Business database.

FIGURE 3.6 Referendarzs in Warsaw deal with more applications than in any other city



Note: KRS court divisions are in charge of business registration in each city. Statistics for Warsaw represent the average of data from the two KRS court divisions covering the city. The court division in Zielona Góra also covers Gorzów Wielkopolski. Data includes limited liability companies created from June 2013 to May 2014.

Source: Ministry of Justice of Poland.

EU member countries, only Malta takes longer, with 34.5 days (figure 3.5). It is faster in Gdańsk and Olsztyn, where it takes 22 days, and slower in Szczecin (42 days) and Rzeszów (37 days). The one-stop shop drives the variation across these 17 cities. The statutory limit of seven days to complete registration with KRS is not always respected and there are no consequences for non-compliance. Obtaining the tax identification number takes about 3 days across cities and the statistical number is even faster. It usually takes one day.²⁸ Yet, sending applications to the local Statistical Office and the Tax Office, as well as receiving the statistical number and tax identification number back,²⁹ adds to the total time to start a business.

The volume of applications, as well as the resources of the respective court division of KRS, may contribute to the registration delays experienced at the one-stop shops. For example, smaller cities like Olsztyn, which have relatively well-staffed KRS court divisions, are able to process applications faster than cities with larger volumes of companies

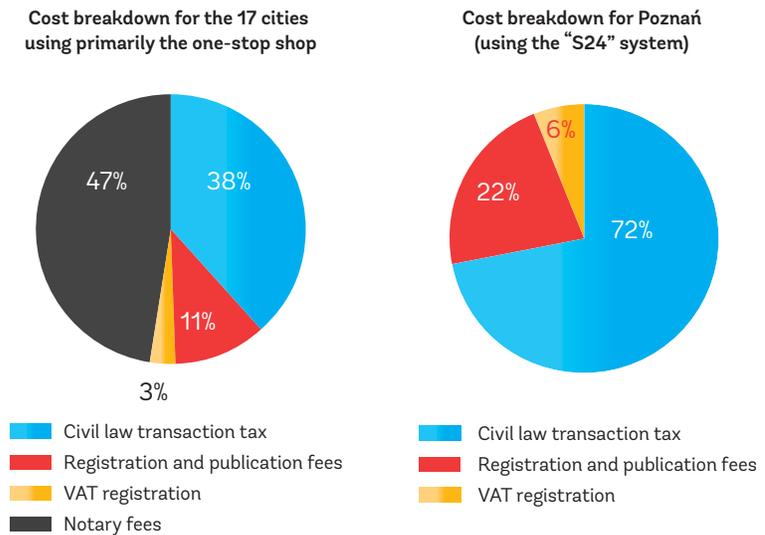
and more constrained human resources. For example, KRS the court division in Rzeszów is relatively overburdened (figure 3.6).³⁰ Warsaw, where starting a business takes 30 days, stands out. The two KRS court divisions there register more businesses relatively to the number of specialized court officers, or *referendarzs*, than in other cities.³¹ One reason behind Warsaw's higher efficiency may be a flexible work schedule that allows *referendarzs* to adjust to peaks in the volume of applications.

Varying practices at local KRS court divisions influence the duration of the start-up process across cities. For example, the KRS court division in Gdańsk and Opole prioritizes firm registration over other transactions.³² Similarly, local KRS court divisions in some cities have taken steps to address common mistakes in the registration forms. For example, KRS court divisions in Białystok, Kraków, Lublin, and Warsaw provide customer service to advise entrepreneurs on completing the application forms. *Referendarzs* in cities like Olsztyn, Poznań, Warsaw, and Wrocław correct common mistakes in the applications. A higher degree of formalism may partly explain the high proportion of rejected applications reported in cities like Katowice, Kielce, Rzeszów and Szczecin. In contrast, across Poland the local tax and statistics offices usually contact the entrepreneur directly to address mistakes, and few applications are rejected.

Most KRS court divisions use the same mail service to send applications to the three other agencies involved in the start-up process and to receive the tax identification and statistical numbers (NIP and REGON). This process takes one to two weeks. To reduce these delays, staff in the KRS court divisions in cities like Białystok and Wrocław deliver applications by hand to the other agencies.

Setting up a company in Poland is relatively costly. It is cheaper if the

FIGURE 3.7 Notary fees and the civil law transaction tax are the main cost components



Source: Doing Business database.

"S24" system is used—as illustrated by Poznań—because it does not require the involvement of a notary. There, it costs 6.9% of income per capita to start a business. In contrast, in the 17 cities where start-ups use primarily the one-stop shop, the total cost to start a hypothetical business, as described in the *Doing Business* case study, is PLN5,261 (EUR1,227), which is equivalent to 12.9% of income per capita. This is almost three times the EU average cost of 4.1% of income per capita (figure 3.5), a figure that includes top performers like Slovenia (no cost), Denmark (0.2%) and Austria (0.3%). In addition to direct start-up costs, the company founders must also deposit PLN5,000 (EUR1,166), or 12.3% of income per capita, as paid-in minimum capital. Eleven EU members—including Germany, Lithuania, and the United Kingdom—have abolished this requirement.³³

Preparing a notary deed of the articles of association represents 47% of the costs. The notary fees are determined by law on the basis of the company's capital (figure 3.7).³⁴ However, notary fees are decreasing as a result of competitive pressure from new notaries

entering the profession subsequent to recent deregulation.³⁵ In fact, the number of notaries in each of the 18 cities in this study increased by 16% on average between August 2013 and May 2014. Białystok, Katowice, Lublin and Olsztyn saw the larger increases—above 25%, whereas the number of notaries in Bydgoszcz and Toruń remained unchanged.³⁶ In practice, there will be increasing room for negotiating a lower fee.

A civil law transaction tax must be paid in all cities. The total tax is about PLN2,000 (EUR466) and the calculation formula is based on the company's capital, the notary fees where applicable, and the registration fees. In addition, the entrepreneur must pay registration fees of PLN500 (EUR117) plus an extra PLN100 (EUR23) for the publication of the notice of incorporation in the Court and Commercial Gazette. To encourage the use of the "S24" system, a new law has reduced the registration fee for users of the online system from PLN500 to PLN250.³⁷ A draft bill under consultation would eliminate the mandatory publication in the Court and Commercial Gazette and

replace it with an online publication of notices and announcements by the National Court Register. This amendment, if approved, would eliminate the cost of publication.

WHAT TO REFORM?

Improve efficiency at the National Court Register by adopting existing good practices

Although the process and requirements for business registration are set by law, the internal handling of applications varies across cities. Good practices exist that could be shared across local KRS court divisions. For example, Kraków, Lublin, and Warsaw have set up help-desks to provide assistance with applications. The local KRS division in Kraków tasked 2 people to assist applicants on the requirements, either in person or over the phone. The Lublin division provides similar support by phone. The KRS division in Warsaw created a customer service office that employs six people. Another good practice is to conduct the formal and substantive reviews of the application simultaneously, as is done in Kielce, Opole and Rzeszów. Combining both reviews allows staff to identify any errors early on. Finally, KRS court divisions in cities like Lublin and Poznań have introduced a fast-track registration option at no extra cost for companies that request it.

Learning from peers can be a powerful way to improve the efficiency of public institutions. In Mexico, a survey among public officials showed that peer learning is a significant tool for states looking to improve their business environment.³⁸

BOX 3.1: Registering sole-proprietorships online in one step

A 2011 modification of the Act on Freedom of Economic Activity introduced a straightforward process for registering sole proprietorships in Poland. Individual entrepreneurs can fill the form on the Central Registration and Information on Economic Activity (*Centralna Ewidencja i Informacja o Działalności Gospodarczej*) website maintained by the Ministry of Economy.³⁹ The information is automatically transmitted to the Tax Office, Statistical Office and Social Insurance Office. Registration is free of charge and the entrepreneur can initiate his economic activity on the date of application for registration.

Source: <https://prod.ceidg.gov.pl/ceidg.cms.engine/>

Allow the use of standard articles of association for registration at the one-stop shop of the National Court Register

Introducing standard articles of association that do not require a notary deed reduces the cost of business registration and enables faster processing of applications by KRS for limited liability companies that choose the “S24” online system. However, this option is not available for companies that register using the one-stop shop at the local court division of KRS. These companies are required to present a notarized deed of the articles of association. The option of using standard articles of association could also be made available at the one-stop shop. Companies that would use the standard articles of association would spare the notary costs.

Create a single online process for starting a business

In Poland, sole proprietorships can register online with different agencies in one step (box 3.1). Poland is currently implementing interoperable databases between the KRS and other agencies involved in the start-up process. In addition, the “S24” system now allows applicants to request tax identification and statistical numbers at the time of registration, as is already the case at the KRS one-stop shop.

However, two different systems for business registration continue to exist for limited liability companies, namely the physical one-stop shop at the court

division of KRS and the “S24” online system. The next step would be to build on these systems to create a single online one-stop shop for starting a business that applies to all types of companies. A good practice electronic one-stop shop should offer a user-friendly online platform, be fully paperless in the back office, allow online payments, and cover registrations with all agencies involved in the start-up process.

When properly implemented, online registration can significantly reduce the time and cost associated with starting a business. Poland could follow the example of the United Kingdom, where electronic filing has become virtually universal, with more than 98% of companies registered electronically in 2013.⁴⁰

Hungary, Norway and Slovenia offer good examples. In Hungary, companies register electronically with the Registry Court and immediately obtain temporary tax and statistical numbers. Companies can choose between standard or simplified electronic filing. Those choosing the latter use a standard template for the articles of association and have their business registered in two days, compared with 15 in the standard option.

As in Poland, the court register in Slovenia is in charge of business registration. In 2008, Slovenia introduced e-Vem, an “electronic single window” for starting a business. Entrepreneurs can log in to e-Vem and, in one step,

register with the court register, the statistical office, the tax authority and the health institute. Slovenia now ranks 15th among 189 economies in the ease of starting a business ranking. It takes just two procedures and six days, at virtually zero cost, to complete the start-up process.⁴¹

Norway started reforming business registration in the late 1980s, eventually moving from a process administered by 97 district courts to an electronic one-stop shop. Streamlined procedures and interoperable databases reduced the amount of information required from each entrepreneur. Instead, agencies share information using a single company identification number.⁴²

Besides electronic registration, some countries offer additional services. For example, Slovenia's system is also interoperable with other systems such as land, labor, pledges and citizen's registries, and the trade database. Similarly, in Norway, systems are interlinked with six other agency systems—namely, an e-procurement system for government agencies, as well as the land, labor, tax, pledges and citizen's registries.

Implementing an electronic one-stop shop requires investments in technology, but also process reengineering and collaboration among the agencies involved. For example, in 2010 Italy made mandatory an electronic system for business start-up that interacts with five different agencies. However, the time it takes to start a business still varies across cities due to different response times at the local level.⁴³

Assess the feasibility of replacing the civil law transaction tax with a business registration fee based on a cost recovery principle

Currently, entrepreneurs in Poland need to pay PLN600 (EUR140) for registration and publication. In addition, they must pay the civil law transaction

tax, which is calculated based on the company's capital—0.5% of the company's capital minus notary and registration fees. By contrast, many countries introduced flat fees because the administrative process to register a company is the same regardless of capital or firm size. Moreover, the registration fee should not be used as a tax on the investment an entrepreneur is putting in the business. The registration fee then only varies in cases such as business inspections (safety, health or environment), where the size of the firm or the risk associated to the economic activity of the firm can affect the cost of the service.

In 2009, Luxembourg replaced a 0.5% capital duty with a fixed registration fee of EUR75. After conducting a revenue impact assessment, Poland could consider replacing the civil law transaction tax with a flat fee structure, calculated on the actual administrative cost to process the application. Revenue loss may be offset by an increase in business registration. This was the case in Malaysia, where business registration jumped by 15.8% a year after fees were reduced.⁴⁴ Moving to an electronic system may generate cost savings and leave room for reducing fees. After Slovenia introduced its e-Vem automated system, its administrative costs fell by 71.3%. The system introduced standard articles of association, which facilitated the review by the court register. The savings amount to EUR10.2 million a year, according to Slovenia's Ministry of Public Administration.⁴⁵

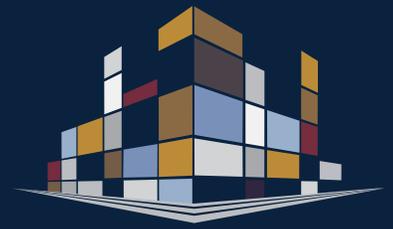
Eliminate the minimum capital requirement

Polish entrepreneurs must deposit a minimum capital of PLN5,000 (EUR1,166) prior to registration.⁴⁶ Before 2009, this amount was 10 times higher—PLN50,000 (EUR11,661). Research shows that minimum capital requirements provide little protection to creditors and hardly any security for investors during insolvency.⁴⁷ Recovery

rates are the same in economies without any paid-in capital requirement as in the others.⁴⁸ Prior to making an investment decision, creditors usually assess other protections in the company law, insolvency law, secured transactions and company law. In addition, a minimum capital requirement can act as a barrier to entry—especially for small companies.⁴⁹

But, why not go further and eliminate the paid-in minimum capital all together? A proposal to reduce the minimum capital requirement to a symbolic PLN1 (EUR0.23) was approved by the Council of Ministers in May 2014.⁵⁰

The Czech Republic and Italy were among the EU countries that reduced their minimum capital requirements last year. Today 104 of the 189 economies benchmarked by *Doing Business*, including 12 EU members,⁵¹ either do not require a paid-in minimum capital or just a small amount lower than 0.1% of income per capita.



Dealing with construction permits

The number of firms operating in the Polish construction sector increased from 164,597 in 2005 to 233,731 in 2012.¹ In 2011, the sector contributed 7.3% to the national GDP,² exceeding the average share of 6.5% in OECD economies.³ On the one hand, the demand for construction was led by the housing shortage, with Poland among the lowest OECD countries with respect to the number of housing units per capita.⁴ On the other hand, a vibrant economy drives the need for more business-related constructions. Construction projects planned for productive activities—such as manufacturing and warehouse facilities—constitute a larger share of Poland's construction market than at any time in recent history.⁵

With the slowdown in economic growth in 2012-2013, the construction sector has faced a decrease in activities, resulting in frequent insolvencies among construction companies.⁶ As a result, the share of the construction sector in the national GDP decreased to 6.7% in 2014.⁷

WHY DOES DEALING WITH CONSTRUCTION PERMITS MATTER?

Developers consider “red tape” one of the major obstacles to their operations.⁸ According to Doing Business 2015, Poland is one of the five most difficult European Union (EU) economies in which to deal with construction

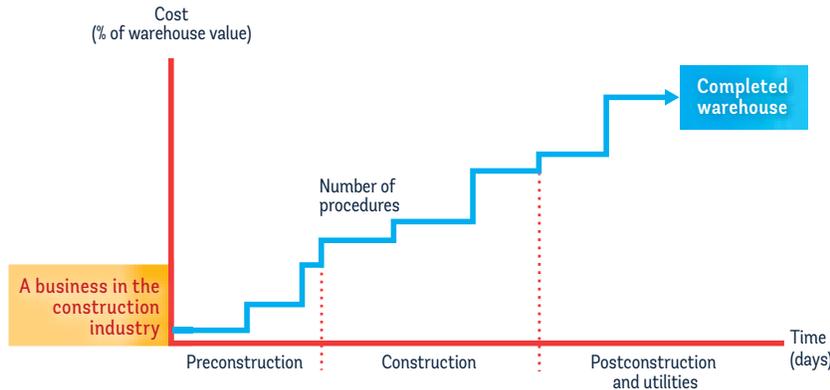
permits. It is not easy to find the right balance between safety and efficiency in construction regulations. The regulations need to be clear and adaptable to economic and technological change. Overly complex regulations may push construction into the informal sector, undermining their intent. The challenge for governments is to create prudent rules that ensure safety, without needlessly hindering businesses. Having fewer requirements does not necessarily compromise safety: Denmark, Germany and Lithuania are examples of countries that manage to regulate the construction-permitting process with relatively few requirements, yet regulations in these countries are considered prudent, and buildings safe.⁹

WHAT DOES DEALING WITH CONSTRUCTION PERMITS MEASURE?

To measure the ease of dealing with construction permits, *Doing Business* records the procedures, time and cost required for a small or medium-size business to obtain the approvals needed to build a simple commercial warehouse and connect it to water and sewerage (figures 4.1). This includes all the inspections and certificates needed before, during and after construction of the warehouse. To make the data comparable across 189 economies, it is assumed that the warehouse is in the periurban area of the largest business city, is not in a special economic

- The numerous amendments to the Polish Building Law have not been disseminated consistently across enforcement agencies and private practitioners, resulting in confusion and uneven implementation among the cities.
- Dealing with construction permits is easier in Bydgoszcz, Rzeszów and Toruń and more difficult in Gorzów Wielkopolski and Kraków.
- Smaller cities tend to require more pre-construction clearances compared to larger urban areas: four of the five cities that require the highest number of steps to deal with construction permits have 200,000 inhabitants or fewer.
- On average, it takes longer to deal with construction permits in the most populated cities—193 days—than it does in cities with less than half a million inhabitants—168 days. However, the experience of Wrocław shows that high demand for services can be dealt with efficiently: a building permit here is issued in 35 days—same as in Olsztyn and Gorzów Wielkopolski, which receive five times fewer applications.
- Although most fees are set by national laws, the cost of hiring a land surveyor as well as private experts for pre-construction clearances means that the total cost may vary considerably. For example, dealing with construction permits in Bydgoszcz costs about half as much as in Warsaw.

FIGURE 4.1 What are the time, cost and number of procedures required to comply with formalities to build a warehouse?



or industrial zone, and will be used for general storage.

HOW DOES CONSTRUCTION PERMITTING WORK IN POLAND?

The construction permitting process follows the same basic stages across Poland (figures 4.2). The Building Law of 1994¹⁰ sets the regulatory and legal framework for the construction industry, defining requirements, setting time limits and regulating costs. For instance, it caps the time of the two most critical steps—issuance of building and occupancy permits—at 2 months and 21 days respectively, and it regulates their cost. However, there are differences in the implementation of the law across cities, mainly due to discrepancies in its interpretation. These differences have become more pronounced over time: since 1994 the Building Law has been amended multiple times, resulting in inconsistencies. Also, the changes have not been disseminated consistently across enforcement agencies and private practitioners. The result is frequent differences of interpretation between enforcement agencies and private practitioners.¹¹

Across Poland, dealing with construction permits takes an average of 21

procedures and 175 days, at a cost equivalent to 0.2% of the warehouse value. In the EU, the same process is on average 11 times more expensive—2.3% of warehouse value—but significantly less complex—13 requirements (figures 4.3). In Denmark, the best-performing EU economy according to *Doing Business 2015*, dealing with construction permits requires 7 procedures, 64 days and 2.3% of warehouse value.

It is easier to comply with the formalities to obtain construction permits to build a warehouse and connect it to water and sewerage in Bydgoszcz and Rzeszów, and more difficult in Gorzów Wielkopolski and Kraków (table 4.1). In Bydgoszcz, the best performing city, 19 procedures, 143 days and 0.15% of warehouse value are needed, whereas in Kraków the same process requires 21 procedures, 209 days and 0.21% of warehouse value. On average, medium-size cities¹² show better performances in dealing with construction permits: the process is faster than in larger urban areas, and it requires fewer procedures than in small-size cities. It takes an average of 193 days to deal with construction permits in the most populated of the benchmarked cities¹³ as compared to 168 days in cities with less than half a million inhabitants. However, the experience of Łódź—one of Poland’s largest cities, where dealing with construction permits takes

FIGURE 4.2 Main stages of the construction permitting process in Poland



Note: In order to complete a construction project, developers in Poland must obtain the technical conditions (*warunki techniczne*) describing how the building is to be connected to the utility networks and to the public road. The construction project must comply with these conditions in order to obtain a building permit. Article 34.3.3 of the Building Law lists the agencies entitled to provide the conditions. Following the assumptions of *Doing Business*, only the technical conditions strictly needed in order to obtain a building permit for a commercial warehouse intended for the storage of non-hazardous goods have been considered.

Source: *Doing Business* database.

TABLE 4.1 Dealing with construction permits in Poland: Where is it easier?

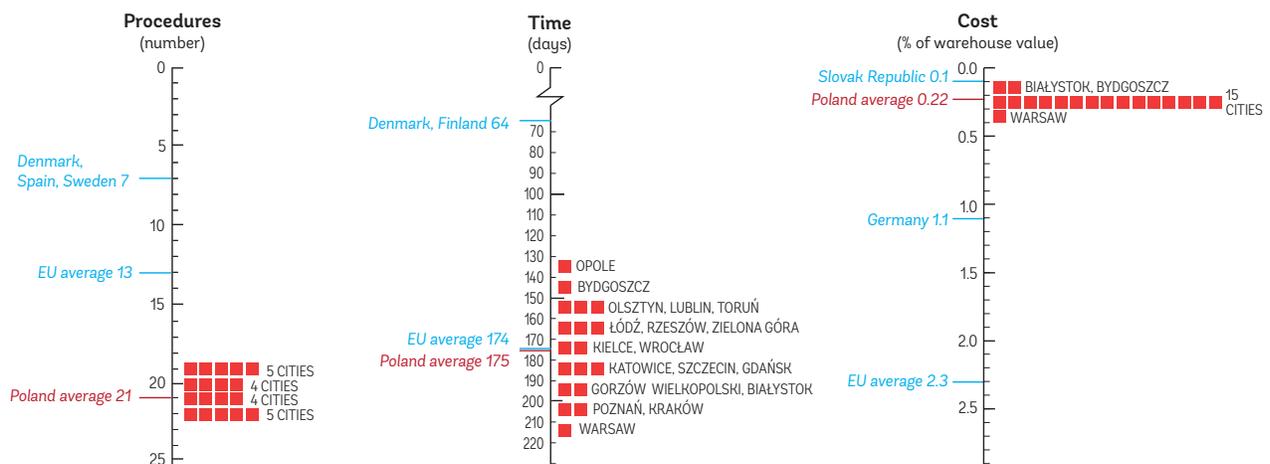
City	Distance to the frontier (score)	Rank	Procedures (number)	Time (days)	Cost (% of warehouse value)
Bydgoszcz	69.84	1	19	143	0.15
Rzeszów	67.27	2	19	168	0.25
Toruń	67.04	3	20	157	0.22
Wrocław	66.65	4	19	175	0.22
Łódź	66.35	5	20	164	0.24
Opole	66.31	6	22	137	0.21
Szczecin	65.98	7	19	182	0.22
Lublin	65.92	8	21	155	0.21
Olsztyn	64.65	9	22	154	0.23
Zielona Góra	64.64	10	21	168	0.23
Katowice	63.43	11	21	181	0.21
Białystok	63.41	12	20	196	0.16
Kielce	63.06	13	22	171	0.21
Warsaw	62.97	14	19	212	0.30
Poznań	62.31	15	20	206	0.24
Gdańsk	61.97	16	22	182	0.23
Gorzów Wielkopolski	60.85	17	22	193	0.26
Kraków	60.74	18	21	209	0.21

Note: Rankings are based on the average distance to frontier (DTF) score of procedures, time and cost associated with dealing with construction permits. The DTF measure is normalized to range between 0 and 100, with 100 representing the frontier of best practices. For more details, see the *About Doing Business* and *Doing Business in Poland 2015* section. Source: *Doing Business* database.

164 days—shows that high demand for services can be met with relative efficiency. Large urban areas deal with higher volumes of applications, which can lead to delays and costlier professional services. On the other hand, these cities should also benefit from economies of scale and have more resources at their disposal to invest in administrative modernization than their smaller neighbors. For instance, London—where dealing with construction permits takes 9 procedures and 105 days—and Berlin—where it takes 8 procedures and 96 days—are more efficient than small and medium-sized cities in Poland.

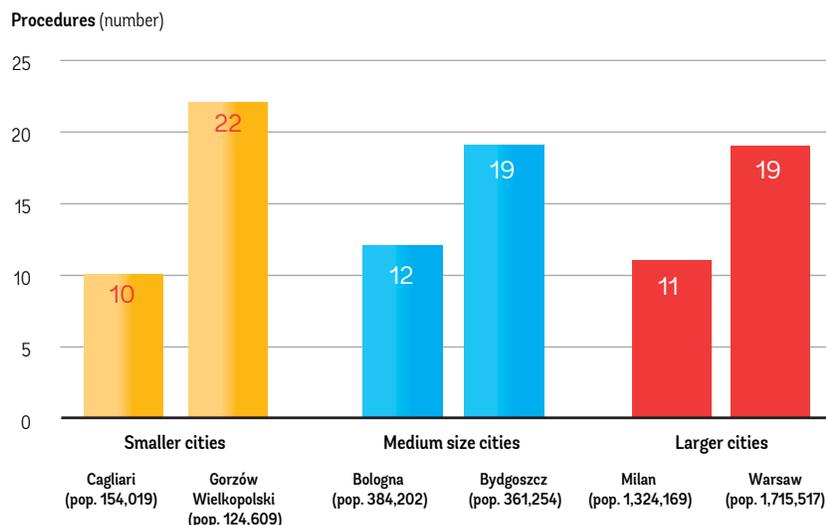
The number of procedures required to deal with construction permits ranges from 19 in Bydgoszcz, Rzeszów, Szczecin, Warsaw and Wrocław to 22 in Gdańsk, Gorzów Wielkopolski, Kielce, Olsztyn and Opole. Smaller cities tend to require additional pre-construction clearances compared to larger urban areas: four¹⁴ of the five cities that require the highest number of steps to deal with construction permits have 200,000 or fewer inhabitants. However, the number of requirements is high in

FIGURE 4.3 Dealing with construction permits in Poland is less expensive but more complex than in other EU member states



Source: *Doing Business* database.

FIGURE 4.4 Small, medium-size and large cities in Poland require more procedures, compared to their Italian peers, to comply with construction prerequisites



Note: For comparability, the data for Cagliari, Bologna and Milan as published in *Doing Business 2013: Smarter Regulations for Small and Medium-Size Enterprises* have been back-calculated according to the latest *Doing Business* methodology.

Source: *Doing Business* database, Demographic Yearbook of Poland (Central Statistical Office, 2012) and Istat - Istituto Nazionale di Statistica (Annuario Statistico Italiano, 2014).

all Polish cities when compared to other European economies: for example, cities in Italy manage to regulate the

permitting process using far fewer procedures than Polish cities with similar population sizes (figure 4.4).

BOX 4.1 The lack of zoning plans makes dealing with construction permits more cumbersome

Zoning plans divide the territory of a city into different areas based on the types of uses allowed—such as residential, commercial, industrial, public buildings, parks and green areas. In Poland, only 27.9% of the entire territory is mapped,¹ with the portion covered by zoning plans varying from region to region: from 4.9% in the voivodeship Kujawsko-Pomorski to 63.9% in the voivodeship Śląski.² For other areas, the investor must obtain from the City Hall an administrative decision regarding the land's development conditions. These conditions replace the local zoning act regarding a particular plot of land, and the planned construction must be consistent with it. Because of this further requirement in areas that are not covered by local zoning plans, the process of obtaining construction permits is lengthier and more complex: according to recent studies, in 84% of cases it took longer than the official 2 months allowed by law.³ Moreover, the land's development conditions risk compromising future zoning plans, as they will not necessarily be compliant with them. Also, the conditions present a threat for transparency because they are based on largely discretionary decisions by local authorities.

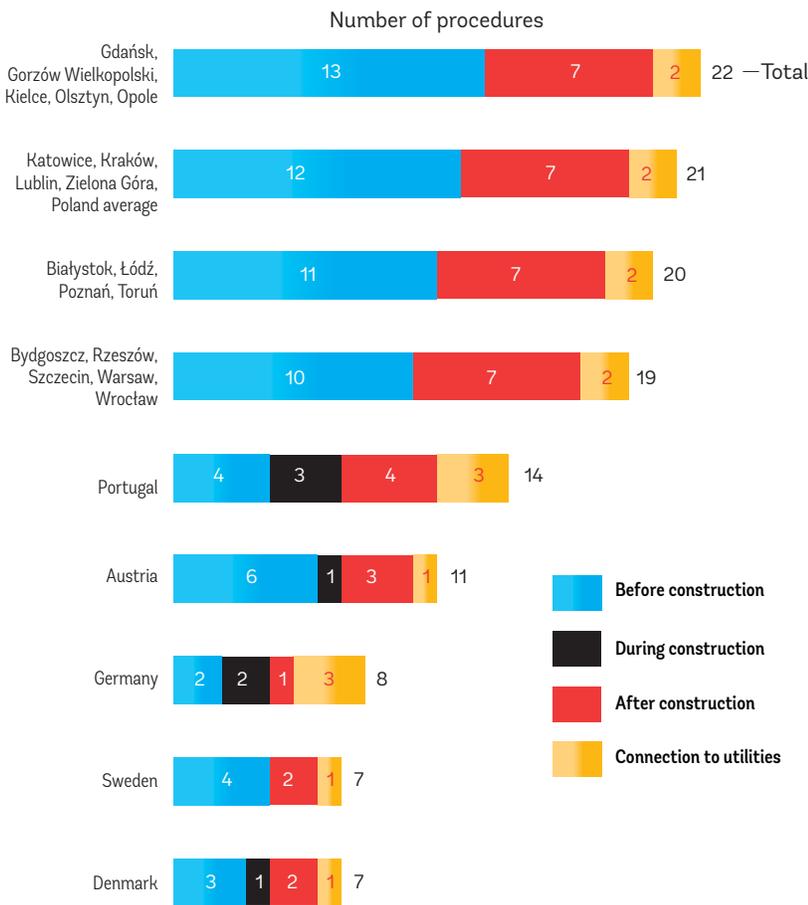
1. Institute of Geography and Spatial Organization, *Analiza stanu i uwarunkowań prac planistycznych w gminach w 2012 roku* (Analysis of the Status and Conditions of Planning Work in Municipalities in 2012). (Warsaw: Poland, 2014).
2. *Doing Business in Poland 2015* benchmarks two cities in the voivodeship Kujawsko-Pomorski (Toruń and Bydgoszcz) and one in the voivodeship Śląski (Katowice).
3. Polski Związek Firm Deweloperskich (Polish Association of Developers) Data. Accessed January 2015. <http://www.pzfd.pl/>.

Across Poland, between 10 and 13 procedures are required even before construction commences. The variance mainly depends on the number of steps required to obtain clearances related to water, sewerage and rainwater drainage. In Bydgoszcz, Rzeszów and Warsaw such clearances are obtained in one single procedure at the same agency. In the rest of the cities, multiple steps are required and different agencies are involved. Once construction starts, all cities follow the same process: there are no procedures during construction (as the construction can be supervised by the site manager employed by the building company), seven after construction and two to obtain water and sewerage connections. In other EU economies—such as Denmark, Sweden and Germany—only two to four pre- or post-construction procedures are required (figures 4.5).

The first step is for a qualified land surveyor hired by the developer to obtain a map from the Geodetic Department of the City Hall. The land surveyor updates the map with the current geodetic data of the area and resubmits it for approval. For areas where no local zoning plan exists, additional requirements apply (box 4.1).

Once the updated geodesic map is approved, the developer must obtain several clearances, including the “technical conditions” regarding the connections to the electricity, water and sewerage networks, the rainwater drainage system and the public road. The sequencing of obtaining technical conditions and clearances from utility providers is not clearly regulated by the law. In Białystok, Gdańsk, Kielce, Kraków, Olsztyn and Opole the technical conditions for connecting to the rainwater drainage system and for water and sewerage are provided by two different agencies. In the other cities, applicants can apply for all the technical conditions related to waterworks at the same office: the municipal waterworks

FIGURE 4.5 The many pre- and post-construction requirements across cities in Poland make the process more complex than in other EU economies



Source: Doing Business database.

agencies. Once the technical conditions are issued, the applicant knows the requirements that the project must comply with to connect to public utilities and roads. In Bydgoszcz, Rzeszów and Warsaw, the developer does not need to visit the issuing agency again; in the other cities, the municipal waterworks agencies must review the project proposal before giving their final clearance.

Next, developers must confirm there are no conflicts among utility connections. For this, they must apply for clearance issued by a joint committee comprising representatives from public utilities.¹⁵ Moreover, an expert certification regarding the compliance with the fire safety code is required. In 14 cities,¹⁶

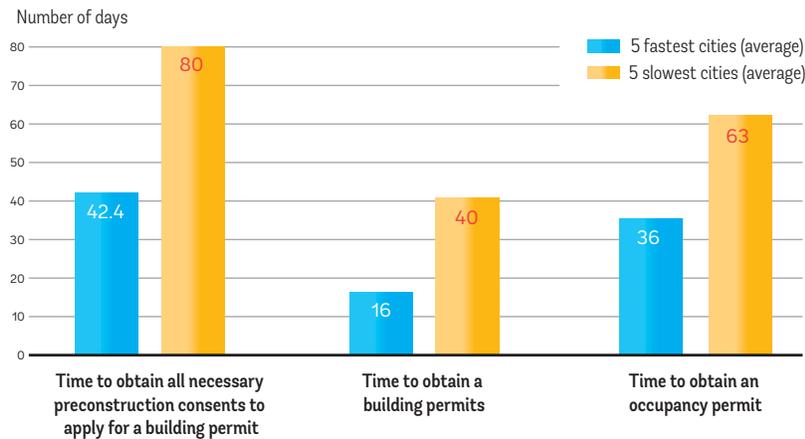
the developer also needs a certification of compliance from a sanitary expert.¹⁷ In Gorzów Wielkopolski and Warsaw, a work safety and hygiene expert certification is also required.

Additional pre-construction requirements apply in some cities. In Lublin, Opole and Zielona Góra developers need to obtain an environmental impact analysis decision from the Department of Environment Protection. Although the law clearly establishes that no environmental impact analysis is needed for a commercial warehouse of 1,300 square meters—such as the one measured by *Doing Business*—investors still need to attach to the building permit request the decision stating that the

analysis is not necessary. In Katowice, where land has been damaged by mining activities, the applicant needs to obtain the Department of Mining’s opinion on the level of mining damage on the land plot.

Only at this point can the applicant file the request for a building permit with the City Hall, which has up to 65 days to accept or reject it.¹⁸ Once the building permit is issued, the County Building Inspectorate must be notified at least seven days in advance about the commencement of construction. Although the County Building Inspectorate has the authority to inspect the construction site, in practice the responsibility is delegated to a site manager.¹⁹ To accept this responsibility, the site manager must be insured and have specific qualifications, as prescribed by the Building Law.²⁰ When a building permit is granted, the site manager (a) submits a statement attesting the responsibility regarding quality control and (b) registers a building log (*Dziennik Budowy*—a record of all construction processes and events) with the County Building Inspectorate, which issues the occupancy permit once the construction is completed. If strictly regulated, delegation of security controls to private professionals allows public authorities to focus their resources on riskier projects without compromising safety for all the others.

After construction, the applicant informs the National Sanitary Inspectorate (*Państwowa Inspekcja Sanitarna, Sanepid*) and the State Fire Service. Both agencies have 14 days to inspect the new building and authorize its use. If the inspections do not take place within two weeks, a silence-is-consent rule applies. Next, the qualified land surveyor submits a final report confirming the building layout to the Geodetic Department of the City Hall for its review and stamp. Finally, the applicant requests an occupancy permit

FIGURE 4.6 The main drivers of variance in the time required to deal with construction permits

Source: Doing Business database.

from the County Building Inspectorate, which performs an on-site inspection before issuing it. The warehouse can be used upon completion of the connections to water and sewerage.

Despite the several procedures required for the construction permitting process, complying with them is relatively fast in some Polish cities: it takes just 137 days in Opole, one month faster than the EU average of 174 days. The process is also faster than the EU average in Łódź, a larger city,²¹ where 164 days are required. By contrast, in cities like Kraków, Poznań and Warsaw, dealing with construction permits takes more than 200 days.

The multiple clearances needed before the applicant can request a building permit add an average of nearly two months to the overall process. Because the Surveying and Cartography Act does not regulate the sequencing of obtaining technical conditions and clearances from utility providers, there is much variation in how and when these are obtained. In Warsaw and Lublin, obtaining pre-construction clearances requires 36 and 43 days, respectively—less than half the time it takes in Gorzów Wielkopolski (90 days). In Gorzów Wielkopolski, applicants

must first obtain a consent from the waterworks agency before applying to the joint committee that confirms the absence of conflicts among utility connections, all of which adds 51 days before clearance is received. This is reversed in Kielce and Toruń, where the applicant first obtains clearance on the absence of conflicts among utility connections and then applies for authorization from the waterworks agency. In all other cities, these procedures are done simultaneously, reducing the waiting time.

As in many other countries, obtaining the building permit itself takes some time and is also one of the major drivers of variance across cities. In Kraków, Szczecin and Warsaw obtaining a building permit from the City Hall for a commercial warehouse requires 65 days, the maximum time allowed by the law. For the same construction, in Gorzów Wielkopolski and Olsztyn—cities with less than 200,000 inhabitants—the building permit is processed in 35 days. However, administrations of bigger cities like Wrocław and Łódź—which receive around five times more applications than Gorzów Wielkopolski and Olsztyn²²—manage to issue a building permit in 35 and 45 days, respectively.

After construction, the main driver of differences across cities is the time it takes to obtain an occupancy permit. The County Building Inspectorate inspects the new construction to check if it has been built according to the approved plans. The County Building Inspectorate has 21 days from the date of application to issue the occupancy permit, after which a silence-is-consent rule applies. However, this time limit may be extended if the application is not complete and therefore has to be put “on hold.” In practice, the time it takes to obtain the certificate varies from 10 days in Opole to more than one month in Szczecin and more than two months in Warsaw (figures 4.6).

Most fees associated with dealing with construction permits are established by national law and apply to all cities. The law sets the costs for the building permit and the occupancy permit. The Surveying and Cartography Act determines the costs for the clearance on the absence of conflicts among utilities connections. A Regulation of the Minister of Infrastructure²³ determines the cost of obtaining consent from the public roads administration.

Still, the overall cost of dealing with construction permits can vary considerably. In Bydgoszcz it costs PLN3,142 (EUR733), nearly half as much as in Warsaw, where it is PLN6,080 (EUR1,418). The fees charged by private experts for their pre-construction clearances are one of the main causes of variance among cities: for example, obtaining a certification from a fire safety expert costs PLN500 (EUR117) in Bydgoszcz, Gdańsk and Toruń and PLN1,000 (EUR233) in eight other cities.²⁴ Also, the cost of hiring a land surveyor to prepare the report that confirms the final layout of the building varies from PLN800 (EUR187) in Bydgoszcz to PLN2,000 (EUR466) in 9 cities.²⁵

FIGURE 4.7 Reforms under consideration in Parliament could simplify the construction permitting process in Poland



WHAT TO REFORM?

Reforms are already underway. The Building Law was recently amended to simplify the permitting process.²⁶ Following a risk-based approach—according to which, various building categories are subject to appropriate levels of scrutiny—the amendment will allow the construction of small structures (up to 35 square meters) without a building permit, transferring the responsibility for compliance with the regulations to the professional in charge of the project. The applicant will notify the City Hall, which will have 30 days to contest the project. If the City Hall considers that the building violates the local zoning plan, a building permit application must be submitted. Similar reforms have been adopted in several good practice economies with modern construction regulation, such as Austria and the United Kingdom. Their main advantage is to allow regulatory agencies to focus on big-impact projects that might otherwise not receive sufficient scrutiny. To be effective and not to present a threat to safety, this type of measures must be carefully implemented. The liability and the competence of the design architects must be strictly identified by law, as well as the detailed requirements the project must fulfill to be eligible for the 30-day notification option. The effectiveness of risk-based approaches depends on several factors—including

a comprehensive classification of risks for building categories, typically defined by size, construction method, and final use. The classification determines requirements for each building type and creates a transparent framework for enforcement agencies and building practitioners. A good case in point is the European standard EN 1990. This standard sets three “consequence classes,” as determined by the risks to users as well as social and economic consequences. Each consequence class includes recommended interactions with building authorities.

The amendment to the Building Law includes other provisions, such as the obligation to notify the applicant that the building permit application is incomplete within 14 days and a reduction in the time limit to issue the occupancy permit from 21 to 14 days (figure 4.7).

The following recommendations could introduce further improvements.

Consolidate or eliminate pre-construction clearances

Simplifying the obtainment of pre-construction clearances is a key factor in making the construction permit process easier in Poland, where the number of requisites before construction can start is much higher than in most advanced economies.

Getting the utility providers, public roads administration, fire department and sanitary inspectorate to coordinate and issue a single pre-construction clearance would make the process more efficient. The City Halls could be the single access point. The challenge is convincing agencies to send representatives to a common location and provide them with enough decision power so that applications can be processed without delays. One solution would be to work out a part-time system whereby representatives from the different agencies work at the single access point at set times and days per week.

Globally, 37 economies have some type of one-stop shop for construction permitting. Poland could follow Lithuania’s example, where the municipality acts as a one-stop shop that collects the technical conditions from different departments on behalf of the applicant. The developer submits only one consolidated form to the municipality—requesting the “Special Architectural Requirements,” which are the technical conditions needed to prepare the design documentation. The municipality gathers the technical conditions from all departments, then gives them to the applicant.

Similarly, in 2009 the United Arab Emirates introduced online clearances from utility providers. In the past, builders in Dubai had been required to obtain “No Objection Certificates” (similar to the technical conditions) from various agencies based on their designs. A commercial warehouse required five such certificates from different utility providers. Nowadays, contractors apply for the “No Objection Certificates” online in one consolidated application, then receive online notification that their designs have been approved. The introduction of online clearances reduced the time required to deal with construction permits by two weeks.

An additional measure to simplify the obtainment of pre-construction clearances would be introducing a timeframe within which the regulatory agency must assess the completeness of the application. Knowing early on whether the application is complete would help developers, who are required to produce further documentation, save time. The most efficient alternative, however, would be to eliminate the necessity of obtaining technical conditions altogether. If guidelines about how to comply with the technical conditions were made publicly available, there would be no need for each project to obtain specific conditions. Building companies could check compliance and prepare the project accordingly. The projects would still be reviewed by the utility providers and other relevant agencies, and their findings would be attached to the building permit application. The City Hall would have the option to order further checks on the plans. An example comes from Slovenia, where the Construction Act was reformed in 2012, eliminating the requirement to obtain project conditions from the water and sewage company before submitting the project design. An investor may now directly request project approval from the water and sewage provider without obtaining the project conditions separately.

Clarify and better communicate the construction permitting process and requirements

Because of its frequent modifications since 1994, the Building Law resulted in an inconsistent and fragmented document. Across cities, the complexity of building regulations is a challenge not only for private professionals, but also for public officials, who are not always able to accurately respond to inquiries about regulations. As a result, there is much uncertainty. Polish authorities should make the law more cohesive and understandable.

Providing clear information is especially important when changes in the regulation are being implemented. When the private sector and public officials operating at the local level do not fully understand the reason and effects of the changes in the law, these changes can be ineffective or even have a negative effect—making room for interpretation and uncertainty.

A more transparent process would cut the cost and time for developers by reducing the number of incomplete or incorrect applications, and thus administrative backlogs. Making information about building requirements and planning rules easily available would also enhance fair competition among developers. Exhaustive guidelines should cover information about key steps, agencies involved, documentation requirements, names of certificates, permits and approvals required, as well as corresponding timeframes and fees. Clear and complete information should also be available online and easily accessible through mobile devices. According to the 2001 Act on Access to Public Information,²⁷ all Polish local governments must have a Public Information Bulletin (BIP) website showing instructions about the permitting process. The websites of Kraków and Wrocław²⁸ are examples of portals that provide detailed information on the requirements for obtaining permits and make application forms available for download. Other cities should ensure that all of their regulatory requirements are published on their websites in a clear and understandable way.

Many jurisdictions around the world have improved transparency in recent years. Some of the good practices include making land-use plans available to all citizens and placing them online; developing process maps or guidelines for the entire construction permitting process; and providing clear guidelines on complete application requirements. Authorities in Vienna, for example,

have put all planning information on a web-based GIS²⁹ platform where developers can, for a subscription fee, view zoning plans, including land-use policies, and infrastructure capacity and availability.³⁰

A further step would be for all the agencies involved in the construction sector to jointly discuss potentially controversial issues that overlap their respective areas of expertise. The common decisions and interpretations of laws and regulations could then be shared through websites and in brochures.

Invest in advanced zoning systems

Polish cities lack extensive zoning plans (box 4.1). Investing in advanced zoning systems would help reduce the burden of obtaining pre-construction clearances. These systems could predetermine, in detailed zoning maps, whether utilities would allow certain types of buildings in different areas of the city. Currently, in good-practice jurisdictions, utilities can determine whether they can deliver services to certain type of buildings based on consumption patterns and clients' requirements, effectively eliminating the need for technical conditions. As a matter of fact, in most EU countries—including Austria and Germany—utilities do not issue a separate ex-ante commitment to building applicants. Furthermore, detailed zoning plans also help municipal authorities establish a consistent and predictable basis for granting construction permits or rejecting proposals. In France, updated zoning plans create a straightforward and predetermined "right to build" when a building project is in compliance with zoning rules.

Zoning rules must be transparent and accessible to everyone. The planning must also be flexible, as the needs of urban development change over time. In good-practice economies, zoning systems are developed through a consultative process, with broad

participation by relevant stakeholders, to ensure that they benefit all social groups. New Zealand illustrates the use of municipal planning and zoning as a tool to facilitate the construction permitting process. All municipalities have a detailed, up-to-date zoning plan approved through a process involving intensive public involvement—including public hearings to allow residents to offer suggestions or objections. New Zealand uses two main types of planning documents: regional and district plans. Regional plans specify general requirements, such as air and water quality and the use of coastal areas. District plans are detailed planning guidelines that outline the specific land use and design requirements for builders. The district plans are legally binding, cover all usable land in a municipality, and are periodically reviewed to ensure that they reflect changing urban needs. The plan gives investors and developers a reliable reference when designing a project. And it affords municipal authorities a consistent basis for approving or rejecting construction permits, with no discretion involved.³¹

Consolidate and simplify post-completion inspections and the issuance of the occupancy certificate

In Poland, the building company currently notifies, seeks approval from, and receives separate inspections from three different agencies when construction is completed: the National Sanitary Inspectorate, the State Fire Service and the County Building Inspectorate. The scope of the inspections is similar: they evaluate whether the building is ready for use and whether an occupancy permit can be issued. Separate inspections not only cause delays, but create the risk of different agencies interpreting rules in contradictory fashion. In Denmark, one agency—an inspectorate within each Municipality—is responsible for conducting the final inspection

and issuing the occupancy approval. Setting up a combined multi-functional inspectorate which would carry out all inspections simultaneously would save time and hassle for developers.

In addition, the occupancy certificate—which takes between 10 to 75 days to obtain across Polish cities—could be issued on the spot if the project does not present irregularities and complies with the approved building plans. In Canada, if all required inspections have been carried out and the building is deemed fit for occupancy, the certificate of occupancy is issued on the spot, avoiding additional interactions for the builder. In Portugal, Lisbon has adopted a tracking system that is automatically updated once the final inspection has taken place. The certificate of occupancy is ready immediately after the final inspection.

Alternatively, for construction projects involving low or limited risks in terms of structural integrity and fire safety, the Polish authorities could consider providing qualified engineers working on the project with the right of self-certifying that the building can be occupied. In this case, the City Hall would be simply notified about the completion of the building, and it could concentrate resources to inspect riskier projects. Austria and Norway have such systems in place.

Develop an electronic platform for the construction permit administration

Currently building applications, permits and drawings are submitted as hard copies. It would be advantageous to (a) allow the submission of applications and building plans online and (b) track the status of requests and payments electronically. Additionally, an e-based platform where applicants can request all pre-construction clearances simultaneously by submitting one online form would substantially

facilitate the process. This form would then be accessed by the various agencies, which could approve the designs electronically. If City Halls link all utility providers to a single system in which notifications and documents can be exchanged electronically, the process would be faster and streamlined.

Online platforms can also speed up the process of updating the geodetic maps and submitting building permit applications. Several countries already have such systems in place. Developers in Austria, Denmark, Iceland, Norway and Portugal can complete their building permit applications online. In Singapore, qualified professionals can submit structural plans through an online platform that allows authorities to check in an efficient manner whether structural plans are correct and prepared with high safety standards, eliminating the need for inspections for low-risk buildings. Another example comes from Italy's Piedmont region, where an electronic system for submitting building approvals facilitates online applications for entrepreneurs—while allowing municipalities to interact directly with other agencies, such as the cadastre and the land registry, on building registration and taxation issues.

Moving the construction permitting process online can be a daunting task. It is typically linked to larger regulatory reforms and e-government programs, and staff must be trained to operate and maintain electronic systems. Last but not least, the right technological infrastructure and high level of internet penetration are important prerequisites.



Registering property

During the 18th and 19th century, land and property registration were severely fragmented across the country. Properties were mapped and registered in distinct cadastres and land registries, depending on whether the plot was in a territory occupied by the Kingdom of Prussia, the Austrian Empire or the Russian Empire. In parallel with the efforts to unify the country in the 20th century, Poland embarked upon a massive project of harmonizing, collecting and translating land and property information into common databases. As a result, both the Land and Mortgage Registry and Cadastre records are now unified for the whole country. Recently Poland has gone even further. Records stored at the Land and Mortgage Registry, previously held in paper archives, have been transferred into electronic format and made available online. However, entrepreneurs still face administrative hurdles when registering property. Just applying for registration with the Land and Mortgage Registry can take longer than one month in some cities.

WHY DOES PROPERTY REGISTRATION MATTER?

Registered property rights are necessary to support investment, productivity and growth.¹ Cadastres provide descriptions of land parcels in a specific jurisdiction based on land surveys. Land registries record the ownership and provide secure property rights.

These institutions are part of the land administration system of an economy. With land and buildings accounting for between half and three-quarters of the wealth in most economies,² having an up-to-date land information system clearly matters.³

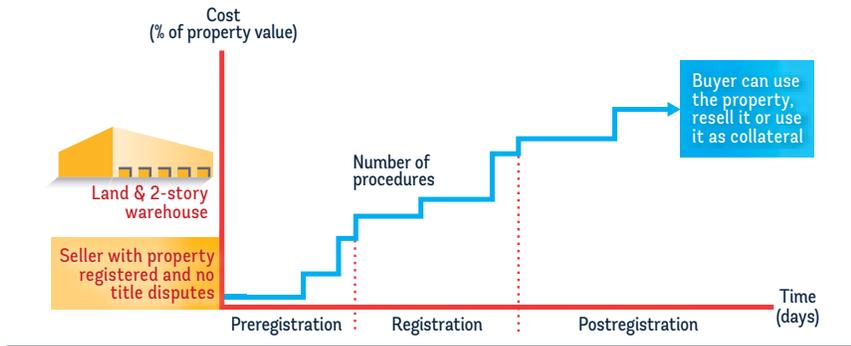
A reliable, transparent and secure land registration system is associated with greater access to credit and lower income inequality.⁴ Insecure title to land prevents people from taking full advantage of the productive uses of the property.⁵ Where people have proper title to their land, however, they can use the property as collateral for a loan or transfer land parcels in which they have invested.⁶ Also, clear property boundaries and ownership strengthen social stability and social development. If people feel more secure in their homes and on their land, they are more likely to invest in them, such as by making improvements that benefit health and well-being.⁷

On the firm level, a recent study concluded that the security of property rights has an impact on firm growth through an asset allocation effect.⁸ Firms operating in environments with poorly developed financial systems and weak property rights are more likely to allocate resources in a suboptimal way, which in turn hinders the growth of firms.

The benefits of land registration go beyond the private sector. For governments, having reliable, up-to-date

- Because the overall legal framework for registering a property is the same throughout Poland, the procedures for transferring property are uniform.
- However, differences among cities remain: it can take 18 days to register property in Białystok, but 51 days to do so in Wrocław.
- Although the cost of transferring property in Poland is lower than the EU average of 4.5% of property value, in most Polish cities the process takes longer than the EU average of 26 days.
- It is easiest to register property in Białystok and Zielona Góra, thanks to efficient Land and Mortgage Registries and streamlined administrative procedures.

FIGURE 5.1 What are the time, cost and number of procedures required to transfer property between two local companies?



information in cadastres and land registries is essential to correctly assess and collect tax revenue.⁹ In Thailand, where annual revenue from property and transfer taxes rose from USD200 million in the 1980s to USD1.2 billion by 1995, a land titling program that increased the number of registered property owners during the 1980s is thought to be one of the reasons for the increase.¹⁰ More recently, the modernization and computerization of land management in Karnataka, India, quadrupled land-related revenue from USD120 million in 2000 to USD480 million in 2008.¹¹

WHAT DOES REGISTERING PROPERTY MEASURE?

Doing Business records the full sequence of procedures necessary for a business to purchase a property from another business and to transfer the property title to the buyer’s name so that the buyer can use the property for expanding a business or as collateral in taking new loans or, if necessary, sell the property to another business. The process starts with obtaining the necessary documents, such as a copy of the seller’s title if necessary, and conducting due diligence if required. The transaction is considered complete when it is opposable to third parties and when the buyer can use

the property, use it as collateral for a bank loan or resell it (figure 5.1). Every procedure required by law or necessary in practice is included, whether it is the responsibility of the seller or the buyer and even if it must be completed by a third party on their behalf.

HOW DOES REGISTERING PROPERTY WORK IN POLAND?

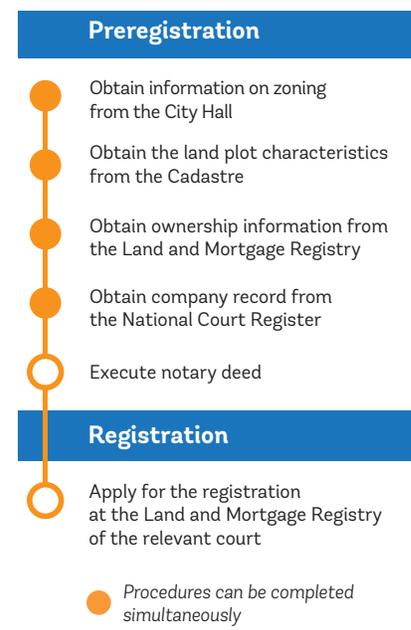
The transfer of property in Poland is regulated by the 1982 Act on Land Registry and Mortgages,¹² followed by the 2001 Act on the Maintenance of Land and Mortgage Registries and relevant documents.¹³ Poland follows the German and Austrian title registration systems, where the registry indicates who the owner is or who has rights over a property.¹⁴ The State guarantees the accuracy of the registry’s ownership information and is liable if there is a mistake.¹⁵

The Cadastre (*Ewidencja gruntów i budynków*) and the Land and Mortgage Registry (*Wydziały Wieczystościęowe - Centralna baza danych ksiąg wieczystych*) are separate institutions. The two nonetheless exchange certain information, as prescribed by law.¹⁶ The Land and Mortgage Registry and the Cadastre have separate databases that each centralize records for the

whole territory. The daily maintenance of these databases is delegated at a local level, but each modification is immediately reflected in the central databases. The Cadastre stores the description and the map of the plot and is updated by the geodetic departments of the municipalities.¹⁷ The Land and Mortgage Registry records legal ownership and other rights, and its central database is updated by the district court in each city. Other agencies that intervene in registering property in Poland are the National Court Register (*Krajowy Rejestr Sądowy*), which keeps company records, and local city halls, which manage zoning regulations.¹⁸ In the case of a property transfer, the notary is obliged to notify the Land and Mortgage Registry, the Cadastre, and the City Hall department in charge of the zoning regulations (spatial development plans).

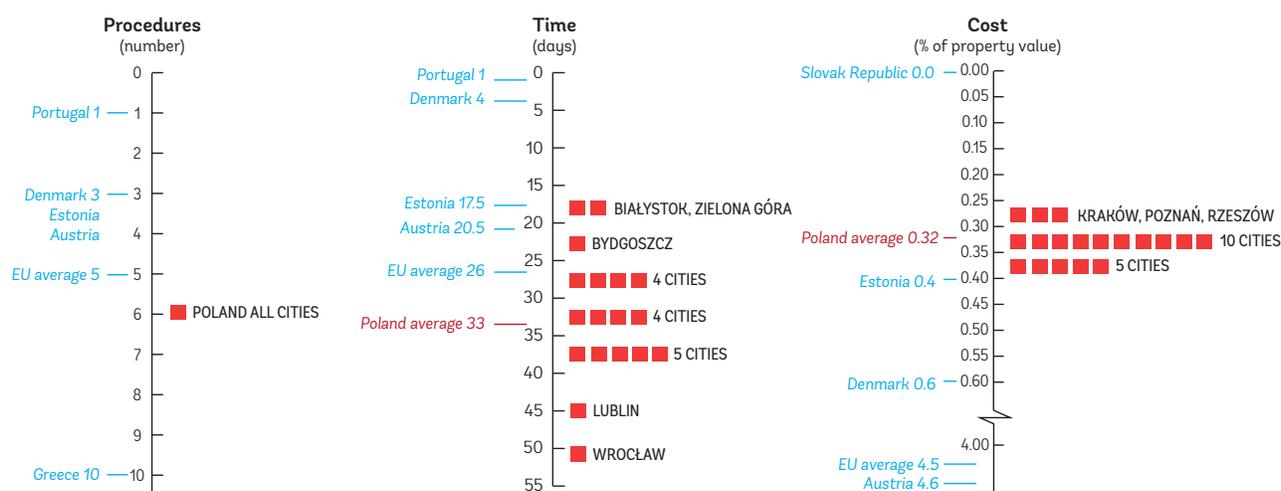
The databases of the Land and Mortgage Register and the National Court Register are available online and accessible to the public at large.¹⁹ The Cadastre is digitized, but the full

FIGURE 5.2— Transferring a property in Poland involves the same six stages in all cities



Source: *Doing Business* database.

FIGURE 5.3 Compared to the EU, it is significantly less expensive to register a property across Poland



Source: Doing Business database.

database is only accessible by City Halls, while the zoning plans are only partially online, depending on the location.

Across Poland, entrepreneurs follow the same six steps to transfer a property between two local firms. The first three requirements are for the parties, or the notary on their behalf, to ensure that the property complies with the zoning regulations specified in the local Spatial Development Plan, as well as to obtain an extract from the Cadastre with a description of the land parcel and another one describing ownership rights from the Land and Mortgage Registry. The notary then requests a record of the selling company from the National Court Register, to verify that the seller is authorized to represent the company. Once all necessary information is compiled into a notarial deed, the notary has 3 days by law to send an application to register the property with the Land and Mortgage Registry of the relevant court (figure 5.2).

On average, the six requirements take 33 days and cost 0.32% of the property value. Compared to the EU

average cost of 4.5%, transferring property in Poland is almost 15 times less costly in terms of property value (figure 5.3). It is even less expensive than in Denmark—the best performer in the European Union—where it costs 0.6% of the property value. However, in Denmark the transfer requires only three procedures and four days. In Estonia the three procedures required take close to half of the time required in Poland—17.5 days—with a similar cost of 0.4%. In Estonia the e-Notary system not only displays the data from the Land Registry online, but also allows the notary to submit the application to the Land Registry electronically.

Local notaries have different methods of complying with some property registration requirements. The exact type of document needed from City Hall to confirm compliance with the zoning regulation, for example, can be a matter of interpretation. Depending on the notary, different types of documents are deemed necessary. For example, the notary could opt for requesting a customized extract of the Spatial Development Plan entry, which costs PLN30 (EUR7)—or, alternatively, a

brief certificate,²⁰ which costs half as much and is a standard form. In Kraków, the extended practice is to require neither: aided by the quality of the information available online, the notary simply verifies compliance with the zoning information in a matter of minutes and at no cost.

It is easier to register property in Białystok and more difficult in Wrocław (table 5.1). The largest differences across cities involve the time it takes to comply with all requirements; this ranges from 18 days in Białystok to 51 days in Wrocław.

Obtaining zoning compliance information from the Spatial Development Plan varies from less than one day in Kraków, where a modern platform allows this to be done online, to 14 days in Lublin where notaries typically request the full extract from the municipality in charge of the Spatial Development Plan. On average, it takes 4 days to obtain an extract from the Cadastre—from 2 days in 7 cities²¹ up to 7 days in 6 cities.²² The company record from the National Court Register can be obtained online all over Poland and it

TABLE 5.1 Registering property in Poland: Where is it easier?

City	Distance to the frontier (score)	Rank	Procedures (number)	Time (days)	Cost (% of property value)
Białystok	82.62	1	6	18	0.35
Zielona Góra	82.53	2	6	19	0.32
Bydgoszcz	82.14	3	6	21	0.35
Poznań	81.49	4	6	26	0.28
Olsztyn	81.02	5	6	28	0.35
Szczecin	80.82	6	6	30	0.30
Toruń	80.78	7	6	30	0.32
Łódź	80.66	8	6	31	0.30
Rzeszów	80.38	9	6	33	0.28
Warsaw	80.30	10	6	33	0.32
Gorzów Wielkopolski	80.02	11	6	35	0.30
Kraków	79.54	12	6	38.5	0.27
Opole	79.43	13	6	38	0.35
Gdańsk	79.42	14	6	38	0.36
Kielce	79.38	15	6	39	0.30
Katowice	79.34	16	6	39	0.32
Lublin	78.39	17	6	45	0.32
Wrocław	77.47	18	6	51	0.30

Note: Rankings are based on the average distance to frontier (DTF) score of procedures, time and cost associated with registering property. The DTF measure is normalized to range between 0 and 100, with 100 representing the frontier of best practices. For more details, see the *About Doing Business* and *Doing Business in Poland 2015* section.

Source: *Doing Business* database.

takes 1 day for notaries to execute the sale or transfer agreement.

Registration with the Land and Mortgage Registry at the local court is the main bottleneck in many cities (figure 5.4); for example, it can take 10 days in Białystok and Zielona Góra or 40 days in Wrocław. The court in Białystok has successfully implemented a modern case management system. Instead of assigning the cases manually, as it is done in many courts, in Białystok court staff and the IT department collaborated to make optimal use of a specialized software called SOWKW (*System Obsługi Wydziału Ksiąg Wieczystych*) developed by the Ministry of Justice. Now the system is customized to automatically assign incoming registration applications either to judges or to specialized court officers known as *referendarzs*²³ according to workload. The improvement in efficiency

is further supported by a customer service desk (*Biuro Obsługi Interesanta*) that provides information and helps customers before the application is filed with the court.

Likewise, the court in Zielona Góra has implemented a process whereby *referendarzs* collaborate closely with legal secretaries and train them. As a result, the *referendarzs* can delegate certain administrative tasks, including the initial manual data entry into the Land and Mortgage Registry database. This allows the *referendarzs* to devote more of their time to more-complex registrations.

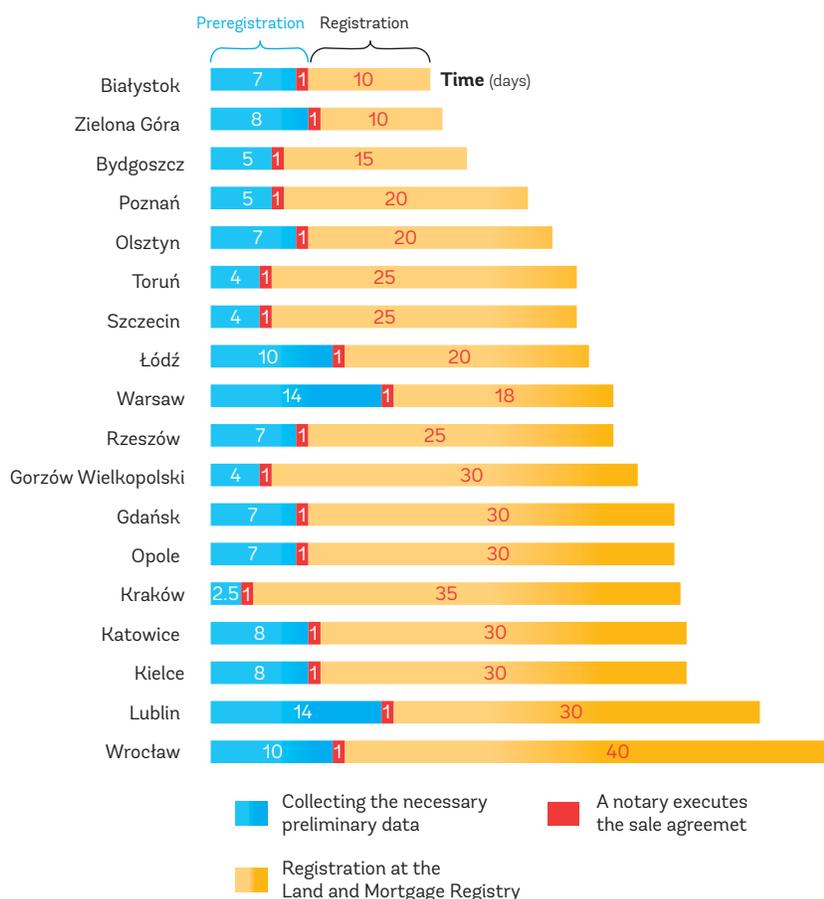
The costs of the necessary documents to transfer property are governed by the Stamp Duty Act,²⁴ the newly updated Surveying and Cartography Act and the Administrative Enforcement Proceedings Act.²⁵ Since the early 2000s, the Land and Mortgage

Registry fees of the relevant court have been fixed at PLN200 (EUR47), whereas before these were calculated as a percentage of the property value. The new pricing considerably lowered the overall cost of registering a property:²⁶ if the previous court fee schedule still applied, our entrepreneur would pay more than 10 times the current price.²⁷

Still, there are some variations in cost across cities. Whereas in Kraków the total cost is 0.27% of property value, in Gdańsk it is 0.36%. These variations are due mainly to the fees charged by notaries. Since the recent liberalization of the notary profession in 2013,²⁸ competition has brought prices down, albeit in some cities more than others. The maximum fee that notaries can charge is set by law,²⁹ but notaries are free to offer discounts. According to anecdotal evidence, notaries are more willing to negotiate fees for property transfers than for other services because the amounts in question are higher. Notary costs can vary from PLN5,139 (EUR1,199) in Kraków to PLN6,852 (EUR1,598) in five cities, such as Bydgoszcz and Olsztyn, that have 25% to 40% fewer notaries per capita than Kraków.³⁰

Small differences in cost are also associated with how information is requested from the Spatial Development Plan or the Land and Mortgage Registry. It can be obtained as a legally binding document either online (PLN20, or EUR5), as is currently done in most cities, or by obtaining the document in person (PLN30, or EUR7), as is done in six cities including Szczecin and Lublin. Additionally, notaries can request a full version of the extract from the Land and Mortgage Registry, as is the practice in Warsaw (PLN50, or EUR12).

FIGURE 5.4 Registering with the Land and Mortgage Registry is the most time-consuming requirement



Note: Collecting the necessary preliminary data involves 4 simultaneous pre-registration procedures.
 Source: Doing Business database.

WHAT TO REFORM? Optimize available resources to reduce delays at the Land and Mortgage Registry of the relevant court

In 2013, the European Commission for the Efficiency of Justice and the Council of Europe conducted a large scale study on the efficiency of the justice system. The study, which included land registration data from all EU member states, confirmed that a way to improve the efficiency of justice systems is to focus on caseload management. Reducing the time spent handling cases can be achieved by, for example, simplifying internal procedures or increasing the use of technology.³¹

An efficient caseload management system allows court employees to better organize their workloads, including tracking court records and scheduling and managing reporting.³²

In Poland, it takes up to 40 days to register a property with the Land and Mortgage Registry. Because a *referendarz* must process and approve every entry, large transaction volumes can lead to significant delays. In Białystok and Zielona Góra, however, it only takes 10 days thanks to improved court efficiency and the use of SOWKW caseload management software. Implemented in almost all Land and Mortgage Registries across the country, SOWKW has two modules,

one for data entry and another for office management module. Data entry is time consuming, requiring navigation between different system tabs. In Zielona Góra the *referendarzs* have delegated data input to legal secretaries, which reduces the time required for the overall process. Moreover, although the SOWKW system can be programmed to automatically assign applications to *referendarzs*, in many courts this is still done manually. After customization, the system automatically regulates the workload for each *referendarz*. The courts should optimize their use of the software so that they are using it to its fullest advantage.

Efficiency measures are especially important in bigger courts, where the workload is considerably higher. The Land and Mortgage Registry in Warsaw introduced periodic performance reviews and a task performance tool that constantly monitors the efficiency of *referendarzs* and aids in balancing their workload. Thanks to these measures, the average time to complete the registration at the court is 18 days, significantly lower than the national average of 25 days, and the fastest time among Poland’s biggest cities.

Move toward electronic registration

Currently, the software used to register properties at the court requires intensive manual data entry and is slow to access. A reform of the Civil Procedure Code, concerning the registration of properties, came recently into effect in Poland.³³ Notaries are now allowed to send an electronic notice to the Land and Mortgage Registry immediately after the signature of the notarial deed, informing about the change of ownership of the property. This should contribute to the overall security of the system by making fraudulent double sales impossible. This initiative also allows the notary to send the application electronically along with supporting

documentation if these are in electronic format. However, many of the supporting documents are only available as hard copies, which the notary would still have to forward by post. The electronic submission of scanned copies of vital documentation should be allowed, while other documents could be eliminated altogether. For example, the Land and Mortgage Registry could verify the information contained in the notarial deed internally with the other agencies through linked databases.

Other European countries have already undertaken electronic registration reforms. In 2009 the Danish land registry began digitizing its records, after which it introduced electronic lodgment of property transfers. By 2011 property transfer applications were only accepted online and registry staff were able to screen applications quickly and efficiently. As a result, over a period of five years, the time required to transfer a property has been slashed from 42 days to 4 days.³⁴ More recently, in 2014 Sweden implemented a new centralized IT system for registering property that allows users to make searches on ownership and complete the registration process anywhere in the country; this resulted in a time reduction of 14 days.³⁵

Austria also registers property online, in this case through a system called WebERV. WebERV allows web-based communication between courts, notaries and lawyers for submission of claims, briefs and applications as well as delivery of court transcripts, orders and decisions. It is now mandatory for attorneys and notaries to use this system when submitting applications concerning the transfer and registration of property. In Austria, it takes three procedures and less than 3 weeks to register a property.

Improve the interconnection between the Land and Mortgage Registry and the Cadastre

To improve the interconnection between the Land and Mortgage Registry and the Cadastre, the databases of each agency would need to be made compatible. Georgia, Lithuania and Norway are just a few examples of numerous countries with consolidated property records systems. Previously, in Norway, the information recorded in 87 local registries was updated and transmitted to the Registry's headquarters to create a common database.³⁶ For the purpose of publishing information, this data was also transmitted to a state owned enterprise, Norsk Eidomsinformasjon Ltd. which created a single database integrating the information from the registries and the cadastre. Following the creation of the database, the government made the decision in 2003 to unify the registry and the cadaster into a single agency, the Norwegian Mapping Authority (*Kartverket*).³⁷ Currently, it takes only one procedure and three days to register property in Norway.³⁸

Connecting systems could also streamline procedures for entrepreneurs. In Portugal, entrepreneurs have the option to directly register a property in one day thanks to the one-stop shop *Casa Pronta* (www.casapronta.pt). *Casa Pronta* offers access to an interconnected database through which all the necessary checks can be performed and the registration finalized. Additionally, any individual can give a notice of the transfer of a property through the *Casa Pronta* website, which allows entities with the legal right of preference to announce their intention to exercise it.³⁹

Use a single identification number for property searches at the Land and Mortgage Registry and the Cadastre

In Poland, the single identification number (*numer ewidencyjny działki*) originally recorded in the Cadastre is not systematically recorded in the corresponding Land and Mortgage Registry file. Therefore, while this number is easily searchable—for instance through the geodetic webpage geoportal.gov.pl in the Cadastre—it cannot be used to search for a property in the Land and Mortgage registry database.

Sharing a single identification number for each property would allow for quick identification of the legal status of the property, provide greater certainty for the parties engaged in a property transfer, and reduce the likelihood of mistakes.⁴⁰ The majority of *Doing Business* economies use a single identification number.⁴¹ Denmark and Estonia, which also have separate land registries and cadastres, employ a similar “unique plot identifier” and are among the countries where it is easiest to register property.

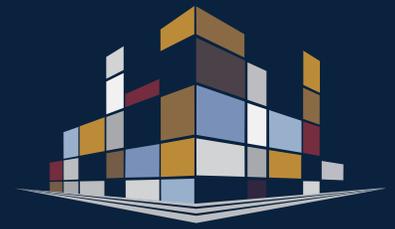
Improve public service delivery at the City Hall

The public sector is perceived as inefficient when service is not delivered in a timely and customer friendly manner. Monitoring customer satisfaction could be used as a tool to identify bottlenecks in service delivery.

One area where customer service could be improved is the way zoning documentation from the Spatial Development Plan is handled. The exact type of document needed can be a matter of interpretation. However, in the case of selling an existing property, no zoning information should be necessary at all, if the new owner does not plan additional construction. In Kraków, for instance, the notary can simply access an online platform to

determine the status of a property in the zoning plan; yet when notaries still ask for a separate document, the client is often not informed in advance about the available options. Sometimes the client submits an application for a full extract first, paying a higher fee—only to have to apply again, this time for the brief certificate of the property allocation in case no spatial development plan has been approved for the plot in question, and thus a customized extract of the Spatial Development Plan is not available. An added inconvenience is that the price of the extract is calculated on the basis of the number of pages. The client pays an initial deposit of PLN30 (EUR7) for 5 pages—but needs to come back to pay the difference if the extract is longer. The lack of clarity about which type of document is needed, as well as the lack of guidance, can explain many delays.

A better-informed client could help improve the efficiency of the process. Customer feedback surveys are an effective way to evaluate overall satisfaction with a public service.⁴² Once customer satisfaction measurement has been introduced, the results can be used to highlight both areas of good performance and areas in need of improvement.⁴³ Learning from customers not only allows improvements in overall satisfaction with the service delivery, but also can ultimately reduce costs and delays.



Enforcing contracts

“Friendliness, openness and a focus on results”: these are the guiding principles announced by the Ministry of Justice in serving the citizens of Poland. The strategy articulated by the Ministry of Justice around these principles focuses on improvement: improving efficiency of court proceedings, of information technology systems, of communication tools and very importantly of rational use of public funds. Indeed, over the last decade, while Poland gained recognition for economic performance¹ and regulatory reform,² its commercial justice system has been on a sustained reform agenda. Between 2005 and 2012, the time to enforce a contract in Warsaw was cut by a third thanks to reforms that tackled court efficiency and the execution of judgment (figure 6.1).³

Landmark reforms include the adoption of a standard civil procedure for all types of cases, including commercial ones,⁴ and the liberalization of the bailiff profession (box 6.1). Substantial investments in information technology, including modern electronic case management systems, have facilitated interactions between justice system actors. And yet, the Polish courts are facing an increase in the backlog of litigious civil and commercial cases.⁵ The courts might not be as friendly as the Ministry intends, as an entrepreneur seeking contract enforcement in Poland still faces a number of challenges, including the prospect that it might take at least one year, if not more, to successfully recover a debt. Poland’s justice

system has yet to ensure that reform translates into impact for its users.

WHY DOES COMMERCIAL DISPUTE RESOLUTION MATTER?

Effective commercial dispute resolution has many benefits. Courts are essential for entrepreneurs seeking to enforce their contractual and property rights. Efficient and transparent courts encourage new business relationships because firms know they can rely on the courts if a new customer fails to pay. Speedy trials are essential for small enterprises because they may lack the resources to stay in business while awaiting the outcome of a long court dispute.

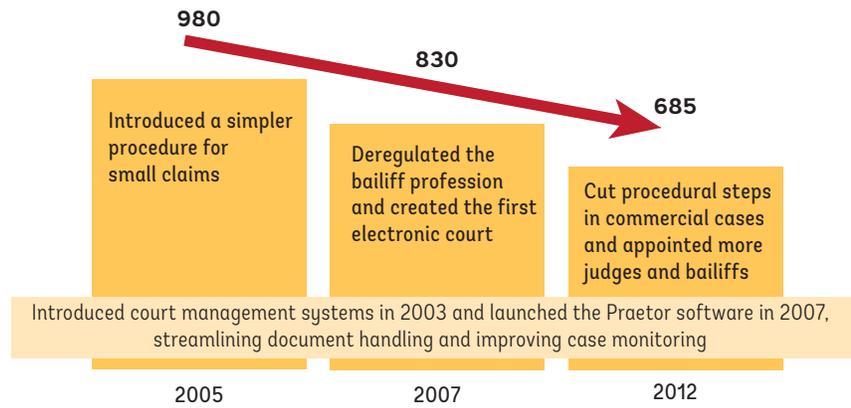
Small businesses looking at securing financing for growth and expansion will find it easier to access finance in jurisdictions where courts can be relied upon to resolve contractual disputes swiftly. The Policy Framework for Investment developed by the OECD underlines that reliable and sound enforcement of contract procedures assures investors of timely debt collection and the protection of contractual rights. Cumbersome commercial dispute resolution means that banks are less willing to lend and firms are more likely to depend on personal and family contacts.⁶

A study conducted among five Eastern and Central European countries, including Poland, found correlations between

- Enforcing a contract is easiest in Olsztyn—where it takes 328 days and costs 15.3% of the claim value—and more burdensome in Gdańsk—where it takes 715 days, at a cost of 19.7%.
- In the 18 cities measured, the average time required to enforce a contract is 512 days and the average cost is 15.9% of the claim value. This would place Poland among the world’s top 25 economies on the ease of enforcing contracts—well ahead of the average EU rank of 48.
- Resolving a commercial dispute as fast as in Olsztyn and with as low a cost as in Białystok (13.6% of claim value), would place Poland in the 13th place globally, same as Germany and ahead of Finland.
- Court proceedings over recent years have introduced electronic systems, facilitating workflow throughout the justice system. Increasing automation is part of the reform agenda: Parliament is currently discussing legislative reforms that would allow for e-auctions of debtors’ movables.
- Liberalizing the bailiff profession in Poland has led to a sharp increase of number of enforcement agents between 2006 and 2012 and has made enforcement proceedings quicker.

FIGURE 6.1 How Poland cut the time to enforce contracts by a third in Warsaw

Time to enforce a contract (days)



Source: Doing Business database.

ineffective courts and lower levels of investment. The study highlighted the importance of functioning courts to both investment and credit: entrepreneurs who believe that their property rights are enforceable reinvest 14–40% more of their profits in their businesses than those who are uncertain—while manufacturers who trust the court system for debt recovery are 8% more likely to give credit to their clients.⁷

WHAT DOES ENFORCING CONTRACTS MEASURE?

Doing Business measures the time, cost and procedural complexity of resolving a hypothetical commercial lawsuit between two domestic businesses. The dispute involves the breach of a sales contract worth twice the income per capita of the economy or USD5,000, whichever is greater. The case study assumes that the court hears arguments on the merits and that an expert provides an opinion on the quality of the goods in dispute; this distinguishes the case from simple debt enforcement. The time, cost and procedures are measured from the perspective of the entrepreneur (the plaintiff) pursuing the standardized case through local first-instance courts (figure 6.2).

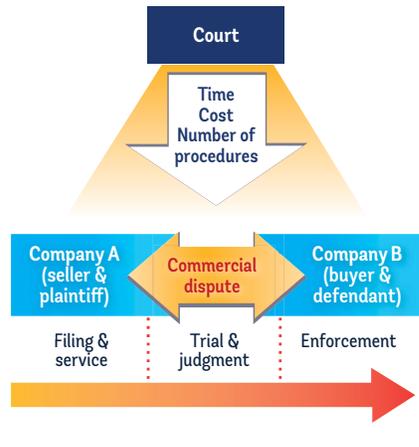
HOW DOES CONTRACT ENFORCEMENT WORK IN POLAND?

Enforcing a contract in Poland takes on average 512 days and costs 15.9% of the claim value; in all 18 cities, it requires 33 procedures.⁸ On the global ease of enforcing contracts, Poland, represented by Warsaw, ranks 52nd among 189 economies. The average Polish city would rank 24th.

Across Poland, the time and cost associated with enforcing contracts varies. It is easier in Olsztyn, where it takes a total of 328 days and costs 15.3% of the claim value. It is more difficult in Gdańsk, where it takes over twice as long (715 days) and costs 19.7% of the claim value (table 6.1). Olsztyn and Gorzów Wielkopolski are the cities closest to the best international good practices and rank above the 90th percentile globally, similar to the Netherlands. All cities rank above the 80th percentile globally, except for Warsaw and Gdańsk who rank lower and perform similar to Croatia and Chile, respectively (figure 6.3).

Poland has two types of courts of first instance, the district (*rejonowy*) and the regional (*okręgowy*) courts, both of which have specialized commercial

FIGURE 6.2 What are the time, cost and number of procedures associated with resolving a commercial dispute through the courts?



divisions. Monetary thresholds determine their jurisdiction: regional courts handle all cases with claim values above PLN75,000 (about EUR17,500),⁹ and cases with lower claim values are heard by the district courts. Judgments can be appealed through one level only: before the regional court for district court judgments and before the court of appeal for regional court judgments.

Poland’s judicial map is in constant evolution. Over recent years, as part of the Ministry of Justice’s efforts to optimize resources, the number of first-instance courts was reduced by about 20%.¹⁰ This brought the number of first-instance courts to less than one per 100,000 inhabitants, whereas most EU countries have between one and two.¹¹ The Ministry of Justice abolished many smaller courts, including 12 regional and 14 district commercial divisions with small caseloads in comparison to other commercial divisions. These included the commercial division of the regional courts in Gorzów Wielkopolski and in Zielona Góra, 2 of the 18 cities measured by the report. Litigants are therefore required to file commercial cases in a neighboring regional court; the commercial cases from Gorzów Wielkopolski are heard before the Regional Court in Szczecin,

TABLE 6.1 Enforcing contracts in Poland: Where is it easier?

City	Distance to the frontier (score)	Rank	Procedures (number)	Time (days)	Cost (% of claim)
Olsztyn	76.12	1	33	328	15.3
Gorzów Wielkopolski	73.78	2	33	434	13.8
Białystok	73.69	3	33	440	13.6
Opole	73.05	4	33	425	16.4
Toruń	72.97	5	33	424	16.7
Bydgoszcz	72.69	6	33	474	13.8
Poznań	71.64	7	33	485	15.8
Rzeszów	71.57	8	33	515	13.8
Kraków	71.44	9	33	498	15.4
Zielona Góra	71.23	10	33	500	15.8
Kielce	71.11	11	33	529	14.0
Szczecin	71.08	12	33	493	16.7
Katowice	70.49	13	33	519	16.4
Łódź	68.98	14	33	599	14.6
Lublin	68.67	15	33	595	15.7
Wrocław	68.62	16	33	546	19.4
Warsaw	64.83	17	33	685	19.4
Gdańsk	63.89	18	33	715	19.7

Note: Rankings are based on the average distance to frontier (DTF) score of procedures, time and cost associated with enforcing a contract. The DTF measure is normalized to range between 0 and 100, with 100 representing the frontier of best practices. For more details, see the *About Doing Business* and *About Doing Business in Poland 2015* section.

Source: *Doing Business* database.

and cases from Zielona Góra before the Regional Court in Poznań.

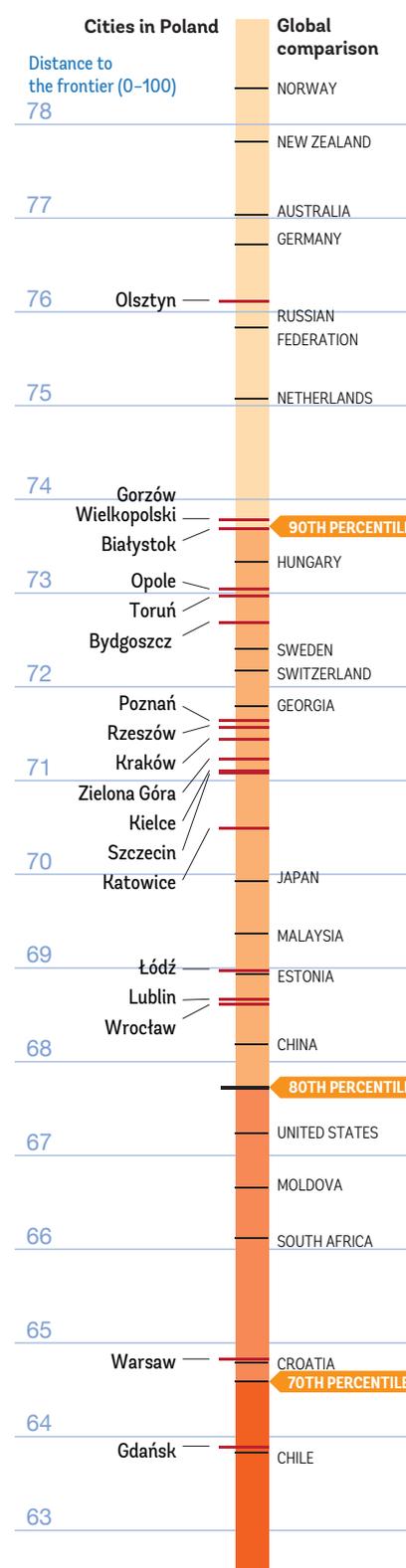
Substantial variations are found in the duration of the trial and judgment phase. Trials take more than twice as long in Gdańsk (500 days) and Warsaw (480 days) as they do in Olsztyn, where they take only 194 days (figure 6.4). Caseload and court resources are driving factors in the time required to enforce a contract. A judge in Gdańsk handles about 60% more cases than a judge in Olsztyn.¹² The docket in courts such as Warsaw and Gdańsk is full, resulting in more delays between hearings. The time between hearings in Poland varies between three weeks and three months, depending on how busy a particular court is.

Good practices in court administration can, however, make even busy courts

more efficient. In most cities where trial time is less than a year—and including the busy regional court of Kraków—individual judges use active case management. This includes earmarking and scheduling anticipated hearings, and requiring the frontloading of evidence and written pleadings¹³ as provided under article 207 of the Polish civil procedure code. Article 207 was amended in 2012 and provides for frontloading unless there are exceptional circumstances. This marks a departure from the previous Polish practice of a protracted exchange of written pleadings with several replies and counter-replies. However, this practice is not yet firmly entrenched in the litigation culture, and many judges still grant authorization for multiple filings.

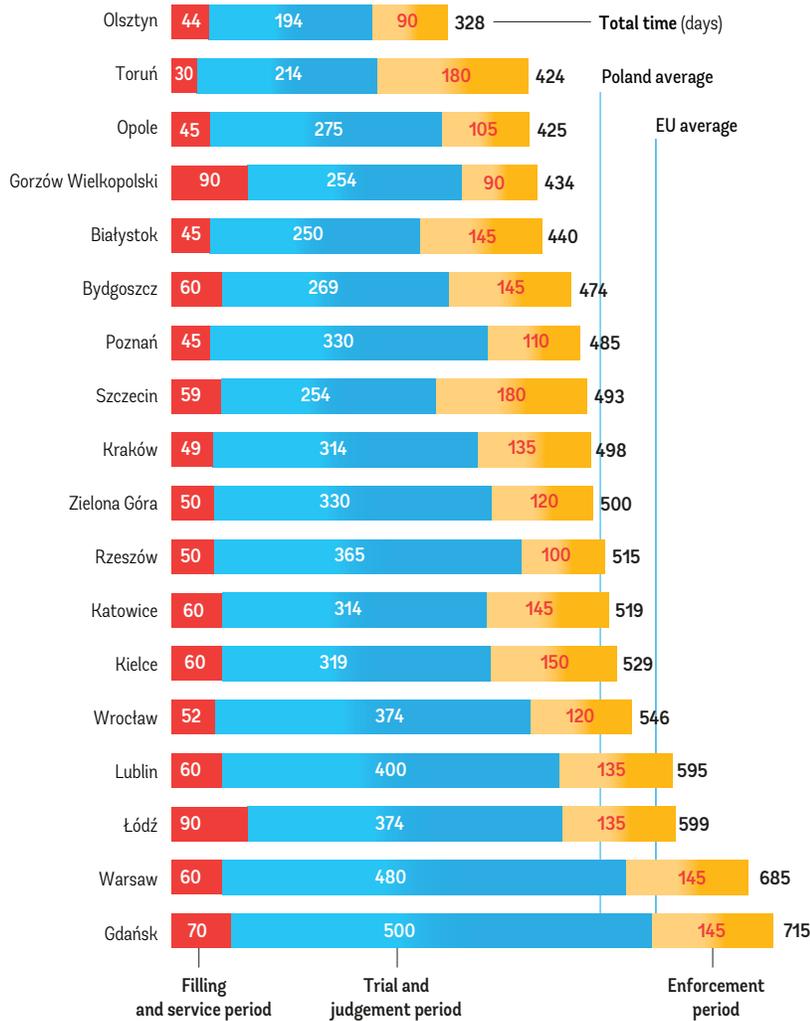
Delays are experienced not only during the trial proceedings in the courts, but

FIGURE 6.3 Most cities in Poland outperform economies at the 80th percentile on the ease of enforcing contracts



Source: *Doing Business* database.

FIGURE 6.4 It is faster to enforce a contract in Olsztyn



Source: Doing Business database.

through all stages of contract enforcement. In the past, filing and service were hampered by inefficiency on the part of the postal operator authorized to serve process and legal correspondence. All cities reported several weeks of delays as a result. Although most cities have reported recent improvements in the postal service, in a few this remains problematic.¹⁴ At the enforcement of judgment stage, delays might be caused by the need to hold multiple auctions in cities where the market for moveable assets is smaller. The government is looking to address

this by allowing for e-auctions (see box 6.1).

In terms of court performance for the trial and judgment stage, Polish courts fare better than the average EU court in resolving commercial cases. With an average time of 323 days for trial and judgment, they are nearly 100 days faster than the EU average of 417 days. There is, however, cause for concern: the European Commission for the Efficiency of Justice records a disposal rate of less than 88.5% with regard to pending civil (including commercial, litigious) first-instance cases in Polish

courts.¹⁵ The Polish courts are now facing annually a flow of incoming cases that exceed the number of cases being resolved. Should the trend continue, the Polish courts will face serious backlogs.

Paradoxically, the introduction of e-filing might be partly responsible for the delays. The e-filing procedure—known as the “Lublin e-court” as the systems are hosted in the city of Lublin—aimed to simplify the filing of certain types of claims, such as writ of payment. However, by allowing for cheaper (the filing fee is only one-fourth of the standard fee) and less-cumbersome filing processes that omit the necessary checks and balances, e-filing in Poland has resulted in an influx of debt collection cases that might never have been filed otherwise.¹⁶ Parties from anywhere in the country can submit a claim via the e-court, irrespective of monetary or territorial jurisdiction. The procedure has become popular among debt collection agencies, resulting in dramatic increases in the number of cases filed, including a vast amount of cases with expired time bar periods.¹⁷ To address this unintended effect, the procedure was amended in 2013 to provide for a time bar of three years for cases filed before the e-court. Even then, a total of 2,730,815 cases (including 307,136 commercial cases) were filed through the e-court in 2013, marking a sharp increase from the 2010 figure of 690,109 cases (including 29,719 commercial cases).¹⁸

Poland regulates costs for both private and public stakeholders in the enforcing contract process. In addition to court filing and processing fees and attorney fees,¹⁹ expert and bailiff fees are regulated under various fee schedules. Consequently, differences in costs are less marked than in other countries. In Italy, for example, there was more than a 10 percentage points difference between the top and bottom ranked cities,²⁰ as against only 6.1 percentage points in Poland. There

BOX 6.1 The makeover of the komornik

Ten years ago, enforcing a judgment in Warsaw took 180 days—among Europe’s slowest.¹ It now takes 145 days in Warsaw and 90 days in Olsztyn and Gorzów Wielkopolski. The average duration of enforcement proceedings in Poland is now 132 days, which is close to the EU average of 119 days. The liberalization of the bailiff profession by the Polish government has been instrumental to this. The Polish bailiffs, the komorniks, have undergone an overhaul that started in 1997, when Poland went from a system of public enforcement agents to private bailiffs. In 2007, the Act on Court Bailiffs and Debt Collection introduced further fundamental changes.²

A cornerstone of the 2007 act is what is known in Poland as the “right of choice.” Prior to this, a creditor was obliged to retain a bailiff registered in the same region as the debtor’s assets. The 2007 act allowed for territorial competition: a creditor can choose the bailiff irrespective of location.³ The profession was also rendered more competitive by reducing barriers to entry: the total number of registered bailiffs can now be increased by the Ministry of Justice without consulting the National Bailiff Association. This resulted in a dramatic rise in the number of enforcement agents—a 65.5% increase between 2006 (prior to the 2007 Act) and 2012.⁴ The trend has continued, and as of August 2014 there are 1,296 bailiffs registered in Poland.⁵

The Ministry of Justice closely monitors the bailiffs’ performance. If the backlog of cases of a particular bailiff exceeds six months, the bailiff cannot take cases outside of his or her region. Monitoring of timeframes, and fees to bailiffs being payable only upon successful liquidation of assets, constitute strong incentives for bailiffs to perform.

And the future? Poland is currently committed to speeding up the execution of judgments. Additional measures to boost performance have recently been signed into law by the President. Bailiffs that handle more than 5,000 cases a year and that have low efficiency rates, as well as those handling more than 10,000 cases a year, have to decline to take new cases from outside their region.⁶ A bill currently before Parliament will allow for e-auctions of debtors’ movable assets through an electronic system provided by the district courts and the exchange of legal correspondence via electronic means. E-auctions are expected to reduce the need to hold multiple physical auctions by reaching out to a wider market of potential buyers.

1. World Bank, *Doing Business 2005: Removing Obstacles to Growth* (Washington, DC: World Bank Group, 2004).
2. Lior Ziv, “Fighting entrenched interests to enforce judgments faster” in *Celebrating Reform 2008* (Washington, DC: World Bank Group, 2008).
3. Except in cases involving immovable property.
4. The European Commission for the Efficiency of Justice (CEPEJ), “Report on ‘European judicial systems – Edition 2014 (2012 data): efficiency and quality of justice’”. http://www.coe.int/t/dghl/cooperation/cepej/evaluation/2014/Rapport_2014_en.pdf
5. Statistics provided by the Ministry of Justice of Poland (2014).
6. Act of 9 April 2015 amending the Act on Court Bailiffs and Debt Collection (Journal of Laws 2015 Item 624). Act will come into force on 8 November 2015.

are minor variations in the enforcement costs due to the number of auctions commonly held or the cost of publication. Attorney costs are the main variable explaining why it is less costly to enforce a contract in some cities than in others. Litigants from the big cities, such as Gdańsk, Kraków and Warsaw have to pay nearly twice as much to their attorneys than litigants from the smaller cities. In most cities, lawyers charge around 6–8% of the claim value, conforming more closely to the PLN3,600 (EUR840) fee set by schedule.²¹

Enforcing a contract across Poland is less expensive than in other EU countries. The average cost across Poland is 15.9% of claim value, which compares favorably to the EU average of 21.5%; the cost in Białystok is even lower at 13.6% (figure 6.5). These low litigation costs are considered one of the reasons behind the relatively high volume of court filings. A 2013 World Bank report on contract enforcement in Poland recommended that the Ministry of Justice conduct an analysis of the incentive structure to understand, among other issues, the role of litigation costs in court usage and the cost-benefit of

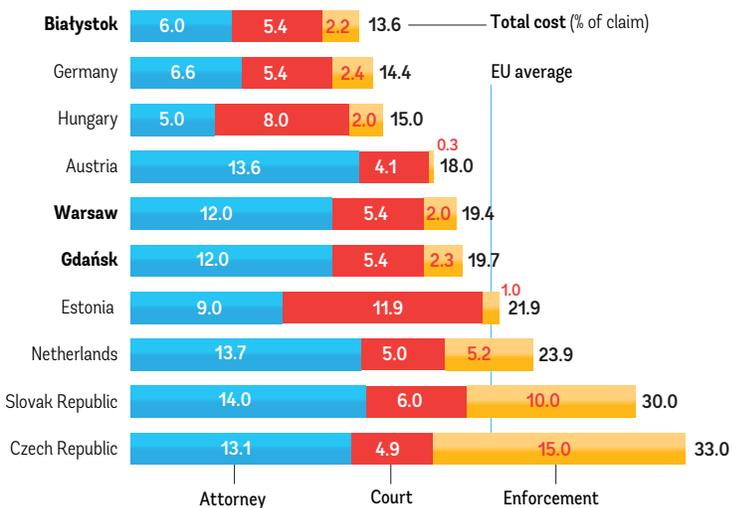
services provided and resources invested and collected.²²

WHAT TO REFORM?

Establish a mediation culture among judges and litigants

Promoting alternative dispute resolution, including mediation, has become essential to an efficient commercial dispute resolution system. It is viewed as facilitating access to justice²³ as well as a good practice for assessing the quality of judicial infrastructure.²⁴ Mediation can also (a) help reduce the number of incoming cases by

FIGURE 6.5 The cost of enforcing a contract is lower in Poland than in many neighboring countries



Source: Doing Business database.

preventing disputes from being lodged before the court and (b) help improve the courts' clearance rate by resulting in swifter resolution. Cases referred to mediation at an early stage will not have to go through multiple procedural steps, trial and judgment.

The legal framework in Poland provides for mediation, and mediation centers exist in most Polish cities. The issue is that litigants, lawyers and judges alike rarely use it; in their eyes the mechanism is more appropriate for family and domestic disputes. Although the trend has been increasing, in 2013 only about 2,800 cases were referred to mediation from the courts' commercial divisions across the whole of Poland—and of these, only 535 cases resulted in a settlement.²⁵ This minimal success rate indicates both insufficient capacity of mediators or mediation centers and mistrust among justice professionals towards mediation.

Establishing a mediation culture requires a multi-pronged approach. First, it requires an awareness-raising campaign targeting all actors in the

commercial justice system: litigants, lawyers and judges must be made aware of the existence of mediation as well as its benefits. Second, it will require enhanced professionalization of mediators and mediation centers by establishing an accreditation process for mediators combined with quality training, continued education and professional standards. The Polish Council for the Alternative Methods of Disputes and Conflicts Resolution has led efforts in developing professional standards but monitoring and compliance needs to be ramped up. Third, incentives toward mediation must be created. Lawyers are more likely to turn to mediation if it is seen as a recognized field for legal professionals. With respect to litigants, rules of procedure can provide for incentives. Polish civil procedure already provides for one such incentive: three quarters of the filing fees are reimbursed when a settlement is signed before a mediator.²⁶ Another incentive that Poland could consider is a fast track with reduced time limits (including for delivery of judgment), provided the mediator confirms that serious attempts to mediate were

made. Rules can also be coercive: the United Kingdom's civil procedure rules provide for a halt in proceedings for parties to consider mediation—and in Hong Kong, the court can penalize a party who unreasonably fails to engage in mediation.²⁷

Currently the government of Poland is preparing a bill designed to encourage mediation. It would waive court fees to approve out-of-court settlements, make mediation free for low-income litigants, and provide incentives for judges to encourage mediation. The time taken for a case to go through mediation will not be counted as a delay for judges' evaluations.

Expand court automation

In Poland's courts, the technology wave started in 2003 with the introduction of electronic case management systems. These have enabled judges to maintain better control over proceedings by flagging major delays and missed deadlines. It has reduced the workload of strained court administrative staff by giving parties and their attorney's access to documents filed and trial minutes. In 2010, the Lublin e-court was launched; in 2012 electronic recording of court hearings followed. Currently, the Ministry of Justice is testing, in several Polish cities, the use of tablets to record the service of legal correspondence.

However, while Poland has accomplished great strides in the use of technology, it now needs to consolidate its gains. Taking note of jurisdictions that have made the best use of the e-filing technology, Poland should consider expanding court automation. For example, Singapore, according to *Doing Business* the easiest place to enforce a contract, has launched a new electronic litigation system that allows litigants not only to file their cases online, but also to access and manage them through e-mail, SMS and alerts—while also managing hearing dates.²⁸

Promoting the use of a secure information and communications technology throughout the justice system will have a greater impact than using it only in selected areas.

Finally, the impact of electronic recording of proceedings can be enhanced by providing for transcription of audio files. Currently, the gain in time during hearings is nullified by the fact that both judges and attorneys spend considerable time listening to audio files in order to prepare for follow-up hearings, judgments (for judges) and appeal submissions (for attorneys). For that reason, neither judges nor lawyers look forward to the extension of electronic recording to district courts.

Ensure effective financial and human resource allocation within the courts

The Polish government has given the courts the financial means to succeed: among European countries, Poland ranks fourth in terms of percentage of GDP per capita allocated to its courts (excluding legal aid and public prosecution).²⁹ However, the increased spending has not been sufficient to address the increasing number of commercial cases. Reviewing budgets and planning resource allocation can help ensure that resources are allocated to the courts that need it the most. Possible measures include: conducting a justice sector public expenditure review, more active budget planning which takes into account caseload forecasts and introducing performance-based budgeting.³⁰

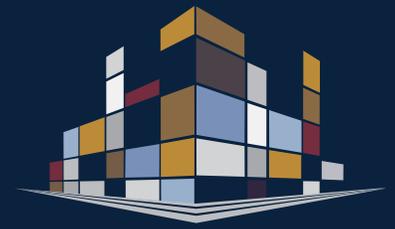
Human resources are also key to court efficiency. The profile and skill mix of the human resources of the judicial system may need to be rebalanced by, for example, evaluating whether judges have the required support to handle an increasing caseload. Judges' assistants in Poland are qualified legal professionals who enable judges to handle more cases by assisting with

legal research and analyzing court proceedings. However, assistants are often shared between two to four judges, and the high turnover of assistants means that vacant positions are not always replaced.

A final issue is the lack of available experts, which is due to some fields being in high demand and a limited pool of court-registered experts. This is perhaps the most common reason for adjournments. The database of experts should therefore be consolidated.

Institutionalize good practices across commercial divisions

Judges in some Polish courts have established effective means of handling the increasing flow of incoming cases. Some judges take a proactive approach to case management by planning ahead for the entirety of the procedure. By anticipating, prior to the first hearing, how many hearings will be needed, setting the hearing dates, and providing information to the expert witness at the very first hearing, the number of adjournments and delays between hearings can be reduced. Also, applying as strictly as possible Article 207 of the Code of Civil Procedure by limiting counter-replies and filings would ensure that the reform yields results. These good practices can be found in Kraków, where despite having one of the highest number of incoming cases per judge in Poland, these rules are leveraged to increase court efficiency. Institutionalizing these good practices can be done through continuing-education programs for judges and peer-to-peer learning events. It would also boost the impact of the current judicial performance monitoring conducted by the Ministry of Justice.



References

OVERVIEW

1. "Among the population at large, 89% say they want Poland to be in the EU" ("Special Report: Poland A Golden Opportunity," *The Economist*, June 28 2014).
2. *World Development Indicators* (World Bank Group 2013).
3. Gross domestic product, constant prices (percent change) for the period 2004 to 2014. *World Economic Outlook Database* (International Monetary Fund, October 2014).
4. Marcin Piątkowski, *Poland's New Golden Age: Shifting from Europe's Periphery to Its Center* (Washington, DC: World Bank Group, 2013).
5. *Poland's 10 Years in the European Union* (Ministry of Foreign Affairs of Poland, 2014).
6. *Poland Country Partnership Strategy* (CPS) for the period FY14-17 (World Bank, 2013).
7. *Ibid.*
8. This includes the pairs of voivodship capitals: Zielona Góra and Gorzów Wielkopolski, Bydgoszcz and Toruń.
9. See "About *Doing Business* and *Doing Business in Poland 2015*" section.
10. To ensure global comparisons, the same gross national income per capita is used for all locations (see Data notes for details).
11. The number of applications for building permits received in Olsztyn and Gorzów Wielkopolski in the period from June 1, 2013 to June 30, 2014 is 816 and 619 respectively. In the same period of time, 3,874 applications have been submitted in Wrocław, and 4,026 in Łódź. Source: General Office of Building Control.
12. Statistics provided by the Ministry of Justice of Poland.
13. Opole (population: 121,576), Gorzów Wielkopolski (124,609), Olsztyn (174,641) and Kielce (200,938). Data are from the *Demographic Yearbook of Poland* (Central Statistical Office, 2012).
14. This is because the construction can be supervised by a certified site manager employed by the building company.
15. *Referendarz*s are court officers who can be compared to *Rechtspfleger* in Austria, Germany and other countries. They have specialized training and can undertake certain judicial or quasi-judicial tasks autonomously. Their decisions are subject to appeal.
16. Miriam Bruhn, "License to Sell: The Effect of Business Registration Reform on Entrepreneurial Activity in Mexico," *Review of Economics and Statistics* 93, No. 1 (2011): 382–86.
17. Amendments to the Building Law and Other Implementing Acts – *Ustawa z dnia 20 lutego 2015 r. (Dz.U. 2015 poz. 443)*. The amendment will enter into force on June 28, 2015.
18. <http://www.whitehouse.gov/open>.

ABOUT DOING BUSINESS AND DOING BUSINESS IN POLAND 2015

1. The focus of the *Doing Business* indicators remains the regulatory regime faced by domestic firms engaging in economic activity in the largest business city of an economy. *Doing Business* was not initially designed to inform decisions by foreign investors, though investors may in practice find the data useful as a proxy for the quality of the national investment climate. Analysis done in the World Bank Group's Global Indicators Group has shown that countries that have sensible rules for domestic economic activity also tend to have good rules for the activities of foreign subsidiaries engaged in the local economy.
2. For more on the World Bank Enterprise Surveys, see the website at <http://www.enterprisesurveys.org>.
3. These papers are available on the *Doing Business* website at <http://www.doingbusiness.org/methodology>.
4. A technical note on the different aggregation and weighting methods is available on the *Doing Business* website at <http://www.doingbusiness.org/methodology>.
5. Djankov, Simeon, Darshini Manraj, Caralee McLiesh and Rita Ramalho. (2005). *Doing Business Indicators: Why Aggregate, and How to Do It*. World Bank, Washington, DC. Principal components and unobserved components methods yield a ranking nearly identical to that from the simple average method because both these methods assign

- roughly equal weights to the topics, since the pairwise correlations among indicators do not differ much. An alternative to the simple average method is to give different weights to the topics, depending on which are considered of more or less importance in the context of a specific economy.
6. Schneider, Friedrich. 2005. *The Informal Sector in 145 Countries*. Department of Economics, University Ling, Ling; La Porta, Rafael and Andrei Shleifer. 2008. *The Unofficial Economy and Economic Development*. Tuck School of Business Working Papers 2009-57, Dartmouth College, Hanover.
 7. These are reforms for which *Doing Business* is aware that information provided by the *Doing Business* report was used in shaping the reform agenda.
 8. One study using *Doing Business* indicators illustrates the difficulties in using highly disaggregated indicators to identify reform priorities (Kraay, Aart, and Norikazu Tawara. 2011. *Can Disaggregated Indicators Identify Governance Reform Priorities?* Policy Research Working Paper 5254, World Bank, Washington, DC).
 8. Francesco Bripi, "The Role of Regulation on Entry: Evidence from the Italian Provinces," Working Paper 932 (Rome: Bank of Italy, 2013).
 9. *Doing Business* website, <http://www.doingbusiness.org>
 10. Miriam Bruhn and David McKenzie, "Entry Regulation and Formalization of Microenterprises in Developing Countries," Policy Research Working Paper 6507 (Washington, DC: World Bank, 2013).
 11. Statistics provided by the Ministry of Justice of Poland.
 12. A 2011 law to reduce administrative barriers cut the registration fees in half from PLN1,000 (EUR233) to PLN 500 (EUR117) (Law of 25 March 2011 on the limitation of administrative barriers for citizens and entrepreneurs, Journal of Laws No. 106, Item 622; or *Ustawa z dnia 25 marca 2011 r. o ograniczeniu barier administracyjnych dla obywateli i przedsiębiorców*, Dż. U. 2011 Nr 106 poz. 622 z późn. zm.). A year later, a regulation from the Ministry of Justice also reduced the cost of publishing the notice of incorporation in the Court and Commercial Gazette from PLN500 (EUR117) to PLN100 (EUR23) (Regulation of the Ministry of Justice of 13 May 2014 concerning the issuing and publishing in the Court and Commercial Gazette, Journal of Laws of 2014 Item 649, provision of § 6 cit. regulation; or *Rozporządzenie Ministra Sprawiedliwości z dnia 13 maja 2014 r. w sprawie wydawania i rozpowszechniania Monitora Sądowego i Gospodarczego* (Dż. U. 2014 poz. 649). The change came into force on 30 May 2014.
 13. Act of 19 December 2008 amending the act on freedom of business activity and some other acts, in the Journal of Laws of 2009, No. 18, Item 97; or *Ustawa z dnia 19 grudnia 2008 r. o zmianie ustawy o swobodzie działalności gospodarczej oraz niektórych innych ustaw* (Dż. U. 2009 Nr 18 poz. 97) art. 17 ust.2.
 14. Notification to the ZUS is not required if the company does not have employees.
 15. The reform of the Labor code eliminated Art. 209 (Act of 9 November 2000 amending the Labor code and some other acts, in the Journal of Laws of 2013, Item 2; or *Ustawa z dnia 9 listopada 2012 r. o zmianie ustawy Kodeks pracy oraz niektórych innych ustaw* (Dż. U. 2013 poz. 2). The Statistical Office and the Tax Office share quarterly information of new businesses created with the National Labor Inspectorate and National Sanitary Inspectorate.
 16. In addition to the "S24" system, it is possible to send applications electronically to KRS through the portal of the Ministry of Justice (http://pdi.ms.gov.pl/porta1_v1). Based on information collected for this report, this portal is not widely used for business registration.
 17. The reform implemented Art. 157 § 1 ksh, umowa spółki z ograniczoną odpowiedzialnością może być również zawarta przy wykorzystaniu wzorca umowy spółki z ograniczoną odpowiedzialnością
 - udostępnianego w systemie teleinformatycznym (wzorec umowy). Act of 1 April 2011 amending the Code of Commercial Companies and Partnerships and some other acts, in the Journal of Laws of 2011, No. 92, Item 931; or *Ustawa z dnia 1 kwietnia 2011 r. o zmianie ustawy – Kodeks spółek handlowych oraz niektórych innych ustaw* (Dż. U. 2011 Nr 92 poz. 931).
 18. World Bank. *Doing Business 2015: Going Beyond Efficiency* (Washington, DC: World Bank, 2014).
 19. Act of 28 November 2014 amending Code of Commercial Companies and Partnerships and some other acts (Journal of Laws of 2015 Item 4). *Ustawa z dnia 28 listopada 2014 roku o zmianie ustawy – Kodeks spółek handlowych oraz niektórych innych ustaw* (Dż. U. 2015 poz. 4).
 20. Act of 26 June 2014 amending National Court Register act and some other acts (Journal of Laws of 2014 Item 1161). *Ustawa z dnia 26 czerwca 2014 r. o zmianie ustawy o Krajowym Rejestrze Sądowym oraz niektórych innych ustaw* (Dż. U. 2014 poz. 1161).
 21. <https://ems.ms.gov.pl/krs/wyszukiwaniepodmiotu?t:lb=t>
 22. Statistics provided by the Ministry of Justice of Poland. The competent court for the registration of companies located in Gorzów Wielkopolski is District Court in Zielona Góra (National Court Register division).
 23. Red Herring. "Poznań emerges as Poland's latest startup hotspot." Published on January 5, 2015. <http://www.redherring.com/startups/poznan-emerges-polands-latest-startup-hotspot/>
 24. Act of 15 September 2000 Code of Commercial Companies and Partnerships (Journal of Laws of 2000, No. 94, Item 1037 with amendments). *Ustawa z dnia 15 września 2000 r. Kodeks spółek handlowych* (Dż. U. 2000 Nr 94 poz. 1037).
 25. By law, there is no obligation to deposit the capital into a bank account. Instead, a statement from the Board of Directors declaring that the start-up capital has been paid in total must be submitted with the application to register. In practice, however, most of the entrepreneurs open a bank account and keep the paid-in capital there.
 26. Based on inputs from public and private sector contributors to *Doing Business in Poland 2015*.
 27. Entrepreneurs frequently provide a notarized specimen of the signatures, which costs PLN20 per signature.
 28. The REGON can also be obtained on line through eREGON, but this requires an electronic signature.
 29. Some differences in how the NIP and REGON are communicated exist across cities. For example, in Białystok the local Tax Office sends the NIP to the entrepreneur and only sends it to the court division of KRS once receipt is confirmed. In cities like Gorzów Wielkopolski, Lublin and Zielona Góra, the entrepreneur and the court division of KRS are informed of the NIP and REGON in parallel.

STARTING A BUSINESS

1. Amway, *Amway European Entrepreneurship Report 2012: The Unleashed Potential for Entrepreneurship in Times of Crisis* (Puchheim, Germany: Amway GmbH, 2012). http://www.entrepreneurship-center.uni-muenchen.de/aktuelles/amway-report-2012/amway_broschuere_2609_click.pdf
2. Juan Julio Gutierrez, Natasha Kapil, Marcin Piątkowski and Ismail Radwan, *Poland: Enterprise Innovation Support Review: From Catching Up to Moving Ahead* (Washington, DC: World Bank, 2013).
3. Leora Klapper, Anat Lewin and Juan Manuel Quesada Delgado, "The Impact of the Business Environment on the Business Creation Process" (Washington, DC: Policy Research Working Paper 4937, World Bank, 2009).
4. Dane Stangler and Robert E. Litan, "Where Will the Jobs Come From?" in Kauffman Foundation Research Series, *Firm Formation and Economic Growth* (Kansas City, MO: Ewing Marion Kaufmann Foundation, 2009). http://www.kauffman.org/uploadedFiles/where_will_the_jobs_come_from.pdf.
5. David Audretsch, Max Keilbach and Erik Lehmann. *Entrepreneurship and Economic Growth* (New York: Oxford University Press, 2006).
6. World Bank, *Doing Business 2015: Going Beyond Efficiency* (Washington, DC: World Bank, 2014).
7. Miriam Bruhn, "License to Sell: The Effect of Business Registration Reform on Entrepreneurial Activity in Mexico," *Review of Economics and Statistics* 93, No. 1 (2011).

30. This analysis is based on statistics provided by the Ministry of Justice of Poland on the number of judges, *referendarzs*, and administrative staff, as well as number of limited liability companies registered by local KRS divisions in the 18 cities.
31. *Referendarzs* are court officers who can be compared to *Rechtspfleger* or similar bodies in Austria, Germany and other countries. They have specialized training, and can undertake certain judicial or quasi-judicial tasks autonomously. Their decisions can be subject to appeal.
32. This paragraph is based on inputs from private and public contributors to *Doing Business in Poland*, as well as feedback received during the right-of-reply meetings in July 2014.
33. *Doing Business* database.
34. Regulation of the Ministry of Justice of 28 June 2004 regulating the maximum amount of notary fees (Journal of Laws of 2004, No. 148 Item 1564 with amendments). *Rozporządzenie Ministra Sprawiedliwości z dnia 28 czerwca 2004 r. w sprawie maksymalnych stawek taksy notarialnej* (Dz. 2004, Nr 148 poz. 1564 z późn. zm.).
35. Law of 13 June 2013 Amending the laws governing the exercise of certain professions, (Journal of Laws of 2013 Item 829 została opublikowana ustawa z dnia 13 czerwca 2013 r. o zmianie ustaw regulujących wykonywanie niektórych zawodów. 829). *Ustawa z dnia 13 czerwca 2013 r. o zmianie ustaw regulujących wykonywanie niektórych zawodów* (Dz. U. 2013 poz. 829).
36. Statistics provided by the Ministry of Justice of Poland.
37. In addition to reducing the registration fee, the bill expands the S24 system to registered partnership (*spółka jawna*) and limited partnership (*spółka komandytowa*), allows online modifications to companies registered online. Act of 28 November 2014 amending Code of Commercial Companies and Partnerships and some other acts (Journal of Laws of 2015 Item 4). *Ustawa z dnia 28 listopada 2014 roku o zmianie ustawy – Kodeks spółek handlowych oraz niektórych innych ustaw* (Dz. U. 2015 poz. 4).
38. World Bank, *Doing Business in Mexico 2014* (Washington, DC: World Bank, 2014).
39. Sole proprietorships can register at <https://ceidg.mikrofirmy.pl/cgi-bin/WebObjects/mceidg.woa>
40. U.K. Companies House, Companies Register Activities 2012–13 (2013). <https://www.gov.uk/government/organisations/companies-house>.
41. World Bank, *Doing Business 2015: Going Beyond Efficiency* (Washington, DC: World Bank, 2014).
42. World Bank Group, *Business Registration Reform Case Study: Norway* (Washington, DC: Investment Climate Department, World Bank Group, 2011).
43. World Bank, *Doing Business in Italy 2013: Smarter Regulations for Small and Medium-Sized Enterprises* (Washington, DC: World Bank, 2012).
44. World Bank, *Doing Business 2012: Doing Business in a More Transparent World* (Washington, DC: World Bank, 2011).
45. *Ibid.*
46. Act of 15 September 2000 Code of Commercial Companies and Partnerships (Journal of Laws of 2000, No. 94, Item 1037 with amendments). *Ustawa z dnia 15 września 2000 r. Kodeks spółek handlowych* (Dz. U. 2000 Nr 94 poz. 1037) art. 154§1.
47. Geoffrey Elkind, "Minimum Capital Requirements, a Comparative Analysis" (USAID, 2007). Other relevant studies include J. Armour, "Legal Capital: An Outdated Concept?", *European Business Organization Law Review* 7 (2006): 5–27; F. Kubler, "A Comparative Approach to Capital Maintenance: Germany," *European Business Law Review* (2004) 1031–35; J. Simon, "A Comparative Approach to Capital Maintenance: France," *European Business Law Review* (2004); P. Mulbert and M. Birke, "Legal Capital—Is There a Case Against the European Legal Capital Rules?," *European Business Organization Review* (2002).
48. World Bank, *Doing Business 2012: Doing Business in a More Transparent World* (Washington, DC: World Bank, 2011).
49. Andre Van Stel, David Storey and Roy Thurik, "The Effect of Business Regulations on Nascent and Young Business Entrepreneurship," *Small Business Economics* 28, Nos. 2–3 (2007).
50. The Council of Ministers approved guidelines for a draft Act amending the Commercial Companies Code and other laws on May 20, 2014.
51. *Doing Business* database.
9. Thomas Moullier, *Reforming Building Permits: Why Is It Important and What Can IFC Really Do?* (Washington, DC: International Finance Corporation, 2009).
10. The Building Law of 1994 - *Ustawa z dnia 7 lipca 1994 r. Prawo budowlane (z późniejszymi poprawkami)* (Dz.U. 2010 nr 243 poz. 1623).
11. This is based on inputs from public and private sector contributors to *Doing Business in Poland 2015*.
12. Toruń (population: 204,299), Białystok (294,921), Katowice (307,233), Lublin (347,678), Bydgoszcz (361,254), Szczecin (408,913). Data are from the *Demographic Yearbook of Poland* (Central Statistical Office, 2012).
13. Poznań (population: 550,742), Wrocław (631,188), Łódź (718,960), Kraków (758,334), Warsaw (1,715,517). Data are from the *Demographic Yearbook of Poland* (Central Statistical Office, 2012).
14. Opole, Kielce, Olsztyn and Gorzów Wielkopolski. Data are based on the *Demographic Yearbook of Poland* (Central Statistical Office, 2012).
15. The location of the proposed public utility connections are agreed on at "coordination meetings" attended by the applicant, entities that manage the public utilities, representatives of local governments, and other entities that may be affected. Article 28b of the Act of 5 June 2014 amending the Surveying and Cartography Act and the Administrative Enforcement Proceedings Acts (*Ustawa z dnia 5 czerwca 2014 r. o zmianie ustawy - Prawo geodezyjne i kartograficzne oraz ustawy o postępowaniu egzekucyjnym w administracji*) recently established that the location of the proposed public utility connections does not need to be approved at coordination meetings in the case of (a) utility connections and (b) utility networks located exclusively in the area of the construction plot. At the time of writing, the coordination meeting is still undertaken in the large majority of cases.
16. Bydgoszcz, Gdańsk, Gorzów Wielkopolski, Katowice, Kielce, Łódź, Lublin, Olsztyn, Opole, Poznań, Rzeszów, Toruń, Warsaw and Zielona Góra.
17. In Białystok, Kraków, Szczecin and Wrocław this certification is required only for constructions that involve the presence of full-time workers.
18. The Building Law stipulates that City Halls are fined PLN500 (EUR117) for each day of delay in issuing a building permit. A request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision.
19. For complex structures, the County Building Inspectorate might perform random inspections of the construction site.

DEALING WITH CONSTRUCTION PERMITS

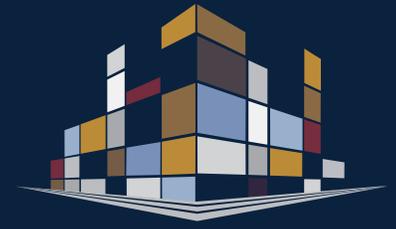
1. Eurostat Data, *Annual detailed enterprise statistics for construction (NACE Rev. 2, F)*. Accessed in January 2015. <http://ec.europa.eu/eurostat>.
2. *Ibid.*
3. OECD, "Construction Industry," in *OECD Journal of Competition Law & Policy* 10, No. 1 (2010).
4. United Nations Human Settlements Programme (UN-Habitat), *The State of European Cities in Transition 2013: Taking Stock After 20 Years of Reform* (Nairobi: UN-Habitat, 2013).
5. Research and Markets, *Industrial Construction Sector in Poland 2014: Development Forecasts 2014-2019* (Dublin: Research and Markets, 2014).
6. Coface, *Poland Construction Sector* (Coface, 2015).
7. Eurostat Data, *Annual detailed enterprise statistics for construction (NACE Rev. 2, F)*. Accessed in January 2015. <http://ec.europa.eu/eurostat>.
8. KPMG, "Polish Construction Study" (2013). <http://www.kpmg.com/pl/en/>

20. Article 14.3 of the Building Law specifies the qualifications required for the site manager, and Chapter 10 defines and regulates professional liability in the Building Sector.
21. Opole is the second-least populated of the benchmarked cities, whereas Łódź is the third-most populated.
22. The number of applications for building permits received in Olsztyn and Gorzów Wielkopolski in the period from June 1, 2013, to June 30, 2014, was 816 and 619, respectively. In the same period, 3,874 applications were submitted in Wrocław and 4,026 in Łódź. Source: General Office of Building Control.
23. Regulation of the Minister of Infrastructure of 23 September 2003 on detailed requirements of road traffic management and exercising supervision of this regulation - *Rozporządzenie Ministra Infrastruktury z dnia 23 września 2003 r. w sprawie szczegółowych warunków zarządzania ruchem na drogach oraz wykonywania nadzoru nad tym zarządzaniem* (Dz.U. 2003 nr 177 poz. 1729).
24. Gorzów Wielkopolski, Kraków, Łódź, Lublin, Olsztyn, Opole, Rzeszów and Warsaw.
25. Gdańsk, Gorzów Wielkopolski, Łódź, Rzeszów, Szczycecin, Toruń, Warsaw, Wrocław and Zielona Góra.
26. Amendments to the Building Law and Other Implementing Acts - *Ustawa z dnia 20 lutego 2015 r.* (Dz.U. 2015 poz. 443). The amendment will enter into force on June 28, 2015.
27. Act on Access to Public Information - *Ustawa z dnia 6 września 2001 r. o dostępie do informacji publicznej* (Dz.U. 2001 nr 112 poz. 1198).
28. Kraków: http://www.bip.krakow.pl/?dok_id=3276&sub=procedura&proc=AU-4. Wrocław: http://wroclaw.pl/wps/portal/bip?WCM_GLOBAL_CONTEXT=/bip_pl/bip/umw/sprawy/procedury/pozwolenie_na_budowe_i_zatwierdzenie_projektu_budowlanego.
29. A geographic information system (GIS) is a computer system for capturing, storing, checking, and displaying data related to the surface of Earth.
30. World Bank, Investment Climate Department. *Good Practices for Construction Regulation and Enforcement Reform Guidelines for Reformers* (Washington, DC: World Bank Group, 2013).
31. World Bank, "Zoning and Urban Planning. Understanding the Benefits," in *Doing Business 2015: Going Beyond Efficiency* (Washington, DC: World Bank Group, 2014).
3. World Bank, *Doing Business 2012: Doing Business in a More Transparent World* (Washington, DC: World Bank Group, 2011).
4. World Bank, *Doing Business 2015: Going Beyond Efficiency* (Washington, DC: World Bank Group, 2014).
5. UN-Habitat, *Tools to Support Transparency in Land Administration* (Nairobi: UN-Habitat, 2013). Title refers to the formal legal document serving as evidence of ownership. This document can take a range of forms.
6. Sebastian Galiani and Ernesto Shargrotsky, "Property Rights for the Poor: Effects of Land Titling," working paper 7 (revised) (St. Louis: Ronald Coase Institute, 2009).
7. World Bank, *Doing Business 2015: Going Beyond Efficiency* (Washington, DC: World Bank Group, 2014).
8. Stijn Claessens and Luc Laeven, "Financial Development, Property Rights, and Growth," in *Journal of Finance*, American Finance Association (2003).
9. *Doing Business* database, "Registering Property: Why it matters." <http://www.doingbusiness.org/data/exploretopics/registering-property/why-matters>
10. Anthony Burns, "Land Registration to Improve Security, Transparency, Governance & Sustainable Resource Management," in "Comparative Study of Land Administration Systems," World Bank Asia Regional Workshop on Land Policy and Administration working paper (Washington, DC: World Bank Group, 2002).
11. European Parliament, *Report on the role of property rights, property ownership and wealth creation in eradicating poverty and fostering sustainable development in developing countries* (2014). See also Tony Burns, *Land Administration Reform: Indicators of Success and Future Challenges*, Agriculture and Rural Development Discussion Paper 37 (Washington, DC: World Bank Group, 2007).
12. Act of 6 July 1982, on Land and Mortgage - *Ustawa z dnia 6 lipca 1982 r. o księgach wieczystych i hipotece* (Dz.U. 1982 nr 19 poz. 147).
13. Regulation of the Minister of Justice of 17 September 2001, on the functioning of Land and Mortgages registries and collections of documents - *Rozporządzenie Ministra Sprawiedliwości z dnia 17 września 2001 r. w sprawie prowadzenia ksiąg wieczystych i zbiorów dokumentów* (Dz.U. 2001 nr 102 poz. 1122).
14. Under a deed registration system, the sale takes place when the sale deed is signed by the buyer and seller. The deed is recorded with the property registry for publicity reasons (i.e., to inform third parties). A title search is necessary to determine who is the owner or has rights over a property. Under a title registration system, the registry determines who the rightful owner of the property is and whether anyone else has rights over it.
15. ALDE seminar document, *European Property Law Rights and Wrongs* (European Land Registry Association [ELRA], 2011).
16. Regulation of the Ministry of Regional Development and Construction of 29 March 2001 concerning the Cadastre - *Rozporządzenie Ministra Rozwoju Regionalnego i Budownictwa z dnia 29 Marca 2001r w sprawie ewidencji gruntów i budynków* (Dz.U. 2001 nr 38 poz. 454) - Art.49.1.
17. The Cadastre is generally maintained by the starosta (mayor) of each powiat (Polish county). However, the cities considered for this study have so called "powiat rights," meaning that the Cadastre is also maintained by the municipality.
18. In the simple case studied by *Doing Business*, no zoning information should be necessary, because the property is already built and duly registered. However, providing information on zoning in one form or another is still a requirement in many Polish cities.
19. The website of the Land and Mortgage Registry database is accessible at <https://ekw.ms.gov.pl> and the website of the National Court Register (KRS) at <https://ems.ms.gov.pl>
20. Certificate of the property allocation in the local Spatial Development Plan - *Zaświadczenie o przeznaczeniu nieruchomości w planie miejscowym zagospodarowania przestrzennego*.
21. Obtaining an extract from the Cadastre takes two days in Białystok, Gorzów Wielkopolski, Kraków, Łódź, Olsztyn, Rzeszów and Toruń.
22. Obtaining an extract from the Cadastre takes seven days in Gdańsk, Katowice, Kielce, Lublin, Warsaw and Zielona Góra.
23. Referendarzs are court officers who can be compared to *Rechtspfleger* or similar professionals in Germany, Austria, and other countries. They have specialized training, and can undertake certain judicial or quasi-judicial tasks autonomously. Their decisions are subject to appeal.
24. The Act of 16 November 2006, on stamp duty - *Ustawa z dnia 16 listopada 2006 r. o opłacie skarbowej* (Dz.U. 2006 nr 225 poz. 1635).
25. The Act of 5 of June 2014, which amends the surveying and cartography act and the administrative enforcement proceedings act - *Ustawa z dnia 5 czerwca 2014 r. o zmianie ustawy - Prawo geodezyjne i kartograficzne oraz ustawy o postępowaniu egzekucyjnym w administracji* (Dz. U. 2014 poz. 897).
26. The Act of 28 July 2005, on court fees in civil cases - *Ustawa z dnia 28 lipca 2005 r. o kosztach sądowych w sprawach cywilnych* (Dz.U. 2005 nr 167 poz. 1398).
27. The previous court fee to register a property was calculated on the basis of a 1996 law on court fees (Regulation of the Minister of Justice of 17 December 1996, on the cost of entries in civil matters - *Rozporządzenie Ministra Sprawiedliwości z dnia 17 grudnia 1996 r. w sprawie określenia*

REGISTERING PROPERTY

1. Klaus Deininger, "Land policies for growth and poverty reduction," in Vol. 1 of *Land policies for growth and poverty reduction*, a World Bank policy research report (Washington, DC: World Bank Group, 2003).
2. World Bank, *World Development Report* (New York: Oxford University Press, 1989).

- wysokości wpisów w sprawach cywilnych Dż.U. 1996 nr 154 poz. 753). Applying the fee schedule of articles 1 and 31, and based on our case study property value, an entrepreneur would have paid PLN20,649 (EUR4,816) in court fees.
28. The Act of 13 June 2013, to change the laws governing the exercise of certain professions - *Ustawa z dnia 13 czerwca 2013 r. o zmianie ustaw regulujących wykonywanie niektórych zawodów* (Dż.U. 2013 poz. 829).
 29. Statement of the Minister of Justice of 20 February 2013, on the publication of the consolidated text of the Regulation of the Minister of Justice on the maximum notarial fees - *Obwieszczenie Ministra Sprawiedliwości z 20 lutego 2013 r. w sprawie ogłoszenia jednolitego tekstu rozporządzenia ministra sprawiedliwości w sprawie maksymalnych stawek taksy notarialnej* (Dż.U. 2013 poz. 237).
 30. Calculations based on data provided by the Ministry of Justice, Republic of Poland, and the GUS statistical data (<http://stat.gov.pl/>).
 31. Eric Dubois, Christel Schurrer and Marco Velicogna, *The functioning of judicial systems and the situation of the economy in the European Union Member States* (European Commission for the Efficiency of Justice and the Council of Europe, 2013).
 32. Heike Gramckow and Valerie Nussenblatt, "Caseflow Management, Key Principles and the Systems to Support Them," Justice & Development working paper series (Legal Vice Presidency, World Bank Group, 2013).
 33. An amendment of the Civil Procedure Code - *Ustawa o zmianie ustawy - Kodeks postępowania cywilnego oraz niektórych innych ustaw* - from January 15, 2015, was signed into law by the President on February 2, 2015.
 34. *Doing Business* database, "Good Practices."
 35. *Doing Business* database.
 36. FAO and World Bank cooperative Programme, Latin America and the Caribbean Service, Investment Centre Division. 2007. *Information Systems and Land Administration*.
 37. *Ibid.*
 38. *Doing Business* database.
 39. https://e-justice.europa.eu/content_land_registers_in_member_states-109-PT-en.do?clang=en
 40. World Bank, *Doing Business 2015: Going Beyond Efficiency* (Washington, DC: World Bank Group, 2014).
 41. *Ibid.*
 42. Anwar Shah, ed., *Public Services Delivery, Public Sector Governance and Accountability series* (World Bank Group, 2005).
 43. Nick Thijs, *Measure to Improve: Improving Citizen-User Satisfaction Information* (EUPAN and EIPA, with the support of the Belgian, Hungarian and Polish Presidencies of the EU, 2011).
-
- ## ENFORCING CONTRACTS
1. "Special Report: Poland A Golden Opportunity," *The Economist*, June 28 2014.
 2. World Bank, *Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises* (Washington, DC: World Bank, 2013).
 3. World Bank, *Doing Business 2013: Smarter Regulations for Small and Medium-Size Enterprises* (Washington, DC: World Bank, 2012).
 4. Act of 16 September 2011 amending the Code of Civil Procedure - *Ustawa z dnia 16 września 2011 r. o zmianie ustawy - Kodeks postępowania cywilnego oraz niektórych innych ustaw* (Dż.U. 2011 nr 233 poz. 1381).
 5. CEPEJ, "Report on 'European judicial systems - Edition 2014 (2012 data): efficiency and quality of justice'" (2014), p. 209. http://www.coe.int/t/dghl/cooperation/cepej/evaluation/2014/Rapport_2014_en.pdf
 6. Organisation for Economic Co-operation and Development (OECD), "Chapter 1. Investment Policy," in *Policy Framework for Investment User's Toolkit* (OECD, 2011). <http://www.oecd.org/investment/toolkit/policyareas/investmentpolicy/41246110.pdf>
 7. Simon Johnson, John McMillan and Christopher Woodruff, "Courts and Relational Contracts," in *Journal of Law, Economics and Organization* 18, No. 1 (2002).
 8. To the standard 34 steps applicable to all cities, one bonus point is subtracted for the availability of a specialized commercial division.
 9. For the purposes of this report, the competent court in the cities measured is the regional court. Please refer to the "About *Doing Business* and *About Doing Business in Poland 2015*" section.
 10. CEPEJ, "Report on 'European judicial systems - Edition 2012 (2010 data): efficiency and quality of justice'" (2010).
 11. *Ibid.*
 12. Statistics provided by the Ministry of Justice of Poland.
 13. Article 207 of the Polish Code of Civil Procedure provides that parties are to submit statements and pleadings prior to the first hearing. During the trial, these can be produced only with leave of the court and upon the parties explaining the circumstances of this late filing.
 14. For example in Łódź and Gorzów Wielkopolski contributors reported ongoing problems in the postal service.
 15. CEPEJ, "Report on 'European judicial systems - Edition 2014 (2012 data)'" (2014).
 16. World Bank, *The Status of Contract Enforcement in Poland* (Washington, DC: World Bank, 2013).
 17. Debt collectors have a limited number of years to collect unpaid debts. After this, the debts are considered "time-barred."
 18. Statistics provided by the Ministry of Justice of Poland
 19. Attorneys can freely negotiate their fees, but the schedule provides for an indicative fee and is adhered to by the Court when calculating costs of the case.
 20. World Bank, *Doing Business in Italy 2013: Smarter Regulations for Small and Medium-Size Enterprises* (Washington, DC: World Bank Group, 2013). In Turin, the top-ranked city, it costs 22.3% of the claim value and in Bari, the bottom ranked city, it costs 34.1% of the claim value.
 21. Ministry of Justice Decree of 28 September 2002 regulating the attorney fees and the unpaid costs of legal aid granted ex officio incurred by State Treasury - *Rozporządzenie Ministra Sprawiedliwości z dnia 28 września 2002 r. w sprawie opłat za czynności adwokackie oraz ponoszenia przez Skarb Państwa kosztów nieopłaconej pomocy prawnej udzielonej z urzędu* (Dż.U. 2002 nr 163 poz. 1348).
 22. World Bank, *The Status of Contract Enforcement in Poland*, p. 22. This report uses *Doing Business* data from seven economies; these same economies are used in figure 6.5.
 23. CEPEJ, "Report on 'European judicial systems - Edition 2014 (2012 data)'" (2014). "These alternative mechanisms have a strong influence on the number of cases which the courts will have to determine, but also on the way in which the dispute can be resolved between the parties. A specific chapter is therefore devoted to this question, before the activity of the courts is analyzed (chapter 9). Thus ADR, depending on the way in which it is conducted, can improve the efficiency of justice by reducing the courts' workload, as well as improving the quality of the response to the citizens by offering them an opportunity to resolve a dispute and limiting its prejudicial consequences and cost or (and) attenuating the contentious situation brought before the court."
 24. World Bank, *Doing Business 2015: Going Beyond Efficiency* (Washington, DC: World Bank, 2014).
 25. Statistics provided by the Ministry of Justice of Poland.
 26. Act of 28 July 2005 about court costs in civil proceedings (Journal of Laws 2005 No 167 Item 1398) - *Ustawa z dnia 28 lipca 2005 roku o kosztach sądowych w sprawach cywilnych* (Dż. U. 2005. nr 167 poz. 1398 z późn. zm.).
 27. World Bank, *Alternative Dispute Resolution Guidelines* (Washington, DC: World Bank, 2011).
 28. World Bank, *Doing Business 2015*.
 29. CEPEJ, "Report on 'European judicial systems - Edition 2014 (2012 data)'" (2014). Poland is fourth after the Czech Republic, Slovenia and Serbia.
 30. World Bank, *The Status of Contract Enforcement in Poland* (Washington, DC: World Bank, 2013).



Data notes

The indicators presented and analyzed in *Doing Business in Poland 2015* measure business regulation and the protection of property rights—and their effect on businesses, especially small and medium-size domestic firms. First, the indicators document the complexity of regulation, such as the number of procedures to start a business or to register a transfer of commercial property. Second, they gauge the time and cost to achieve a regulatory goal or comply with regulation, such as the time and cost to enforce a contract.

This report presents *Doing Business* indicators for 18 cities in Poland. The data for all sets of indicators in *Doing Business in Poland 2015* are current as of September 1st, 2014. The data for Warsaw and 188 other economies used for comparison are based on the indicators in *Doing Business 2015, Going Beyond Efficiency*, the twelfth in a series of annual reports published by the World Bank Group.¹

METHODOLOGY

The *Doing Business in Poland 2015* data were collected in a standardized way. To start, the team customized the *Doing Business* questionnaires for the specific study in Poland and translated them in Polish. The questionnaires use a simple business case to ensure comparability across economies and over time—with assumptions about the legal form of the business, its size, its location and the nature of its operations. Questionnaires

were administered to local experts, including lawyers, business consultants, architects, engineers, public officials, magistrates, and other professionals routinely administering or advising on legal and regulatory requirements. These experts had several rounds of interaction with the team, involving conference calls, written correspondence and visits by the team. The data from questionnaires were subjected to numerous rounds of verification, leading to revisions or expansions of the information collected.

The *Doing Business* methodology offers several advantages. It is transparent, using factual information about what laws and regulations say and allowing multiple interactions with local respondents to clarify potential misinterpretations of questions. Having representative samples of respondents is not an issue; *Doing Business* is not a statistical survey, and the texts of the relevant laws and regulations are collected and answers checked for accuracy. The methodology is inexpensive and easily replicable, so data can be collected in a large sample of economies. Because standard assumptions are used in the data collection, comparisons and benchmarks are valid across economies. Finally, the data not only highlight the extent of specific regulatory obstacles to business but also identify their source and point to what might be reformed.

LIMITS TO WHAT IS MEASURED

The *Doing Business* methodology has 4 limitations that should be considered when interpreting the data. First, the data often focus on a specific business form—generally a limited liability company (or its legal equivalent) of a specified size—and may not be representative of the regulation on other businesses, for example, sole proprietorships. Second, transactions described in a standardized case scenario refer to a specific set of issues and may not represent the full set of issues that a business encounters. Third, the measures of time involve an element of judgment by the expert respondents. When sources indicate different estimates, the time indicators reported in *Doing Business* represent the median values of several responses given under the assumptions of the standardized case.

Finally, the methodology assumes that a business has full information on what is required and does not waste time when completing procedures. In practice, completing a procedure may take longer if the business lacks information or is unable to follow up promptly. Alternatively, the business may choose to disregard some burdensome procedures. For both reasons the time delays reported in *Doing Business* would differ from the recollection of entrepreneurs reported in the World Bank Enterprise Surveys or other firm-level surveys.

CHANGES IN WHAT IS MEASURED

As part of a 2-year update in methodology, *Doing Business 2015* incorporated important changes that are reflected in *Doing Business in Poland 2015*. All topic-level rankings are now computed on the basis of distance to frontier (see the section About *Doing Business* and *Doing Business in Poland 2015*).

Economy characteristics

Gross national income per capita

Doing Business in Poland 2015 reports 2013 income per capita as published in the World Bank's *World Development Indicators 2014*. Income is calculated using the Atlas method (current U.S. dollars). For cost indicators expressed as a percentage of income per capita, 2013 gross national income (GNI) in U.S. dollars is used as the denominator. Poland's GNI per capita in 2013 = USD12,960 (PLN40,558).

Region and income group

Doing Business uses the World Bank regional and income group classifications, available at <http://data.worldbank.org/about/country-classifications>. While the World Bank does not assign regional classifications to high-income economies, regional averages presented in figures and tables in the *Doing Business* report include economies from all income groups (low, lower middle, upper middle and high income). For the purpose of the report, high-income OECD economies are assigned the "regional" classification *OECD high income*.

For the indicator of dealing with construction permits, the cost of construction is now set at 50 times income per capita (before, the cost was assessed by the *Doing Business* respondents). In addition, this indicator set no longer includes the procedures for obtaining a landline telephone connection. For enforcing contracts, the value of the claim is now set at twice the income per capita with a minimum of USD5,000.

STARTING A BUSINESS

Doing Business records all procedures officially required, or commonly done in practice, for an entrepreneur to start up and formally operate an industrial or commercial business, as well as the time and cost to complete these procedures and the paid-in minimum capital requirement (figure 7.1). These procedures include obtaining all necessary licenses and permits and completing any required notifications, verifications or inscriptions for the company and employees with relevant authorities. The ranking of economies on the ease of starting a business is determined by sorting their distance to frontier scores for starting a business. These scores are the simple average of the

distance to frontier scores for each of the component indicators (figure 7.2). The distance to frontier measure illustrates the distance of an economy to the "frontier," which is derived from the most efficient practice or highest score achieved on each indicator.

After a study of laws, regulations and publicly available information on business entry, a detailed list of procedures is developed, along with the time and cost to comply with each procedure under normal circumstances and the paid-in minimum capital requirement. Subsequently, local incorporation lawyers, notaries and government officials complete and verify the data.

Information is also collected on the sequence in which procedures are to be completed and whether procedures may be carried out simultaneously. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes. If answers by local experts differ, inquiries continue until the data are reconciled.

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

Assumptions about the business

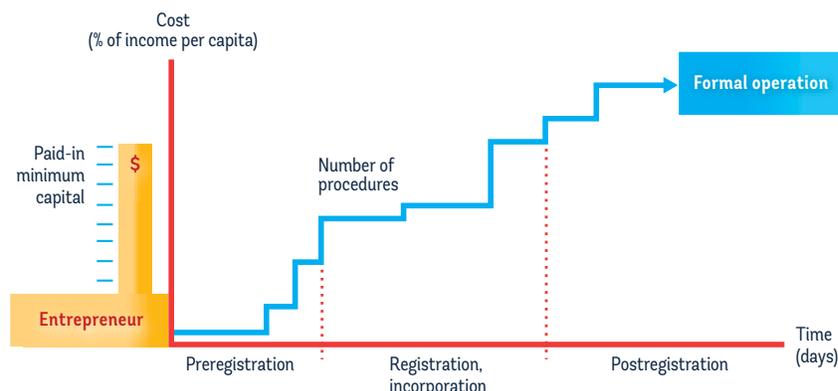
The business:

- 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.
- Operates in the selected city.
- Is 100% domestically owned and has 5 owners, none of whom is a legal entity.
- Has start-up capital of 10 times income per capita, paid in cash.
- Performs general industrial or commercial activities, such as the production or sale to the public of products 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.
- Leases the commercial plant or offices and is not a proprietor of real estate.
- Does not qualify for investment incentives or any special benefits.
- Has at least 10 and up to 50 employees 1 month after the commencement of operations, all of them domestic nationals.
- Has a turnover of at least 100 times income per capita.
- Has a company deed 10 pages long.

Procedures

A procedure is defined as any interaction of the company founders with external parties (for example, government agencies, lawyers, auditors or notaries). Interactions between company founders or company officers and employees are not counted as procedures. Procedures that must be completed in the same building but in different offices or at different counters are counted separately. If founders have to visit the

FIGURE 7.1 What are the time, cost, paid-in minimum capital and number of procedures to get a local limited liability company up and running?



same office several times for different sequential procedures, each is counted separately. The founders are assumed to complete all procedures themselves, without middlemen, facilitators, accountants or lawyers, unless the use of such a third party is mandated by law or solicited by the majority of entrepreneurs. If the services of professionals are required, procedures conducted by such professionals on behalf of the company are counted separately. Each electronic procedure is counted separately. If 2 procedures can be completed through the same website but require separate filings, they are counted as 2 separate procedures.

Both pre- and postincorporation procedures that are officially required for an entrepreneur to formally operate a business are recorded (table 7.1).

Procedures required for official correspondence or transactions with public agencies are also included. For example, if a company seal or stamp is required on official documents, such as tax declarations, obtaining the seal or stamp is counted. Similarly, if a company must open a bank account before registering for sales tax or value added tax, this transaction is included as a procedure. Shortcuts are counted only if they fulfill 4 criteria: they are legal, they are available to the general public, they are used by

the majority of companies, and avoiding them causes substantial delays.

Only procedures required of all businesses are covered. Industry-specific procedures are excluded. For example, procedures to comply with environmental regulations are included only when they apply to all businesses conducting general commercial or industrial activities. Procedures that the company undergoes to connect to electricity, water, gas and waste disposal services are not included.

Time

Time is recorded in calendar days. The measure captures the median duration that incorporation lawyers indicate is necessary in practice to complete a procedure with minimum follow-up with government agencies and no extra payments. It is assumed that the minimum time required for each procedure is 1 day, except for procedures that can be fully completed online, for which the time required is recorded as half a day. Although procedures may take place simultaneously, they cannot start on the same day (that is, simultaneous procedures start on consecutive days), again with the exception of procedures that can be fully completed online. A procedure is considered completed once the company has received the final incorporation document, such as the company

TABLE 7.1 What do the starting a business indicators measure?**Procedures to legally start and operate a company (number)**

Preregistration (for example, name verification or reservation, notarization)

Registration in the selected city

Postregistration (for example, social security registration, company seal)

Time required to complete each procedure (calendar days)

Does not include time spent gathering information

Each procedure starts on a separate day (2 procedures cannot start on the same day)—though procedures that can be fully completed online are an exception to this rule

Procedure considered completed once final incorporation document is received

No prior contact with officials

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

Official costs only, no bribes

No professional fees unless services required by law

Paid-in minimum capital (% of income per capita)

Funds deposited in a bank or with a notary before registration (or within 3 months)

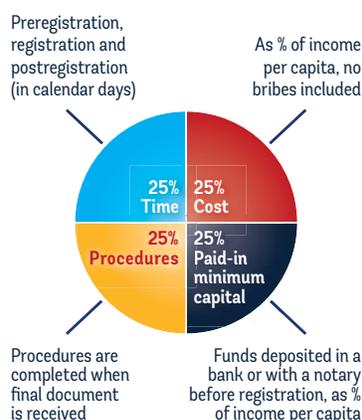
registration certificate or tax number. If a procedure can be accelerated for an additional cost, the fastest procedure is chosen if that option is more beneficial to the economy's ranking. It is assumed that the entrepreneur does not waste time and commits to completing each remaining procedure without delay. The time that the entrepreneur spends on gathering information is ignored. It is assumed that the entrepreneur is aware of all entry requirements and their sequence from the beginning but has had no prior contact with any of the officials.

Cost

Cost is recorded as a percentage of the economy's income per capita. It includes all official fees and fees for legal or professional services if such services are required by law. Fees for purchasing and legalizing company books are included if these transactions are

FIGURE 7.2 Starting a business: getting a local limited liability company up and running

Rankings are based on distance to frontier scores for 4 indicators



required by law. Although value added tax registration can be counted as a separate procedure, value added tax is not part of the incorporation cost. The company law, the commercial code, and specific regulations and fee schedules are used as sources for calculating costs. In the absence of fee schedules, a government officer's estimate is taken as an official source. In the absence of a government officer's estimate, estimates by incorporation lawyers are used. If several incorporation lawyers provide different estimates, the median reported value is applied. In all cases the cost excludes bribes.

Paid-in minimum capital

The paid-in minimum capital requirement reflects the amount that the entrepreneur needs to deposit in a bank or with a notary before registration and up to 3 months following incorporation and is recorded as a percentage of the economy's income per capita. The amount is typically specified in the commercial code or the company law. Many economies require minimum capital but allow businesses to pay only a part of it before registration, with the rest to be paid after the first year of operation. In Turkey in June 2014, for example, the minimum

capital requirement was 10,000 Turkish liras, of which one-fourth needed to be paid before registration. The paid-in minimum capital recorded for Turkey is therefore 2,500 Turkish liras, or 12.14% of income per capita.

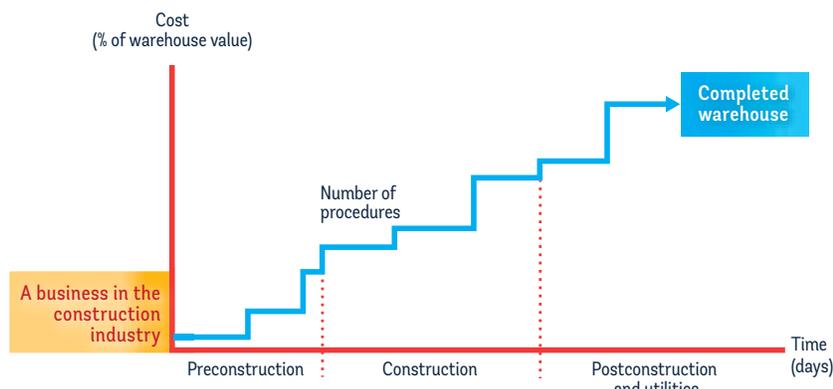
The data details on starting a business can be found for each economy at <http://www.doingbusiness.org>. This methodology was developed by Djankov and others (2002) and is adopted here with minor changes.

DEALING WITH CONSTRUCTION PERMITS

Doing Business records all procedures required for a business in the construction industry to build a warehouse (figure 7.3). These procedures include obtaining and submitting all relevant project-specific documents (for example, building plans, site maps and certificates of urbanism) to the authorities; hiring external third-party supervisors, engineers or inspectors (if necessary); obtaining all necessary clearances, licenses, permits and certificates; submitting all required notifications; and requesting and receiving all necessary inspections (unless completed by a private, third-party inspector). Doing Business also records procedures for obtaining connections for water and sewerage. Procedures necessary to register the warehouse so that it can be used as collateral or transferred to another entity are also counted. The questionnaire divides the process of building a warehouse into distinct procedures and solicits data for calculating the time and cost to complete each procedure. The ranking of economies on the ease of dealing with construction permits is determined by sorting their distance to frontier scores for dealing with construction permits. These scores are the simple average of the distance to frontier scores for each of the component indicators (figure 7.4).

Information is collected from experts in construction licensing, including

FIGURE 7.3 What are the time, cost and number of procedures to comply with formalities to build a warehouse?



architects, civil engineers, construction lawyers, construction firms, utility service providers and public officials who deal with building regulations, including approvals, permit issuance and inspections. To make the data comparable across economies, several assumptions about the business, the warehouse project and the utility connections are used.

Assumptions about the construction company

The business (BuildCo):

- Is a limited liability company.
- Operates in the selected city.
- Is 100% domestically and privately owned.
- Has 5 owners, none of whom is a legal entity.
- Is fully licensed and insured to carry out construction projects, such as building warehouses.
- Has 60 builders and other employees, all of them nationals with the technical expertise and professional experience necessary to obtain construction permits and approvals.
- Has at least 1 employee who is a licensed architect or engineer and registered with the local association of architects or engineers.
- Has paid all taxes and taken out all necessary insurance applicable to its general business activity (for example, accidental insurance for

construction workers and third-person liability).

- Owns the land on which the warehouse will be built.

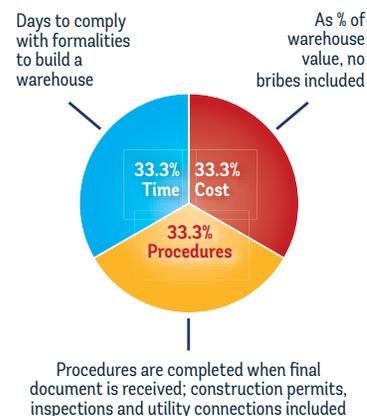
Assumptions about the warehouse

The warehouse:

- Will be used for general storage activities, such as storage of books or stationery. The warehouse will not be used for any goods requiring special conditions, such as food, chemicals or pharmaceuticals.
- Will have 2 stories, both above ground, with a total constructed area of 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high.
- Will have road access and be located in the periurban area of the selected city (that is, on the fringes of the city but still within its official limits).
- Will not be located in a special economic or industrial zone.
- Will be located on a land plot of 929 square meters (10,000 square feet) that is 100% owned by BuildCo and is accurately registered in the cadastre and land registry.
- Is valued at 50 times income per capita.
- Will be a new construction (there was no previous construction on the land).

FIGURE 7.4 Dealing with construction permits: building a warehouse

Rankings are based on distance to frontier scores for 3 indicators



- 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.
- Will include all technical equipment required to be fully operational.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

Assumptions about the utility connections

The water and sewerage connections:

- 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.
- Will not require water for fire protection reasons; a fire extinguishing system (dry system) will be used instead. If a wet fire protection system is required by law, it is assumed that the water demand specified below also covers the water needed for fire protection.

TABLE 7.2 What do the dealing with construction permits indicators measure?**Procedures to legally build a warehouse (number)**

Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates

Submitting all required notifications and receiving all necessary inspections

Obtaining utility connections for water and sewerage

Registering the warehouse after its completion (if required for use as collateral or for transfer of the warehouse)

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 considered completed once final document is received

No prior contact with officials

Cost required to complete each procedure (% of warehouse value)

Official costs only, no bribes

- 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.
- 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.

Procedures

A procedure is any interaction of the company's employees or managers, or any party acting on behalf of the company, with external parties, including government agencies, notaries, the land registry, the cadastre, utility companies and public inspectors—or the hiring of private inspectors and technical experts apart from in-house

architects and engineers. Interactions between company employees, such as development of the warehouse plans and inspections conducted by employees, are not counted as procedures. But interactions necessary to obtain any plans, drawings or other documents from external parties (including any documentation required for the architect to prepare the plans), or to have such documents approved or stamped by external parties, are counted as procedures. Procedures that the company undergoes to connect the warehouse to water and sewerage are included. All procedures that are legally required, or that are done in practice by the majority of companies, to build a warehouse are counted, even if they may be avoided in exceptional cases (table 7.2).

Time

Time is recorded in calendar days. The measure captures the median duration that local experts indicate is necessary to complete a procedure in practice. It is assumed that the minimum time required for each procedure is 1 day, except for procedures that can be fully completed online, for which the time required is recorded as half a day. Although procedures may take place simultaneously, they cannot start on the same day (that is, simultaneous procedures start on consecutive days), again with the exception of procedures that can be fully completed online. If a procedure can be accelerated legally for an additional cost and the accelerated procedure is used by the majority of companies, the fastest procedure is chosen. It is assumed that BuildCo does not waste time and commits to completing each remaining procedure without delay. The time that BuildCo spends on gathering information is not taken into account. It is assumed that BuildCo is aware of all building requirements and their sequence from the beginning.

Cost

Cost is recorded as a percentage of the warehouse value (assumed to be 50

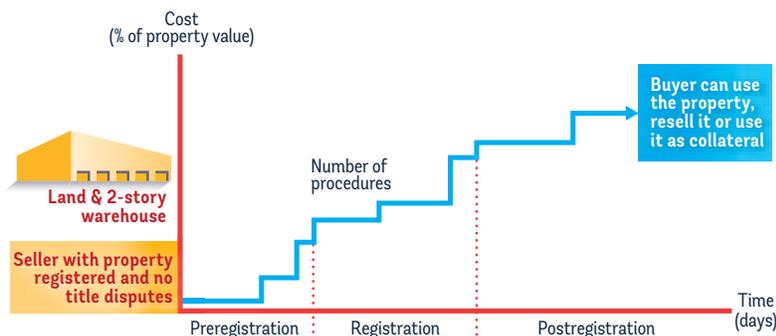
times income per capita). Only official costs are recorded. All the fees associated with completing the procedures to legally build a warehouse are recorded, including those associated with obtaining land use approvals and preconstruction design clearances; receiving inspections before, during and after construction; obtaining utility connections; and registering the warehouse property. Nonrecurring taxes required for the completion of the warehouse project are also recorded. Sales taxes (such as value added tax) or capital gains taxes are not recorded. Nor are deposits that must be paid up front and are later refunded. The building code, information from local experts, and specific regulations and fee schedules are used as sources for costs. If several local partners provide different estimates, the median reported value is used.

The data details on dealing with construction permits can be found for each economy at <http://www.doingbusiness.org>.

REGISTERING PROPERTY

Doing Business records the full sequence of procedures necessary for a business (the buyer) to purchase a property from another business (the seller) and to transfer the property title to the buyer's name so that the buyer can use the property for expanding its business, use the property as collateral in taking new loans or, if necessary, sell the property to another business. The process starts with obtaining the necessary documents, such as a copy of the seller's title if necessary, and conducting due diligence if required. The transaction is considered complete when it is opposable to third parties and when the buyer can use the property, use it as collateral for a bank loan or resell it (figure 7.5). The ranking of economies on the ease of registering property is determined by sorting their distance to frontier scores for

FIGURE 7.5 What are the time, cost and number of procedures required to transfer property between 2 local companies?



registering property. These scores are the simple average of the distance to frontier scores for each of the component indicators (figure 7.6).

Every procedure required by law or necessary in practice is included, whether it is the responsibility of the seller or the buyer or must be completed by a third party on their behalf. Local property lawyers, notaries and property registries provide information on procedures as well as the time and cost to complete each of them. The registering property indicators do not measure the accessibility of property registration systems, the legal security offered by formal registration, the use of informal property registration systems or the equity of land policies.

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

Assumptions about the parties

- The parties (buyer and seller):
- Are limited liability companies.
 - Are located in the selected city.
 - Are 100% domestically and privately owned.
 - Have 50 employees each, all of whom are nationals.
 - Perform general commercial activities.

Assumptions about the property

- The property:
- Has a value of 50 times income per capita. The sale price equals the value.
 - 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 peri-urban commercial zone, and no rezoning is required.
 - Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A 2-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 and complies with all safety standards, building codes and other legal requirements. It has no heating system. The property of land and building will be transferred in its entirety.
 - Will not be subject to renovations or additional building 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

FIGURE 7.6 Registering property: transfer of property between 2 local companies



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.

Procedures

A procedure is defined as any interaction of the buyer or the seller, their agents (if an agent is legally or in practice required) or the property with external parties, including government agencies, inspectors, notaries and lawyers. Interactions between company officers and employees are not considered. All procedures that are legally or in practice required for registering property are recorded, even if they may be avoided in exceptional cases (table 7.3). It is assumed that the buyer follows the fastest legal option available and used by the majority of property owners. Although the buyer may use lawyers or other professionals where necessary in the registration process, it is assumed that the buyer does not employ an outside facilitator in the registration process unless legally or in practice required to do so.

TABLE 7.3 What do the registering property 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 selected city

Postregistration procedures (for example, filing 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 considered completed once final document is received

No prior contact with officials

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

Official costs only, no bribes

No value added or capital gains taxes included

Time

Time is recorded in calendar days. The measure captures the median duration that property lawyers, notaries or registry officials indicate is necessary to complete a procedure. It is assumed that the minimum time required for each procedure is 1 day, except for procedures that can be fully completed online, for which the time required is recorded as half a day. Although procedures may take place simultaneously, they cannot start on the same day, again with the exception of procedures that can be fully completed online. It is assumed that the buyer does not waste time and commits to completing each remaining procedure without delay. If a procedure can be accelerated for an additional cost, the fastest legal procedure available and used by the majority of property owners is chosen. If procedures can be undertaken simultaneously, it is assumed that they are. It is assumed that the parties involved are aware of all requirements and their sequence from the beginning. Time spent on gathering information is not considered.

Cost

Cost is recorded as a percentage of the property value, assumed to be equivalent to 50 times income per capita. Only official costs required by law are recorded, including fees, transfer taxes, stamp duties and any other payment to the property registry, notaries, public agencies or lawyers. Other taxes, such as capital gains tax or value added tax, are excluded from the cost measure. Both costs borne by the buyer and those borne by the seller are included. If cost estimates differ among sources, the median reported value is used.

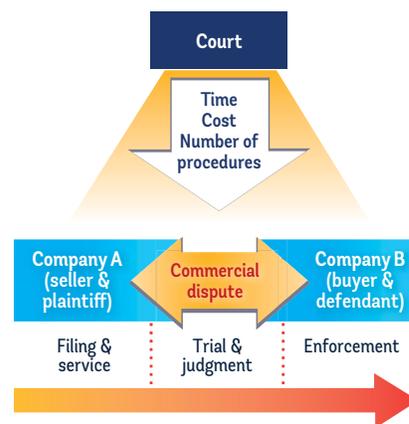
The data details on registering property can be found for each economy at <http://www.doingbusiness.org>.

ENFORCING CONTRACTS

Indicators on enforcing contracts measure the efficiency of the judicial system in resolving a commercial dispute. The data are built by following the step-by-step evolution of a commercial sale dispute before local courts (figure 7.7). The data are collected through study of the codes of civil procedure and other court regulations as well as questionnaires completed by local litigation lawyers and judges. The ranking of economies on the ease of enforcing contracts is determined by sorting their distance to frontier scores for enforcing contracts. These scores are the simple average of the distance to frontier scores for each of the component indicators (figure 7.8).

Assumptions about the case

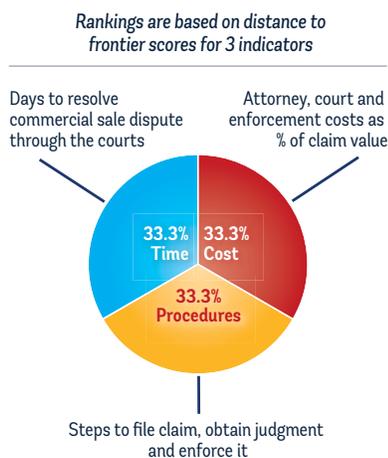
- The value of the claim is equal to 200% of the economy's income per capita or USD5,000, whichever is greater.
- The dispute concerns a lawful transaction between 2 businesses (Seller and Buyer), both located in the selected city. Pursuant to a contract between the businesses, Seller sells some custom-made

FIGURE 7.7 What are the time, cost and number of procedures to resolve a commercial dispute through the courts?

furniture to Buyer worth 200% of the economy's income per capita or USD5,000, whichever is greater. After Seller delivers the goods to Buyer, Buyer refuses to pay the contract price, alleging that the goods are not of adequate quality. Because they were custom-made, Seller is unable to sell them to anyone else.

- Seller (the plaintiff) sues Buyer (the defendant) to recover the amount under the sales agreement. The dispute is brought before the court located in the economy's largest business city with jurisdiction over commercial cases worth 200% of income per capita or USD5,000, whichever is greater.
- At the outset of the dispute, Seller decides to attach Buyer's movable assets (for example, office equipment and vehicles) because Seller fears that Buyer may hide its assets or otherwise become insolvent.
- The claim is disputed on the merits because of Buyer's allegation that the quality of the goods was not adequate. Because the court cannot decide the case on the basis of documentary evidence or legal title alone, an expert opinion is given on the quality of the goods. If it is standard practice in the economy for

FIGURE 7.8 Enforcing contracts: resolving a commercial dispute through the courts



each party to call its own expert witness, the parties each call one expert witness. If it is standard practice for the judge to appoint an independent expert, the judge does so. In this case the judge does not allow opposing expert testimony.

- Following the expert opinion, the judge decides that the goods delivered by Seller were of adequate quality and that Buyer must pay the contract price. The judge thus renders a final judgment that is 100% in favor of Seller.
- Buyer does not appeal the judgment. Seller decides to start enforcing the judgment as soon as the time allocated by law for appeal lapses.
- Seller takes all required steps for prompt enforcement of the judgment. The money is successfully collected through a public sale of Buyer's movable assets (for example, office equipment and vehicles).

Procedures

The list of procedural steps compiled for each economy traces the chronology of a commercial dispute before the relevant court. A procedure is defined as any interaction, required by law

TABLE 7.4 What do the enforcing contracts indicators measure?

Procedures to enforce a contract through the courts (number)

Steps to file and serve the case

Steps for trial and judgment

Steps to enforce the judgment

Time required to complete procedures (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 complete procedures (% of claim)

Average attorney fees

Court costs

Enforcement costs

or commonly carried out in practice, between the parties or between them and the judge or court officer. Other procedural steps, internal to the court or between the parties and their counsel, may be counted as well. Procedural steps include steps to file and serve the case, steps to assign the case to a judge, steps for trial and judgment and steps necessary to enforce the judgment (table 7.4).

To indicate overall efficiency, 1 procedure is subtracted from the total number for economies that have specialized commercial courts or divisions, and 1 procedure for economies that allow electronic filing of the initial complaint. Some procedural steps that are part of others are not counted in the total number of procedures.

Time

Time is recorded in calendar days, counted from the moment the plaintiff decides to file the lawsuit in court until payment. This includes both the days when actions take place and the waiting periods in between. The average duration of 3 different stages of dispute resolution is recorded: the completion of service of process (time

to file and serve the case), the issuance of judgment (time for trial and to obtain the judgment) and the recovery of the claim value through a public sale (time for enforcement of the judgment).

Cost

Cost is recorded as a percentage of the claim, assumed to be equivalent to 200% of income per capita or USD5,000, whichever is greater. Three types of costs are recorded: court costs, enforcement costs and average attorney fees.

Court costs include all costs that Seller (plaintiff) must advance to the court, regardless of the final cost borne by Seller. Enforcement costs are all costs that Seller (plaintiff) must advance to enforce the judgment through a public sale of Buyer's movable assets, regardless of the final cost borne by Seller. Average attorney fees are the fees that Seller (plaintiff) must advance to a local attorney to represent Seller in the standardized case. Bribes are not taken into account.

The data details on enforcing contracts can be found for each economy at <http://www.doingbusiness.org>. This methodology was developed by Djankov and others (2003) and is adopted here with minor changes.

NOTES

- The complete data set can be obtained from the *Doing Business* website: www.doingbusiness.org



City snapshots

Białystok (Podlaskie)		<i>Aggregate rank on 4 indicators</i>		3
Starting a business (rank)	4	Registering property (rank)		1
<i>Distance to frontier score (0-100)</i>	86.79	<i>Distance to frontier score (0-100)</i>		82.62
Procedures (number)	4	Procedures (number)		6
Time (days)	26	Time (days)		18
Cost (% of income per capita)	12.9	Cost (% of property value)		0.35
Minimum capital (% of income per capita)	12.3			
Dealing with construction permits (rank)	12	Enforcing contracts (rank)		3
<i>Distance to frontier score (0-100)</i>	63.41	<i>Distance to frontier score (0-100)</i>		73.69
Procedure (number)	20	Procedures (number)		33
Time (days)	196	Time (days)		440
Cost (% of warehouse value)	0.16	Cost (% of claim)		13.6
Bydgoszcz (Kujawsko-Pomorskie)		<i>Aggregate rank on 4 indicators</i>		1
Starting a business (rank)	9	Registering property (rank)		3
<i>Distance to frontier score (0-100)</i>	85.79	<i>Distance to frontier score (0-100)</i>		82.14
Procedures (number)	4	Procedures (number)		6
Time (days)	30	Time (days)		21
Cost (% of income per capita)	12.9	Cost (% of property value)		0.35
Minimum capital (% of income per capita)	12.3			
Dealing with construction permits (rank)	1	Enforcing contracts (rank)		6
<i>Distance to frontier score (0-100)</i>	69.84	<i>Distance to frontier score (0-100)</i>		72.69
Procedure (number)	19	Procedures (number)		33
Time (days)	143	Time (days)		474
Cost (% of warehouse value)	0.15	Cost (% of claim)		13.8
Gdańsk (Pomorskie)		<i>Aggregate rank on 4 indicators</i>		18
Starting a business (rank)	2	Registering property (rank)		14
<i>Distance to frontier score (0-100)</i>	87.80	<i>Distance to frontier score (0-100)</i>		79.42
Procedures (number)	4	Procedures (number)		6
Time (days)	22	Time (days)		38
Cost (% of income per capita)	12.9	Cost (% of property value)		0.36
Minimum capital (% of income per capita)	12.3			
Dealing with construction permits (rank)	16	Enforcing contracts (rank)		18
<i>Distance to frontier score (0-100)</i>	61.97	<i>Distance to frontier score (0-100)</i>		63.89
Procedure (number)	22	Procedures (number)		33
Time (days)	182	Time (days)		715
Cost (% of warehouse value)	0.23	Cost (% of claim)		19.7
Gorzów Wielkopolski (Lubuskie)		<i>Aggregate rank on 4 indicators</i>		11
Starting a business (rank)	14	Registering property (rank)		11
<i>Distance to frontier score (0-100)</i>	84.53	<i>Distance to frontier score (0-100)</i>		80.02
Procedures (number)	4	Procedures (number)		6
Time (days)	35	Time (days)		35
Cost (% of income per capita)	12.9	Cost (% of property value)		0.30
Minimum capital (% of income per capita)	12.3			
Dealing with construction permits (rank)	17	Enforcing contracts (rank)		2
<i>Distance to frontier score (0-100)</i>	60.85	<i>Distance to frontier score (0-100)</i>		73.78
Procedure (number)	22	Procedures (number)		33
Time (days)	193	Time (days)		434
Cost (% of warehouse value)	0.26	Cost (% of claim)		13.8

Katowice (Śląskie)		<i>Aggregate rank on 4 indicators</i>		12
Starting a business (rank)	9	Registering property (rank)		16
<i>Distance to frontier score (0-100)</i>	85.79	<i>Distance to frontier score (0-100)</i>		79.34
Procedures (number)	4	Procedures (number)		6
Time (days)	30	Time (days)		39
Cost (% of income per capita)	12.9	Cost (% of property value)		0.32
Minimum capital (% of income per capita)	12.3			
Dealing with construction permits (rank)	11	Enforcing contracts (rank)		13
<i>Distance to frontier score (0-100)</i>	63.43	<i>Distance to frontier score (0-100)</i>		70.49
Procedure (number)	21	Procedures (number)		33
Time (days)	181	Time (days)		519
Cost (% of warehouse value)	0.21	Cost (% of claim)		16.4
Kielce (Świętokrzyskie)		<i>Aggregate rank on 4 indicators</i>		15
Starting a business (rank)	16	Registering property (rank)		15
<i>Distance to frontier score (0-100)</i>	84.28	<i>Distance to frontier score (0-100)</i>		79.38
Procedures (number)	4	Procedures (number)		6
Time (days)	36	Time (days)		39
Cost (% of income per capita)	12.9	Cost (% of property value)		0.30
Minimum capital (% of income per capita)	12.3			
Dealing with construction permits (rank)	13	Enforcing contracts (rank)		11
<i>Distance to frontier score (0-100)</i>	63.06	<i>Distance to frontier score (0-100)</i>		71.11
Procedure (number)	22	Procedures (number)		33
Time (days)	171	Time (days)		529
Cost (% of warehouse value)	0.21	Cost (% of claim)		14.0
Kraków (Małopolskie)		<i>Aggregate rank on 4 indicators</i>		16
Starting a business (rank)	7	Registering property (rank)		12
<i>Distance to frontier score (0-100)</i>	86.04	<i>Distance to frontier score (0-100)</i>		79.54
Procedures (number)	4	Procedures (number)		6
Time (days)	29	Time (days)		38.5
Cost (% of income per capita)	12.9	Cost (% of property value)		0.27
Minimum capital (% of income per capita)	12.3			
Dealing with construction permits (rank)	18	Enforcing contracts (rank)		9
<i>Distance to frontier score (0-100)</i>	60.74	<i>Distance to frontier score (0-100)</i>		71.44
Procedure (number)	21	Procedures (number)		33
Time (days)	209	Time (days)		498
Cost (% of warehouse value)	0.21	Cost (% of claim)		15.4
Łódź (Łódzkie)		<i>Aggregate rank on 4 indicators</i>		9
Starting a business (rank)	9	Registering property (rank)		8
<i>Distance to frontier score (0-100)</i>	85.79	<i>Distance to frontier score (0-100)</i>		80.66
Procedures (number)	4	Procedures (number)		6
Time (days)	30	Time (days)		31
Cost (% of income per capita)	12.9	Cost (% of property value)		0.30
Minimum capital (% of income per capita)	12.3			
Dealing with construction permits (rank)	5	Enforcing contracts (rank)		14
<i>Distance to frontier score (0-100)</i>	66.35	<i>Distance to frontier score (0-100)</i>		68.98
Procedure (number)	20	Procedures (number)		33
Time (days)	164	Time (days)		599
Cost (% of warehouse value)	0.24	Cost (% of claim)		14.6

Lublin (Lubelskie)		<i>Aggregate rank on 4 indicators</i>		14
Starting a business (rank)	7	Registering property (rank)	17	
<i>Distance to frontier score (0-100)</i>	86.04	<i>Distance to frontier score (0-100)</i>	78.39	
Procedures (number)	4	Procedures (number)	6	
Time (days)	29	Time (days)	45	
Cost (% of income per capita)	12.9	Cost (% of property value)	0.32	
Minimum capital (% of income per capita)	12.3			
Dealing with construction permits (rank)	8	Enforcing contracts (rank)	15	
<i>Distance to frontier score (0-100)</i>	65.92	<i>Distance to frontier score (0-100)</i>	68.67	
Procedure (number)	21	Procedures (number)	33	
Time (days)	155	Time (days)	595	
Cost (% of warehouse value)	0.21	Cost (% of claim)	15.7	
Olsztyn (Warmińsko-Mazurskie)		<i>Aggregate rank on 4 indicators</i>		2
Starting a business (rank)	2	Registering property (rank)	5	
<i>Distance to frontier score (0-100)</i>	87.80	<i>Distance to frontier score (0-100)</i>	81.02	
Procedures (number)	4	Procedures (number)	6	
Time (days)	22	Time (days)	28	
Cost (% of income per capita)	12.9	Cost (% of property value)	0.35	
Minimum capital (% of income per capita)	12.3			
Dealing with construction permits (rank)	9	Enforcing contracts (rank)	1	
<i>Distance to frontier score (0-100)</i>	64.65	<i>Distance to frontier score (0-100)</i>	76.12	
Procedure (number)	22	Procedures (number)	33	
Time (days)	154	Time (days)	328	
Cost (% of warehouse value)	0.23	Cost (% of claim)	15.3	
Opole (Opolskie)		<i>Aggregate rank on 4 indicators</i>		5
Starting a business (rank)	4	Registering property (rank)	13	
<i>Distance to frontier score (0-100)</i>	86.79	<i>Distance to frontier score (0-100)</i>	79.43	
Procedures (number)	4	Procedures (number)	6	
Time (days)	26	Time (days)	38	
Cost (% of income per capita)	12.9	Cost (% of property value)	0.35	
Minimum capital (% of income per capita)	12.3			
Dealing with construction permits (rank)	6	Enforcing contracts (rank)	4	
<i>Distance to frontier score (0-100)</i>	66.31	<i>Distance to frontier score (0-100)</i>	73.05	
Procedure (number)	22	Procedures (number)	33	
Time (days)	137	Time (days)	425	
Cost (% of warehouse value)	0.21	Cost (% of claim)	16.4	
Poznań (Wielkopolskie)		<i>Aggregate rank on 4 indicators</i>		6
Starting a business (rank)	1	Registering property (rank)	4	
<i>Distance to frontier score (0-100)</i>	89.13	<i>Distance to frontier score (0-100)</i>	81.49	
Procedures (number)	6	Procedures (number)	6	
Time (days)	8	Time (days)	26	
Cost (% of income per capita)	6.9	Cost (% of property value)	0.28	
Minimum capital (% of income per capita)	12.3			
Dealing with construction permits (rank)	15	Enforcing contracts (rank)	7	
<i>Distance to frontier score (0-100)</i>	62.31	<i>Distance to frontier score (0-100)</i>	71.64	
Procedure (number)	20	Procedures (number)	33	
Time (days)	206	Time (days)	485	
Cost (% of warehouse value)	0.24	Cost (% of claim)	15.8	

Rzeszów (Podkarpackie)		<i>Aggregate rank on 4 indicators</i>		7
Starting a business (rank)	17	Registering property (rank)	9	
<i>Distance to frontier score (0-100)</i>	84.03	<i>Distance to frontier score (0-100)</i>	80.38	
Procedures (number)	4	Procedures (number)	6	
Time (days)	37	Time (days)	33	
Cost (% of income per capita)	12.9	Cost (% of property value)	0.28	
Minimum capital (% of income per capita)	12.3			
Dealing with construction permits (rank)	2	Enforcing contracts (rank)	8	
<i>Distance to frontier score (0-100)</i>	67.27	<i>Distance to frontier score (0-100)</i>	71.57	
Procedure (number)	19	Procedures (number)	33	
Time (days)	168	Time (days)	515	
Cost (% of warehouse value)	0.25	Cost (% of claim)	13.8	
Szczecin (Zachodniopomorskie)		<i>Aggregate rank on 4 indicators</i>		10
Starting a business (rank)	18	Registering property (rank)	6	
<i>Distance to frontier score (0-100)</i>	82.77	<i>Distance to frontier score (0-100)</i>	80.82	
Procedures (number)	4	Procedures (number)	6	
Time (days)	42	Time (days)	30	
Cost (% of income per capita)	12.9	Cost (% of property value)	0.30	
Minimum capital (% of income per capita)	12.3			
Dealing with construction permits (rank)	7	Enforcing contracts (rank)	12	
<i>Distance to frontier score (0-100)</i>	65.98	<i>Distance to frontier score (0-100)</i>	71.08	
Procedure (number)	19	Procedures (number)	33	
Time (days)	182	Time (days)	493	
Cost (% of warehouse value)	0.22	Cost (% of claim)	16.7	
Toruń (Kujawsko-Pomorskie)		<i>Aggregate rank on 4 indicators</i>		4
Starting a business (rank)	13	Registering property (rank)	7	
<i>Distance to frontier score (0-100)</i>	85.54	<i>Distance to frontier score (0-100)</i>	80.78	
Procedures (number)	4	Procedures (number)	6	
Time (days)	31	Time (days)	30	
Cost (% of income per capita)	12.9	Cost (% of property value)	0.32	
Minimum capital (% of income per capita)	12.3			
Dealing with construction permits (rank)	3	Enforcing contracts (rank)	5	
<i>Distance to frontier score (0-100)</i>	67.04	<i>Distance to frontier score (0-100)</i>	72.97	
Procedure (number)	20	Procedures (number)	33	
Time (days)	157	Time (days)	424	
Cost (% of warehouse value)	0.22	Cost (% of claim)	16.7	
Warsaw (Mazowieckie)		<i>Aggregate rank on 4 indicators</i>		17
Starting a business (rank)	9	Registering property (rank)	10	
<i>Distance to frontier score (0-100)</i>	85.79	<i>Distance to frontier score (0-100)</i>	80.30	
Procedures (number)	4	Procedures (number)	6	
Time (days)	30	Time (days)	33	
Cost (% of income per capita)	12.9	Cost (% of property value)	0.32	
Minimum capital (% of income per capita)	12.3			
Dealing with construction permits (rank)	14	Enforcing contracts (rank)	17	
<i>Distance to frontier score (0-100)</i>	62.97	<i>Distance to frontier score (0-100)</i>	64.83	
Procedure (number)	19	Procedures (number)	33	
Time (days)	212	Time (days)	685	
Cost (% of warehouse value)	0.30	Cost (% of claim)	19.4	

Wrocław (Dolnośląskie)		<i>Aggregate rank on 4 indicators</i>		13
Starting a business (rank)	6	Registering property (rank)		18
<i>Distance to frontier score (0-100)</i>	86.29	<i>Distance to frontier score (0-100)</i>		77.47
Procedures (number)	4	Procedures (number)		6
Time (days)	28	Time (days)		51
Cost (% of income per capita)	12.9	Cost (% of property value)		0.3
Minimum capital (% of income per capita)	12.3			
Dealing with construction permits (rank)	4	Enforcing contracts (rank)		16
<i>Distance to frontier score (0-100)</i>	66.65	<i>Distance to frontier score (0-100)</i>		68.62
Procedure (number)	19	Procedures (number)		33
Time (days)	175	Time (days)		546
Cost (% of warehouse value)	0.22	Cost (% of claim)		19.4
Zielona Góra (Lubuskie)		<i>Aggregate rank on 4 indicators</i>		8
Starting a business (rank)	14	Registering property (rank)		2
<i>Distance to frontier score (0-100)</i>	84.53	<i>Distance to frontier score (0-100)</i>		82.53
Procedures (number)	4	Procedures (number)		6
Time (days)	35	Time (days)		19
Cost (% of income per capita)	12.9	Cost (% of property value)		0.32
Minimum capital (% of income per capita)	12.3			
Dealing with construction permits (rank)	10	Enforcing contracts (rank)		10
<i>Distance to frontier score (0-100)</i>	64.64	<i>Distance to frontier score (0-100)</i>		71.23
Procedure (number)	21	Procedures (number)		33
Time (days)	168	Time (days)		500
Cost (% of warehouse value)	0.23	Cost (% of claim)		15.8



Indicator snapshots

Starting a business

City, Voivodeship	Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in minimum capital (% of income per capita)	Distance to frontier score (0-100)	Ease of starting a business (rank)
Białystok, Podlaskie	4	26	12.94	12.30	86.79	4
Bydgoszcz, Kujawsko-Pomorskie	4	30	12.94	12.30	85.79	9
Gdańsk, Pomorskie	4	22	12.94	12.30	87.80	2
Gorzów Wielkopolski, Lubuskie	4	35	12.94	12.30	84.53	14
Katowice, Śląskie	4	30	12.94	12.30	85.79	9
Kielce, Świętokrzyskie	4	36	12.94	12.30	84.28	16
Kraków, Małopolskie	4	29	12.94	12.30	86.04	7
Łódź, Łódzkie	4	30	12.94	12.30	85.79	9
Lublin, Lubelskie	4	29	12.94	12.30	86.04	7
Olsztyn, Warmińsko-Mazurskie	4	22	12.94	12.30	87.80	2
Opole, Opolskie	4	26	12.94	12.30	86.79	4
Poznań, Wielkopolskie	6	8	6.92	12.30	89.13	1
Rzeszów, Podkarpackie	4	37	12.94	12.30	84.03	17
Szczecin, Zachodniopomorskie	4	42	12.94	12.30	82.77	18
Toruń, Kujawsko-Pomorskie	4	31	12.94	12.30	85.54	13
Warsaw, Mazowieckie	4	30	12.94	12.30	85.79	9
Wrocław, Dolnośląskie	4	28	12.94	12.30	86.29	6
Zielona Góra, Lubuskie	4	35	12.94	12.30	84.53	14

Dealing with construction permits

City, Voivodeship	Procedures (number)	Time (days)	Cost (% of warehouse value)	Distance to frontier score (0-100)	Ease of dealing with construction permits (rank)
Białystok, Podlaskie	20	196	0.16	63.41	12
Bydgoszcz, Kujawsko-Pomorskie	19	143	0.15	69.84	1
Gdańsk, Pomorskie	22	182	0.23	61.97	16
Gorzów Wielkopolski, Lubuskie	22	193	0.26	60.85	17
Katowice, Śląskie	21	181	0.21	63.43	11
Kielce, Świętokrzyskie	22	171	0.21	63.06	13
Kraków, Małopolskie	21	209	0.21	60.74	18
Łódź, Łódzkie	20	164	0.24	66.35	5
Lublin, Lubelskie	21	155	0.21	65.92	8
Olsztyn, Warmińsko-Mazurskie	22	154	0.23	64.65	9
Opole, Opolskie	22	137	0.21	66.31	6
Poznań, Wielkopolskie	20	206	0.24	62.31	15
Rzeszów, Podkarpackie	19	168	0.25	67.27	2
Szczecin, Zachodniopomorskie	19	182	0.22	65.98	7
Toruń, Kujawsko-Pomorskie	20	157	0.22	67.04	3
Warsaw, Mazowieckie	19	212	0.30	62.97	14
Wrocław, Dolnośląskie	19	175	0.22	66.65	4
Zielona Góra, Lubuskie	21	168	0.23	64.64	10

Registering property					
City, Voivodeship	Procedures (number)	Time (days)	Cost (% of property value)	Distance to frontier score (0-100)	Ease of registering property (rank)
Białystok, Podlaskie	6	18	0.35	82.62	1
Bydgoszcz, Kujawsko-Pomorskie	6	21	0.35	82.14	3
Gdańsk, Pomorskie	6	38	0.36	79.42	14
Gorzów Wielkopolski, Lubuskie	6	35	0.30	80.02	11
Katowice, Śląskie	6	39	0.32	79.34	16
Kielce, Świętokrzyskie	6	39	0.30	79.38	15
Kraków, Małopolskie	6	38.5	0.27	79.54	12
Łódź, Łódzkie	6	31	0.30	80.66	8
Lublin, Lubelskie	6	45	0.32	78.39	17
Olsztyn, Warmińsko-Mazurskie	6	28	0.35	81.02	5
Opole, Opolskie	6	38	0.35	79.43	13
Poznań, Wielkopolskie	6	26	0.28	81.49	4
Rzeszów, Podkarpackie	6	33	0.28	80.38	9
Szczecin, Zachodniopomorskie	6	30	0.30	80.82	6
Toruń, Kujawsko-Pomorskie	6	30	0.32	80.78	7
Warsaw, Mazowieckie	6	33	0.32	80.30	10
Wrocław, Dolnośląskie	6	51	0.30	77.47	18
Zielona Góra, Lubuskie	6	19	0.32	82.53	2

Enforcing contracts					
City, Voivodeship	Procedures (number)	Time (days)	Cost (% of claim)	Distance to frontier score (0-100)	Ease of enforcing contracts (rank)
Białystok, Podlaskie	33	440	13.6	73.69	3
Bydgoszcz, Kujawsko-Pomorskie	33	474	13.8	72.69	6
Gdańsk, Pomorskie	33	715	19.7	63.89	18
Gorzów Wielkopolski, Lubuskie	33	434	13.8	73.78	2
Katowice, Śląskie	33	519	16.4	70.49	13
Kielce, Świętokrzyskie	33	529	14.0	71.11	11
Kraków, Małopolskie	33	498	15.4	71.44	9
Łódź, Łódzkie	33	599	14.6	68.98	14
Lublin, Lubelskie	33	595	15.7	68.67	15
Olsztyn, Warmińsko-Mazurskie	33	328	15.3	76.12	1
Opole, Opolskie	33	425	16.4	73.05	4
Poznań, Wielkopolskie	33	485	15.8	71.64	7
Rzeszów, Podkarpackie	33	515	13.8	71.57	8
Szczecin, Zachodniopomorskie	33	493	16.7	71.08	12
Toruń, Kujawsko-Pomorskie	33	424	16.7	72.97	5
Warsaw, Mazowieckie	33	685	19.4	64.83	17
Wrocław, Dolnośląskie	33	546	19.4	68.62	16
Zielona Góra, Lubuskie	33	500	15.8	71.23	10



List of procedures

LIST OF PROCEDURES
STARTING A BUSINESS

Białystok, Podlaskie

Standard company legal form: *Spółka z ograniczoną odpowiedzialnością*

Minimum capital requirement: PLN 5,000 (EUR 1,166)

Data as of: September 1st, 2014

Procedure 1. Prepare the articles of association in a notarial form

Time: 1 day

Cost: PLN 4,491 [PLN 1,010 + 0.4% of the amount of share capital over PLN 60,000 + PLN 6 cost per page (in our case the articles of association are 10 pages long) + PLN 20 PLN (certified specimen signatures of the members of the management board) + (the amount of share capital - ((Notary fees + 23% VAT) + Court fees of PLN 600)) * 0.5% civil law transactions tax]

Comments: The fee of the articles of association in a notarial form cannot exceed PLN 10,000 plus VAT and civil law transaction tax. Since January 1st, 2012 an alternative method for establishing a company has been introduced that does not require the articles of association in a notarial form. However, this requires online registration.

Procedure 2. Deposit paid-in capital at the bank

Time: 1 day

Cost: No cost

Comments: To open a bank account, a limited liability company must provide the bank with the articles of association and a REGON (statistical number) certificate. Since the REGON certificate is obtained by the companies after the registration with the court, most banks either require upfront registration and statistical and tax certificates or they can open the bank accounts based solely on the articles of association (in this case, the account has passive status only) and give the account an active status once the company provides the registration, statistical and tax certificates.

Procedure 3. File at the National Court Register for company registration, statistical identification number (REGON), taxpayer number (NIP), and registration for social insurance at ZUS

Time: 24 days

Cost: PLN 600 (PLN 500 for registration and PLN 100 for publication)

Comments: According to the Code of Commercial Companies and Partnerships of September 15th, 2000, (published in the Journal of Laws of 2000, No. 94, Item 1037 with amendments) and the National Court Register Act of August 20th, 1997 (published in the Journal of Laws of 1997, No. 121, Item 769 with amendments), the applicant must pay the relevant fees and submit the following documents to the National Court Register (KRS) division at the district court:

- a. National Court Register form, duly filled;
- b. Notarized company agreement (art. 167§1 section 1 of the Code of Commercial Companies and Partnerships);

- c. A statement by all members of the management board that all contributions to the share capital have been fully made by all shareholders (art. 167§1 section 2 of the Code of Commercial Companies and Partnerships) or if the appointment of the members of the company's authorities is not set forth in the notarized company agreement (the articles of association of the company drawn up in a notarial form), a document evidencing the appointment of such authorities, including a specification of their members (art. 167§1 section 3 of the Code of Commercial Companies and Partnerships);
- d. List of shareholders, signed by all members of the management board, specifying the full name or the business name of each shareholder, together with the number and nominal value of shares held by each shareholder (art. 167§2 of the Code of Commercial Companies and Partnerships);
- e. Before January 15, 2015: Specimen signatures of members of the management board or the proxy, made in the presence of the court or certified by a notary (art. 167§3 of the Code of Commercial Companies and Partnerships and art. 19a section 1 of the National Court Register Act);
- f. Before December 1st, 2014 : Application form to register with the statistical office to obtain REGON number (art. 19b section 1 point 1 of the National Court Register Act);
- g. Before December 1st, 2014: Application form to register with the Social Insurance Office (art. 19b section 1 point 2 of the National Court Register Act);
- h. Before December 1st, 2014: Application form to register with tax office (*naczelnik urzędu skarbowego*) to obtain NIP number (art. 19b section 1 point 3 of the National Court Register Act);
- i. Before December 1st, 2014: A document which certifies that the company has a right to use premises or real estate property where the registered office of the company is located (art. 19b section 2 of the National Court Register act).

The competent judge or *referendarz* at the district court reviews the application and, if compliant with all the relevant laws and regulations, registers the company thus giving it full limited liability status. Once the registration of the company with National Court Register has taken place, the relevant applications are sent by the district court to all the other agencies involved in the process. These agencies are:

1. The competent tax office (*naczelnik urzędu skarbowego*);
2. The competent statistical office;
3. The competent unit of Social Insurance Office, (*Zakład Ubezpieczeń Społecznych*, or ZUS)

After receiving the relevant documents, the competent tax office processes the application and issues the tax identification number (*Numer Identyfikacji Podatkowej*, or NIP), the competent statistical office issues the statistical identification number (*Rejestr Gospodarki Narodowej*, or REGON) and the competent unit of Social Insurance Office acknowledges receipt of relevant application form.

If the applications are incomplete or incorrect, each agency will contact the applicant directly to clarify the situation and then issue the required document.

The time recorded includes registration with all the agencies mentioned above.

Since January 1st, 2012, an online registration system - S24 - has been introduced. At the moment, however, this is not used by the majority of limited liability companies. The S24 system allows entrepreneurs to register their company online with the National Court Register (KRS) and does not require the articles of association in a notarial form.

On December 1st, 2014, the Act of 26 June 2014 amending KRS Act and some other acts (Journal of Laws of 2014 Item 1161) entered into force. Separate application forms to obtain the statistical number and tax identification number, as well as the notification to the social insurance office, no longer need to be submitted and sent physically to the relevant agencies by the court division of KRS. Instead, the statistical number and tax identification number are generated and are disclosed in the KRS. Additional information required by the tax, statistical, and social insurance office must be submitted post registration to the tax office (form NIP-8). The reform also applies to the S24 online system.

Finally, Act of 28 November 2014, amending the Code of Commercial Companies and Partnerships and some other acts, which came into force on 15 January 2015, eliminated the requirement to attach a notarized specimen signatures of members of the management board or the proxy made in the presence of a court clerk.

Procedure 4*. Register for VAT at the competent tax office

Time: 1 day

Cost: PLN 170 (stamp duty)

Comments: As per provision 3, section 1 and 2.1, of the VAT Act of March 11th, 2004, registration is carried out by submitting the application form VAT-R to the relevant tax office (*naczelnik urzędu skarbowego*). Immediately after the application has been submitted and cleared, the company can carry out VAT-covered business activities. In the VAT-R form, the company must provide information on (a) its business name and legal form; (b) the REGON (statistical number); (c) start date for its business activities; and (d) the address of its registered office.

Stamp duty revenues are allocated to the municipality where the competent branch of the tax office (*urząd skarbowy*) is located.

If the company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. The company must submit that application before commencing foreign trade activity within the European Union. However, before registering as an EU VAT taxpayer, the company must be registered as a regular VAT taxpayer.

* This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

Bydgoszcz, Kujawsko-Pomorskie

Standard company legal form: *Spółka z ograniczoną odpowiedzialnością*

Minimum capital requirement: PLN 5,000 (EUR 1,166)

Data as of: September 1st, 2014

Procedure 1. Prepare the articles of association in a notarial form

Time: 1 day

Cost: PLN 4,491 [PLN 1,010 + 0.4% of the amount of share capital over PLN 60,000 + PLN 6 cost per page (in our case the articles of association are 10 pages long) + PLN 20 PLN (certified specimen signatures of the members of the management board) + (the amount of share capital - ((Notary fees + 23% VAT) + Court fees of PLN 600))*0.5% civil law transactions tax]

Comments: The fee of the articles of association in a notarial form cannot exceed PLN 10,000 plus VAT and civil law transaction tax. Since January 1st, 2012 an alternative method for establishing a company has been introduced that does not require the articles of association in a notarial form. However, this requires online registration.

Procedure 2. Deposit paid-in capital at the bank

Time: 1 day

Cost: No cost

Comments: To open a bank account, a limited liability company must provide the bank with the articles of association and a REGON (statistical number) certificate. Since the REGON certificate is obtained by the companies after the registration with the court, most banks either require upfront registration and statistical and tax certificates or they can open the bank accounts based solely on the articles of association (in this case, the account has passive status only) and give the account an active status once the company provides the registration, statistical and tax certificates.

Procedure 3. File at the National Court Register for company registration, statistical identification number (REGON), taxpayer number (NIP), and registration for social insurance at ZUS

Time: 28 days

Cost: PLN 600 (PLN 500 for registration and PLN 100 for publication)

Comments: According to the Code of Commercial Companies and Partnerships of September 15th, 2000, (published in the Journal of Laws of 2000, No. 94, Item 1037 with amendments) and the National Court Register Act of August 20th, 1997 (published in the Journal of Laws of 1997, No. 121, Item 769 with amendments), the applicant must pay the relevant fees and submit the following documents to the National Court Register (KRS) division at the district court:

- National Court Register form, duly filled;
- Notarized company agreement (art. 167§1 section 1 of the Code of Commercial Companies and Partnerships);

- A statement by all members of the management board that all contributions to the share capital have been fully made by all shareholders (art. 167§1 section 2 of the Code of Commercial Companies and Partnerships) or if the appointment of the members of the company's authorities is not set forth in the notarized company agreement (the articles of association of the company drawn up in a notarial form), a document evidencing the appointment of such authorities, including a specification of their members (art. 167§1 section 3 of the Code of Commercial Companies and Partnerships);
- List of shareholders, signed by all members of the management board, specifying the full name or the business name of each shareholder, together with the number and nominal value of shares held by each shareholder (art. 167§2 of the Code of Commercial Companies and Partnerships);
- Before January 15, 2015: Specimen signatures of members of the management board or the proxy, made in the presence of the court or certified by a notary (art. 167§3 of the Code of Commercial Companies and Partnerships and art. 19a section 1 of the National Court Register Act);
- Before December 1st, 2014 : Application form to register with the statistical office to obtain REGON number (art. 19b section 1 point 1 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with the Social Insurance Office (art. 19b section 1 point 2 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with tax office (*naczelnik urzędu skarbowego*) to obtain NIP number (art. 19b section 1 point 3 of the National Court Register Act);
- Before December 1st, 2014: A document which certifies that the company has a right to use premises or real estate property where the registered office of the company is located (art. 19b section 2 of the National Court Register act).

The competent judge or *referendarz* at the district court reviews the application and, if compliant with all the relevant laws and regulations, registers the company thus giving it full limited liability status. Once the registration of the company with National Court Register has taken place, the relevant applications are sent by the district court to all the other agencies involved in the process. These agencies are:

- The competent tax office (*naczelnik urzędu skarbowego*);
- The competent statistical office;
- The competent unit of Social Insurance Office, (*Zakład Ubezpieczeń Społecznych*, or ZUS)

After receiving the relevant documents, the competent tax office processes the application and issues the tax identification number (*Numer Identyfikacji Podatkowej*, or NIP), the competent statistical office issues the statistical identification number (*Rejestr Gospodarki Narodowej*, or REGON) and the competent unit of Social Insurance Office acknowledges receipt of relevant application form.

If the applications are incomplete or incorrect, each agency will contact the applicant directly to clarify the situation and then issue the required document.

The time recorded includes registration with all the agencies mentioned above.

Since January 1st, 2012, an online registration system - S24 - has been introduced. At the moment, however, this is not used by the majority of limited liability companies. The S24 system allows entrepreneurs to register their company online with the National Court Register (KRS) and does not require the articles of association in a notarial form.

On December 1st, 2014, the Act of 26 June 2014 amending KRS Act and some other acts (Journal of Laws of 2014 Item 1161) entered into force. Separate application forms to obtain the statistical number and tax identification number, as well as the notification to the social insurance office, no longer need to be submitted and sent physically to the relevant agencies by the court division of KRS. Instead, the statistical number and tax identification number are generated and are disclosed in the KRS. Additional information required by the tax, statistical, and social insurance office must be submitted post registration to the tax office (form NIP-8). The reform also applies to the S24 online system.

Finally, Act of 28 November 2014, amending the Code of Commercial Companies and Partnerships and some other acts, which came into force on 15 January 2015, eliminated the requirement to attach a notarized specimen signatures of members of the management board or the proxy made in the presence of a court clerk.

Procedure 4*. Register for VAT at the competent tax office

Time: 1 day

Cost: PLN 170 (stamp duty)

Comments: As per provision 3, section 1 and 2.1, of the VAT Act of March 11th, 2004, registration is carried out by submitting the application form VAT-R to the relevant tax office (*naczelnik urzędu skarbowego*). Immediately after the application has been submitted and cleared, the company can carry out VAT-covered business activities. In the VAT-R form, the company must provide information on (a) its business name and legal form; (b) the REGON (statistical number); (c) start date for its business activities; and (d) the address of its registered office.

Stamp duty revenues are allocated to the municipality where the competent branch of the tax office (*urząd skarbowy*) is located.

If the company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. The company must submit that application before commencing foreign trade activity within the European Union. However, before registering as an EU VAT taxpayer, the company must be registered as a regular VAT taxpayer.

* This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

Gdańsk, Pomorskie

Standard company legal form: *Spółka z ograniczoną odpowiedzialnością*

Minimum capital requirement: PLN 5,000 (EUR 1,166)

Data as of: September 1st, 2014

Procedure 1. Prepare the articles of association in a notarial form

Time: 1 day

Cost: PLN 4,491 [PLN 1,010 + 0.4% of the amount of share capital over PLN 60,000 + PLN 6 cost per page (in our case the articles of association are 10 pages long) + PLN 20 PLN (certified specimen signatures of the members of the management board) + (the amount of share capital - ((Notary fees + 23% VAT) + Court fees of PLN 600))*0.5% civil law transactions tax]

Comments: The fee of the articles of association in a notarial form cannot exceed PLN 10,000 plus VAT and civil law transaction tax. Since January 1st, 2012 an alternative method for establishing a company has been introduced that does not require the articles of association in a notarial form. However, this requires online registration.

Procedure 2. Deposit paid-in capital at the bank

Time: 1 day

Cost: No cost

Comments: To open a bank account, a limited liability company must provide the bank with the articles of association and a REGON (statistical number) certificate. Since the REGON certificate is obtained by the companies after the registration with the court, most banks either require upfront registration and statistical and tax certificates or they can open the bank accounts based solely on the articles of association (in this case, the account has passive status only) and give the account an active status once the company provides the registration, statistical and tax certificates.

Procedure 3. File at the National Court Register for company registration, statistical identification number (REGON), taxpayer number (NIP), and registration for social insurance at ZUS

Time: 20 days

Cost: PLN 600 (PLN 500 for registration and PLN 100 for publication)

Comments: According to the Code of Commercial Companies and Partnerships of September 15th, 2000, (published in the Journal of Laws of 2000, No. 94, Item 1037 with amendments) and the National Court Register Act of August 20th, 1997 (published in the Journal of Laws of 1997, No. 121, Item 769 with amendments), the applicant must pay the relevant fees and submit the following documents to the National Court Register (KRS) division at the district court:

- National Court Register form, duly filled;
- Notarized company agreement (art. 167§1 section 1 of the Code of Commercial Companies and Partnerships);

- A statement by all members of the management board that all contributions to the share capital have been fully made by all shareholders (art. 167§1 section 2 of the Code of Commercial Companies and Partnerships) or if the appointment of the members of the company's authorities is not set forth in the notarized company agreement (the articles of association of the company drawn up in a notarial form), a document evidencing the appointment of such authorities, including a specification of their members (art. 167§1 section 3 of the Code of Commercial Companies and Partnerships);
- List of shareholders, signed by all members of the management board, specifying the full name or the business name of each shareholder, together with the number and nominal value of shares held by each shareholder (art. 167§2 of the Code of Commercial Companies and Partnerships);
- Before January 15, 2015: Specimen signatures of members of the management board or the proxy, made in the presence of the court or certified by a notary (art. 167§3 of the Code of Commercial Companies and Partnerships and art. 19a section 1 of the National Court Register Act);
- Before December 1st, 2014 : Application form to register with the statistical office to obtain REGON number (art. 19b section 1 point 1 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with the Social Insurance Office (art. 19b section 1 point 2 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with tax office (*naczelnik urzędu skarbowego*) to obtain NIP number (art. 19b section 1 point 3 of the National Court Register Act);
- Before December 1st, 2014: A document which certifies that the company has a right to use premises or real estate property where the registered office of the company is located (art. 19b section 2 of the National Court Register act).

The competent judge or *referendarz* at the district court reviews the application and, if compliant with all the relevant laws and regulations, registers the company thus giving it full limited liability status. Once the registration of the company with National Court Register has taken place, the relevant applications are sent by the district court to all the other agencies involved in the process. These agencies are:

- The competent tax office (*naczelnik urzędu skarbowego*);
- The competent statistical office;
- The competent unit of Social Insurance Office, (*Zakład Ubezpieczeń Społecznych*, or ZUS)

After receiving the relevant documents, the competent tax office processes the application and issues the tax identification number (*Numer Identyfikacji Podatkowej*, or NIP), the competent statistical office issues the statistical identification number (*Rejestr Gospodarki Narodowej*, or REGON) and the competent unit of Social Insurance Office acknowledges receipt of relevant application form.

If the applications are incomplete or incorrect, each agency will contact the applicant directly to clarify the situation and then issue the required document.

The time recorded includes registration with all the agencies mentioned above.

Since January 1st, 2012, an online registration system - S24 - has been introduced. At the moment, however, this is not used by the majority of limited liability companies. The S24 system allows entrepreneurs to register their company online with the National Court Register (KRS) and does not require the articles of association in a notarial form.

On December 1st, 2014, the Act of 26 June 2014 amending KRS Act and some other acts (Journal of Laws of 2014 Item 1161) entered into force. Separate application forms to obtain the statistical number and tax identification number, as well as the notification to the social insurance office, no longer need to be submitted and sent physically to the relevant agencies by the court division of KRS. Instead, the statistical number and tax identification number are generated and are disclosed in the KRS. Additional information required by the tax, statistical, and social insurance office must be submitted post registration to the tax office (form NIP-8). The reform also applies to the S24 online system.

Finally, Act of 28 November 2014, amending the Code of Commercial Companies and Partnerships and some other acts, which came into force on 15 January 2015, eliminated the requirement to attach a notarized specimen signatures of members of the management board or the proxy made in the presence of a court clerk.

Procedure 4*. Register for VAT at the competent tax office

Time: 1 day

Cost: PLN 170 (stamp duty)

Comments: As per provision 3, section 1 and 2.1, of the VAT Act of March 11th, 2004, registration is carried out by submitting the application form VAT-R to the relevant tax office (*naczelnik urzędu skarbowego*). Immediately after the application has been submitted and cleared, the company can carry out VAT-covered business activities. In the VAT-R form, the company must provide information on (a) its business name and legal form; (b) the REGON (statistical number); (c) start date for its business activities; and (d) the address of its registered office.

Stamp duty revenues are allocated to the municipality where the competent branch of the tax office (*urząd skarbowy*) is located.

If the company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. The company must submit that application before commencing foreign trade activity within the European Union. However, before registering as an EU VAT taxpayer, the company must be registered as a regular VAT taxpayer.

* This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

Gorzów Wielkopolski, Lubuskie

Standard company legal form: *Spółka z ograniczoną odpowiedzialnością*

Minimum capital requirement: PLN 5,000 (EUR 1,166)

Data as of: September 1st, 2014

Procedure 1. Prepare the articles of association in a notarial form

Time: 1 day

Cost: PLN 4,491 [PLN 1,010 + 0.4% of the amount of share capital over PLN 60,000 + PLN 6 cost per page (in our case the articles of association are 10 pages long) + PLN 20 PLN (certified specimen signatures of the members of the management board) + (the amount of share capital - ((Notary fees + 23% VAT) + Court fees of PLN 600))*0.5% civil law transactions tax]

Comments: The fee of the articles of association in a notarial form cannot exceed PLN 10,000 plus VAT and civil law transaction tax. Since January 1st, 2012 an alternative method for establishing a company has been introduced that does not require the articles of association in a notarial form. However, this requires online registration.

Procedure 2. Deposit paid-in capital at the bank

Time: 1 day

Cost: No cost

Comments: To open a bank account, a limited liability company must provide the bank with the articles of association and a REGON (statistical number) certificate. Since the REGON certificate is obtained by the companies after the registration with the court, most banks either require upfront registration and statistical and tax certificates or they can open the bank accounts based solely on the articles of association (in this case, the account has passive status only) and give the account an active status once the company provides the registration, statistical and tax certificates.

Procedure 3. File at the National Court Register for company registration, statistical identification number (REGON), taxpayer number (NIP), and registration for social insurance at ZUS

Time: 33 days

Cost: PLN 600 (PLN 500 for registration and PLN 100 for publication)

Comments: According to the Code of Commercial Companies and Partnerships of September 15th, 2000, (published in the Journal of Laws of 2000, No. 94, Item 1037 with amendments) and the National Court Register Act of August 20th, 1997 (published in the Journal of Laws of 1997, No. 121, Item 769 with amendments), the applicant must pay the relevant fees and submit the following documents to the National Court Register (KRS) division at the district court:

- National Court Register form, duly filled;
- Notarized company agreement (art. 167§1 section 1 of the Code of Commercial Companies and Partnerships);

- A statement by all members of the management board that all contributions to the share capital have been fully made by all shareholders (art. 167§1 section 2 of the Code of Commercial Companies and Partnerships) or if the appointment of the members of the company's authorities is not set forth in the notarized company agreement (the articles of association of the company drawn up in a notarial form), a document evidencing the appointment of such authorities, including a specification of their members (art. 167§1 section 3 of the Code of Commercial Companies and Partnerships);
- List of shareholders, signed by all members of the management board, specifying the full name or the business name of each shareholder, together with the number and nominal value of shares held by each shareholder (art. 167§2 of the Code of Commercial Companies and Partnerships);
- Before January 15, 2015: Specimen signatures of members of the management board or the proxy, made in the presence of the court or certified by a notary (art. 167§3 of the Code of Commercial Companies and Partnerships and art. 19a section 1 of the National Court Register Act);
- Before December 1st, 2014 : Application form to register with the statistical office to obtain REGON number (art. 19b section 1 point 1 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with the Social Insurance Office (art. 19b section 1 point 2 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with tax office (*naczelnik urzędu skarbowego*) to obtain NIP number (art. 19b section 1 point 3 of the National Court Register Act) ;
- Before December 1st, 2014: A document which certifies that the company has a right to use premises or real estate property where the registered office of the company is located (art. 19b section 2 of the National Court Register act).

The competent judge or *referendarz* at the district court reviews the application and, if compliant with all the relevant laws and regulations, registers the company thus giving it full limited liability status. Once the registration of the company with National Court Register has taken place, the relevant applications are sent by the district court to all the other agencies involved in the process. These agencies are:

- The competent tax office (*naczelnik urzędu skarbowego*);
- The competent statistical office;
- The competent unit of Social Insurance Office, (*Zakład Ubezpieczeń Społecznych*, or ZUS)

After receiving the relevant documents, the competent tax office processes the application and issues the tax identification number (*Numer Identyfikacji Podatkowej*, or NIP), the competent statistical office issues the statistical identification number (*Rejestr Gospodarki Narodowej*, or REGON) and the competent unit of Social Insurance Office acknowledges receipt of relevant application form.

If the applications are incomplete or incorrect, each agency will contact the applicant directly to clarify the situation and then issue the required document.

The time recorded includes registration with all the agencies mentioned above.

Since January 1st, 2012, an online registration system - S24 - has been introduced. At the moment, however, this is not used by the majority of limited liability companies. The S24 system allows entrepreneurs to register their company online with the National Court Register (KRS) and does not require the articles of association in a notarial form.

On December 1st, 2014, the Act of 26 June 2014 amending KRS Act and some other acts (Journal of Laws of 2014 Item 1161) entered into force. Separate application forms to obtain the statistical number and tax identification number, as well as the notification to the social insurance office, no longer need to be submitted and sent physically to the relevant agencies by the court division of KRS. Instead, the statistical number and tax identification number are generated and are disclosed in the KRS. Additional information required by the tax, statistical, and social insurance office must be submitted post registration to the tax office (form NIP-8). The reform also applies to the S24 online system.

Finally, Act of 28 November 2014, amending the Code of Commercial Companies and Partnerships and some other acts, which came into force on 15 January 2015, eliminated the requirement to attach a notarized specimen signatures of members of the management board or the proxy made in the presence of a court clerk.

Procedure 4*. Register for VAT at the competent tax office

Time: 1 day

Cost: PLN 170 (stamp duty)

Comments: As per provision 3, section 1 and 2.1, of the VAT Act of March 11th, 2004, registration is carried out by submitting the application form VAT-R to the relevant tax office (*naczelnik urzędu skarbowego*). Immediately after the application has been submitted and cleared, the company can carry out VAT-covered business activities. In the VAT-R form, the company must provide information on (a) its business name and legal form; (b) the REGON (statistical number); (c) start date for its business activities; and (d) the address of its registered office.

Stamp duty revenues are allocated to the municipality where the competent branch of the tax office (*urząd skarbowy*) is located.

If the company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. The company must submit that application before commencing foreign trade activity within the European Union. However, before registering as an EU VAT taxpayer, the company must be registered as a regular VAT taxpayer.

* This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

Katowice, Śląskie

Standard company legal form: *Spółka z ograniczoną odpowiedzialnością*

Minimum capital requirement: PLN 5,000 (EUR 1,166)

Data as of: September 1st, 2014

Procedure 1. Prepare the articles of association in a notarial form

Time: 1 day

Cost: PLN 4,491 [PLN 1,010 + 0.4% of the amount of share capital over PLN 60,000 + PLN 6 cost per page (in our case the articles of association are 10 pages long) + PLN 20 PLN (certified specimen signatures of the members of the management board) + (the amount of share capital - ((Notary fees + 23% VAT) + Court fees of PLN 600))*0.5% civil law transactions tax]

Comments: The fee of the articles of association in a notarial form cannot exceed PLN 10,000 plus VAT and civil law transaction tax. Since January 1st, 2012 an alternative method for establishing a company has been introduced that does not require the articles of association in a notarial form. However, this requires online registration.

Procedure 2. Deposit paid-in capital at the bank

Time: 1 day

Cost: No cost

Comments: To open a bank account, a limited liability company must provide the bank with the articles of association and a REGON (statistical number) certificate. Since the REGON certificate is obtained by the companies after the registration with the court, most banks either require upfront registration and statistical and tax certificates or they can open the bank accounts based solely on the articles of association (in this case, the account has passive status only) and give the account an active status once the company provides the registration, statistical and tax certificates.

Procedure 3. File at the National Court Register for company registration, statistical identification number (REGON), taxpayer number (NIP), and registration for social insurance at ZUS

Time: 28 days

Cost: PLN 600 (PLN 500 for registration and PLN 100 for publication)

Comments: According to the Code of Commercial Companies and Partnerships of September 15th, 2000, (published in the Journal of Laws of 2000, No. 94, Item 1037 with amendments) and the National Court Register Act of August 20th, 1997 (published in the Journal of Laws of 1997, No. 121, Item 769 with amendments), the applicant must pay the relevant fees and submit the following documents to the National Court Register (KRS) division at the district court:

- National Court Register form, duly filled;
- Notarized company agreement (art. 167§1 section 1 of the Code of Commercial Companies and Partnerships);

- A statement by all members of the management board that all contributions to the share capital have been fully made by all shareholders (art. 167§1 section 2 of the Code of Commercial Companies and Partnerships) or if the appointment of the members of the company's authorities is not set forth in the notarized company agreement (the articles of association of the company drawn up in a notarial form), a document evidencing the appointment of such authorities, including a specification of their members (art. 167§1 section 3 of the Code of Commercial Companies and Partnerships);
- List of shareholders, signed by all members of the management board, specifying the full name or the business name of each shareholder, together with the number and nominal value of shares held by each shareholder (art. 167§2 of the Code of Commercial Companies and Partnerships);
- Before January 15, 2015: Specimen signatures of members of the management board or the proxy, made in the presence of the court or certified by a notary (art. 167§3 of the Code of Commercial Companies and Partnerships and art. 19a section 1 of the National Court Register Act);
- Before December 1st, 2014 : Application form to register with the statistical office to obtain REGON number (art. 19b section 1 point 1 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with the Social Insurance Office (art. 19b section 1 point 2 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with tax office (*naczelnik urzędu skarbowego*) to obtain NIP number (art. 19b section 1 point 3 of the National Court Register Act);
- Before December 1st, 2014: A document which certifies that the company has a right to use premises or real estate property where the registered office of the company is located (art. 19b section 2 of the National Court Register act).

The competent judge or *referendarz* at the district court reviews the application and, if compliant with all the relevant laws and regulations, registers the company thus giving it full limited liability status. Once the registration of the company with National Court Register has taken place, the relevant applications are sent by the district court to all the other agencies involved in the process. These agencies are:

- The competent tax office (*naczelnik urzędu skarbowego*);
- The competent statistical office;
- The competent unit of Social Insurance Office, (*Zakład Ubezpieczeń Społecznych*, or ZUS)

After receiving the relevant documents, the competent tax office processes the application and issues the tax identification number (*Numer Identyfikacji Podatkowej*, or NIP), the competent statistical office issues the statistical identification number (*Rejestr Gospodarki Narodowej*, or REGON) and the competent unit of Social Insurance Office acknowledges receipt of relevant application form.

If the applications are incomplete or incorrect, each agency will contact the applicant directly to clarify the situation and then issue the required document.

The time recorded includes registration with all the agencies mentioned above.

Since January 1st, 2012, an online registration system - S24 - has been introduced. At the moment, however, this is not used by the majority of limited liability companies. The S24 system allows entrepreneurs to register their company online with the National Court Register (KRS) and does not require the articles of association in a notarial form.

On December 1st, 2014, the Act of 26 June 2014 amending KRS Act and some other acts (Journal of Laws of 2014 Item 1161) entered into force. Separate application forms to obtain the statistical number and tax identification number, as well as the notification to the social insurance office, no longer need to be submitted and sent physically to the relevant agencies by the court division of KRS. Instead, the statistical number and tax identification number are generated and are disclosed in the KRS. Additional information required by the tax, statistical, and social insurance office must be submitted post registration to the tax office (form NIP-8). The reform also applies to the S24 online system.

Finally, Act of 28 November 2014, amending the Code of Commercial Companies and Partnerships and some other acts, which came into force on 15 January 2015, eliminated the requirement to attach a notarized specimen signatures of members of the management board or the proxy made in the presence of a court clerk.

Procedure 4*. Register for VAT at the competent tax office

Time: 1 day

Cost: PLN 170 (stamp duty)

Comments: As per provision 3, section 1 and 2.1, of the VAT Act of March 11th, 2004, registration is carried out by submitting the application form VAT-R to the relevant tax office (*naczelnik urzędu skarbowego*). Immediately after the application has been submitted and cleared, the company can carry out VAT-covered business activities. In the VAT-R form, the company must provide information on (a) its business name and legal form; (b) the REGON (statistical number); (c) start date for its business activities; and (d) the address of its registered office.

Stamp duty revenues are allocated to the municipality where the competent branch of the tax office (*urząd skarbowy*) is located.

If the company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. The company must submit that application before commencing foreign trade activity within the European Union. However, before registering as an EU VAT taxpayer, the company must be registered as a regular VAT taxpayer.

* This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

Kielce, Świętokrzyskie

Standard company legal form: *Spółka z ograniczoną odpowiedzialnością*

Minimum capital requirement: PLN 5,000 (EUR 1,166)

Data as of: September 1st, 2014

Procedure 1. Prepare the articles of association in a notarial form

Time: 1 day

Cost: PLN 4,491 [PLN 1,010 + 0.4% of the amount of share capital over PLN 60,000 + PLN 6 cost per page (in our case the articles of association are 10 pages long) + PLN 20 PLN (certified specimen signatures of the members of the management board) + (the amount of share capital - ((Notary fees + 23% VAT) + Court fees of PLN 600))*0.5% civil law transactions tax]

Comments: The fee of the articles of association in a notarial form cannot exceed PLN 10,000 plus VAT and civil law transaction tax. Since January 1st, 2012 an alternative method for establishing a company has been introduced that does not require the articles of association in a notarial form. However, this requires online registration.

Procedure 2. Deposit paid-in capital at the bank

Time: 1 day

Cost: No cost

Comments: To open a bank account, a limited liability company must provide the bank with the articles of association and a REGON (statistical number) certificate. Since the REGON certificate is obtained by the companies after the registration with the court, most banks either require upfront registration and statistical and tax certificates or they can open the bank accounts based solely on the articles of association (in this case, the account has passive status only) and give the account an active status once the company provides the registration, statistical and tax certificates.

Procedure 3. File at the National Court Register for company registration, statistical identification number (REGON), taxpayer number (NIP), and registration for social insurance at ZUS

Time: 34 days

Cost: PLN 600 (PLN 500 for registration and PLN 100 for publication)

Comments: According to the Code of Commercial Companies and Partnerships of September 15th, 2000, (published in the Journal of Laws of 2000, No. 94, Item 1037 with amendments) and the National Court Register Act of August 20th, 1997 (published in the Journal of Laws of 1997, No. 121, Item 769 with amendments), the applicant must pay the relevant fees and submit the following documents to the National Court Register (KRS) division at the district court:

- National Court Register form, duly filled;
- Notarized company agreement (art. 167§1 section 1 of the Code of Commercial Companies and Partnerships);

- A statement by all members of the management board that all contributions to the share capital have been fully made by all shareholders (art. 167§1 section 2 of the Code of Commercial Companies and Partnerships) or if the appointment of the members of the company's authorities is not set forth in the notarized company agreement (the articles of association of the company drawn up in a notarial form), a document evidencing the appointment of such authorities, including a specification of their members (art. 167§1 section 3 of the Code of Commercial Companies and Partnerships);
- List of shareholders, signed by all members of the management board, specifying the full name or the business name of each shareholder, together with the number and nominal value of shares held by each shareholder (art. 167§2 of the Code of Commercial Companies and Partnerships);
- Before January 15, 2015: Specimen signatures of members of the management board or the proxy, made in the presence of the court or certified by a notary (art. 167§3 of the Code of Commercial Companies and Partnerships and art. 19a section 1 of the National Court Register Act);
- Before December 1st, 2014 : Application form to register with the statistical office to obtain REGON number (art. 19b section 1 point 1 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with the Social Insurance Office (art. 19b section 1 point 2 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with tax office (*naczelnik urzędu skarbowego*) to obtain NIP number (art. 19b section 1 point 3 of the National Court Register Act);
- Before December 1st, 2014: A document which certifies that the company has a right to use premises or real estate property where the registered office of the company is located (art. 19b section 2 of the National Court Register act).

The competent judge or *referendarz* at the district court reviews the application and, if compliant with all the relevant laws and regulations, registers the company thus giving it full limited liability status. Once the registration of the company with National Court Register has taken place, the relevant applications are sent by the district court to all the other agencies involved in the process. These agencies are:

- The competent tax office (*naczelnik urzędu skarbowego*);
- The competent statistical office;
- The competent unit of Social Insurance Office, (*Zakład Ubezpieczeń Społecznych*, or ZUS)

After receiving the relevant documents, the competent tax office processes the application and issues the tax identification number (*Numer Identyfikacji Podatkowej*, or NIP), the competent statistical office issues the statistical identification number (*Rejestr Gospodarki Narodowej*, or REGON) and the competent unit of Social Insurance Office acknowledges receipt of relevant application form.

If the applications are incomplete or incorrect, each agency will contact the applicant directly to clarify the situation and then issue the required document.

The time recorded includes registration with all the agencies mentioned above.

Since January 1st, 2012, an online registration system - S24 - has been introduced. At the moment, however, this is not used by the majority of limited liability companies. The S24 system allows entrepreneurs to register their company online with the National Court Register (KRS) and does not require the articles of association in a notarial form.

On December 1st, 2014, the Act of 26 June 2014 amending KRS Act and some other acts (Journal of Laws of 2014 Item 1161) entered into force. Separate application forms to obtain the statistical number and tax identification number, as well as the notification to the social insurance office, no longer need to be submitted and sent physically to the relevant agencies by the court division of KRS. Instead, the statistical number and tax identification number are generated and are disclosed in the KRS. Additional information required by the tax, statistical, and social insurance office must be submitted post registration to the tax office (form NIP-8). The reform also applies to the S24 online system.

Finally, Act of 28 November 2014, amending the Code of Commercial Companies and Partnerships and some other acts, which came into force on 15 January 2015, eliminated the requirement to attach a notarized specimen signatures of members of the management board or the proxy made in the presence of a court clerk.

Procedure 4*. Register for VAT at the competent tax office

Time: 1 day

Cost: PLN 170 (stamp duty)

Comments: As per provision 3, section 1 and 2.1, of the VAT Act of March 11th, 2004, registration is carried out by submitting the application form VAT-R to the relevant tax office (*naczelnik urzędu skarbowego*). Immediately after the application has been submitted and cleared, the company can carry out VAT-covered business activities. In the VAT-R form, the company must provide information on (a) its business name and legal form; (b) the REGON (statistical number); (c) start date for its business activities; and (d) the address of its registered office.

Stamp duty revenues are allocated to the municipality where the competent branch of the tax office (*urząd skarbowy*) is located.

If the company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. The company must submit that application before commencing foreign trade activity within the European Union. However, before registering as an EU VAT taxpayer, the company must be registered as a regular VAT taxpayer.

* This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

Kraków, Małopolskie

Standard company legal form: *Spółka z ograniczoną odpowiedzialnością*

Minimum capital requirement: PLN 5,000 (EUR 1,166)

Data as of: September 1st, 2014

Procedure 1. Prepare the articles of association in a notarial form

Time: 1 day

Cost: PLN 4,491 [PLN 1,010 + 0.4% of the amount of share capital over PLN 60,000 + PLN 6 cost per page (in our case the articles of association are 10 pages long) + PLN 20 PLN (certified specimen signatures of the members of the management board) + (the amount of share capital - ((Notary fees + 23% VAT) + Court fees of PLN 600))*0.5% civil law transactions tax]

Comments: The fee of the articles of association in a notarial form cannot exceed PLN 10,000 plus VAT and civil law transaction tax. Since January 1st, 2012 an alternative method for establishing a company has been introduced that does not require the articles of association in a notarial form. However, this requires online registration.

Procedure 2. Deposit paid-in capital at the bank

Time: 1 day

Cost: No cost

Comments: To open a bank account, a limited liability company must provide the bank with the articles of association and a REGON (statistical number) certificate. Since the REGON certificate is obtained by the companies after the registration with the court, most banks either require upfront registration and statistical and tax certificates or they can open the bank accounts based solely on the articles of association (in this case, the account has passive status only) and give the account an active status once the company provides the registration, statistical and tax certificates.

Procedure 3. File at the National Court Register for company registration, statistical identification number (REGON), taxpayer number (NIP), and registration for social insurance at ZUS

Time: 27 days

Cost: PLN 600 (PLN 500 for registration and PLN 100 for publication)

Comments: According to the Code of Commercial Companies and Partnerships of September 15th, 2000, (published in the Journal of Laws of 2000, No. 94, Item 1037 with amendments) and the National Court Register Act of August 20th, 1997 (published in the Journal of Laws of 1997, No. 121, Item 769 with amendments), the applicant must pay the relevant fees and submit the following documents to the National Court Register (KRS) division at the district court:

- National Court Register form, duly filled;
- Notarized company agreement (art. 167§1 section 1 of the Code of Commercial Companies and Partnerships);

- A statement by all members of the management board that all contributions to the share capital have been fully made by all shareholders (art. 167§1 section 2 of the Code of Commercial Companies and Partnerships) or if the appointment of the members of the company's authorities is not set forth in the notarized company agreement (the articles of association of the company drawn up in a notarial form), a document evidencing the appointment of such authorities, including a specification of their members (art. 167§1 section 3 of the Code of Commercial Companies and Partnerships);
- List of shareholders, signed by all members of the management board, specifying the full name or the business name of each shareholder, together with the number and nominal value of shares held by each shareholder (art. 167§2 of the Code of Commercial Companies and Partnerships);
- Before January 15, 2015: Specimen signatures of members of the management board or the proxy, made in the presence of a court or certified by a notary (art. 167§3 of the Code of Commercial Companies and Partnerships and art. 19a section 1 of the National Court Register Act);
- Before December 1st, 2014 : Application form to register with the statistical office to obtain REGON number (art. 19b section 1 point 1 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with the Social Insurance Office (art. 19b section 1 point 2 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with tax office (*naczelnik urzędu skarbowego*) to obtain NIP number (art. 19b section 1 point 3 of the National Court Register Act);
- Before December 1st, 2014: A document which certifies that the company has a right to use premises or real estate property where the registered office of the company is located (art. 19b section 2 of the National Court Register act).

The competent judge or *referendarz* at the district court reviews the application and, if compliant with all the relevant laws and regulations, registers the company thus giving it full limited liability status. Once the registration of the company with National Court Register has taken place, the relevant applications are sent by the district court to all the other agencies involved in the process. These agencies are:

- The competent tax office (*naczelnik urzędu skarbowego*);
- The competent statistical office;
- The competent unit of Social Insurance Office, (*Zakład Ubezpieczeń Społecznych*, or ZUS)

After receiving the relevant documents, the competent tax office processes the application and issues the tax identification number (*Numer Identyfikacji Podatkowej*, or NIP), the competent statistical office issues the statistical identification number (*Rejestr Gospodarki Narodowej*, or REGON) and the competent unit of Social Insurance Office acknowledges receipt of relevant application form.

If the applications are incomplete or incorrect, each agency will contact the applicant directly to clarify the situation and then issue the required document.

The time recorded includes registration with all the agencies mentioned above.

Since January 1st, 2012, an online registration system - S24 - has been introduced. At the moment, however, this is not used by the majority of limited liability companies. The S24 system allows entrepreneurs to register their company online with the National Court Register (KRS) and does not require the articles of association in a notarial form.

On December 1st, 2014, the Act of 26 June 2014 amending KRS Act and some other acts (Journal of Laws of 2014 Item 1161) entered into force. Separate application forms to obtain the statistical number and tax identification number, as well as the notification to the social insurance office, no longer need to be submitted and sent physically to the relevant agencies by the court division of KRS. Instead, the statistical number and tax identification number are generated and are disclosed in the KRS. Additional information required by the tax, statistical, and social insurance office must be submitted post registration to the tax office (form NIP-8). The reform also applies to the S24 online system.

Finally, Act of 28 November 2014, amending the Code of Commercial Companies and Partnerships and some other acts, which came into force on 15 January 2015, eliminated the requirement to attach a notarized specimen signatures of members of the management board or the proxy made in the presence of a court clerk.

Procedure 4*. Register for VAT at the competent tax office

Time: 1 day

Cost: PLN 170 (stamp duty)

Comments: As per provision 3, section 1 and 2.1, of the VAT Act of March 11th, 2004, registration is carried out by submitting the application form VAT-R to the relevant tax office (*naczelnik urzędu skarbowego*). Immediately after the application has been submitted and cleared, the company can carry out VAT-covered business activities. In the VAT-R form, the company must provide information on (a) its business name and legal form; (b) the REGON (statistical number); (c) start date for its business activities; and (d) the address of its registered office.

Stamp duty revenues are allocated to the municipality where the competent branch of the tax office (*urząd skarbowy*) is located.

If the company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. The company must submit that application before commencing foreign trade activity within the European Union. However, before registering as an EU VAT taxpayer, the company must be registered as a regular VAT taxpayer.

* This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

Łódź, Łódzkie

Standard company legal form: *Spółka z ograniczoną odpowiedzialnością*

Minimum capital requirement: PLN 5,000 (EUR 1,166)

Data as of: September 1st, 2014

Procedure 1. Prepare the articles of association in a notarial form

Time: 1 day

Cost: PLN 4,491 [PLN 1,010 + 0.4% of the amount of share capital over PLN 60,000 + PLN 6 cost per page (in our case the articles of association are 10 pages long) + PLN 20 PLN (certified specimen signatures of the members of the management board) + (the amount of share capital - ((Notary fees + 23% VAT) + Court fees of PLN 600))*0.5% civil law transactions tax]

Comments: The fee of the articles of association in a notarial form cannot exceed PLN 10,000 plus VAT and civil law transaction tax. Since January 1st, 2012 an alternative method for establishing a company has been introduced that does not require the articles of association in a notarial form. However, this requires online registration.

Procedure 2. Deposit paid-in capital at the bank

Time: 1 day

Cost: No cost

Comments: To open a bank account, a limited liability company must provide the bank with the articles of association and a REGON (statistical number) certificate. Since the REGON certificate is obtained by the companies after the registration with the court, most banks either require upfront registration and statistical and tax certificates or they can open the bank accounts based solely on the articles of association (in this case, the account has passive status only) and give the account an active status once the company provides the registration, statistical and tax certificates.

Procedure 3. File at the National Court Register for company registration, REGON, NIP, and ZUS

Time: 28 days

Cost: PLN 600 (PLN 500 for registration and PLN 100 for publication)

Comments: According to the Code of Commercial Companies and Partnerships of September 15th, 2000, (published in the Journal of Laws of 2000, No. 94, Item 1037 with amendments) and the National Court Register Act of August 20th, 1997 (published in the Journal of Laws of 1997, No. 121, Item 769 with amendments), the applicant must pay the relevant fees and submit the following documents to the National Court Register (KRS) division at the district court:

- National Court Register form, duly filled;
- Notarized company agreement (art. 167§1 section 1 of the Code of Commercial Companies and Partnerships);
- A statement by all members of the management board that all contributions to the share capital have been fully made by all shareholders (art. 167§1 section 2 of the Code of Commercial Companies and Partnerships) or if the

appointment of the members of the company's authorities is not set forth in the notarized company agreement (the articles of association of the company drawn up in a notarial form), a document evidencing the appointment of such authorities, including a specification of their members (art. 167§1 section 3 of the Code of Commercial Companies and Partnerships);

- List of shareholders, signed by all members of the management board, specifying the full name or the business name of each shareholder, together with the number and nominal value of shares held by each shareholder (art. 167§2 of the Code of Commercial Companies and Partnerships);
- Before January 15, 2015: Specimen signatures of members of the management board or the proxy, made in the presence of the court or certified by a notary (art. 167§3 of the Code of Commercial Companies and Partnerships and art. 19a section 1 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with the statistical office to obtain REGON number (art. 19b section 1 point 1 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with the Social Insurance Office (art. 19b section 1 point 2 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with tax office (*naczelnik urzędu skarbowego*) to obtain NIP number (art. 19b section 1 point 3 of the National Court Register Act);
- Before December 1st, 2014: A document which certifies that the company has a right to use premises or real estate property where the registered office of the company is located (art. 19b section 2 of the National Court Register act).

The competent judge or *referendarz* at the district court reviews the application and, if compliant with all the relevant laws and regulations, registers the company thus giving it full limited liability status. Once the registration of the company with National Court Register has taken place, the relevant applications are sent by the district court to all the other agencies involved in the process. These agencies are:

- The competent tax office (*naczelnik urzędu skarbowego*);
- The competent statistical office;
- The competent unit of Social Insurance Office, (*Zakład Ubezpieczeń Społecznych, or ZUS*)

After receiving the relevant documents, the competent tax office processes the application and issues the tax identification number (*Numer Identyfikacji Podatkowej, or NIP*), the competent statistical office issues the statistical identification number (*Rejestr Gospodarki Narodowej, or REGON*) and the competent unit of Social Insurance Office acknowledges receipt of relevant application form. If the applications are incomplete or incorrect, each agency will contact the applicant directly to clarify the situation and then issue the required document.

The time recorded includes registration with all the agencies mentioned above.

Since January 1st, 2012, an online registration system - S24 - has been introduced. At the moment, however, this is not used by the majority of limited liability companies. The S24 system allows entrepreneurs to register their company online with the National Court Register (KRS) and does not require the articles of association in a notarial form.

On December 1st, 2014, the Act of 26 June 2014 amending KRS Act and some other acts (Journal of Laws of 2014 Item 1161) entered into force. Separate application forms to obtain the statistical number and tax identification number, as well as the notification to the social insurance office, no longer need to be submitted and sent physically to the relevant agencies by the court division of KRS. Instead, the statistical number and tax identification number are generated and are disclosed in the KRS. Additional information required by the tax, statistical, and social insurance office must be submitted post registration to the tax office (form NIP-8). The reform also applies to the S24 online system.

Finally, Act of 28 November 2014, amending the Code of Commercial Companies and Partnerships and some other acts, which came into force on 15 January 2015, eliminated the requirement to attach a notarized specimen signatures of members of the management board or the proxy made in the presence of a court clerk.

Procedure 4*. Register for VAT at the competent tax office

Time: 1 day

Cost: PLN 170 (stamp duty)

Comments: As per provision 3, section 1 and 2.1, of the VAT Act of March 11th, 2004, registration is carried out by submitting the application form VAT-R to the relevant tax office (*naczelnik urzędu skarbowego*). Immediately after the application has been submitted and cleared, the company can carry out VAT-covered business activities. In the VAT-R form, the company must provide information on (a) its business name and legal form; (b) the REGON (statistical number); (c) start date for its business activities; and (d) the address of its registered office.

Stamp duty revenues are allocated to the municipality where the competent branch of the tax office (*urząd skarbowy*) is located.

If the company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. The company must submit that application before commencing foreign trade activity within the European Union. However, before registering as an EU VAT taxpayer, the company must be registered as a regular VAT taxpayer.

STARTING A BUSINESS

Lublin, Lubelskie

Standard company legal form: *Spółka z ograniczoną odpowiedzialnością*

Minimum capital requirement: PLN 5,000 (EUR 1,166)

Data as of: September 1st, 2014

Procedure 1. Prepare the articles of association in a notarial form

Time: 1 day

* This procedure can be completed simultaneously with previous procedures.

Cost: PLN 4,491 [PLN 1,010 + 0.4% of the amount of share capital over PLN 60,000 + PLN 6 cost per page (in our case the articles of association are 10 pages long) + PLN 20 PLN (certified specimen signatures of the members of the management board) + (the amount of share capital - ((Notary fees + 23% VAT) + Court fees of PLN 600))*0.5% civil law transactions tax]

Comments: The fee of the articles of association in a notarial form cannot exceed PLN 10,000 plus VAT and civil law transaction tax. Since January 1st, 2012 an alternative method for establishing a company has been introduced that does not require the articles of association in a notarial form. However, this requires online registration.

Procedure 2. Deposit paid-in capital at the bank

Time: 1 day

Cost: No cost

Comments: To open a bank account, a limited liability company must provide the bank with the articles of association and a REGON (statistical number) certificate. Since the REGON certificate is obtained by the companies after the registration with the court, most banks either require upfront registration and statistical and tax certificates or they can open the bank accounts based solely on the articles of association (in this case, the account has passive status only) and give the account an active status once the company provides the registration, statistical and tax certificates.

Procedure 3. File at the National Court Register for company registration, statistical identification number (REGON), taxpayer number (NIP), and registration for social insurance at ZUS

Time: 27 days

Cost: PLN 600 (PLN 500 for registration and PLN 100 for publication)

Comments: According to the Code of Commercial Companies and Partnerships of September 15th, 2000, (published in the Journal of Laws of 2000, No. 94, Item 1037 with amendments) and the National Court Register Act of August 20th, 1997 (published in the Journal of Laws of 1997, No. 121, Item 769 with amendments), the applicant must pay the relevant fees and submit the following documents to the National Court Register (KRS) division at the district court:

- National Court Register form, duly filled;
- Notarized company agreement (art. 167§1 section 1 of the Code of Commercial Companies and Partnerships);
- A statement by all members of the management board that all contributions to the share capital have been fully made by all shareholders (art. 167§1 section 2 of the Code of Commercial Companies and Partnerships) or if the appointment of the members of the company's authorities is not set forth in the notarized company agreement (the articles of association of the company drawn up in a notarial form), a document evidencing the appointment of such authorities, including a specification of their members (art. 167§1 section 3 of the Code of Commercial Companies and Partnerships);

- List of shareholders, signed by all members of the management board, specifying the full name or the business name of each shareholder, together with the number and nominal value of shares held by each shareholder (art. 167§2 of the Code of Commercial Companies and Partnerships);
- Before January 15, 2015: Specimen signatures of members of the management board or the proxy, made in the presence of the court or certified by a notary (art. 167§3 of the Code of Commercial Companies and Partnerships and art. 19a section 1 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with the statistical office to obtain REGON number (art. 19b section 1 point 1 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with the Social Insurance Office (art. 19b section 1 point 2 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with tax office (*naczelnik urzędu skarbowego*) to obtain NIP number (art. 19b section 1 point 3 of the National Court Register Act);
- Before December 1st, 2014: A document which certifies that the company has a right to use premises or real estate property where the registered office of the company is located (art. 19b section 2 of the National Court Register act).

The competent judge or *referendarz* at the district court reviews the application and, if compliant with all the relevant laws and regulations, registers the company thus giving it full limited liability status. Once the registration of the company with National Court Register has taken place, the relevant applications are sent by the district court to all the other agencies involved in the process. These agencies are:

- The competent tax office (*naczelnik urzędu skarbowego*);
- The competent statistical office;
- The competent unit of Social Insurance Office, (*Zakład Ubezpieczeń Społecznych*, or ZUS)

After receiving the relevant documents, the competent tax office processes the application and issues the tax identification number (*Numer Identyfikacji Podatkowej*, or NIP), the competent statistical office issues the statistical identification number (*Rejestr Gospodarki Narodowej*, or REGON) and the competent unit of Social Insurance Office acknowledges receipt of relevant application form.

If the applications are incomplete or incorrect, each agency will contact the applicant directly to clarify the situation and then issue the required document.

The time recorded includes registration with all the agencies mentioned above.

Since January 1st, 2012, an online registration system - S24 - has been introduced. At the moment, however, this is not used by the majority of limited liability companies. The S24 system allows entrepreneurs to register their company online with the National Court Register (KRS) and does not require the articles of association in a notarial form.

On December 1st, 2014, the Act of 26 June 2014 amending KRS Act and some other acts (Journal of Laws of 2014 Item 1161) entered into force.

Separate application forms to obtain the statistical number and tax identification number, as well as the notification to the social insurance office, no longer need to be submitted and sent physically to the relevant agencies by the court division of KRS. Instead, the statistical number and tax identification number are generated and are disclosed in the KRS. Additional information required by the tax, statistical, and social insurance office must be submitted post registration to the tax office (form NIP-8). The reform also applies to the S24 online system.

Finally, Act of 28 November 2014, amending the Code of Commercial Companies and Partnerships and some other acts, which came into force on 15 January 2015, eliminated the requirement to attach a notarized specimen signatures of members of the management board or the proxy made in the presence of a court clerk.

Procedure 4*. Register for VAT at the competent tax office

Time: 1 day

Cost: PLN 170 (stamp duty)

Comments: As per provision 3, section 1 and 2.1, of the VAT Act of March 11th, 2004, registration is carried out by submitting the application form VAT-R to the relevant tax office (*naczelnik urzędu skarbowego*). Immediately after the application has been submitted and cleared, the company can carry out VAT-covered business activities. In the VAT-R form, the company must provide information on (a) its business name and legal form; (b) the REGON (statistical number); (c) start date for its business activities; and (d) the address of its registered office.

Stamp duty revenues are allocated to the municipality where the competent branch of the tax office (*urząd skarbowy*) is located.

If the company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. The company must submit that application before commencing foreign trade activity within the European Union. However, before registering as an EU VAT taxpayer, the company must be registered as a regular VAT taxpayer.

STARTING A BUSINESS

Olsztyn, Warmińsko-Mazurskie

Standard company legal form: Spółka z ograniczoną odpowiedzialnością

Minimum capital requirement: PLN 5,000 (EUR 1,166)

Data as of: September 1st, 2014

Procedure 1. Prepare the articles of association in a notarial form

Time: 1 day

Cost: PLN 4,491 [PLN 1,010 + 0.4% of the amount of share capital over PLN 60,000 + PLN 6 cost per page (in our case the articles of association are 10 pages long) + PLN 20 PLN (certified specimen signatures of the members of the management board) + (the amount of share capital - ((Notary fees + 23% VAT) + Court fees of PLN 600))*0.5% civil law transactions tax]

* This procedure can be completed simultaneously with previous procedures.

Comments: The fee of the articles of association in a notarial form cannot exceed PLN 10,000 plus VAT and civil law transaction tax. Since January 1st, 2012 an alternative method for establishing a company has been introduced that does not require the articles of association in a notarial form. However, this requires online registration.

Procedure 2. Deposit paid-in capital at the bank

Time: 1 day

Cost: No cost

Comments: To open a bank account, a limited liability company must provide the bank with the articles of association and a REGON (statistical number) certificate. Since the REGON certificate is obtained by the companies after the registration with the court, most banks either require upfront registration and statistical and tax certificates or they can open the bank accounts based solely on the articles of association (in this case, the account has passive status only) and give the account an active status once the company provides the registration, statistical and tax certificates.

Procedure 3. File at the National Court Register for company registration, statistical identification number (REGON), taxpayer number (NIP), and registration for social insurance at ZUS

Time: 20 days

Cost: PLN 600 (PLN 500 for registration and PLN 100 for publication)

Comments: According to the Code of Commercial Companies and Partnerships of September 15th, 2000, (published in the Journal of Laws of 2000, No. 94, Item 1037 with amendments) and the National Court Register Act of August 20th, 1997 (published in the Journal of Laws of 1997, No. 121, Item 769 with amendments), the applicant must pay the relevant fees and submit the following documents to the National Court Register (KRS) division at the district court:

- National Court Register form, duly filled;
- Notarized company agreement (art. 167§1 section 1 of the Code of Commercial Companies and Partnerships);
- A statement by all members of the management board that all contributions to the share capital have been fully made by all shareholders (art. 167§1 section 2 of the Code of Commercial Companies and Partnerships) or if the appointment of the members of the company's authorities is not set forth in the notarized company agreement (the articles of association of the company drawn up in a notarial form), a document evidencing the appointment of such authorities, including a specification of their members (art. 167§1 section 3 of the Code of Commercial Companies and Partnerships);
- List of shareholders, signed by all members of the management board, specifying the full name or the business name of each shareholder, together with the number and nominal value of shares held by each shareholder (art. 167§2 of the Code of Commercial Companies and Partnerships);

- Before January 15, 2015: Specimen signatures of members of the management board or the proxy, made in the presence of the court or certified by a notary (art. 167§3 of the Code of Commercial Companies and Partnerships and art. 19a section 1 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with the statistical office to obtain REGON number (art. 19b section 1 point 1 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with the Social Insurance Office (art. 19b section 1 point 2 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with tax office (*naczelnik urzędu skarbowego*) to obtain NIP number (art. 19b section 1 point 3 of the National Court Register Act);
- Before December 1st, 2014: A document which certifies that the company has a right to use premises or real estate property where the registered office of the company is located (art. 19b section 2 of the National Court Register Act).

The competent judge or *referendarz* at the district court reviews the application and, if compliant with all the relevant laws and regulations, registers the company thus giving it full limited liability status. Once the registration of the company with National Court Register has taken place, the relevant applications are sent by the district court to all the other agencies involved in the process. These agencies are:

- The competent tax office (*naczelnik urzędu skarbowego*);
- The competent statistical office;
- The competent unit of Social Insurance Office, (*Zakład Ubezpieczeń Społecznych*, or ZUS)

After receiving the relevant documents, the competent tax office processes the application and issues the tax identification number (*Numer Identyfikacji Podatkowej*, or NIP), the competent statistical office issues the statistical identification number (*Rejestr Gospodarki Narodowej*, or REGON) and the competent unit of Social Insurance Office acknowledges receipt of relevant application form.

If the applications are incomplete or incorrect, each agency will contact the applicant directly to clarify the situation and then issue the required document.

The time recorded includes registration with all the agencies mentioned above.

Since January 1st, 2012, an online registration system – S24 – has been introduced. At the moment, however, this is not used by the majority of limited liability companies. The S24 system allows entrepreneurs to register their company online with the National Court Register (KRS) and does not require the articles of association in a notarial form.

On December 1st, 2014, the Act of 26 June 2014 amending KRS Act and some other acts (Journal of Laws of 2014 Item 1161) entered into force. Separate application forms to obtain the statistical number and tax identification number, as well as the notification to the social insurance office, no longer need to be submitted and sent physically to the relevant agencies by the court division of KRS. Instead, the statistical number and tax identification number are generated and are disclosed in the KRS. Additional information required by the

tax, statistical, and social insurance office must be submitted post registration to the tax office (form NIP-8). The reform also applies to the S24 online system.

Finally, Act of 28 November 2014, amending the Code of Commercial Companies and Partnerships and some other acts, which came into force on 15 January 2015, eliminated the requirement to attach a notarized specimen signatures of members of the management board or the proxy made in the presence of a court clerk.

Procedure 4*. Register for VAT at the competent tax office

Time: 1 day

Cost: PLN 170 (stamp duty)

Comments: As per provision 3, section 1 and 2.1, of the VAT Act of March 11th, 2004, registration is carried out by submitting the application form VAT-R to the relevant tax office (*naczelnik urzędu skarbowego*). Immediately after the application has been submitted and cleared, the company can carry out VAT-covered business activities. In the VAT-R form, the company must provide information on (a) its business name and legal form; (b) the REGON (statistical number); (c) start date for its business activities; and (d) the address of its registered office.

Stamp duty revenues are allocated to the municipality where the competent branch of the tax office (*urząd skarbowy*) is located.

If the company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. The company must submit that application before commencing foreign trade activity within the European Union. However, before registering as an EU VAT taxpayer, the company must be registered as a regular VAT taxpayer.

STARTING A BUSINESS

Opole, Opolskie

Standard company legal form: Spółka z ograniczoną odpowiedzialnością

Minimum capital requirement: PLN 5,000 (EUR 1,166)

Data as of: September 1st, 2014

Procedure 1. Prepare the articles of association in a notarial form

Time: 1 day

Cost: PLN 4,491 [PLN 1,010 + 0.4% of the amount of share capital over PLN 60,000 + PLN 6 cost per page (in our case the articles of association are 10 pages long) + PLN 20 PLN (certified specimen signatures of the members of the management board) + (the amount of share capital - ((Notary fees + 23% VAT) + Court fees of PLN 600)) * 0.5% civil law transactions tax]

Comments: The fee of the articles of association in a notarial form cannot exceed PLN 10,000 plus VAT and civil law transaction tax. Since January 1st, 2012 an alternative method for establishing a company has been introduced that does not require the articles of association in a notarial form. However, this requires online registration.

* This procedure can be completed simultaneously with previous procedures.

Procedure 2. Deposit paid-in capital at the bank**Time:** 1 day**Cost:** No cost

Comments: To open a bank account, a limited liability company must provide the bank with the articles of association and a REGON (statistical number) certificate. Since the REGON certificate is obtained by the companies after the registration with the court, most banks either require upfront registration and statistical and tax certificates or they can open the bank accounts based solely on the articles of association (in this case, the account has passive status only) and give the account an active status once the company provides the registration, statistical and tax certificates.

Procedure 3. File at the National Court Register for company registration, REGON, NIP, and ZUS**Time:** 24 days**Cost:** PLN 600 (PLN 500 for registration and PLN 100 for publication)

Comments: According to the Code of Commercial Companies and Partnerships of September 15th, 2000, (published in the Journal of Laws of 2000, No. 94, Item 1037 with amendments) and the National Court Register Act of August 20th, 1997 (published in the Journal of Laws of 1997, No. 121, Item 769 with amendments), the applicant must pay the relevant fees and submit the following documents to the National Court Register (KRS) division at the district court:

- National Court Register form, duly filled;
- Notarized company agreement (art. 167§1 section 1 of the Code of Commercial Companies and Partnerships);
- A statement by all members of the management board that all contributions to the share capital have been fully made by all shareholders (art. 167§1 section 2 of the Code of Commercial Companies and Partnerships) or if the appointment of the members of the company's authorities is not set forth in the notarized company agreement (the articles of association of the company drawn up in a notarial form), a document evidencing the appointment of such authorities, including a specification of their members (art. 167§1 section 3 of the Code of Commercial Companies and Partnerships);
- List of shareholders, signed by all members of the management board, specifying the full name or the business name of each shareholder, together with the number and nominal value of shares held by each shareholder (art. 167§2 of the Code of Commercial Companies and Partnerships);
- Before January 15, 2015: Specimen signatures of members of the management board or the proxy, made in the presence of the court or certified by a notary (art. 167§3 of the Code of Commercial Companies and Partnerships and art. 19a section 1 of the National Court Register Act);
- Before December 1st, 2014 : Application form to register with the statistical office to obtain REGON number (art. 19b section 1 point 1 of the National Court Register Act);

- Before December 1st, 2014: Application form to register with the Social Insurance Office (art. 19b section 1 point 2 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with tax office (*naczelnik urzędu skarbowego*) to obtain NIP number (art. 19b section 1 point 3 of the National Court Register Act);
- Before December 1st, 2014: A document which certifies that the company has a right to use premises or real estate property where the registered office of the company is located (art. 19b section 2 of the National Court Register Act).

The competent judge or *referendarz* at the district court reviews the application and, if compliant with all the relevant laws and regulations, registers the company thus giving it full limited liability status. Once the registration of the company with National Court Register has taken place, the relevant applications are sent by the district court to all the other agencies involved in the process. These agencies are:

- The competent tax office (*naczelnik urzędu skarbowego*);
- The competent statistical office;
- The competent unit of Social Insurance Office, (*Zakład Ubezpieczeń Społecznych*, or ZUS)

After receiving the relevant documents, the competent tax office processes the application and issues the tax identification number (*Numer Identyfikacji Podatkowej*, or NIP), the competent statistical office issues the statistical identification number (*Rejestr Gospodarki Narodowej*, or REGON) and the competent unit of Social Insurance Office acknowledges receipt of relevant application form. If the applications are incomplete or incorrect, each agency will contact the applicant directly to clarify the situation and then issue the required document.

The time recorded includes registration with all the agencies mentioned above.

Since January 1st, 2012, an online registration system - S24 - has been introduced. At the moment, however, this is not used by the majority of limited liability companies. The S24 system allows entrepreneurs to register their company online with the National Court Register (KRS) and does not require the articles of association in a notarial form.

On December 1st, 2014, the Act of 26 June 2014 amending KRS Act and some other acts (Journal of Laws of 2014 Item 1161) entered into force. Separate application forms to obtain the statistical number and tax identification number, as well as the notification to the social insurance office, no longer need to be submitted and sent physically to the relevant agencies by the court division of KRS. Instead, the statistical number and tax identification number are generated and are disclosed in the KRS. Additional information required by the tax, statistical, and social insurance office must be submitted post registration to the tax office (form NIP-8). The reform also applies to the S24 online system.

Finally, Act of 28 November 2014, amending the Code of Commercial Companies and Partnerships and some other acts, which came into force on 15 January 2015, eliminated the requirement to attach a notarized specimen signatures of members of the management board or the proxy made in the presence of a court clerk.

Procedure 4*. Register for VAT at the competent tax office**Time:** 1 day**Cost:** PLN 170 (stamp duty)

Comments: As per provision 3, section 1 and 2.1, of the VAT Act of March 11th, 2004, registration is carried out by submitting the application form VAT-R to the relevant tax office (*naczelnik urzędu skarbowego*). Immediately after the application has been submitted and cleared, the company can carry out VAT-covered business activities. In the VAT-R form, the company must provide information on (a) its business name and legal form; (b) the REGON (statistical number); (c) start date for its business activities; and (d) the address of its registered office.

Stamp duty revenues are allocated to the municipality where the competent branch of the tax office (*urząd skarbowy*) is located.

If the company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. The company must submit that application before commencing foreign trade activity within the European Union. However, before registering as an EU VAT taxpayer, the company must be registered as a regular VAT taxpayer.

STARTING A BUSINESS

Poznań, Wielkopolskie

Standard company legal form: *Spółka z ograniczoną odpowiedzialnością*

Minimum capital requirement: PLN 5,000 (EUR 1,166)

Data as of: September 1st, 2014

Procedure 1. Deposit paid-in capital at the bank**Time:** 1 day**Cost:** No cost**Procedure 2. Register the company with National Court Register using the S24 online system****Time:** 2 days**Cost:** PLN 614.5 (PLN 500 for registration + PLN 100 for publication + PLN 14.5 handling fee for paying with eCard)

Comments: The S24 system allows entrepreneurs to register their company online with the National Court Register (KRS) and does not require the articles of association in the notarial form.

In the process of registering using the S24 system, each person signing the application (each business partner) shall have an active account on the system of the Ministry of Justice (eMS) (unless the company founders appoint the attorney to conduct such activity). This account can be created on the portal of the Ministry of Justice: <https://ems.ms.gov.pl/>.

At the time of submitting the application in the system, all partners must log in simultaneously (in order to submit a document each partner must log in eMS using login and password).

Applications to the S24 system are processed during normal working hours at the court division of the National Court Register where the company has its registered office.

* This procedure can be completed simultaneously with previous procedures.

Before December 1st, 2014, the S24 did not allow online registration with the competent tax office, the competent statistical office and with the competent unit of Social Insurance Office. In order to carry out such registrations the applicant had to contact each office separately. Following the entry into force of Act of 26 June 2014 amending National Court Register act and some other acts (Journal of Laws of 2014 Item 1161) the statistical number and tax identification number are generated after registration with the S24 system and disclosed in the KRS. Additional information required by the tax, statistical, and social insurance office must be submitted post registration to the tax office (form NIP-8). A recent Act of 28 November 2014 amending Code of commercial companies and partnerships and some other acts, which came into force on 15 January 2015 (some of the provisions will come into force on 1 April 2016) reduced the registration fee for users of the S24 system to PLN 250 and made other changes to the online system.

Procedure 3. Obtain the statistical identification number (REGON) from the competent statistical office

Time: 1 day

Cost: No cost

Comments: The company must submit the form RG-OP to the competent statistical office to obtain the statistical identification number (*Rejestr Gospodarki Narodowej*, or REGON).

Procedure 4. Obtain the tax identification number (NIP), register for VAT and pay the civil law transaction tax at the competent tax office

Time: 2 days

Cost: PLN 2,200 [PLN 170 stamp duty + (the amount of share capital - PLN 500 court fee for company registration - PLN 100 fee for publication in the Court and Commercial Gazette)*0.5% civil law transaction tax]

Comments: The company needs to register with the tax office and obtain a taxpayer identification number (NIP) by submitting form NIP-2.

Registration for VAT is carried out by submitting the application form VAT-R to the relevant tax office (*naczelnik urzędu skarbowego*) as per provision 3, section 1 and 2.1, of the VAT Act of March 11th, 2004. Immediately after the application has been submitted and cleared, the company can carry out VAT-covered business activities. In the VAT-R form, the company must provide information on (a) its business name and legal form; (b) the REGON (statistical number); (c) start date for its business activities; and (d) the address of its registered office.

Stamp duty revenues are allocated to the municipality where the competent branch of the tax office (*urząd skarbowy*) is located.

If the Company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. The company must submit that application before commencing foreign trade activities within the European Union. However, before registering as an EU VAT taxpayer, the company must be registered as a regular VAT taxpayer.

At this step, the company can also submit form PCC 3 to the tax office and pay the civil law transaction tax.

Procedure 5. Notify the Social Insurance Office of the intention to hire employees

Time: 1 day

Cost: No cost

Comments: If applicable, the company must submit a notification to the Social Insurance Office of its intention to hire employees.

Procedure 6*. Provide specimen signatures of the members of the management board and the NIP and REGON numbers to the National Court Register

Time: 1 day

Cost: No cost

Comments: Within seven days of entry into the National Court Register, members of the management board shall provide specimen signatures made in the presence of the court or certified by a notary. The first procedure is free of charge, the second option costs PLN 20 per signature, plus 23% VAT.

Once the company receives the NIP and REGON, it must inform the National Court Register of both numbers by submitting forms KRS-Z3 and KRS-ZY. This procedure is free of charge.

STARTING A BUSINESS

Rzeszów, Podkarpackie

Standard company legal form: Spółka z ograniczoną odpowiedzialnością

Minimum capital requirement: PLN 5,000 (EUR 1,166)

Data as of: September 1st, 2014

Procedure 1. Prepare the articles of association in a notarial form

Time: 1 day

Cost: PLN 4,491 [PLN 1,010 + 0.4% of the amount of share capital over PLN 60,000 + PLN 6 cost per page (in our case the articles of association are 10 pages long) + PLN 20 PLN (certified specimen signatures of the members of the management board) + (the amount of share capital - ((Notary fees + 23% VAT) + Court fees of PLN 600))*0.5% civil law transactions tax]

Comments: The fee of the articles of association in a notarial form cannot exceed PLN 10,000 plus VAT and civil law transaction tax. Since January 1st, 2012 an alternative method for establishing a company has been introduced that does not require the articles of association in a notarial form. However, this requires online registration.

Procedure 2. Deposit paid-in capital at the bank

Time: 1 day

Cost: No cost

Comments: To open a bank account, a limited liability company must provide the bank with the articles of association and a REGON (statistical number) certificate. Since the REGON certificate is obtained by the companies after the registration

with the court, most banks either require upfront registration and statistical and tax certificates or they can open the bank accounts based solely on the articles of association (in this case, the account has passive status only) and give the account an active status once the company provides the registration, statistical and tax certificates.

Procedure 3. File at the National Court Register for company registration, statistical identification number (REGON), taxpayer number (NIP), and registration for social insurance at ZUS

Time: 35 days

Cost: PLN 600 (PLN 500 for registration and PLN 100 for publication)

Comments: According to the Code of Commercial Companies and Partnerships of September 15th, 2000, (published in the Journal of Laws of 2000, No. 94, Item 1037 with amendments) and the National Court Register Act of August 20th, 1997 (published in the Journal of Laws of 1997, No. 121, Item 769 with amendments), the applicant must pay the relevant fees and submit the following documents to the National Court Register (KRS) division at the district court:

- National Court Register form, duly filled;
- Notarized company agreement (art. 167§1 section 1 of the Code of Commercial Companies and Partnerships);
- A statement by all members of the management board that all contributions to the share capital have been fully made by all shareholders (art. 167§1 section 2 of the Code of Commercial Companies and Partnerships) or if the appointment of the members of the company's authorities is not set forth in the notarized company agreement (the articles of association of the company drawn up in a notarial form), a document evidencing the appointment of such authorities, including a specification of their members (art. 167§1 section 3 of the Code of Commercial Companies and Partnerships);
- List of shareholders, signed by all members of the management board, specifying the full name or the business name of each shareholder, together with the number and nominal value of shares held by each shareholder (art. 167§2 of the Code of Commercial Companies and Partnerships);
- Before January 15, 2015: Specimen signatures of members of the management board or the proxy, made in the presence of the court or certified by a notary (art. 167§3 of the Code of Commercial Companies and Partnerships and art. 19a section 1 of the National Court Register Act);
- Before December 1st, 2014 : Application form to register with the statistical office to obtain REGON number (art. 19b section 1 point 1 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with the Social Insurance Office (art. 19b section 1 point 2 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with tax office (*naczelnik urzędu skarbowego*) to obtain NIP number (art. 19b section 1 point 3 of the National Court Register Act) ;

* This procedure can be completed simultaneously with previous procedures.

- i. Before December 1st, 2014: A document which certifies that the company has a right to use premises or real estate property where the registered office of the company is located (art. 19b section 2 of the National Court Register act).

The competent judge or *referendarz* at the district court reviews the application and, if compliant with all the relevant laws and regulations, registers the company thus giving it full limited liability status. Once the registration of the company with National Court Register has taken place, the relevant applications are sent by the district court to all the other agencies involved in the process. These agencies are:

1. The competent tax office (*naczelnik urzędu skarbowego*);
2. The competent statistical office;
3. The competent unit of Social Insurance Office, (*Zakład Ubezpieczeń Społecznych*, or ZUS)

After receiving the relevant documents, the competent tax office processes the application and issues the tax identification number (*Numer Identyfikacji Podatkowej*, or NIP), the competent statistical office issues the statistical identification number (*Rejestr Gospodarki Narodowej*, or REGON) and the competent unit of Social Insurance Office acknowledges receipt of relevant application form.

If the applications are incomplete or incorrect, each agency will contact the applicant directly to clarify the situation and then issue the required document.

The time recorded includes registration with all the agencies mentioned above.

Since January 1st, 2012, an online registration system - S24 - has been introduced. At the moment, however, this is not used by the majority of limited liability companies. The S24 system allows entrepreneurs to register their company online with the National Court Register (KRS) and does not require the articles of association in a notarial form.

On December 1st, 2014, the Act of 26 June 2014 amending KRS Act and some other acts (Journal of Laws of 2014 Item 1161) entered into force. Separate application forms to obtain the statistical number and tax identification number, as well as the notification to the social insurance office, no longer need to be submitted and sent physically to the relevant agencies by the court division of KRS. Instead, the statistical number and tax identification number are generated and are disclosed in the KRS. Additional information required by the tax, statistical, and social insurance office must be submitted post registration to the tax office (form NIP-8). The reform also applies to the S24 online system.

Finally, Act of 28 November 2014, amending the Code of Commercial Companies and Partnerships and some other acts, which came into force on 15 January 2015, eliminated the requirement to attach a notarized specimen signatures of members of the management board or the proxy made in the presence of a court clerk.

Procedure 4*. Register for VAT at the competent tax office

Time: 1 day

Cost: PLN 170 (stamp duty)

Comments: As per provision 3, section 1 and 2.1, of the VAT Act of March 11th, 2004, registration is carried out by submitting the application form VAT-R to the relevant tax office (*naczelnik urzędu skarbowego*). Immediately after the application has been submitted and cleared, the company can carry out VAT-covered business activities. In the VAT-R form, the company must provide information on (a) its business name and legal form; (b) the REGON (statistical number); (c) start date for its business activities; and (d) the address of its registered office.

Stamp duty revenues are allocated to the municipality where the competent branch of the tax office (*urząd skarbowy*) is located.

If the company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. The company must submit that application before commencing foreign trade activity within the European Union. However, before registering as an EU VAT taxpayer, the company must be registered as a regular VAT taxpayer.

STARTING A BUSINESS

Szczecin, Zachodniopomorskie

Standard company legal form: Spółka z ograniczoną odpowiedzialnością

Minimum capital requirement: PLN 5,000 (EUR 1,166)

Data as of: September 1st, 2014

Procedure 1. Prepare the articles of association in a notarial form

Time: 1 day

Cost: PLN 4,491 [PLN 1,010 + 0.4% of the amount of share capital over PLN 60,000 + PLN 6 cost per page (in our case the articles of association are 10 pages long) + PLN 20 PLN (certified specimen signatures of the members of the management board) + (the amount of share capital - ((Notary fees + 23% VAT) + Court fees of PLN 600))*0.5% civil law transactions tax]

Comments: The fee of the articles of association in a notarial form cannot exceed PLN 10,000 plus VAT and civil law transaction tax. Since January 1st, 2012 an alternative method for establishing a company has been introduced that does not require the articles of association in a notarial form. However, this requires online registration.

Procedure 2. Deposit paid-in capital at the bank

Time: 1 day

Cost: No cost

Comments: To open a bank account, a limited liability company must provide the bank with the articles of association and a REGON (statistical number) certificate. Since the REGON certificate is obtained by the companies after the registration with the court, most banks either require upfront registration and statistical and tax certificates or they can open the bank accounts based solely on the articles of association (in this case, the account has passive status only) and give the account an active status once the company provides the registration, statistical and tax certificates.

Procedure 3. File at the National Court Register for company registration, statistical identification number (REGON), taxpayer number (NIP), and registration for social insurance at ZUS

Time: 40 days

Cost: PLN 600 (PLN 500 for registration and PLN 100 for publication)

Comments: According to the Code of Commercial Companies and Partnerships of September 15th, 2000, (published in the Journal of Laws of 2000, No. 94, Item 1037 with amendments) and the National Court Register Act of August 20th, 1997 (published in the Journal of Laws of 1997, No. 121, Item 769 with amendments), the applicant must pay the relevant fees and submit the following documents to the National Court Register (KRS) division at the district court:

- a. National Court Register form, duly filled;
- b. Notarized company agreement (art. 167§1 section 1 of the Code of Commercial Companies and Partnerships);
- c. A statement by all members of the management board that all contributions to the share capital have been fully made by all shareholders (art. 167§1 section 2 of the Code of Commercial Companies and Partnerships) or if the appointment of the members of the company's authorities is not set forth in the notarized company agreement (the articles of association of the company drawn up in a notarial form), a document evidencing the appointment of such authorities, including a specification of their members (art. 167§1 section 3 of the Code of Commercial Companies and Partnerships);
- d. List of shareholders, signed by all members of the management board, specifying the full name or the business name of each shareholder, together with the number and nominal value of shares held by each shareholder (art. 167§2 of the Code of Commercial Companies and Partnerships);
- e. Before January 15, 2015: Specimen signatures of members of the management board or the proxy, made in the presence of the court or certified by a notary (art. 167§3 of the Code of Commercial Companies and Partnerships and art. 19a section 1 of the National Court Register Act);
- f. Before December 1st, 2014 : Application form to register with the statistical office to obtain REGON number (art. 19b section 1 point 1 of the National Court Register Act);
- g. Before December 1st, 2014: Application form to register with the Social Insurance Office (art. 19b section 1 point 2 of the National Court Register Act);
- h. Before December 1st, 2014: Application form to register with tax office (*naczelnik urzędu skarbowego*) to obtain NIP number (art. 19b section 1 point 3 of the National Court Register Act);
- i. Before December 1st, 2014: A document which certifies that the company has a right to use premises or real estate property where the registered office of the company is located (art. 19b section 2 of the National Court Register act).

* This procedure can be completed simultaneously with previous procedures.

The competent judge or *referendarz* at the district court reviews the application and, if compliant with all the relevant laws and regulations, registers the company thus giving it full limited liability status. Once the registration of the company with National Court Register has taken place, the relevant applications are sent by the district court to all the other agencies involved in the process. These agencies are:

1. The competent tax office (*naczelnik urzędu skarbowego*);
2. The competent statistical office;
3. The competent unit of Social Insurance Office, (*Zakład Ubezpieczeń Społecznych*, or ZUS)

After receiving the relevant documents, the competent tax office processes the application and issues the tax identification number (*Numer Identyfikacji Podatkowej*, or NIP), the competent statistical office issues the statistical identification number (*Rejestr Gospodarki Narodowej*, or REGON) and the competent unit of Social Insurance Office acknowledges receipt of relevant application form.

If the applications are incomplete or incorrect, each agency will contact the applicant directly to clarify the situation and then issue the required document.

The time recorded includes registration with all the agencies mentioned above.

Since January 1st, 2012, an online registration system – S24 – has been introduced. At the moment, however, this is not used by the majority of limited liability companies. The S24 system allows entrepreneurs to register their company online with the National Court Register (KRS) and does not require the articles of association in a notarial form.

On December 1st, 2014, the Act of 26 June 2014 amending KRS Act and some other acts (Journal of Laws of 2014 Item 1161) entered into force. Separate application forms to obtain the statistical number and tax identification number, as well as the notification to the social insurance office, no longer need to be submitted and sent physically to the relevant agencies by the court division of KRS. Instead, the statistical number and tax identification number are generated and are disclosed in the KRS. Additional information required by the tax, statistical, and social insurance office must be submitted post registration to the tax office (form NIP-8). The reform also applies to the S24 online system.

Finally, Act of 28 November 2014, amending the Code of Commercial Companies and Partnerships and some other acts, which came into force on 15 January 2015, eliminated the requirement to attach a notarized specimen signatures of members of the management board or the proxy made in the presence of a court clerk.

Procedure 4*. Register for VAT at the competent tax office

Time: 1 day

Cost: PLN 170 (stamp duty)

Comments: As per provision 3, section 1 and 2.1, of the VAT Act of March 11th, 2004, registration is carried out by submitting the application form VAT-R to the relevant tax office (*naczelnik urzędu skarbowego*). Immediately after the application has been submitted and cleared, the company can carry out VAT-covered business activities. In the VAT-R form, the company must provide information on (a) its business name and legal form; (b)

the REGON (statistical number); (c) start date for its business activities; and (d) the address of its registered office.

Stamp duty revenues are allocated to the municipality where the competent branch of the tax office (*urząd skarbowy*) is located.

If the company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. The company must submit that application before commencing foreign trade activity within the European Union. However, before registering as an EU VAT taxpayer, the company must be registered as a regular VAT taxpayer.

STARTING A BUSINESS

Toruń, Kujawsko-Pomorskie

Standard company legal form: Spółka z ograniczoną odpowiedzialnością

Minimum capital requirement: PLN 5,000 (EUR 1,166)

Data as of: September 1st, 2014

Procedure 1. Prepare the articles of association in a notarial form

Time: 1 day

Cost: PLN 4,491 [PLN 1,010 + 0.4% of the amount of share capital over PLN 60,000 + PLN 6 cost per page (in our case the articles of association are 10 pages long) + PLN 20 PLN (certified specimen signatures of the members of the management board) + (the amount of share capital - ((Notary fees + 23% VAT) + Court fees of PLN 600))*0.5% civil law transactions tax]

Comments: The fee of the articles of association in a notarial form cannot exceed PLN 10,000 plus VAT and civil law transaction tax. Since January 1st, 2012 an alternative method for establishing a company has been introduced that does not require the articles of association in a notarial form. However, this requires online registration.

Procedure 2. Deposit paid-in capital at the bank

Time: 1 day

Cost: No cost

Comments: To open a bank account, a limited liability company must provide the bank with the articles of association and a REGON (statistical number) certificate. Since the REGON certificate is obtained by the companies after the registration with the court, most banks either require upfront registration and statistical and tax certificates or they can open the bank accounts based solely on the articles of association (in this case, the account has passive status only) and give the account an active status once the company provides the registration, statistical and tax certificates.

Procedure 3. File at the National Court Register for company registration, statistical identification number (REGON), taxpayer number (NIP), and registration for social insurance at ZUS

Time: 29 days

Cost: PLN 600 (PLN 500 for registration and PLN 100 for publication)

Comments: According to the Code of Commercial Companies and Partnerships of September 15th, 2000, (published in the Journal of Laws of 2000, No. 94, Item 1037 with amendments) and the National Court Register Act of August 20th, 1997 (published in the Journal of Laws of 1997, No. 121, Item 769 with amendments), the applicant must pay the relevant fees and submit the following documents to the National Court Register (KRS) division at the district court:

- a. National Court Register form, duly filled;
- b. Notarized company agreement (art. 167§1 section 1 of the Code of Commercial Companies and Partnerships);
- c. A statement by all members of the management board that all contributions to the share capital have been fully made by all shareholders (art. 167§1 section 2 of the Code of Commercial Companies and Partnerships) or if the appointment of the members of the company's authorities is not set forth in the notarized company agreement (the articles of association of the company drawn up in a notarial form), a document evidencing the appointment of such authorities, including a specification of their members (art. 167§1 section 3 of the Code of Commercial Companies and Partnerships);
- d. List of shareholders, signed by all members of the management board, specifying the full name or the business name of each shareholder, together with the number and nominal value of shares held by each shareholder (art. 167§2 of the Code of Commercial Companies and Partnerships);
- e. Before January 15, 2015: Specimen signatures of members of the management board or the proxy, made in the presence of the court or certified by a notary (art. 167§3 of the Code of Commercial Companies and Partnerships and art. 19a section 1 of the National Court Register Act);
- f. Before December 1st, 2014 : Application form to register with the statistical office to obtain REGON number (art. 19b section 1 point 1 of the National Court Register Act);
- g. Before December 1st, 2014: Application form to register with the Social Insurance Office (art. 19b section 1 point 2 of the National Court Register Act);
- h. Before December 1st, 2014: Application form to register with tax office (*naczelnik urzędu skarbowego*) to obtain NIP number (art. 19b section 1 point 3 of the National Court Register Act);
- i. Before December 1st, 2014: A document which certifies that the company has a right to use premises or real estate property where the registered office of the company is located (art. 19b section 2 of the National Court Register act).

The competent judge or *referendarz* at the district court reviews the application and, if compliant with all the relevant laws and regulations, registers the company thus giving it full limited liability status. Once the registration of the company with National Court Register has taken place, the relevant applications are sent by the district court to all the other agencies involved in the process. These agencies are:

1. The competent tax office (*naczelnik urzędu skarbowego*);
2. The competent statistical office;

* This procedure can be completed simultaneously with previous procedures.

3. The competent unit of Social Insurance Office, (*Zakład Ubezpieczeń Społecznych*, or ZUS)

After receiving the relevant documents, the competent tax office processes the application and issues the tax identification number (*Numer Identyfikacji Podatkowej*, or NIP), the competent statistical office issues the statistical identification number (*Rejestr Gospodarki Narodowej*, or REGON) and the competent unit of Social Insurance Office acknowledges receipt of relevant application form. If the applications are incomplete or incorrect, each agency will contact the applicant directly to clarify the situation and then issue the required document.

The time recorded includes registration with all the agencies mentioned above.

Since January 1st, 2012, an online registration system - S24 - has been introduced. At the moment, however, this is not used by the majority of limited liability companies. The S24 system allows entrepreneurs to register their company online with the National Court Register (KRS) and does not require the articles of association in a notarial form.

On December 1st, 2014, the Act of 26 June 2014 amending KRS Act and some other acts (Journal of Laws of 2014 Item 1161) entered into force. Separate application forms to obtain the statistical number and tax identification number, as well as the notification to the social insurance office, no longer need to be submitted and sent physically to the relevant agencies by the court division of KRS. Instead, the statistical number and tax identification number are generated and are disclosed in the KRS. Additional information required by the tax, statistical, and social insurance office must be submitted post registration to the tax office (form NIP-8). The reform also applies to the S24 online system.

Finally, Act of 28 November 2014, amending the Code of Commercial Companies and Partnerships and some other acts, which came into force on 15 January 2015, eliminated the requirement to attach a notarized specimen signatures of members of the management board or the proxy made in the presence of a court clerk.

Procedure 4*. Register for VAT at the competent tax office

Time: 1 day

Cost: PLN 170 (stamp duty)

Comments: As per provision 3, section 1 and 2.1, of the VAT Act of March 11th, 2004, registration is carried out by submitting the application form VAT-R to the relevant tax office (*naczelnik urzędu skarbowego*). Immediately after the application has been submitted and cleared, the company can carry out VAT-covered business activities. In the VAT-R form, the company must provide information on (a) its business name and legal form; (b) the REGON (statistical number); (c) start date for its business activities; and (d) the address of its registered office.

Stamp duty revenues are allocated to the municipality where the competent branch of the tax office (*urząd skarbowy*) is located.

If the company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. The company must submit that application before commencing foreign trade activity within

the European Union. However, before registering as an EU VAT taxpayer, the company must be registered as a regular VAT taxpayer.

STARTING A BUSINESS

Warsaw, Mazowieckie

Standard company legal form: Spółka z ograniczoną odpowiedzialnością

Minimum capital requirement: PLN 5,000 (EUR 1,166)

Data as of: September 1st, 2014

Procedure 1. Prepare the articles of association in a notarial form

Time: 1 day

Cost: PLN 4,491 [PLN 1,010 + 0.4% of the amount of share capital over PLN 60,000 + PLN 6 cost per page (in our case the articles of association are 10 pages long) + PLN 20 PLN (certified specimen signatures of the members of the management board) + (the amount of share capital - ((Notary fees + 23% VAT) + Court fees of PLN 600))*0.5% civil law transactions tax]

Comments: The fee of the articles of association in a notarial form cannot exceed PLN 10,000 plus VAT and civil law transaction tax. Since January 1st, 2012 an alternative method for establishing a company has been introduced that does not require the articles of association in a notarial form. However, this requires online registration.

Procedure 2. Deposit paid-in capital at the bank

Time: 1 day

Cost: No cost

Comments: To open a bank account, a limited liability company must provide the bank with the articles of association and a REGON (statistical number) certificate. Since the REGON certificate is obtained by the companies after the registration with the court, most banks either require upfront registration and statistical and tax certificates or they can open the bank accounts based solely on the articles of association (in this case, the account has passive status only) and give the account an active status once the company provides the registration, statistical and tax certificates.

Procedure 3. File at the National Court Register for company registration, statistical identification number (REGON), taxpayer number (NIP), and registration for social insurance at ZUS

Time: 28 days

Cost: PLN 600 (PLN 500 for registration and PLN 100 for publication)

Comments: According to the Code of Commercial Companies and Partnerships of September 15th, 2000, (published in the Journal of Laws of 2000, No. 94, Item 1037 with amendments) and the National Court Register Act of August 20th, 1997 (published in the Journal of Laws of 1997, No. 121, Item 769 with amendments), the applicant must pay the relevant fees and submit the following documents to the National Court Register (KRS) division at the district court:

a. National Court Register form, duly filled;

- b. Notarized company agreement (art. 167§1 section 1 of the Code of Commercial Companies and Partnerships);
- c. A statement by all members of the management board that all contributions to the share capital have been fully made by all shareholders (art. 167§1 section 2 of the Code of Commercial Companies and Partnerships) or if the appointment of the members of the company's authorities is not set forth in the notarized company agreement (the articles of association of the company drawn up in a notarial form), a document evidencing the appointment of such authorities, including a specification of their members (art. 167§1 section 3 of the Code of Commercial Companies and Partnerships);
- d. List of shareholders, signed by all members of the management board, specifying the full name or the business name of each shareholder, together with the number and nominal value of shares held by each shareholder (art. 167§2 of the Code of Commercial Companies and Partnerships);
- e. Before January 15, 2015: Specimen signatures of members of the management board or the proxy, made in the presence of the court or certified by a notary (art. 167§3 of the Code of Commercial Companies and Partnerships and art. 19a section 1 of the National Court Register Act);
- f. Before December 1st, 2014 : Application form to register with the statistical office to obtain REGON number (art. 19b section 1 point 1 of the National Court Register Act);
- g. Before December 1st, 2014: Application form to register with the Social Insurance Office (art. 19b section 1 point 2 of the National Court Register Act);
- h. Before December 1st, 2014: Application form to register with tax office (*naczelnik urzędu skarbowego*) to obtain NIP number (art. 19b section 1 point 3 of the National Court Register Act);
- i. Before December 1st, 2014: A document which certifies that the company has a right to use premises or real estate property where the registered office of the company is located (art. 19b section 2 of the National Court Register act).

The competent judge or *referendarz* at the district court reviews the application and, if compliant with all the relevant laws and regulations, registers the company thus giving it full limited liability status. Once the registration of the company with National Court Register has taken place, the relevant applications are sent by the district court to all the other agencies involved in the process. These agencies are:

1. The competent tax office (*naczelnik urzędu skarbowego*);
2. The competent statistical office;
3. The competent unit of Social Insurance Office, (*Zakład Ubezpieczeń Społecznych*, or ZUS)

After receiving the relevant documents, the competent tax office processes the application and issues the tax identification number (*Numer Identyfikacji Podatkowej*, or NIP), the competent statistical office issues the statistical identification number (*Rejestr Gospodarki Narodowej*, or REGON) and the competent unit of Social Insurance Office acknowledges receipt of relevant application form.

* This procedure can be completed simultaneously with previous procedures.

If the applications are incomplete or incorrect, each agency will contact the applicant directly to clarify the situation and then issue the required document.

The time recorded includes registration with all the agencies mentioned above.

Since January 1st, 2012, an online registration system - S24 - has been introduced. At the moment, however, this is not used by the majority of limited liability companies. The S24 system allows entrepreneurs to register their company online with the National Court Register (KRS) and does not require the articles of association in a notarial form.

On December 1st, 2014, the Act of 26 June 2014 amending KRS Act and some other acts (Journal of Laws of 2014 Item 1161) entered into force. Separate application forms to obtain the statistical number and tax identification number, as well as the notification to the social insurance office, no longer need to be submitted and sent physically to the relevant agencies by the court division of KRS. Instead, the statistical number and tax identification number are generated and are disclosed in the KRS. Additional information required by the tax, statistical, and social insurance office must be submitted post registration to the tax office (form NIP-8). The reform also applies to the S24 online system.

Finally, Act of 28 November 2014, amending the Code of Commercial Companies and Partnerships and some other acts, which came into force on 15 January 2015, eliminated the requirement to attach a notarized specimen signatures of members of the management board or the proxy made in the presence of a court clerk.

Procedure 4*. Register for VAT at the competent tax office

Time: 1 day

Cost: PLN 170 (stamp duty)

Comments: As per provision 3, section 1 and 2.1, of the VAT Act of March 11th, 2004, registration is carried out by submitting the application form VAT-R to the relevant tax office (*naczelnik urzędu skarbowego*). Immediately after the application has been submitted and cleared, the company can carry out VAT-covered business activities. In the VAT-R form, the company must provide information on (a) its business name and legal form; (b) the REGON (statistical number); (c) start date for its business activities; and (d) the address of its registered office.

Stamp duty revenues are allocated to the municipality where the competent branch of the tax office (*urząd skarbowy*) is located.

If the company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. The company must submit that application before commencing foreign trade activity within the European Union. However, before registering as an EU VAT taxpayer, the company must be registered as a regular VAT taxpayer.

STARTING A BUSINESS

Wrocław, Dolnośląskie

Standard company legal form: Spółka z ograniczoną odpowiedzialnością

Minimum capital requirement: PLN 5,000 (EUR 1,166)

Data as of: September 1st, 2014

Procedure 1. Prepare the articles of association in a notarial form

Time: 1 day

Cost: PLN 4,491 [PLN 1,010 + 0.4% of the amount of share capital over PLN 60,000 + PLN 6 cost per page (in our case the articles of association are 10 pages long) + PLN 20 PLN (certified specimen signatures of the members of the management board) + (the amount of share capital - ((Notary fees + 23% VAT) + Court fees of PLN 600))*0.5% civil law transactions tax]

Comments: The fee of the articles of association in a notarial form cannot exceed PLN 10,000 plus VAT and civil law transaction tax. Since January 1st, 2012 an alternative method for establishing a company has been introduced that does not require the articles of association in a notarial form. However, this requires online registration.

Procedure 2. Deposit paid-in capital at the bank

Time: 1 day

Cost: No cost

Comments: To open a bank account, a limited liability company must provide the bank with the articles of association and a REGON (statistical number) certificate. Since the REGON certificate is obtained by the companies after the registration with the court, most banks either require upfront registration and statistical and tax certificates or they can open the bank accounts based solely on the articles of association (in this case, the account has passive status only) and give the account an active status once the company provides the registration, statistical and tax certificates.

Procedure 3. File at the National Court Register for company registration, statistical identification number (REGON), taxpayer number (NIP), and registration for social insurance at ZUS

Time: 26 days

Cost: PLN 600 (PLN 500 for registration and PLN 100 for publication)

Comments: According to the Code of Commercial Companies and Partnerships of September 15th, 2000, (published in the Journal of Laws of 2000, No. 94, Item 1037 with amendments) and the National Court Register Act of August 20th, 1997 (published in the Journal of Laws of 1997, No. 121, Item 769 with amendments), the applicant must pay the relevant fees and submit the following documents to the National Court Register (KRS) division at the district court:

- National Court Register form, duly filled;
- Notarized company agreement (art. 167§1 section 1 of the Code of Commercial Companies and Partnerships);

- A statement by all members of the management board that all contributions to the share capital have been fully made by all shareholders (art. 167§1 section 2 of the Code of Commercial Companies and Partnerships) or if the appointment of the members of the company's authorities is not set forth in the notarized company agreement (the articles of association of the company drawn up in a notarial form), a document evidencing the appointment of such authorities, including a specification of their members (art. 167§1 section 3 of the Code of Commercial Companies and Partnerships);
- List of shareholders, signed by all members of the management board, specifying the full name or the business name of each shareholder, together with the number and nominal value of shares held by each shareholder (art. 167§2 of the Code of Commercial Companies and Partnerships);
- Before January 15, 2015: Specimen signatures of members of the management board or the proxy, made in the presence of the court or certified by a notary (art. 167§3 of the Code of Commercial Companies and Partnerships and art. 19a section 1 of the National Court Register Act);
- Before December 1st, 2014 : Application form to register with the statistical office to obtain REGON number (art. 19b section 1 point 1 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with the Social Insurance Office (art. 19b section 1 point 2 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with tax office (*naczelnik urzędu skarbowego*) to obtain NIP number (art. 19b section 1 point 3 of the National Court Register Act);
- Before December 1st, 2014: A document which certifies that the company has a right to use premises or real estate property where the registered office of the company is located (art. 19b section 2 of the National Court Register act).

The competent judge or *referendarz* at the district court reviews the application and, if compliant with all the relevant laws and regulations, registers the company thus giving it full limited liability status. Once the registration of the company with National Court Register has taken place, the relevant applications are sent by the district court to all the other agencies involved in the process. These agencies are:

- The competent tax office (*naczelnik urzędu skarbowego*);
- The competent statistical office;
- The competent unit of Social Insurance Office, (*Zakład Ubezpieczeń Społecznych*, or ZUS)

After receiving the relevant documents, the competent tax office processes the application and issues the tax identification number (*Numer Identyfikacji Podatkowej*, or NIP), the competent statistical office issues the statistical identification number (*Rejestr Gospodarki Narodowej*, or REGON) and the competent unit of Social Insurance Office acknowledges receipt of relevant application form.

If the applications are incomplete or incorrect, each agency will contact the applicant directly to clarify the situation and then issue the required document.

* This procedure can be completed simultaneously with previous procedures.

The time recorded includes registration with all the agencies mentioned above.

Since January 1st, 2012, an online registration system - S24 - has been introduced. At the moment, however, this is not used by the majority of limited liability companies. The S24 system allows entrepreneurs to register their company online with the National Court Register (KRS) and does not require the articles of association in a notarial form.

On December 1st, 2014, the Act of 26 June 2014 amending KRS Act and some other acts (Journal of Laws of 2014 Item 1161) entered into force. Separate application forms to obtain the statistical number and tax identification number, as well as the notification to the social insurance office, no longer need to be submitted and sent physically to the relevant agencies by the court division of KRS. Instead, the statistical number and tax identification number are generated and are disclosed in the KRS. Additional information required by the tax, statistical, and social insurance office must be submitted post registration to the tax office (form NIP-8). The reform also applies to the S24 online system.

Finally, Act of 28 November 2014, amending the Code of Commercial Companies and Partnerships and some other acts, which came into force on 15 January 2015, eliminated the requirement to attach a notarized specimen signatures of members of the management board or the proxy made in the presence of a court clerk.

Procedure 4*. Register for VAT at the competent tax office

Time: 1 day

Cost: PLN 170 (stamp duty)

Comments: As per provision 3, section 1 and 2.1, of the VAT Act of March 11th, 2004, registration is carried out by submitting the application form VAT-R to the relevant tax office (*naczelnik urzędu skarbowego*). Immediately after the application has been submitted and cleared, the company can carry out VAT-covered business activities. In the VAT-R form, the company must provide information on (a) its business name and legal form; (b) the REGON (statistical number); (c) start date for its business activities; and (d) the address of its registered office.

Stamp duty revenues are allocated to the municipality where the competent branch of the tax office (*urząd skarbowy*) is located.

If the company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. The company must submit that application before commencing foreign trade activity within the European Union. However, before registering as an EU VAT taxpayer, the company must be registered as a regular VAT taxpayer.

STARTING A BUSINESS

Zielona Góra, Lubuskie

Standard company legal form: Spółka z ograniczoną odpowiedzialnością

Minimum capital requirement: PLN 5,000 (EUR 1,166)

Data as of: September 1st, 2014

Procedure 1. Prepare the articles of association in a notarial form

Time: 1 day

Cost: PLN 4,491 [PLN 1,010 + 0.4% of the amount of share capital over PLN 60,000 + PLN 6 cost per page (in our case the articles of association are 10 pages long) + PLN 20 PLN (certified specimen signatures of the members of the management board) + (the amount of share capital - ((Notary fees + 23% VAT) + Court fees of PLN 600))*0.5% civil law transactions tax]

Comments: The fee of the articles of association in a notarial form cannot exceed PLN 10,000 plus VAT and civil law transaction tax. Since January 1st, 2012 an alternative method for establishing a company has been introduced that does not require the articles of association in a notarial form. However, this requires online registration.

Procedure 2. Deposit paid-in capital at the bank

Time: 1 day

Cost: No cost

Comments: To open a bank account, a limited liability company must provide the bank with the articles of association and a REGON (statistical number) certificate. Since the REGON certificate is obtained by the companies after the registration with the court, most banks either require upfront registration and statistical and tax certificates or they can open the bank accounts based solely on the articles of association (in this case, the account has passive status only) and give the account an active status once the company provides the registration, statistical and tax certificates.

Procedure 3. File at the National Court Register for company registration, statistical identification number (REGON), taxpayer number (NIP), and registration for social insurance at ZUS

Time: 33 days

Cost: PLN 600 (PLN 500 for registration and PLN 100 for publication)

Comments: According to the Code of Commercial Companies and Partnerships of September 15th, 2000, (published in the Journal of Laws of 2000, No. 94, Item 1037 with amendments) and the National Court Register Act of August 20th, 1997 (published in the Journal of Laws of 1997, No. 121, Item 769 with amendments), the applicant must pay the relevant fees and submit the following documents to the National Court Register (KRS) division at the district court:

- National Court Register form, duly filled;
- Notarized company agreement (art. 167§1 section 1 of the Code of Commercial Companies and Partnerships);

- A statement by all members of the management board that all contributions to the share capital have been fully made by all shareholders (art. 167§1 section 2 of the Code of Commercial Companies and Partnerships) or if the appointment of the members of the company's authorities is not set forth in the notarized company agreement (the articles of association of the company drawn up in a notarial form), a document evidencing the appointment of such authorities, including a specification of their members (art. 167§1 section 3 of the Code of Commercial Companies and Partnerships);
- List of shareholders, signed by all members of the management board, specifying the full name or the business name of each shareholder, together with the number and nominal value of shares held by each shareholder (art. 167§2 of the Code of Commercial Companies and Partnerships);
- Before January 15, 2015: Specimen signatures of members of the management board or the proxy, made in the presence of the court or certified by a notary (art. 167§3 of the Code of Commercial Companies and Partnerships and art. 19a section 1 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with the statistical office to obtain REGON number (art. 19b section 1 point 1 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with the Social Insurance Office (art. 19b section 1 point 2 of the National Court Register Act);
- Before December 1st, 2014: Application form to register with tax office (*naczelnik urzędu skarbowego*) to obtain NIP number (art. 19b section 1 point 3 of the National Court Register Act);
- Before December 1st, 2014: A document which certifies that the company has a right to use premises or real estate property where the registered office of the company is located (art. 19b section 2 of the National Court Register act).

The competent judge or *referendarz* at the district court reviews the application and, if compliant with all the relevant laws and regulations, registers the company thus giving it full limited liability status. Once the registration of the company with National Court Register has taken place, the relevant applications are sent by the district court to all the other agencies involved in the process. These agencies are:

- The competent tax office (*naczelnik urzędu skarbowego*);
- The competent statistical office;
- The competent unit of Social Insurance Office, (*Zakład Ubezpieczeń Społecznych*, or ZUS)

After receiving the relevant documents, the competent tax office processes the application and issues the tax identification number (*Numer Identyfikacji Podatkowej*, or NIP), the competent statistical office issues the statistical identification number (*Rejestr Gospodarki Narodowej*, or REGON) and the competent unit of Social Insurance Office acknowledges receipt of relevant application form.

If the applications are incomplete or incorrect, each agency will contact the applicant directly to clarify the situation and then issue the required document.

* This procedure can be completed simultaneously with previous procedures.

The time recorded includes registration with all the agencies mentioned above.

Since January 1st, 2012, an online registration system - S24 - has been introduced. At the moment, however, this is not used by the majority of limited liability companies. The S24 system allows entrepreneurs to register their company online with the National Court Register (KRS) and does not require the articles of association in a notarial form.

On December 1st, 2014, the Act of 26 June 2014 amending KRS Act and some other acts (Journal of Laws of 2014 Item 1161) entered into force. Separate application forms to obtain the statistical number and tax identification number, as well as the notification to the social insurance office, no longer need to be submitted and sent physically to the relevant agencies by the court division of KRS. Instead, the statistical number and tax identification number are generated and are disclosed in the KRS. Additional information required by the tax, statistical, and social insurance office must be submitted post registration to the tax office (form NIP-8). The reform also applies to the S24 online system.

Finally, Act of 28 November 2014, amending the Code of Commercial Companies and Partnerships and some other acts, which came into force on 15 January 2015, eliminated the requirement to attach a notarized specimen signatures of members of the management board or the proxy made in the presence of a court clerk.

Procedure 4*. Register for VAT at the competent tax office

Time: 1 day

Cost: PLN 170 (stamp duty)

Comments: As per provision 3, section 1 and 2.1, of the VAT Act of March 11th, 2004, registration is carried out by submitting the application form VAT-R to the relevant tax office (*naczelnik urzędu skarbowego*). Immediately after the application has been submitted and cleared, the company can carry out VAT-covered business activities. In the VAT-R form, the company must provide information on (a) its business name and legal form; (b) the REGON (statistical number); (c) start date for its business activities; and (d) the address of its registered office.

Stamp duty revenues are allocated to the municipality where the competent branch of the tax office (*urząd skarbowy*) is located.

If the company is planning to conduct future foreign trade activities within the European Union, the company must register as an EU VAT taxpayer. The company must submit that application before commencing foreign trade activity within the European Union. However, before registering as an EU VAT taxpayer, the company must be registered as a regular VAT taxpayer.

LIST OF PROCEDURES DEALING WITH CONSTRUCTION PERMITS

Białystok, Podlaskie

Warehouse value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1. Obtain current geodetic map

Time: 16 days

Cost: PLN 150

Comments: A land surveyor sends an application to the Geodetic Department requesting the current map of the area where the new construction will be built. Once obtained, the land surveyor performs a land survey and updates the map with the geodetic data s/he has collected. The updated map is then submitted to the Geodetic Department for approval.

An updated geodetic map serves as the starting point for all projects. In this city, an updated geodetic map is also needed in order to apply for a decision regarding the location of the road exit from the Administrator of Public Roads. The cost of the procedure depends on the number of copies and on the size of the maps required by the land surveyor. The cost has been increased since July, 12th 2014.

Procedure 2. Request and obtain technical conditions for the location of the road exit from the Administrator of Public Roads

Time: 30 days

Cost: PLN 82

Comments: BuildCo applies to the Administrator of Public Roads asking the technical conditions to locate the road connection between the plot of land and the public road. BuildCo needs to submit the following documents:

- Copy of the local zoning plan (or a copy of the building conditions for the plot);
- Proof of ownership of the plot of land;
- An updated geodetic map;
- Information about neighboring plots;
- The technical parameters of the connection;
- Company incorporation documents (if the applicant is a company);
- Proof of paying of the fees.

The law sets a time-limit of 30 days to issue a decision. In case of complex projects, the limit is of 60 days.

Procedure 3*. Request technical conditions for utility connections: electricity

Time: 30 days

Cost: No cost

Comments: Requesting the technical conditions to connect to electricity is compulsory in order to obtain the building permit.

Procedure 4*. Request technical conditions for utility connections: waterworks

Time: 14 days

Cost: No cost

Comments: BuildCo contacts the agency in charge of waterworks asking the technical conditions for connecting the warehouse to utilities. The situational map of the area and a proof of ownership of the land must be attached to the request of technical conditions.

Procedure 5*. Request technical conditions for utility connections: rainwater drainage

Time: 14 days

Cost: No cost

Comments: BuildCo contacts the Department of Environment Protection asking for technical conditions for connecting to the rainwater drainage system.

Procedure 6. Request and obtain a decision on the project proposal for road connection from the Administrator of Public Roads

Time: 21 days

Cost: No cost

Comments: The building project must be adjusted with the administrator of the public road near which the building is to be constructed, and to which the construction site is to be joined. The approval is issued in the form of a written confirmation. Building or rebuilding an entrance to the plot requires a permit to locate the driveway. The entrance project should be approved by the Administrator of Public Roads, to which BuildCo needs to submit an application form and the following attachments:

- 2 copies of the project of road connections;
- Copy of the decision about the location of the road exit previously issued by the Administrator of Public Roads;
- Copy of the local zoning plan (or a copy of building conditions for the plot).

Procedure 7*. Obtain a decision on the project proposal for the water and sewage connections

Time: 14 days

Cost: PLN 100

Comments: BuildCo submits the project to connect to the water and sewage networks based on the technical conditions received before.

Procedure 8*. Receive an opinion from the coordination meeting about the lack of conflicts among utility connections

Time: 7 days

Cost: PLN 325.5 (PLN 105 for the first utility connection + PLN 73.5 for 3 additional utility connections)

* This procedure can be completed simultaneously with previous procedures.

Comments: The location of the proposed public utility networks is agreed upon during “coordination meetings” organized by the district governorate (“Starosta”) and attended by:

- The applicant;
- Entities that manage public utilities;
- Representatives of the local governments;
- Other entities that may be affected by the outcomes of the coordination meetings.

BuildCo needs to submit documents containing proposals for the location of the different networks. The district governorate sets the date and the place of the coordination meeting. The scope of the coordination meeting is to eliminate the risks arising from possible collisions between utility networks. The results of coordination meetings are stated in the protocol containing:

- Description of the meeting, the date and the location;
- A description of the subject of discussion;
- The name and other identifying information of the applicant;
- The name and position of the chairman;
- The names of the participants and the entities that they represent, or information about the reasons for a person to participate in the meeting;
- Final decisions of each of the attendees;
- Information on the entities summoned to the meeting, whose representatives did not participate in it;
- The signatures of the participants.

Procedure 9*. Request and obtain consent from fire safety expert

Time: 3 days

Cost: PLN 600

Comments: BuildCo hires a fire safety expert to review the aspects of the project that concerns fire safety. The fire safety expert works with BuildCo during the preparation of the project and, once it has been finalized, s/he signs and stamps it. Without this stamp, the authority issuing building permits will not approve the project. For complex projects, a statement from the local State Fire Service might be required.

Procedure 10. Request and obtain building permit

Time: 60 days

Cost: PLN 539

Comments: 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.

The following documents should be attached to the application:

- 4 copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts;
- The investor’s formal written statement concerning the right to use the land on which the building is to be built.

The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. 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. The legally allowed time for making an administrative decision granting a building permit is 30 days, and 65 days for resolving difficult cases (as set in the Code of Administrative Procedure). The Building Law stipulates that City Halls are fined PLN 500 for each day of delay in issuing a building permit. A request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision. As of August 22, 2008 the validity of building permits has been extended from 2 years to 3 years.

Procedure 11. Notify the Building Inspectorate about the beginning of construction

Time: 1 day

Cost: No cost

Comments: BuildCo must notify the Building Inspectorate of the start of construction work 7 days in advance (Article 41.4 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.

The following documents must be attached to the notification:

- Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works;
- Statement of the supervising inspector regarding control assumption;
- Certificates confirming the building director’s and supervising inspector’s professional skills;
- Information regarding the safety and hygiene of working conditions on the building site.

The investor must immediately inform the Building Inspectorate of any changes in the data above and register the building log with this authority.

Procedure 12*. Conclude agreement with utility provider: water and sewage

Time: 7 days

Cost: PLN 250

Comments: BuildCo incurs the cost of building connection to water and sewage networks. This cost depends on the technical conditions previously issued.

Procedure 13. Receive inspection and obtain water and sewage connections

Time: 1 day

Cost: No cost

Comments: Once the water and sewage connection project has been agreed, BuildCo can submit a request to start the connection works. The agency responsible for waterworks conducts a technical inspection and connects the warehouse to the water and sewage networks on the same day.

Procedure 14*. Inform the National Sanitary Inspectorate about the completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the National Sanitary Inspectorate (Sanepid) about the completion of the building. After receiving BuildCo’s notification, Sanepid has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if Sanepid does not issue any response within this timeframe, it is considered approved.

Procedure 15. Receive inspection from the National Sanitary Inspectorate and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the National Sanitary Inspectorate (Sanepid). This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse. In order to pass the inspection, BuildCo needs to provide to Sanepid the following documents:

- The construction permit;
- The technological project with the agreed hygiene and health requirements;
- The relevant opinions and agreements, including: the bacteriological test of water from the internal system, a document certifying the effectiveness of mechanical ventilation, a document certifying the effectiveness of the protection against electrical hazard;
- Documents approving the use of the construction materials used in construction;
- An agreement for the collection of waste (municipal, medical, hazardous);
- The medical certificate for sanitary-epidemiological purposes for staff.

Procedure 16*. Inform the State Fire Service about completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the local department of the State Fire Service about the completion of the building. After receiving BuildCo’s notification, the State Fire Service has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if the State Fire Service remains silent, it is regarded as having no objections or comments.

Procedure 17. Receive inspection from the State Fire Service and obtain approval

Time: 14 days

Cost: No cost

* This procedure can be completed simultaneously with previous procedures.

Comments: The new construction must be inspected by the local department of the State Fire Service. This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse.

Procedure 18*. Obtain final geodetic report

Time: 7 days

Cost: PLN 1,000

Comments: When the building is complete, it is necessary to prepare the final geodetic report to confirm the real, final layout of the building on the geodetic map. The process is completed by a certified geodesist and is reviewed by the Poviats Geodetic Office.

Procedure 19. Request and receive occupancy permit

Time: 30 days

Cost: PLN 135 (25% of the cost of the building permit)

Comments: When the building works are over, BuildCo must inform, in writing, the Building Inspectorate of its intention to start using the building.

Before the building can be occupied, BuildCo must obtain an occupancy permit. BuildCo applies for an occupancy permit to the Building Inspectorate. The Building Inspectorate is in charge of executing a final inspection to certify that the new construction has been built according to the approved plans and that it is ready to be operative.

The following documents must be attached to the application for an occupancy permit:

- Original copy of the building log;
- 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;
- Expert's reports and protocols of required tests and controls;
- Final geodetic report;
- Investor's written statement of lack of objections from the authorities;
- Confirmation of completion of the building connection to utility networks;
- Energy characteristic of the building, prepared by the architect.

Procedure 20*. Receive final inspections

Time: 21 days

Cost: No cost

Comments: The post-construction review of the site is carried out by the Building Inspectorate.

DEALING WITH CONSTRUCTION PERMITS

Bydgoszcz, Kujawsko-Pomorskie

Warehouse value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1. Request technical conditions for utility connections: waterworks

Time: 21 days

Cost: PLN 160

Comments: BuildCo contacts the agency in charge of waterworks asking the technical conditions for connecting the warehouse to utilities. The situational map of the area and a proof of ownership of the land must be attached to the request of technical conditions.

Procedure 2*. Obtain current geodetic map

Time: 14 days

Cost: PLN 150

Comments: A land surveyor sends an application to the Geodetic Department requesting the current map of the area where the new construction will be built. Once obtained, the land surveyor performs a land survey and updates the map with the geodetic data s/he has collected. The updated map is then submitted to the Geodetic Department for approval.

An updated geodetic map serves as the starting point for all projects. The cost of the procedure depends on the number of copies and on the size of the maps required by the land surveyor. The cost has been increased since July, 12th 2014.

Procedure 3*. Request technical conditions for utility connections: electricity

Time: 14 days

Cost: No cost

Comments: Requesting the technical conditions to connect to electricity is compulsory in order to obtain the building permit.

Procedure 4*. Request and obtain technical conditions for the location of the road exit from the Administrator of Public Roads

Time: 14 days

Cost: PLN 82

Comments: BuildCo applies to the Administrator of Public Roads asking the technical conditions to locate the road connection between the plot of land and the public road. BuildCo needs to submit the following documents:

- Copy of the local zoning plan (or a copy of the building conditions for the plot);
- Proof of ownership of the plot of land;
- An updated geodetic map;
- Information about neighboring plots;
- The technical parameters of the connection;
- Company incorporation documents (if the applicant is a company);
- Proof of paying of the fees.

The law sets a time-limit of 30 days to issue a decision. In case of complex projects, the limit is of 60 days.

Procedure 5. Request and obtain a decision on the project proposal for road connection from the Administrator of Public Roads

Time: 21 days

Cost: No cost

Comments: The building project must be adjusted with the administrator of the public road near which the building is to be constructed, and to which the construction site is to be joined. The approval is issued in the form of a written confirmation. Building or rebuilding an entrance to the plot requires a permit to locate the driveway. The entrance project should be approved by the Administrator of Public Roads, to which BuildCo needs to submit an application form and the following attachments:

- 2 copies of the project of road connections;
- Copy of the decision about the location of the road exit previously issued by the Administrator of Public Roads;
- Copy of the local zoning plan (or a copy of building conditions for the plot).

Procedure 6*. Receive an opinion from the coordination meeting about the lack of conflicts among utility connections

Time: 14 days

Cost: PLN 325.5 (PLN 105 for the first utility connection + PLN 73.5 for 3 additional utility connections)

Comments: The location of the proposed public utility networks is agreed upon during "coordination meetings" organized by the district governorate ("Starosta") and attended by:

- The applicant;
- Entities that manage public utilities;
- Representatives of the local governments;
- Other entities that may be affected by the outcomes of the coordination meetings.

BuildCo needs to submit documents containing proposals for the location of the different networks. The district governorate sets the date and the place of the coordination meeting. The scope of the coordination meeting is to eliminate the risks arising from possible collisions between utility networks. The results of coordination meetings are stated in the protocol containing:

- Description of the meeting, the date and the location;
- A description of the subject of discussion;
- The name and other identifying information of the applicant;
- The name and position of the chairman;
- The names of the participants and the entities that they represent, or information about the reasons for a person to participate in the meeting;
- Final decisions of each of the attendees;
- Information on the entities summoned to the meeting, whose representatives did not participate in it;
- The signatures of the participants.

Procedure 7*. Request and obtain consent from sanitary expert

Time: 1 day

Cost: PLN 150

Comments: The building project must be reviewed by a sanitary expert. This professional gives a positive opinion to the project by affixing his/her stamp and an approval/non approval clause to the project. The authority issuing build-

ing permits then checks if the project has been stamped by a sanitary expert. Without this stamp, the building permits cannot be granted.

Procedure 8*. Request and obtain consent from fire safety expert

Time: 1 day

Cost: PLN 500

Comments: BuildCo hires a fire safety expert to review the aspects of the project that concerns fire safety. The fire safety expert works with BuildCo during the preparation of the project and, once it has been finalized, s/he signs and stamps it. Without this stamp, the authority issuing building permits will not approve the project. For complex projects, a statement from the local State Fire Service might be required.

Procedure 9. Request and obtain building permit

Time: 35 days

Cost: PLN 539

Comments: 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.

The following documents should be attached to the application:

- 4 copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts;
- The investor's formal written statement concerning the right to use the land on which the building is to be built.

The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. 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. The legally allowed time for making an administrative decision granting a building permit is 30 days, and 65 days for resolving difficult cases (as set in the Code of Administrative Procedure). The Building Law stipulates that City Halls are fined PLN 500 for each day of delay in issuing a building permit. A request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision. As of August 22, 2008 the validity of building permits has been extended from 2 years to 3 years.

Procedure 10. Notify the Building Inspectorate about the beginning of construction

Time: 1 day

Cost: No cost

Comments: BuildCo must notify the Building Inspectorate of the start of construction work 7 days in advance (Article 41.4 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.

The following documents must be attached to the notification:

- Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works;
- Statement of the supervising inspector regarding control assumption;
- Certificates confirming the building director's and supervising inspector's professional skills;
- Information regarding the safety and hygiene of working conditions on the building site.

The investor must immediately inform the Building Inspectorate of any changes in the data above and register the building log with this authority.

Procedure 11*. Conclude agreement with utility provider: water and sewage

Time: 4 days

Cost: PLN 300

Comments: BuildCo incurs the cost of building connection to water and sewage networks. This cost depends on the technical conditions previously issued.

Procedure 12. Receive inspection and obtain water and sewage connections

Time: 1 day

Cost: No cost

Comments: Once the water and sewage connection project has been agreed, BuildCo can submit a request to start the connection works. The agency responsible for waterworks conducts a technical inspection and connects the warehouse to the water and sewage networks on the same day.

Procedure 13*. Inform the National Sanitary Inspectorate about the completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the National Sanitary Inspectorate (Sanepid) about the completion of the building. After receiving BuildCo's notification, Sanepid has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if Sanepid does not issue any response within this timeframe, it is considered approved.

Procedure 14. Receive inspection from the National Sanitary Inspectorate and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the National Sanitary Inspectorate (Sanepid). This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse. In order to pass the inspection, BuildCo needs to provide to Sanepid the following documents:

- The construction permit;
- The technological project with the agreed hygiene and health requirements;
- The relevant opinions and agreements, including: the bacteriological test of water from the internal system, a document certifying the effectiveness of mechanical ventilation, a document certifying the effectiveness of the protection against electrical hazard;
- Documents approving the use of the construction materials used in construction;
- An agreement for the collection of waste (municipal, medical, hazardous);
- The medical certificate for sanitary-epidemiological purposes for staff.

Procedure 15*. Inform the State Fire Service about completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the local department of the State Fire Service about the completion of the building. After receiving BuildCo's notification, the State Fire Service has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if the State Fire Service remains silent, it is regarded as having no objections or comments.

Procedure 16. Receive inspection from the State Fire Service and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the local department of the State Fire Service. This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse.

Procedure 17*. Obtain final geodetic report

Time: 14 days

Cost: PLN 800

Comments: When the building is complete, it is necessary to prepare the final geodetic report to confirm the real, final layout of the building on the geodetic map. The process is completed by a certified geodesist and is reviewed by the Poviats Geodetic Office.

Procedure 18. Request and receive occupancy permit

Time: 30 days

Cost: PLN 135 (25% of the cost of the building permit)

Comments: When the building works are over, BuildCo must inform, in writing, the Building Inspectorate of its intention to start using the building.

* This procedure can be completed simultaneously with previous procedures.

Before the building can be occupied, BuildCo must obtain an occupancy permit. BuildCo applies for an occupancy permit to the Building Inspectorate. The Building Inspectorate is in charge of executing a final inspection to certify that the new construction has been built according to the approved plans and that it is ready to be operative.

The following documents must be attached to the application for an occupancy permit:

- a. Original copy of the building log;
- b. 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;
- c. Expert's reports and protocols of required tests and controls;
- d. Final geodetic report;
- e. Investor's written statement of lack of objections from the authorities;
- f. Confirmation of completion of the building connection to utility networks;
- g. Energy characteristic of the building, prepared by the architect.

Procedure 19*. Receive final inspections

Time: 21 days

Cost: No cost

Comments: The post-construction review of the site is carried out by the Building Inspectorate.

DEALING WITH CONSTRUCTION PERMITS

Gdańsk, Pomorskie

Warehouse value: PLN 2,032,884 (EUR 474,109)
Data as of: September 1st, 2014

Procedure 1. Obtain current geodetic map

Time: 30 days

Cost: PLN 150

Comments: A land surveyor sends an application to the Geodetic Department requesting the current map of the area where the new construction will be built. Once obtained, the land surveyor performs a land survey and updates the map with the geodetic data s/he has collected. The updated map is then submitted to the Geodetic Department for approval.

An updated geodetic map serves as the starting point for all projects. The cost of the procedure depends on the number of copies and on the size of the maps required by the land surveyor. The cost has been increased since July, 12th 2014.

Procedure 2*. Request and obtain technical conditions for the location of the road exit from the Administrator of Public Roads

Time: 30 days

Cost: PLN 82

Comments: BuildCo applies to the Administrator of Public Roads asking the technical conditions to locate the road connection between the plot of land and the public road. BuildCo needs to submit the following documents:

- a. Copy of the local zoning plan (or a copy of the building conditions for the plot);
- b. Proof of ownership of the plot of land;
- c. An updated geodetic map;
- d. Information about neighboring plots;
- e. The technical parameters of the connection;
- f. Company incorporation documents (if the applicant is a company);
- g. Proof of paying of the fees.

The law sets a time-limit of 30 days to issue a decision. In case of complex projects, the limit is of 60 days.

Procedure 3*. Request technical conditions for utility connections: electricity

Time: 7 days

Cost: No cost

Comments: Requesting the technical conditions to connect to electricity is compulsory in order to obtain the building permit.

Procedure 4*. Request technical conditions for utility connections: waterworks

Time: 14 days

Cost: PLN 110

Comments: BuildCo contacts the agency in charge of waterworks asking the technical conditions for connecting the warehouse to utilities. The situational map of the area and a proof of ownership of the land must be attached to the request of technical conditions.

Procedure 5*. Request technical conditions for utility connections: rainwater drainage

Time: 14 days

Cost: PLN 90

Comments: BuildCo contacts the agency in charge of drainage asking for technical conditions for connecting to the rainwater drainage system.

Procedure 6. Request and obtain a decision on the project proposal for road connection from the Administrator of Public Roads

Time: 30 days

Cost: No cost

Comments: The building project must be adjusted with the administrator of the public road near which the building is to be constructed, and to which the construction site is to be joined. The approval is issued in the form of a written confirmation. Building or rebuilding an entrance to the plot requires a permit to locate the driveway. The entrance project should be approved by the Administrator of Public Roads, to which BuildCo needs to submit an application form and the following attachments:

- a. 2 copies of the project of road connections;
- b. Copy of the decision about the location of the road exit previously issued by the Administrator of Public Roads;
- c. Copy of the local zoning plan (or a copy of building conditions for the plot).

Procedure 7*. Receive an opinion from the coordination meeting about the lack of conflicts among utility connections

Time: 30 days

Cost: PLN 325.5 (PLN 105 for the first utility connection + PLN 73.5 for 3 additional utility connections)

Comments: The location of the proposed public utility networks is agreed upon during "coordination meetings" organized by the district governorate ("Starosta") and attended by:

- a. The applicant;
- b. Entities that manage public utilities;
- c. Representatives of the local governments;
- d. Other entities that may be affected by the outcomes of the coordination meetings.

BuildCo needs to submit documents containing proposals for the location of the different networks. The district governorate sets the date and the place of the coordination meeting. The scope of the coordination meeting is to eliminate the risks arising from possible collisions between utility networks. The results of coordination meetings are stated in the protocol containing:

- a. Description of the meeting, the date and the location;
- b. A description of the subject of discussion;
- c. The name and other identifying information of the applicant;
- d. The name and position of the chairman;
- e. The names of the participants and the entities that they represent, or information about the reasons for a person to participate in the meeting;
- f. Final decisions of each of the attendees;
- g. Information on the entities summoned to the meeting, whose representatives did not participate in it;
- h. The signatures of the participants.

Procedure 8*. Obtain a decision on the project proposal for the water and sewage connections

Time: 14 days

Cost: PLN 180

Comments: BuildCo submits the project to connect to the water and sewage networks based on the technical conditions received before.

Procedure 9*. Obtain a decision on the project proposal for the rainwater drainage

Time: 14 days

Cost: PLN 170

Comments: BuildCo submits the project to connect to the rainwater drainage system based on the technical conditions received before.

Procedure 10*. Request and obtain consent from fire safety expert

Time: 1 day

Cost: PLN 500

Comments: BuildCo hires a fire safety expert to review the aspects of the project that concerns fire safety. The fire safety expert works with BuildCo during the preparation of the project and, once it has been finalized, s/he signs and stamps it. Without this stamp, the authority issuing building permits will not approve the project. For complex projects, a statement from the local State Fire Service might be required.

Procedure 11*. Request and obtain consent from sanitary expert

Time: 1 day

Cost: PLN 150

Comments: The building project must be reviewed by a sanitary expert. This professional gives a positive opinion to the project by affixing his/her stamp and an approval/non approval clause to the project. The authority issuing building permits then checks if the project has been stamped by a sanitary expert. Without this stamp, the building permits cannot be granted.

Procedure 12. Request and obtain building permit

Time: 54 days

Cost: PLN 539

Comments: 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.

The following documents should be attached to the application:

- a. 4 copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts;
- b. The investor's formal written statement concerning the right to use the land on which the building is to be built.

The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. 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. The legally allowed time for making an administrative decision granting a building permit is 30 days, and 65 days for resolving difficult cases (as set in the Code of Administrative Procedure). The Building Law stipulates that City Halls are fined PLN 500 for each day of delay in issuing a building permit. A request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision. As of August 22, 2008 the validity of building permits has been extended from 2 years to 3 years.

Procedure 13. Notify the Building Inspectorate about the beginning of construction

Time: 1 day

Cost: No cost

Comments: BuildCo must notify the Building Inspectorate of the start of construction work 7 days in advance (Article 41.4 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.

The following documents must be attached to the notification:

- a. Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works;
- b. Statement of the supervising inspector regarding control assumption;
- c. Certificates confirming the building director's and supervising inspector's professional skills;
- d. Information regarding the safety and hygiene of working conditions on the building site.

The investor must immediately inform the Building Inspectorate of any changes in the data above and register the building log with this authority.

Procedure 14*. Conclude agreement with utility provider: water and sewage

Time: 5 days

Cost: PLN 159

Comments: BuildCo incurs the cost of building connection to water and sewage networks. This cost depends on the technical conditions previously issued.

Procedure 15. Receive inspection and obtain water and sewage connections

Time: 1 day

Cost: No cost

Comments: Once the water and sewage connection project has been agreed, BuildCo can submit a request to start the connection works. The agency responsible for waterworks conducts a technical inspection and connects the warehouse to the water and sewage networks on the same day.

Procedure 16*. Inform the National Sanitary Inspectorate about the completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the National Sanitary Inspectorate (Sanepid) about the completion of the building. After receiving BuildCo's notification, Sanepid has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if Sanepid does not issue any response within this timeframe, it is considered approved.

Procedure 17. Receive inspection from the National Sanitary Inspectorate and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the National Sanitary Inspectorate (Sanepid). This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse. In order to pass the inspection, BuildCo needs to provide to Sanepid the following documents:

- a. The construction permit;
- b. The technological project with the agreed hygiene and health requirements;
- c. The relevant opinions and agreements, including: the bacteriological test of water from the internal system, a document certifying the effectiveness of mechanical ventilation, a document certifying the effectiveness of the protection against electrical hazard;
- d. Documents approving the use of the construction materials used in construction;
- e. An agreement for the collection of waste (municipal, medical, hazardous);
- f. The medical certificate for sanitary-epidemiological purposes for staff.

Procedure 18*. Inform the State Fire Service about completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the local department of the State Fire Service about the completion of the building. After receiving BuildCo's notification, the State Fire Service has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if the State Fire Service remains silent, it is regarded as having no objections or comments.

Procedure 19. Receive inspection from the State Fire Service and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the local department of the State Fire Service. This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse.

Procedure 20*. Obtain final geodetic report

Time: 10 days

Cost: PLN 2,000

Comments: When the building is complete, it is necessary to prepare the final geodetic report to confirm the real, final layout of the building on the geodetic map. The process is completed by a certified geodesist and is reviewed by the Poviats Geodetic Office.

Procedure 21. Request and receive occupancy permit

Time: 30 days

Cost: PLN 135 (25% of the cost of the building permit)

Comments: When the building works are over, BuildCo must inform, in writing, the Building Inspectorate of its intention to start using the building.

* This procedure can be completed simultaneously with previous procedures.

Before the building can be occupied, BuildCo must obtain an occupancy permit. BuildCo applies for an occupancy permit to the Building Inspectorate. The Building Inspectorate is in charge of executing a final inspection to certify that the new construction has been built according to the approved plans and that it is ready to be operative.

The following documents must be attached to the application for an occupancy permit:

- Original copy of the building log;
- 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;
- Expert's reports and protocols of required tests and controls;
- Final geodetic report;
- Investor's written statement of lack of objections from the authorities;
- Confirmation of completion of the building connection to utility networks;
- Energy characteristic of the building, prepared by the architect.

Procedure 22*. Receive final inspections

Time: 21 days

Cost: No cost

Comments: The post-construction review of the site is carried out by the Building Inspectorate.

DEALING WITH CONSTRUCTION PERMITS

Gorzów Wielkopolski, Lubuskie

Warehouse value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1. Request technical conditions for utility connections: electricity

Time: 30 days

Cost: No cost

Comments: Requesting the technical conditions to connect to electricity is compulsory in order to obtain the building permit.

Procedure 2*. Request technical conditions for utility connections: waterworks

Time: 21 days

Cost: PLN 90

Comments: BuildCo contacts the Municipal Waterworks Company (MPWiK) asking for technical conditions for connecting the warehouse to utilities (water, sewage and rainwater drainage). The situational map of the area and a proof of ownership of the land must be attached to the request of technical conditions. Although the rainwater drainage system is managed by the Department of Public Utilities of the City Hall, while the water and sewage networks are managed by MPWiK, applicants can apply for all these 3 technical conditions (water, sewage and rainwater drainage) at the same time to the MPWiK.

Procedure 3*. Request and obtain technical conditions for the location of the road exit from the Administrator of Public Roads

Time: 21 days

Cost: PLN 82

Comments: BuildCo applies to the Administrator of Public Roads asking the technical conditions to locate the road connection between the plot of land and the public road. BuildCo needs to submit the following documents:

- Copy of the local zoning plan (or a copy of the building conditions for the plot);
- Proof of ownership of the plot of land;
- An updated geodetic map;
- Information about neighboring plots;
- The technical parameters of the connection;
- Company incorporation documents (if the applicant is a company);
- Proof of paying of the fees.

The law sets a time-limit of 30 days to issue a decision. In case of complex projects, the limit is of 60 days.

Procedure 4*. Obtain current geodetic map

Time: 14 days

Cost: PLN 150

Comments: A land surveyor sends an application to the Geodetic Department requesting the current map of the area where the new construction will be built. Once obtained, the land surveyor performs a land survey and updates the map with the geodetic data s/he has collected. The updated map is then submitted to the Geodetic Department for approval.

An updated geodetic map serves as the starting point for all projects. The cost of the procedure depends on the number of copies and on the size of the maps required by the land surveyor. The cost has been increased since July, 12th 2014.

Procedure 5. Request and obtain a decision on the project proposal for road connection from the Administrator of Public Roads

Time: 30 days

Cost: No cost

Comments: The building project must be adjusted with the administrator of the public road near which the building is to be constructed, and to which the construction site is to be joined. The approval is issued in the form of a written confirmation. Building or rebuilding an entrance to the plot requires a permit to locate the driveway. The entrance project should be approved by the Administrator of Public Roads, to which BuildCo needs to submit an application form and the following attachments:

- 2 copies of the project of road connections;
- Copy of the decision about the location of the road exit previously issued by the Administrator of Public Roads;
- Copy of the local zoning plan (or a copy of building conditions for the plot).

Procedure 6*. Obtain a decision on the project proposal for the water, sewage and rainwater drainage connections from the Municipal Waterworks Company (MPWiK)

Time: 21 days

Cost: PLN 60

Comments: BuildCo submits the project to connect to the water, sewage and rainwater drainage systems based on the technical conditions received before. The project must be agreed with both the Municipal Waterworks Company (MPWiK) and the Department of Public Utilities of the City Hall.

Procedure 7*. Obtain a decision on the project proposal for the water, sewage and rainwater drainage connections from the Department of Public Utilities of the City Hall

Time: 14 days

Cost: No cost

Comments: BuildCo submits the project to connect to the water, sewage and rainwater drainage systems based on the technical conditions received before. The project must be agreed with both the Department of Waterworks (MPWiK) and the Department of Public Utilities of the City Hall.

Procedure 8. Receive an approval from the Project Documentation Coordination Unit (ZUDP) about the lack of conflicts among utility connections

Time: 30 days

Cost: PLN 325.5 (PLN 105 for the first utility connection + PLN 73.5 for 3 additional utility connections)

Comments: The location of the proposed public utility networks is agreed upon during "coordination meetings" organized by the district governorate ("Starosta") and attended by:

- The applicant;
- Entities that manage public utilities;
- Representatives of the local governments;
- Other entities that may be affected by the outcomes of the coordination meetings.

BuildCo needs to submit documents containing proposals for the location of the different networks. The district governorate sets the date and the place of the coordination meeting. The scope of the coordination meeting is to eliminate the risks arising from possible collisions between utility networks. The results of coordination meetings are stated in the protocol containing:

- Description of the meeting, the date and the location;
- A description of the subject of discussion;
- The name and other identifying information of the applicant;
- The name and position of the chairman;
- The names of the participants and the entities that they represent, or information about the reasons for a person to participate in the meeting;
- Final decisions of each of the attendees;

- g. Information on the entities summoned to the meeting, whose representatives did not participate in it;
- h. The signatures of the participants.

Procedure 9*. Request and obtain consent from fire safety expert

Time: 1 day

Cost: PLN 1,000

Comments: BuildCo hires a fire safety expert to review the aspects of the project that concerns fire safety. The fire safety expert works with BuildCo during the preparation of the project and, once it has been finalized, s/he signs and stamps it. Without this stamp, the authority issuing building permits will not approve the project. For complex projects, a statement from the local State Fire Service might be required.

Procedure 10*. Request and obtain consent from expert of work safety and hygiene

Time: 1 day

Cost: PLN 300

Comments: The building project must be reviewed by a work safety and hygiene expert. This professional gives a positive opinion the project by affixing his/her stamp and an approval/non approval clause to the project. The authority issuing building permits then checks if the project has been stamped by a work safety and hygiene expert. Without this stamp, the building permits cannot be granted.

Procedure 11*. Request and obtain consent from sanitary expert

Time: 1 day

Cost: PLN 300

Comments: The building project must be reviewed by a sanitary expert. This professional gives a positive opinion to the project by affixing his/her stamp and an approval/non approval clause to the project. The authority issuing building permits then checks if the project has been stamped by a sanitary expert. Without this stamp, the building permits cannot be granted.

Procedure 12. Request and obtain building permit

Time: 35 days

Cost: PLN 539

Comments: 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.

The following documents should be attached to the application:

- a. 4 copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts;
- b. The investor's formal written statement concerning the right to use the land on which the building is to be built.

The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. 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. The legally allowed time for making an administrative decision granting a building permit is 30 days, and 65 days for resolving difficult cases (as set in the Code of Administrative Procedure). The Building Law stipulates that City Halls are fined PLN 500 for each day of delay in issuing a building permit. A request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision. As of August 22, 2008 the validity of building permits has been extended from 2 years to 3 years.

Procedure 13. Notify the Building Inspectorate about the beginning of construction

Time: 1 day

Cost: No cost

Comments: BuildCo must notify the Building Inspectorate of the start of construction work 7 days in advance (Article 41.4 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.

The following documents must be attached to the notification:

- a. Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works;
- b. Statement of the supervising inspector regarding control assumption;
- c. Certificates confirming the building director's and supervising inspector's professional skills;
- d. Information regarding the safety and hygiene of working conditions on the building site.

The investor must immediately inform the Building Inspectorate of any changes in the data above and register the building log with this authority.

Procedure 14*. Conclude agreement with utility provider: water and sewage

Time: 7 days

Cost: PLN 300

Comments: BuildCo incurs the cost of building connection to water and sewage networks. This cost depends on the technical conditions previously issued.

Procedure 15. Receive inspection and obtain water and sewage connections

Time: 1 day

Cost: No cost

Comments: Once the water and sewage connection project has been agreed, BuildCo can submit a request to start the connection works. The agency responsible for waterworks conducts a technical inspection and connects the warehouse to the water and sewage networks on the same day.

Procedure 16*. Inform the National Sanitary Inspectorate about the completion of the building

Time: 1 day

Cost: PLN 80

Comments: BuildCo must inform the National Sanitary Inspectorate (Sanepid) about the completion of the building. After receiving BuildCo's notification, Sanepid has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if Sanepid does not issue any response within this timeframe, it is considered approved.

Procedure 17. Receive inspection from the National Sanitary Inspectorate and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the National Sanitary Inspectorate (Sanepid). This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse. In order to pass the inspection, BuildCo needs to provide to Sanepid the following documents:

- a. The construction permit;
- b. The technological project with the agreed hygiene and health requirements;
- c. The relevant opinions and agreements, including: the bacteriological test of water from the internal system, a document certifying the effectiveness of mechanical ventilation, a document certifying the effectiveness of the protection against electrical hazard;
- d. Documents approving the use of the construction materials used in construction;
- e. An agreement for the collection of waste (municipal, medical, hazardous);
- f. The medical certificate for sanitary-epidemiological purposes for staff.

Procedure 18*. Inform the State Fire Service about completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the local department of the State Fire Service about the completion of the building. After receiving BuildCo's notification, the State Fire Service has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if the State Fire Service remains silent, it is regarded as having no objections or comments.

Procedure 19. Receive inspection from the State Fire Service and obtain approval

Time: 14 days

Cost: No cost

* This procedure can be completed simultaneously with previous procedures.

Comments: The new construction must be inspected by the local department of the State Fire Service. This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse.

Procedure 20*. Obtain final geodetic report

Time: 3 days

Cost: PLN 2,000

Comments: When the building is complete, it is necessary to prepare the final geodetic report to confirm the real, final layout of the building on the geodetic map. The process is completed by a certified geodesist and is reviewed by the Poviast Geodetic Office.

Procedure 21. Request and receive occupancy permit

Time: 30 days

Cost: PLN 150 (25% of the cost of the building permit)

Comments: When the building works are over, BuildCo must inform, in writing, the Building Inspectorate of its intention to start using the building.

Before the building can be occupied, BuildCo must obtain an occupancy permit. BuildCo applies for an occupancy permit to the Building Inspectorate. The Building Inspectorate is in charge of executing a final inspection to certify that the new construction has been built according to the approved plans and that it is ready to be operative.

The following documents must be attached to the application for an occupancy permit:

- Original copy of the building log;
- 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;
- Expert's reports and protocols of required tests and controls;
- Final geodetic report;
- Investor's written statement of lack of objections from the authorities;
- Confirmation of completion of the building connection to utility networks;
- Energy characteristic of the building, prepared by the architect.

Procedure 22*. Receive final inspections

Time: 21 days

Cost: No cost

Comments: The post-construction review of the site is carried out by the Building Inspectorate.

DEALING WITH CONSTRUCTION PERMITS

Katowice, Śląskie

Warehouse value: PLN 2,032,884 (EUR 474,109)
Data as of: September 1st, 2014

Procedure 1. Obtain current geodetic map

Time: 30 days

Cost: PLN 150

Comments: A land surveyor sends an application to the Geodetic Department requesting the current map of the area where the new construction will be built. Once obtained, the land surveyor performs a land survey and updates the map with the geodetic data s/he has collected. The updated map is then submitted to the Geodetic Department for approval.

An updated geodetic map serves as the starting point for all projects. The cost of the procedure depends on the number of copies and on the size of the maps required by the land surveyor. The cost has been increased since July, 12th 2014.

Procedure 2*. Request technical conditions for utility connections: waterworks

Time: 30 days

Cost: PLN 140 (PLN 100 technical conditions for water and sewage + PLN 40 technical conditions for rainwater drainage)

Comments: BuildCo contacts the agency in charge of waterworks asking the technical conditions for connecting the warehouse to utilities. The situational map of the area and a proof of ownership of the land must be attached to the request of technical conditions.

Procedure 3*. Request and obtain technical conditions for the location of the road exit from the Administrator of Public Roads

Time: 21 days

Cost: PLN 82

Comments: BuildCo applies to the Administrator of Public Roads asking the technical conditions to locate the road connection between the plot of land and the public road. BuildCo needs to submit the following documents:

- Copy of the local zoning plan (or a copy of the building conditions for the plot);
- Proof of ownership of the plot of land;
- An updated geodetic map;
- Information about neighboring plots;
- The technical parameters of the connection;
- Company incorporation documents (if the applicant is a company);
- Proof of paying of the fees.

The law sets a time-limit of 30 days to issue a decision. In case of complex projects, the limit is of 60 days.

Procedure 4*. Request technical conditions for utility connections: electricity

Time: 14 days

Cost: No cost

Comments: Requesting the technical conditions to connect to electricity is compulsory in order to obtain the building permit.

Procedure 5*. Receive an opinion about mining damage

Time: 14 days

Cost: PLN 40

Comments: BuildCo needs to submit a request to the Department of Mining about the level of mining damage under the plot of land.

Procedure 6. Obtain a decision on the project proposal for the water and sewage connections

Time: 42 days

Cost: PLN 200

Comments: BuildCo submits the project to connect to the water and sewage networks based on the technical conditions received before.

Procedure 7*. Receive an opinion from the coordination meeting about the lack of conflicts among utility connections

Time: 30 days

Cost: PLN 325.5 (PLN 105 for the first utility connection + PLN 73.5 for 3 additional utility connections)

Comments: The location of the proposed public utility networks is agreed upon during "coordination meetings" organized by the district governorate ("Starosta") and attended by:

- The applicant;
- Entities that manage public utilities;
- Representatives of the local governments;
- Other entities that may be affected by the outcomes of the coordination meetings.

BuildCo needs to submit documents containing proposals for the location of the different networks. The district governorate sets the date and the place of the coordination meeting. The scope of the coordination meeting is to eliminate the risks arising from possible collisions between utility networks. The results of coordination meetings are stated in the protocol containing:

- Description of the meeting, the date and the location;
- A description of the subject of discussion;
- The name and other identifying information of the applicant;
- The name and position of the chairman;
- The names of the participants and the entities that they represent, or information about the reasons for a person to participate in the meeting;
- Final decisions of each of the attendees;
- Information on the entities summoned to the meeting, whose representatives did not participate in it;
- The signatures of the participants.

Procedure 8*. Request and obtain a decision on the project proposal for road connection from the Administrator of Public Roads

Time: 30 days

Cost: No cost

Comments: The building project must be adjusted with the administrator of the public road near which the building is to be constructed, and to which the construction site is to be joined. The approval is issued in the form of a written confirmation. Building or rebuilding an entrance to the plot requires a permit to locate the driveway. The entrance project should be approved by the

* This procedure can be completed simultaneously with previous procedures.

Administrator of Public Roads, to which BuildCo needs to submit an application form and the following attachments:

- 2 copies of the project of road connections;
- Copy of the decision about the location of the road exit previously issued by the Administrator of Public Roads;
- Copy of the local zoning plan (or a copy of building conditions for the plot).

Procedure 9*. Request and obtain consent from sanitary expert

Time: 1 day

Cost: PLN 250

Comments: The building project must be reviewed by a sanitary expert. This professional gives a positive opinion to the project by affixing his/her stamp and an approval/non approval clause to the project. The authority issuing building permits then checks if the project has been stamped by a sanitary expert. Without this stamp, the building permits cannot be granted.

Procedure 10*. Request and obtain consent from fire safety expert

Time: 1 day

Cost: PLN 600

Comments: BuildCo hires a fire safety expert to review the aspects of the project that concerns fire safety. The fire safety expert works with BuildCo during the preparation of the project and, once it has been finalized, s/he signs and stamps it. Without this stamp, the authority issuing building permits will not approve the project. For complex projects, a statement from the local State Fire Service might be required.

Procedure 11. Request and obtain building permit

Time: 49 days

Cost: PLN 539

Comments: 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.

The following documents should be attached to the application:

- 4 copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts;
- The investor's formal written statement concerning the right to use the land on which the building is to be built.

The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. 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. The legally allowed time for making an administrative decision granting a building permit is 30 days, and 65 days for resolving difficult cases (as set in the Code of Administrative Procedure). The Building Law stipulates that City Halls are fined PLN 500 for each day of delay in issuing a building permit. A

request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision. As of August 22, 2008 the validity of building permits has been extended from 2 years to 3 years.

Procedure 12. Notify the Building Inspectorate about the beginning of construction

Time: 1 day

Cost: No cost

Comments: BuildCo must notify the Building Inspectorate of the start of construction work 7 days in advance (Article 41.4 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.

The following documents must be attached to the notification:

- Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works;
- Statement of the supervising inspector regarding control assumption;
- Certificates confirming the building director's and supervising inspector's professional skills;
- Information regarding the safety and hygiene of working conditions on the building site.

The investor must immediately inform the Building Inspectorate of any changes in the data above and register the building log with this authority.

Procedure 13*. Conclude agreement with utility provider: water and sewage

Time: 7 days

Cost: PLN 300

Comments: BuildCo incurs the cost of building connection to water and sewage networks. This cost depends on the technical conditions previously issued.

Procedure 14. Receive inspection and obtain water and sewage connections

Time: 1 day

Cost: No cost

Comments: Once the water and sewage connection project has been agreed, BuildCo can submit a request to start the connection works. The agency responsible for waterworks conducts a technical inspection and connects the warehouse to the water and sewage networks on the same day.

Procedure 15*. Inform the National Sanitary Inspectorate about the completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the National Sanitary Inspectorate (Sanepid) about the completion of the building. After receiving BuildCo's notification, Sanepid has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if Sanepid does not issue any response within this timeframe, it is considered approved.

Procedure 16. Receive inspection from the National Sanitary Inspectorate and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the National Sanitary Inspectorate (Sanepid). This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse. In order to pass the inspection, BuildCo needs to provide to Sanepid the following documents:

- The construction permit;
- The technological project with the agreed hygiene and health requirements;
- The relevant opinions and agreements, including: the bacteriological test of water from the internal system, a document certifying the effectiveness of mechanical ventilation, a document certifying the effectiveness of the protection against electrical hazard;
- Documents approving the use of the construction materials used in construction;
- An agreement for the collection of waste (municipal, medical, hazardous);
- The medical certificate for sanitary-epidemiological purposes for staff.

Procedure 17*. Inform the State Fire Service about completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the local department of the State Fire Service about the completion of the building. After receiving BuildCo's notification, the State Fire Service has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if the State Fire Service remains silent, it is regarded as having no objections or comments.

Procedure 18. Receive inspection from the State Fire Service and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the local department of the State Fire Service. This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse.

Procedure 19*. Obtain final geodetic report

Time: 7 days

Cost: PLN 1,500

* This procedure can be completed simultaneously with previous procedures.

Comments: When the building is complete, it is necessary to prepare the final geodetic report to confirm the real, final layout of the building on the geodetic map. The process is completed by a certified geodesist and is reviewed by the Poviát Geodetic Office.

Procedure 20. Request and receive occupancy permit

Time: 21 days

Cost: PLN 135 (25% of the cost of the building permit)

Comments: When the building works are over, BuildCo must inform, in writing, the Building Inspectorate of its intention to start using the building.

Before the building can be occupied, BuildCo must obtain an occupancy permit. BuildCo applies for an occupancy permit to the Building Inspectorate. The Building Inspectorate is in charge of executing a final inspection to certify that the new construction has been built according to the approved plans and that it is ready to be operative.

The following documents must be attached to the application for an occupancy permit:

- Original copy of the building log;
- 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;
- Expert's reports and protocols of required tests and controls;
- Final geodetic report;
- Investor's written statement of lack of objections from the authorities;
- Confirmation of completion of the building connection to utility networks;
- Energy characteristic of the building, prepared by the architect.

Procedure 21*. Receive final inspections

Time: 15 days

Cost: No cost

Comments: The post-construction review of the site is carried out by the Building Inspectorate.

DEALING WITH CONSTRUCTION PERMITS

Kielce, Świętokrzyskie

Warehouse value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1. Request technical conditions for utility connections: waterworks

Time: 21 days

Cost: PLN 100

Comments: BuildCo contacts the agency in charge of waterworks asking the technical conditions for connecting the warehouse to utilities. The situational map of the area and a proof of ownership of the land must be attached to the request of technical conditions.

Procedure 2*. Obtain current geodetic map

Time: 14 days

Cost: PLN 150

Comments: A land surveyor sends an application to the Geodetic Department requesting the current map of the area where the new construction will be built. Once obtained, the land surveyor performs a land survey and updates the map with the geodetic data s/he has collected. The updated map is then submitted to the Geodetic Department for approval.

An updated geodetic map serves as the starting point for all projects. The cost of the procedure depends on the number of copies and on the size of the maps required by the land surveyor. The cost has been increased since July, 12th 2014.

Procedure 3*. Request technical conditions for utility connections: electricity

Time: 7 days

Cost: No cost

Comments: Requesting the technical conditions to connect to electricity is compulsory in order to obtain the building permit.

Procedure 4*. Request and obtain technical conditions for the location of the road exit from the Administrator of Public Roads

Time: 14 days

Cost: PLN 82

Comments: BuildCo applies to the Administrator of Public Roads asking the technical conditions to locate the road connection between the plot of land and the public road. BuildCo needs to submit the following documents:

- Copy of the local zoning plan (or a copy of the building conditions for the plot);
- Proof of ownership of the plot of land;
- An updated geodetic map;
- Information about neighboring plots;
- The technical parameters of the connection;
- Company incorporation documents (if the applicant is a company);
- Proof of paying of the fees.

The law sets a time-limit of 30 days to issue a decision. In case of complex projects, the limit is of 60 days.

Procedure 5*. Request technical conditions for utility connections: rainwater drainage

Time: 7 days

Cost: PLN 56

Comments: BuildCo contacts the Administrator of Public Roads asking for technical conditions for connecting to the rainwater drainage system.

Procedure 6. Receive an opinion from the coordination meeting about the lack of conflicts among utility connections

Time: 10 days

Cost: PLN 325.5 (PLN 105 for the first utility connection + PLN 73.5 for 3 additional utility connections)

Comments: The location of the proposed public utility networks is agreed upon during "coordination meetings" organized by the district governorate ("Starosta") and attended by:

- The applicant;
- Entities that manage public utilities;
- Representatives of the local governments;
- Other entities that may be affected by the outcomes of the coordination meetings.

BuildCo needs to submit documents containing proposals for the location of the different networks. The district governorate sets the date and the place of the coordination meeting. The scope of the coordination meeting is to eliminate the risks arising from possible collisions between utility networks. The results of coordination meetings are stated in the protocol containing:

- Description of the meeting, the date and the location;
- A description of the subject of discussion;
- The name and other identifying information of the applicant;
- The name and position of the chairman;
- The names of the participants and the entities that they represent, or information about the reasons for a person to participate in the meeting;
- Final decisions of each of the attendees;
- Information on the entities summoned to the meeting, whose representatives did not participate in it;
- The signatures of the participants.

Procedure 7. Obtain a decision on the project proposal for the water and sewage connections

Time: 28 days

Cost: PLN 420

Comments: BuildCo submits the project to connect to the water and sewage networks based on the technical conditions received before.

Procedure 8*. Request and obtain a decision on the project proposal for road connection from the Administrator of Public Roads

Time: 14 days

Cost: No cost

Comments: The building project must be adjusted with the administrator of the public road near which the building is to be constructed, and to which the construction site is to be joined. The approval is issued in the form of a written confirmation. Building or rebuilding an entrance to the plot requires a permit to locate the driveway. The entrance project should be approved by the Administrator of Public Roads, to which BuildCo needs to submit an application form and the following attachments:

- 2 copies of the project of road connections;
- Copy of the decision about the location of the road exit previously issued by the Administrator of Public Roads;
- Copy of the local zoning plan (or a copy of building conditions for the plot).

* This procedure can be completed simultaneously with previous procedures.

Procedure 9*. Obtain a decision on the project proposal for the rainwater drainage**Time:** 14 days**Cost:** PLN 60

Comments: BuildCo submits the project to connect to the rainwater drainage system based on the technical conditions received before.

Procedure 10*. Request and obtain consent from fire safety expert**Time:** 3 days**Cost:** PLN 600

Comments: BuildCo hires a fire safety expert to review the aspects of the project that concerns fire safety. The fire safety expert works with BuildCo during the preparation of the project and, once it has been finalized, s/he signs and stamps it. Without this stamp, the authority issuing building permits will not approve the project. For complex projects, a statement from the local State Fire Service might be required.

Procedure 11*. Request and obtain consent from sanitary expert**Time:** 3 days**Cost:** PLN 500

Comments: The building project must be reviewed by a sanitary expert. This professional gives a positive opinion to the project by affixing his/her stamp and an approval/non approval clause to the project. The authority issuing building permits then checks if the project has been stamped by a sanitary expert. Without this stamp, the building permits cannot be granted.

Procedure 12. Request and obtain building permit**Time:** 60 days**Cost:** PLN 539

Comments: 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.

The following documents should be attached to the application:

- a. 4 copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts;
- b. The investor's formal written statement concerning the right to use the land on which the building is to be built.

The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. 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. The legally allowed time for making an administrative decision granting a building permit is 30 days, and 65 days for resolving difficult cases (as set in the Code of Administrative Procedure). The Building Law stipulates that City Halls are fined PLN 500 for each day of delay in issuing a building permit. A

request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision. As of August 22, 2008 the validity of building permits has been extended from 2 years to 3 years.

Procedure 13. Notify the Building Inspectorate about the beginning of construction**Time:** 1 day**Cost:** No cost

Comments: BuildCo must notify the Building Inspectorate of the start of construction work 7 days in advance (Article 41.4 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.

The following documents must be attached to the notification:

- a. Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works;
- b. Statement of the supervising inspector regarding control assumption;
- c. Certificates confirming the building director's and supervising inspector's professional skills;
- d. Information regarding the safety and hygiene of working conditions on the building site.

The investor must immediately inform the Building Inspectorate of any changes in the data above and register the building log with this authority.

Procedure 14*. Conclude agreement with utility provider: water and sewage**Time:** 5 days**Cost:** PLN 250

Comments: BuildCo incurs the cost of building connection to water and sewage networks. This cost depends on the technical conditions previously issued.

Procedure 15. Receive inspection and obtain water and sewage connections**Time:** 1 day**Cost:** No cost

Comments: Once the water and sewage connection project has been agreed, BuildCo can submit a request to start the connection works. The agency responsible for waterworks conducts a technical inspection and connects the warehouse to the water and sewage networks on the same day.

Procedure 16*. Inform the National Sanitary Inspectorate about the completion of the building**Time:** 1 day**Cost:** No cost

Comments: BuildCo must inform the National Sanitary Inspectorate (Sanepid) about the completion of the building. After receiving BuildCo's notification, Sanepid has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if Sanepid does not issue any response within this timeframe, it is considered approved.

Procedure 17. Receive inspection from the National Sanitary Inspectorate and obtain approval**Time:** 14 days**Cost:** No cost

Comments: The new construction must be inspected by the National Sanitary Inspectorate (Sanepid). This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse. In order to pass the inspection, BuildCo needs to provide to Sanepid the following documents:

- a. The construction permit;
- b. The technological project with the agreed hygiene and health requirements;
- c. The relevant opinions and agreements, including: the bacteriological test of water from the internal system, a document certifying the effectiveness of mechanical ventilation, a document certifying the effectiveness of the protection against electrical hazard;
- d. Documents approving the use of the construction materials used in construction;
- e. An agreement for the collection of waste (municipal, medical, hazardous);
- f. The medical certificate for sanitary-epidemiological purposes for staff.

Procedure 18*. Inform the State Fire Service about completion of the building**Time:** 1 day**Cost:** No cost

Comments: BuildCo must inform the local department of the State Fire Service about the completion of the building. After receiving BuildCo's notification, the State Fire Service has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if the State Fire Service remains silent, it is regarded as having no objections or comments.

Procedure 19. Receive inspection from the State Fire Service and obtain approval**Time:** 14 days**Cost:** No cost

Comments: The new construction must be inspected by the local department of the State Fire Service. This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse.

Procedure 20*. Obtain final geodetic report**Time:** 14 days**Cost:** PLN 1,000

Comments: When the building is complete, it is necessary to prepare the final geodetic report to confirm the real, final layout of the building on the geodetic map. The process is completed by a certified geodesist and is reviewed by the Poviát Geodetic Office.

Procedure 21. Request and receive occupancy permit

Time: 14 days

Cost: PLN 135 (25% of the cost of the building permit)

Comments: When the building works are over, BuildCo must inform, in writing, the Building Inspectorate of its intention to start using the building.

Before the building can be occupied, BuildCo must obtain an occupancy permit. BuildCo applies for an occupancy permit to the Building Inspectorate. The Building Inspectorate is in charge of executing a final inspection to certify that the new construction has been built according to the approved plans and that it is ready to be operative.

The following documents must be attached to the application for an occupancy permit:

- Original copy of the building log;
- 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;
- Expert's reports and protocols of required tests and controls;
- Final geodetic report;
- Investor's written statement of lack of objections from the authorities;
- Confirmation of completion of the building connection to utility networks;
- Energy characteristic of the building, prepared by the architect.

Procedure 22*. Receive final inspections

Time: 14 days

Cost: No cost

Comments: The post-construction review of the site is carried out by the Building Inspectorate.

DEALING WITH CONSTRUCTION PERMITS

Kraków, Małopolskie

Warehouse value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1. Obtain current geodetic map

Time: 20 days

Cost: PLN 150

Comments: A land surveyor sends an application to the Geodetic Department requesting the current map of the area where the new construction will be built. Once obtained, the land surveyor performs a land survey and updates the map with the geodetic data s/he has collected. The updated map is then submitted to the Geodetic Department for approval.

An updated geodetic map serves as the starting point for all projects. In this city, an updated geodetic map is also needed in order to apply for a decision regarding the location of the road exit from the Administrator of Public Roads. The cost of the procedure depends on the number of copies and on the size of the maps required by the land surveyor. The cost has been increased since July, 12th 2014.

Procedure 2. Request technical conditions for utility connections: electricity

Time: 30 days

Cost: No cost

Comments: Requesting the technical conditions to connect to electricity is compulsory in order to obtain the building permit.

Procedure 3*. Request and obtain technical conditions for the location of the road exit from the Administrator of Public Roads

Time: 28 days

Cost: PLN 82

Comments: BuildCo applies to the Administrator of Public Roads asking the technical conditions to locate the road connection between the plot of land and the public road. BuildCo needs to submit the following documents:

- Copy of the local zoning plan (or a copy of the building conditions for the plot);
- Proof of ownership of the plot of land;
- An updated geodetic map;
- Information about neighboring plots;
- The technical parameters of the connection;
- Company incorporation documents (if the applicant is a company);
- Proof of paying of the fees.

The law sets a time-limit of 30 days to issue a decision. In case of complex projects, the limit is of 60 days.

Procedure 4*. Request technical conditions for utility connections: waterworks

Time: 28 days

Cost: PLN 100

Comments: BuildCo contacts the agency in charge of waterworks asking the technical conditions for connecting the warehouse to utilities. The situational map of the area and a proof of ownership of the land must be attached to the request of technical conditions.

Procedure 5*. Request technical conditions for utility connections: rainwater drainage

Time: 14 days

Cost: No cost

Comments: BuildCo contacts the Department of Technical Infrastructure and Public Utilities of the City Hall asking for technical conditions for connecting to the rainwater drainage system.

Procedure 6. Request and obtain a decision on the project proposal for road connection from the Administrator of Public Roads

Time: 28 days

Cost: No cost

Comments: The building project must be adjusted with the administrator of the public road near which the building is to be constructed, and to which the construction site is to be joined. The approval is issued in the form of a written confirmation. Building or rebuilding an entrance to the plot requires a permit to locate the driveway. The entrance project should be approved by the Administrator of Public Roads, to which BuildCo needs to submit an application form and the following attachments:

- 2 copies of the project of road connections;
- Copy of the decision about the location of the road exit previously issued by the Administrator of Public Roads;
- Copy of the local zoning plan (or a copy of building conditions for the plot).

Procedure 7*. Obtain a decision on the project proposal for the water and sewage connections

Time: 28 days

Cost: PLN 100

Comments: BuildCo submits the project to connect to the water and sewage networks based on the technical conditions received before.

Procedure 8*. Obtain a decision on the project proposal for the rainwater drainage

Time: 21 days

Cost: No cost

Comments: BuildCo submits the project to connect to the rainwater drainage system based on the technical conditions received before.

Procedure 9*. Receive an opinion from the Team Coordinating the Location of Proposed Infrastructure Networks (ZKUPSUT) about the lack of conflicts among utility connections

Time: 21 days

Cost: PLN 325.5 (PLN 105 for the first utility connection + PLN 73.5 for 3 additional utility connections)

Comments: The location of the proposed public utility networks is agreed upon during "coordination meetings" organized by the district governorate ("Starosta") and attended by:

- The applicant;
- Entities that manage public utilities;
- Representatives of the local governments;
- Other entities that may be affected by the outcomes of the coordination meetings.

BuildCo needs to submit documents containing proposals for the location of the different networks. The district governorate sets the date and the place of the coordination meeting. The scope of the coordination meeting is to eliminate the

* This procedure can be completed simultaneously with previous procedures.

risks arising from possible collisions between utility networks. The results of coordination meetings are stated in the protocol containing:

- Description of the meeting, the date and the location;
- A description of the subject of discussion;
- The name and other identifying information of the applicant;
- The name and position of the chairman;
- The names of the participants and the entities that they represent, or information about the reasons for a person to participate in the meeting;
- Final decisions of each of the attendees;
- Information on the entities summoned to the meeting, whose representatives did not participate in it;
- The signatures of the participants.

Procedure 10*. Request and obtain consent from fire safety expert

Time: 1 day

Cost: PLN 1,000

Comments: BuildCo hires a fire safety expert to review the aspects of the project that concerns fire safety. The fire safety expert works with BuildCo during the preparation of the project and, once it has been finalized, s/he signs and stamps it. Without this stamp, the authority issuing building permits will not approve the project. For complex projects, a statement from the local State Fire Service might be required.

Procedure 11. Request and obtain building permit

Time: 65 days

Cost: PLN 539

Comments: 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.

The following documents should be attached to the application:

- 4 copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts;
- The investor's formal written statement concerning the right to use the land on which the building is to be built.

The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. 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. The legally allowed time for making an administrative decision granting a building permit is 30 days, and 65 days for resolving difficult cases (as set in the Code of Administrative Procedure). The Building Law stipulates that City Halls are fined PLN 500 for each day of delay in issuing a building permit. A request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit

request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision. As of August 22, 2008 the validity of building permits has been extended from 2 years to 3 years.

Procedure 12. Notify the Building Inspectorate about the beginning of construction

Time: 1 day

Cost: No cost

Comments: BuildCo must notify the Building Inspectorate of the start of construction work 7 days in advance (Article 41.4 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.

The following documents must be attached to the notification:

- Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works;
- Statement of the supervising inspector regarding control assumption;
- Certificates confirming the building director's and supervising inspector's professional skills;
- Information regarding the safety and hygiene of working conditions on the building site.

The investor must immediately inform the Building Inspectorate of any changes in the data above and register the building log with this authority.

Procedure 13*. Conclude agreement with utility provider: water and sewage

Time: 3 days

Cost: PLN 300

Comments: BuildCo incurs the cost of building connection to water and sewage networks. This cost depends on the technical conditions previously issued.

Procedure 14. Receive inspection and obtain water and sewage connections

Time: 1 day

Cost: No cost

Comments: Once the water and sewage connection project has been agreed, BuildCo can submit a request to start the connection works. The agency responsible for waterworks conducts a technical inspection and connects the warehouse to the water and sewage networks on the same day.

Procedure 15*. Inform the National Sanitary Inspectorate about the completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the National Sanitary Inspectorate (Sanepid) about the completion of the building. After receiving BuildCo's notification, Sanepid has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if Sanepid does not issue any response within this timeframe, it is considered approved.

Procedure 16. Receive inspection from the National Sanitary Inspectorate and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the National Sanitary Inspectorate (Sanepid). This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse. In order to pass the inspection, BuildCo needs to provide to Sanepid the following documents:

- The construction permit;
- The technological project with the agreed hygiene and health requirements;
- The relevant opinions and agreements, including: the bacteriological test of water from the internal system, a document certifying the effectiveness of mechanical ventilation, a document certifying the effectiveness of the protection against electrical hazard;
- Documents approving the use of the construction materials used in construction;
- An agreement for the collection of waste (municipal, medical, hazardous);
- The medical certificate for sanitary-epidemiological purposes for staff.

Procedure 17*. Inform the State Fire Service about completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the local department of the State Fire Service about the completion of the building. After receiving BuildCo's notification, the State Fire Service has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if the State Fire Service remains silent, it is regarded as having no objections or comments.

Procedure 18. Receive inspection from the State Fire Service and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the local department of the State Fire Service. This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse.

Procedure 19*. Obtain final geodetic report

Time: 14 days

Cost: PLN 1,500

Comments: When the building is complete, it is necessary to prepare the final geodetic report to confirm the real, final layout of the building on the geodetic map. The process is completed by a certified geodesist and is reviewed by the Poviats Geodetic Office.

Procedure 20. Request and receive occupancy permit

Time: 30 days

* This procedure can be completed simultaneously with previous procedures.

Cost: PLN 135 (25% of the cost of the building permit)

Comments: When the building works are over, BuildCo must inform, in writing, the Building Inspectorate of its intention to start using the building.

Before the building can be occupied, BuildCo must obtain an occupancy permit. BuildCo applies for an occupancy permit to the Building Inspectorate. The Building Inspectorate is in charge of executing a final inspection to certify that the new construction has been built according to the approved plans and that it is ready to be operative.

The following documents must be attached to the application for an occupancy permit:

- Original copy of the building log;
- 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;
- Expert's reports and protocols of required tests and controls;
- Final geodetic report;
- Investor's written statement of lack of objections from the authorities;
- Confirmation of completion of the building connection to utility networks;
- Energy characteristic of the building, prepared by the architect.

Procedure 21*. Receive final inspections

Time: 21 days

Cost: No cost

Comments: The post-construction review of the site is carried out by the Building Inspectorate.

DEALING WITH CONSTRUCTION PERMITS

Łódź, Łódzkie

Warehouse value: PLN 2,032,884 (EUR 474,109)
Data as of: September 1st, 2014

Procedure 1. Obtain current geodetic map

Time: 30 days

Cost: PLN 50

Comments: A land surveyor sends an application to the Geodetic Department requesting the current map of the area where the new construction will be built. Once obtained, the land surveyor performs a land survey and updates the map with the geodetic data s/he has collected. The updated map is then submitted to the Geodetic Department for approval.

An updated geodetic map serves as the starting point for all projects. The cost of the procedure depends on the number of copies and on the size of the maps required by the land surveyor. The cost has been increased since July, 12th 2014.

Procedure 2*. Request technical conditions for utility connections: electricity

Time: 30 days

Cost: No cost

Comments: Requesting the technical conditions to connect to electricity is compulsory in order to obtain the building permit.

Procedure 3*. Request and obtain technical conditions for the location of the road exit from the Administrator of Public Roads

Time: 30 days

Cost: PLN 82

Comments: BuildCo applies to the Administrator of Public Roads asking the technical conditions to locate the road connection between the plot of land and the public road. BuildCo needs to submit the following documents:

- Copy of the local zoning plan (or a copy of the building conditions for the plot);
- Proof of ownership of the plot of land;
- An updated geodetic map;
- Information about neighboring plots;
- The technical parameters of the connection;
- Company incorporation documents (if the applicant is a company);
- Proof of paying of the fees.

The law sets a time-limit of 30 days to issue a decision. In case of complex projects, the limit is of 60 days.

Procedure 4*. Request technical conditions for utility connections: waterworks

Time: 18 days

Cost: PLN 100

Comments: BuildCo contacts the agency in charge of waterworks asking the technical conditions for connecting the warehouse to utilities. The situational map of the area and a proof of ownership of the land must be attached to the request of technical conditions.

Procedure 5. Obtain a decision on the project proposal for the water and sewage connections

Time: 18 days

Cost: No cost

Comments: BuildCo submits the project to connect to the water and sewage networks based on the technical conditions received before.

Procedure 6*. Request and obtain a decision on the project proposal for road connection from the Administrator of Public Roads

Time: 14 days

Cost: No cost

Comments: The building project must be adjusted with the administrator of the public road near which the building is to be constructed, and to which the construction site is to be joined. The approval is issued in the form of a written confirmation. Building or rebuilding an entrance to the plot requires a permit to locate the driveway. The entrance construction should be approved by the Administrator of Public Roads, to which BuildCo needs to submit an application form and the following attachments:

- 2 copies of the project of road connections;

- Copy of the decision about the location of the road exit previously issued by the Administrator of Public Roads;
- Copy of the local zoning plan (or a copy of building conditions for the plot).

Procedure 7*. Receive an opinion from the coordination meeting about the lack of conflicts among utility connections

Time: 14 days

Cost: PLN 325.5 (PLN 105 for the first utility connection + PLN 73.5 for 3 additional utility connections)

Comments: The location of the proposed public utility networks is agreed upon during "coordination meetings" organized by the district governorate ("Starosta") and attended by:

- The applicant;
- Entities that manage public utilities;
- Representatives of the local governments;
- Other entities that may be affected by the outcomes of the coordination meetings.

BuildCo needs to submit documents containing proposals for the location of the different networks. The district governorate sets the date and the place of the coordination meeting. The scope of the coordination meeting is to eliminate the risks arising from possible collisions between utility networks. The results of coordination meetings are stated in the protocol containing:

- Description of the meeting, the date and the location;
- A description of the subject of discussion;
- The name and other identifying information of the applicant;
- The name and position of the chairman;
- The names of the participants and the entities that they represent, or information about the reasons for a person to participate in the meeting;
- Final decisions of each of the attendees;
- Information on the entities summoned to the meeting, whose representatives did not participate in it;
- The signatures of the participants.

Procedure 8*. Request and obtain consent from fire safety expert

Time: 2 days

Cost: PLN 1,000

Comments: BuildCo hires a fire safety expert to review the aspects of the project that concerns fire safety. The fire safety expert works with BuildCo during the preparation of the project and, once it has been finalized, s/he signs and stamps it. Without this stamp, the authority issuing building permits will not approve the project. For complex projects, a statement from the local State Fire Service might be required.

Procedure 9*. Request and obtain consent from sanitary expert

Time: 2 days

Cost: PLN 300

Comments: The building project must be reviewed by a sanitary expert. This professional gives a positive opinion to the project by affixing his/her stamp and an approval/non approval clause to the project. The authority issuing building permits then checks if the project has been stamped by a sanitary expert. Without this stamp, the building permits cannot be granted.

Procedure 10. Request and obtain building permit

Time: 45 days

Cost: PLN 539

Comments: 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.

The following documents should be attached to the application:

- 4 copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts;
- The investor's formal written statement concerning the right to use the land on which the building is to be built.

The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. 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. The legally allowed time for making an administrative decision granting a building permit is 30 days, and 65 days for resolving difficult cases (as set in the Code of Administrative Procedure). The Building Law stipulates that City Halls are fined PLN 500 for each day of delay in issuing a building permit. A request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision. As of August 22, 2008 the validity of building permits has been extended from 2 years to 3 years.

Procedure 11. Notify the Building Inspectorate about the beginning of construction

Time: 1 day

Cost: No cost

Comments: BuildCo must notify the Building Inspectorate of the start of construction work 7 days in advance (Article 41.4 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.

The following documents must be attached to the notification:

- Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works;
- Statement of the supervising inspector regarding control assumption;

- Certificates confirming the building director's and supervising inspector's professional skills;
- Information regarding the safety and hygiene of working conditions on the building site.

The investor must immediately inform the Building Inspectorate of any changes in the data above and register the building log with this authority.

Procedure 12*. Conclude agreement with utility provider: water and sewage

Time: 7 days

Cost: PLN 300

Comments: BuildCo incurs the cost of building connection to water and sewage networks. The connection is done by the Municipal Waterworks Company (ZWIK) 7 days after it has been notified. The cost depends on the technical conditions.

Procedure 13. Receive inspection and obtain water and sewage connections

Time: 1 day

Cost: No cost

Comments: Once the water and sewage connection project has been agreed, BuildCo can submit a request to start the connection works. The agency responsible for waterworks conducts a technical inspection and connects the warehouse to the water and sewage networks on the same day.

Procedure 14*. Inform the National Sanitary Inspectorate about the completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the National Sanitary Inspectorate (Sanepid) about the completion of the building. After receiving BuildCo's notification, Sanepid has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if Sanepid does not issue any response within this timeframe, it is considered approved.

Procedure 15. Receive inspection from the National Sanitary Inspectorate and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the National Sanitary Inspectorate (Sanepid). This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse. In order to pass the inspection, BuildCo needs to provide to Sanepid the following documents:

- The construction permit;
- The technological project with the agreed hygiene and health requirements;
- The relevant opinions and agreements, including: the bacteriological test of water from the internal system, a document certifying the effectiveness of mechanical ventilation, a document certifying the effectiveness of the protection against electrical hazard;
- Documents approving the use of the construction materials used in construction;

- An agreement for the collection of waste (municipal, medical, hazardous);
- The medical certificate for sanitary-epidemiological purposes for staff.

Procedure 16*. Inform the State Fire Service about completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the local department of the State Fire Service about the completion of the building. After receiving BuildCo's notification, the State Fire Service has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if the State Fire Service remains silent, it is regarded as having no objections or comments.

Procedure 17. Receive inspection from the State Fire Service and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the local department of the State Fire Service. This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse.

Procedure 18*. Obtain final geodetic report

Time: 14 days

Cost: PLN 2,000

Comments: When the building is complete, it is necessary to prepare the final geodetic report to confirm the real, final layout of the building on the geodetic map. The process is completed by a certified geodesist and is reviewed by the Powiat Geodetic Office.

Procedure 19. Request and receive occupancy permit

Time: 30 days

Cost: PLN 135 (25% of the cost of the building permit)

Comments: When the building works are over, BuildCo must inform, in writing, the Building Inspectorate of its intention to start using the building.

Before the building can be occupied, BuildCo must obtain an occupancy permit. BuildCo applies for an occupancy permit to the Building Inspectorate. The Building Inspectorate is in charge of executing a final inspection to certify that the new construction has been built according to the approved plans and that it is ready to be operative.

The following documents must be attached to the application for an occupancy permit:

- Original copy of the building log;
- 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;
- Expert's reports and protocols of required tests and controls;
- Final geodetic report;

* This procedure can be completed simultaneously with previous procedures.

- e. Investor's written statement of lack of objections from the authorities;
- f. Confirmation of completion of the building connection to utility networks;
- g. Energy characteristic of the building, prepared by the architect.

Procedure 20*. Receive final inspections

Time: 21 days

Cost: No cost

Comments: The post-construction review of the site is carried out by the Building Inspectorate.

DEALING WITH CONSTRUCTION PERMITS

Lublin, Lubelskie

Warehouse value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1. Request and obtain technical conditions for the location of the road exit from the Administrator of Public Roads

Time: 21 days

Cost: PLN 82

Comments: BuildCo applies to the Administrator of Public Roads asking the technical conditions to locate the road connection between the plot of land and the public road. BuildCo needs to submit the following documents:

- a. Copy of the local zoning plan (or a copy of the building conditions for the plot);
- b. Proof of ownership of the plot of land;
- c. An updated geodetic map;
- d. Information about neighboring plots;
- e. The technical parameters of the connection;
- f. Company incorporation documents (if the applicant is a company);
- g. Proof of paying of the fees.

The law sets a time-limit of 30 days to issue a decision. In case of complex projects, the limit is of 60 days.

Procedure 2*. Obtain current geodetic map

Time: 14 days

Cost: PLN 150

Comments: A land surveyor sends an application to the Geodetic Department requesting the current map of the area where the new construction will be built. Once obtained, the land surveyor performs a land survey and updates the map with the geodetic data s/he has collected. The updated map is then submitted to the Geodetic Department for approval.

An updated geodetic map serves as the starting point for all projects. The cost of the procedure depends on the number of copies and on the size of the maps required by the land surveyor. The cost has been increased since July, 12th 2014.

Procedure 3*. Request technical conditions for utility connections: electricity

Time: 14 days

Cost: No cost

Comments: Requesting the technical conditions to connect to electricity is compulsory in order to obtain the building permit.

Procedure 4*. Request technical conditions for utility connections: waterworks

Time: 14 days

Cost: No cost

Comments: BuildCo contacts the agency in charge of waterworks asking the technical conditions for connecting the warehouse to utilities. The situational map of the area and a proof of ownership of the land must be attached to the request of technical conditions.

Procedure 5*. Receive an environment impact analysis decision

Time: 14 days

Cost: PLN 220

Comments: BuildCo needs to submit to the Department of Environment Protection a request to know if the building needs an environmental impact analysis. The decision, even when negative, must be included in the application for a building permit. In the case of a commercial warehouse of 1,300.6 square meters, the environmental impact analyses are not necessary.

Procedure 6. Receive an opinion from the coordination meeting about the lack of conflicts among utility connections

Time: 21 days

Cost: PLN 325.5 (PLN 105 for the first utility connection + PLN 73.5 for 3 additional utility connections)

Comments: The location of the proposed public utility networks is agreed upon during "coordination meetings" organized by the district governorate ("Starosta") and attended by:

- a. The applicant;
- b. Entities that manage public utilities;
- c. Representatives of the local governments;
- d. Other entities that may be affected by the outcomes of the coordination meetings.

BuildCo needs to submit documents containing proposals for the location of the different networks. The district governorate sets the date and the place of the coordination meeting. The scope of the coordination meeting is to eliminate the risks arising from possible collisions between utility networks. The results of coordination meetings are stated in the protocol containing:

- a. Description of the meeting, the date and the location;
- b. A description of the subject of discussion;
- c. The name and other identifying information of the applicant;
- d. The name and position of the chairman;
- e. The names of the participants and the entities that they represent, or information about the reasons for a person to participate in the meeting;
- f. Final decisions of each of the attendees;
- g. Information on the entities summoned to the meeting, whose representatives did not participate in it;
- h. The signatures of the participants.

Procedure 7*. Request and obtain a decision on the project proposal for road connection from the Administrator of Public Roads

Time: 21 days

Cost: No cost

Comments: The building project must be adjusted with the administrator of the public road near which the building is to be constructed, and to which the construction site is to be joined. The approval is issued in the form of a written confirmation. Building or rebuilding an entrance to the plot requires a permit to locate the driveway. The entrance project should be approved by the Administrator of Public Roads, to which BuildCo needs to submit an application form and the following attachments:

- a. 2 copies of the project of road connections;
- b. Copy of the decision about the location of the road exit previously issued by the Administrator of Public Roads;
- c. Copy of the local zoning plan (or a copy of building conditions for the plot).

Procedure 8*. Obtain a decision on the project proposal for the water and sewage connections

Time: 14 days

Cost: PLN 115

Comments: BuildCo submits the project to connect to the water and sewage networks based on the technical conditions received before.

Procedure 9*. Request and obtain consent from sanitary expert

Time: 2 days

Cost: PLN 500

Comments: The building project must be reviewed by a sanitary expert. This professional gives a positive opinion to the project by affixing his/her stamp and an approval/non approval clause to the project. The authority issuing building permits then checks if the project has been stamped by a sanitary expert. Without this stamp, the building permits cannot be granted.

Procedure 10*. Request and obtain consent from fire safety expert

Time: 2 days

Cost: PLN 1,000

Comments: BuildCo hires a fire safety expert to review the aspects of the project that concerns fire safety. The fire safety expert works with BuildCo during the preparation of the project and, once it has been finalized, s/he signs and stamps it. Without this stamp, the authority issuing building permits will not approve the project. For complex projects, a statement from the local State Fire Service might be required.

Procedure 11. Request and obtain building permit

Time: 44 days

Cost: PLN 539

* This procedure can be completed simultaneously with previous procedures.

Comments: 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.

The following documents should be attached to the application:

- 4 copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts;
- The investor's formal written statement concerning the right to use the land on which the building is to be built.

The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. 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. The legally allowed time for making an administrative decision granting a building permit is 30 days, and 65 days for resolving difficult cases (as set in the Code of Administrative Procedure). The Building Law stipulates that City Halls are fined PLN 500 for each day of delay in issuing a building permit. A request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision. As of August 22, 2008 the validity of building permits has been extended from 2 years to 3 years.

Procedure 12. Notify the Building Inspectorate about the beginning of construction

Time: 1 day

Cost: No cost

Comments: BuildCo must notify the Building Inspectorate of the start of construction work 7 days in advance (Article 41.4 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.

The following documents must be attached to the notification:

- Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works;
- Statement of the supervising inspector regarding control assumption;
- Certificates confirming the building director's and supervising inspector's professional skills;
- Information regarding the safety and hygiene of working conditions on the building site.

The investor must immediately inform the Building Inspectorate of any changes in the data above and register the building log with this authority.

Procedure 13*. Conclude agreement with utility provider: water and sewage

Time: 7 days

Cost: PLN 200

Comments: BuildCo incurs the cost of building connection to water and sewage networks. This cost depends on the technical conditions previously issued.

Procedure 14. Receive inspection and obtain water and sewage connections

Time: 1 day

Cost: No cost

Comments: Once the water and sewage connection project has been agreed, BuildCo can submit a request to start the connection works. The agency responsible for waterworks conducts a technical inspection and connects the warehouse to the water and sewage networks on the same day.

Procedure 15*. Inform the National Sanitary Inspectorate about the completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the National Sanitary Inspectorate (Sanepid) about the completion of the building. After receiving BuildCo's notification, Sanepid has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if Sanepid does not issue any response within this timeframe, it is considered approved.

Procedure 16. Receive inspection from the National Sanitary Inspectorate and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the National Sanitary Inspectorate (Sanepid). This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse. In order to pass the inspection, BuildCo needs to provide to Sanepid the following documents:

- The construction permit;
- the technological project with the agreed hygiene and health requirements;
- The relevant opinions and agreements, including: the bacteriological test of water from the internal system, a document certifying the effectiveness of mechanical ventilation, a document certifying the effectiveness of the protection against electrical hazard;
- Documents approving the use of the construction materials used in construction;
- An agreement for the collection of waste (municipal, medical, hazardous);
- The medical certificate for sanitary-epidemiological purposes for staff.

Procedure 17*. Inform the State Fire Service about completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the local department of the State Fire Service about the completion of the building. After receiving BuildCo's notification, the State Fire Service has 14 days to inspect the new construction and issue its opin-

ion. After 14 days pass, a silence-is-consent rule applies: if the State Fire Service remains silent, it is regarded as having no objections or comments.

Procedure 18. Receive inspection from the State Fire Service and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the local department of the State Fire Service. This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse.

Procedure 19*. Obtain final geodetic report

Time: 7 days

Cost: PLN 1,000

Comments: When the building is complete, it is necessary to prepare the final geodetic report to confirm the real, final layout of the building on the geodetic map. The process is completed by a certified geodesist and is reviewed by the Poviats Geodetic Office.

Procedure 20. Request and receive occupancy permit

Time: 30 days

Cost: PLN 135 (25% of the cost of the building permit)

Comments: When the building works are over, BuildCo must inform, in writing, the Building Inspectorate of its intention to start using the building.

Before the building can be occupied, BuildCo must obtain an occupancy permit. BuildCo applies for an occupancy permit to the Building Inspectorate. The Building Inspectorate is in charge of executing a final inspection to certify that the new construction has been built according to the approved plans and that it is ready to be operative.

The following documents must be attached to the application for an occupancy permit:

- Original copy of the building log;
- 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;
- Expert's reports and protocols of required tests and controls;
- Final geodetic report;
- Investor's written statement of lack of objections from the authorities;
- Confirmation of completion of the building connection to utility networks;
- Energy characteristic of the building, prepared by the architect.

Procedure 21*. Receive final inspections

Time: 21 days

Cost: No cost

Comments: The post-construction review of the site is carried out by the Building Inspectorate.

* This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

Olsztyn, Warmińsko-Mazurskie

Warehouse value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1. Obtain current geodetic map**Time:** 21 days**Cost:** PLN 150

Comments: A land surveyor sends an application to the Geodetic Department requesting the current map of the area where the new construction will be built. Once obtained, the land surveyor performs a land survey and updates the map with the geodetic data s/he has collected. The updated map is then submitted to the Geodetic Department for approval.

An updated geodetic map serves as the starting point for all projects. In this city, an updated geodetic map is also needed in order to apply for a decision regarding the location of the road exit from the Administrator of Public Roads. The cost of the procedure depends on the number of copies and on the size of the maps required by the land surveyor. The cost has been increased since July, 12th 2014.

Procedure 2. Request technical conditions for utility connections: electricity**Time:** 30 days**Cost:** No cost

Comments: Requesting the technical conditions to connect to electricity is compulsory in order to obtain the building permit.

Procedure 3*. Request and obtain technical conditions for the location of the road exit from the Administrator of Public Roads**Time:** 21 days**Cost:** PLN 82

Comments: BuildCo applies to the Administrator of Public Roads asking the technical conditions to locate the road connection between the plot of land and the public road. BuildCo needs to submit the following documents:

- Copy of the local zoning plan (or a copy of the building conditions for the plot);
- Proof of ownership of the plot of land;
- An updated geodetic map;
- Information about neighboring plots;
- The technical parameters of the connection;
- Company incorporation documents (if the applicant is a company);
- Proof of paying of the fees.

The law sets a time-limit of 30 days to issue a decision. In case of complex projects, the limit is of 60 days.

Procedure 4*. Request technical conditions for utility connections: waterworks**Time:** 14 days**Cost:** PLN 150

Comments: BuildCo contacts the agency in charge of waterworks asking the technical conditions for connecting the warehouse to utilities. The situational map of the area and a proof of ownership of the land must be attached to the request of technical conditions.

Procedure 5*. Request technical conditions for utility connections: rainwater drainage**Time:** 7 days**Cost:** No cost

Comments: BuildCo contacts the Municipal Investment Department asking for technical conditions for connecting to the rainwater drainage system.

Procedure 6. Request and obtain a decision on the project proposal for road connection from the Administrator of Public Roads**Time:** 14 days**Cost:** No cost

Comments: The building project must be adjusted with the administrator of the public road near which the building is to be constructed, and to which the construction site is to be joined. The approval is issued in the form of a written confirmation. Building or rebuilding an entrance to the plot requires a permit to locate the driveway. The entrance project should be approved by the Administrator of Public Roads, to which BuildCo needs to submit an application form and the following attachments:

- 2 copies of the project of road connections;
- Copy of the decision about the location of the road exit previously issued by the Administrator of Public Roads;
- Copy of the local zoning plan (or a copy of building conditions for the plot).

Procedure 7*. Receive an opinion from the coordination meeting about the lack of conflicts among utility connections**Time:** 14 days

Cost: PLN 325.5 (PLN 105 for the first utility connection + PLN 73.5 for 3 additional utility connections)

Comments: The location of the proposed public utility networks is agreed upon during "coordination meetings" organized by the district governorate ("Starosta") and attended by:

- The applicant;
- Entities that manage public utilities;
- Representatives of the local governments;
- Other entities that may be affected by the outcomes of the coordination meetings.

BuildCo needs to submit documents containing proposals for the location of the different networks. The district governorate sets the date and the place of the coordination meeting. The scope of the coordination meeting is to eliminate the risks arising from possible collisions between utility networks. The results of coordination meetings are stated in the protocol containing:

- Description of the meeting, the date and the location;
- A description of the subject of discussion;

- The name and other identifying information of the applicant;
- The name and position of the chairman;
- The names of the participants and the entities that they represent, or information about the reasons for a person to participate in the meeting;
- Final decisions of each of the attendees;
- Information on the entities summoned to the meeting, whose representatives did not participate in it;
- The signatures of the participants.

Procedure 8*. Obtain a decision on the project proposal for the water and sewage connections**Time:** 7 days**Cost:** No cost

Comments: BuildCo submits the project to connect to the water and sewage networks based on the technical conditions received before.

Procedure 9*. Obtain a decision on the project proposal for the rainwater drainage**Time:** 7 days**Cost:** No cost

Comments: BuildCo submits the project to connect to the rainwater drainage system based on the technical conditions received before.

Procedure 10*. Request and obtain consent from fire safety expert**Time:** 1 day**Cost:** PLN 1,000

Comments: BuildCo hires a fire safety expert to review the aspects of the project that concerns fire safety. The fire safety expert works with BuildCo during the preparation of the project and, once it has been finalized, s/he signs and stamps it. Without this stamp, the authority issuing building permits will not approve the project. For complex projects, a statement from the local State Fire Service might be required.

Procedure 11*. Request and obtain consent from sanitary expert**Time:** 1 day**Cost:** PLN 500

Comments: The building project must be reviewed by a sanitary expert. This professional gives a positive opinion to the project by affixing his/her stamp and an approval/non approval clause to the project. The authority issuing building permits then checks if the project has been stamped by a sanitary expert. Without this stamp, the building permits cannot be granted.

Procedure 12. Request and obtain building permit**Time:** 35 days**Cost:** PLN 539

Comments: 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.

The following documents should be attached to the application:

- a. 4 copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts;
- b. The investor's formal written statement concerning the right to use the land on which the building is to be built.

The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. 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. The legally allowed time for making an administrative decision granting a building permit is 30 days, and 65 days for resolving difficult cases (as set in the Code of Administrative Procedure). The Building Law stipulates that City Halls are fined PLN 500 for each day of delay in issuing a building permit. A request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision. As of August 22, 2008 the validity of building permits has been extended from 2 years to 3 years.

Procedure 13. Notify the Building Inspectorate about the beginning of construction

Time: 1 day

Cost: No cost

Comments: BuildCo must notify the Building Inspectorate of the start of construction work 7 days in advance (Article 41.4 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.

The following documents must be attached to the notification:

- a. Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works;
- b. Statement of the supervising inspector regarding control assumption;
- c. Certificates confirming the building director's and supervising inspector's professional skills;
- d. Information regarding the safety and hygiene of working conditions on the building site.

The investor must immediately inform the Building Inspectorate of any changes in the data above and register the building log with this authority.

Procedure 14*. Conclude agreement with utility provider: water and sewage

Time: 7 days

Cost: PLN 250

Comments: BuildCo incurs the cost of building connection to water and sewage networks. This cost depends on the technical conditions previously issued.

Procedure 15. Receive inspection and obtain water and sewage connections

Time: 1 day

Cost: No cost

Comments: Once the water and sewage connection project has been agreed, BuildCo can submit a request to start the connection works. The agency responsible for waterworks conducts a technical inspection and connects the warehouse to the water and sewage networks on the same day.

Procedure 16*. Inform the National Sanitary Inspectorate about the completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the National Sanitary Inspectorate (Sanepid) about the completion of the building. After receiving BuildCo's notification, Sanepid has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if Sanepid does not issue any response within this timeframe, it is considered approved.

Procedure 17. Receive inspection from the National Sanitary Inspectorate and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the National Sanitary Inspectorate (Sanepid). This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse. In order to pass the inspection, BuildCo needs to provide to Sanepid the following documents:

- a. The construction permit;
- b. The technological project with the agreed hygiene and health requirements;
- c. The relevant opinions and agreements, including: the bacteriological test of water from the internal system, a document certifying the effectiveness of mechanical ventilation, a document certifying the effectiveness of the protection against electrical hazard;
- d. Documents approving the use of the construction materials used in construction;
- e. An agreement for the collection of waste (municipal, medical, hazardous);
- f. The medical certificate for sanitary-epidemiological purposes for staff.

Procedure 18*. Inform the State Fire Service about completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the local department of the State Fire Service about the completion of the building. After receiving BuildCo's notification, the State Fire Service has 14 days to inspect the new construction and issue its opin-

ion. After 14 days pass, a silence-is-consent rule applies: if the State Fire Service remains silent, it is regarded as having no objections or comments.

Procedure 19. Receive inspection from the State Fire Service and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the local department of the State Fire Service. This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse.

Procedure 20*. Obtain final geodetic report

Time: 14 days

Cost: PLN 1,600

Comments: When the building is complete, it is necessary to prepare the final geodetic report to confirm the real, final layout of the building on the geodetic map. The process is completed by a certified geodesist and is reviewed by the Poviats Geodetic Office.

Procedure 21. Request and receive occupancy permit

Time: 14 days

Cost: PLN 135 (25% of the cost of the building permit)

Comments: When the building works are over, BuildCo must inform, in writing, the Building Inspectorate of its intention to start using the building.

Before the building can be occupied, BuildCo must obtain an occupancy permit. BuildCo applies for an occupancy permit to the Building Inspectorate. The Building Inspectorate is in charge of executing a final inspection to certify that the new construction has been built according to the approved plans and that it is ready to be operative.

The following documents must be attached to the application for an occupancy permit:

- a. Original copy of the building log;
- b. 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;
- c. Expert's reports and protocols of required tests and controls;
- d. Final geodetic report;
- e. Investor's written statement of lack of objections from the authorities;
- f. Confirmation of completion of the building connection to utility networks;
- g. Energy characteristic of the building, prepared by the architect.

Procedure 22*. Receive final inspections

Time: 7 days

Cost: No cost

Comments: The post-construction review of the site is carried out by the Building Inspectorate.

* This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

Opole, Opolskie

Warehouse value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1. Obtain current geodetic map**Time:** 30 days**Cost:** PLN 150

Comments: A land surveyor sends an application to the Geodetic Department requesting the current map of the area where the new construction will be built. Once obtained, the land surveyor performs a land survey and updates the map with the geodetic data s/he has collected. The updated map is then submitted to the Geodetic Department for approval.

An updated geodetic map serves as the starting point for all projects. The cost of the procedure depends on the number of copies and on the size of the maps required by the land surveyor. The cost has been increased since July, 12th 2014.

Procedure 2*. Request and obtain technical conditions for the location of the road exit from the Administrator of Public Roads**Time:** 14 days**Cost:** PLN 82

Comments: BuildCo applies to the Administrator of Public Roads asking the technical conditions to locate the road connection between the plot of land and the public road. BuildCo needs to submit the following documents:

- Copy of the local zoning plan (or a copy of the building conditions for the plot);
- Proof of ownership of the plot of land;
- An updated geodetic map;
- Information about neighboring plots;
- The technical parameters of the connection;
- Company incorporation documents (if the applicant is a company);
- Proof of paying of the fees.

The law sets a time-limit of 30 days to issue a decision. In case of complex projects, the limit is of 60 days.

Procedure 3*. Request technical conditions for utility connections: waterworks**Time:** 14 days**Cost:** PLN 150

Comments: BuildCo contacts the agency in charge of waterworks asking the technical conditions for connecting the warehouse to utilities. The situational map of the area and a proof of ownership of the land must be attached to the request of technical conditions.

Procedure 4*. Request technical conditions for utility connections: electricity**Time:** 7 days**Cost:** No cost

Comments: Requesting the technical conditions to connect to electricity is compulsory in order to obtain the building permit.

Procedure 5*. Request technical conditions for utility connections: rainwater drainage**Time:** 7 days**Cost:** PLN 100

Comments: BuildCo contacts the Department of Technical Infrastructure and Public Utilities of the City Hall asking for technical conditions for connecting to the rainwater drainage system.

Procedure 6*. Receive an environment impact analysis decision**Time:** 7 days**Cost:** PLN 220

Comments: BuildCo needs to submit to the Department of Environment Protection a request to know if the building needs an environmental impact analysis. The decision, even when negative, must be included in the application for a building permit. In the case of a commercial warehouse of 1,300.6 square meters, the environmental impact analyses are not necessary.

Procedure 7. Request and obtain a decision on the project proposal for road connection from the Administrator of Public Roads**Time:** 14 days**Cost:** No cost

Comments: The building project must be adjusted with the administrator of the public road near which the building is to be constructed, and to which the construction site is to be joined. The approval is issued in the form of a written confirmation. Building or rebuilding an entrance to the plot requires a permit to locate the driveway. The entrance project should be approved by the Administrator of Public Roads, to which BuildCo needs to submit an application form and the following attachments:

- 2 copies of the project of road connections;
- Copy of the decision about the location of the road exit previously issued by the Administrator of Public Roads;
- Copy of the local zoning plan (or a copy of building conditions for the plot).

Procedure 8*. Obtain a decision on the project proposal for the water and sewage connections**Time:** 14 days**Cost:** No cost

Comments: BuildCo submits the project to connect to the water and sewage networks based on the technical conditions received before.

Procedure 9*. Receive an opinion from the coordination meeting about the lack of conflicts among utility connections**Time:** 14 days

Cost: PLN 325.5 (PLN 105 for the first utility connection + PLN 73.5 for 3 additional utility connections)

Comments: The location of the proposed public utility networks is agreed upon during "coordination meetings" organized by the district governorate ("Starosta") and attended by:

- The applicant;
- Entities that manage public utilities;
- Representatives of the local governments;
- Other entities that may be affected by the outcomes of the coordination meetings.

BuildCo needs to submit documents containing proposals for the location of the different networks. The district governorate sets the date and the place of the coordination meeting. The scope of the coordination meeting is to eliminate the risks arising from possible collisions between utility networks. The results of coordination meetings are stated in the protocol containing:

- Description of the meeting, the date and the location;
- A description of the subject of discussion;
- The name and other identifying information of the applicant;
- The name and position of the chairman;
- The names of the participants and the entities that they represent, or information about the reasons for a person to participate in the meeting;
- Final decisions of each of the attendees;
- Information on the entities summoned to the meeting, whose representatives did not participate in it;
- The signatures of the participants.

Procedure 10*. Request and obtain consent from sanitary expert**Time:** 2 days**Cost:** PLN 500

Comments: The building project must be reviewed by a sanitary expert. This professional gives a positive opinion to the project by affixing his/her stamp and an approval/non approval clause to the project. The authority issuing building permits then checks if the project has been stamped by a sanitary expert. Without this stamp, the building permits cannot be granted.

Procedure 11*. Request and obtain consent from fire safety expert**Time:** 2 days**Cost:** PLN 1,000

Comments: BuildCo hires a fire safety expert to review the aspects of the project that concerns fire safety. The fire safety expert works with BuildCo during the preparation of the project and, once it has been finalized, s/he signs and stamps it. Without this stamp, the authority issuing building permits will not approve the project. For complex projects, a statement from the local State Fire Service might be required.

Procedure 12. Request and obtain building permit**Time:** 44 days**Cost:** PLN 539

* This procedure can be completed simultaneously with previous procedures.

Comments: 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.

The following documents should be attached to the application:

- 4 copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts;
- The investor's formal written statement concerning the right to use the land on which the building is to be built.

The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. 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. The legally allowed time for making an administrative decision granting a building permit is 30 days, and 65 days for resolving difficult cases (as set in the Code of Administrative Procedure). The Building Law stipulates that City Halls are fined PLN 500 for each day of delay in issuing a building permit. A request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision. As of August 22, 2008 the validity of building permits has been extended from 2 years to 3 years.

Procedure 13. Notify the Building Inspectorate about the beginning of construction

Time: 1 day

Cost: No cost

Comments: BuildCo must notify the Building Inspectorate of the start of construction work 7 days in advance (Article 41.4 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.

The following documents must be attached to the notification:

- Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works;
- Statement of the supervising inspector regarding control assumption;
- Certificates confirming the building director's and supervising inspector's professional skills;
- Information regarding the safety and hygiene of working conditions on the building site.

The investor must immediately inform the Building Inspectorate of any changes in the data above and register the building log with this authority.

Procedure 14*. Receive inspection and obtain water and sewage connections

Time: 1 day

Cost: No cost

Comments: Once the water and sewage connection project has been agreed, BuildCo can submit a request to start the connection works. The agency responsible for waterworks conducts a technical inspection and connects the warehouse to the water and sewage networks on the same day.

Procedure 15. Conclude agreement with utility provider: water and sewage

Time: 7 days

Cost: PLN 150

Comments: BuildCo incurs the cost of building connection to water and sewage networks. This cost depends on the technical conditions previously issued.

Procedure 16*. Inform the National Sanitary Inspectorate about the completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the National Sanitary Inspectorate (Sanepid) about the completion of the building. After receiving BuildCo's notification, Sanepid has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if Sanepid does not issue any response within this timeframe, it is considered approved.

Procedure 17. Receive inspection from the National Sanitary Inspectorate and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the National Sanitary Inspectorate (Sanepid). This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse. In order to pass the inspection, BuildCo needs to provide to Sanepid the following documents:

- The construction permit;
- the technological project with the agreed hygiene and health requirements;
- The relevant opinions and agreements, including: the bacteriological test of water from the internal system, a document certifying the effectiveness of mechanical ventilation, a document certifying the effectiveness of the protection against electrical hazard;
- Documents approving the use of the construction materials used in construction;
- An agreement for the collection of waste (municipal, medical, hazardous);
- The medical certificate for sanitary-epidemiological purposes for staff.

Procedure 18*. Inform the State Fire Service about completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the local department of the State Fire Service about the completion of the building. After receiving BuildCo's notification, the State Fire Service has 14 days to inspect the new construction and issue its opin-

ion. After 14 days pass, a silence-is-consent rule applies: if the State Fire Service remains silent, it is regarded as having no objections or comments.

Procedure 19. Receive inspection from the State Fire Service and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the local department of the State Fire Service. This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse.

Procedure 20*. Obtain final geodetic report

Time: 3 days

Cost: PLN 1,000

Comments: When the building is complete, it is necessary to prepare the final geodetic report to confirm the real, final layout of the building on the geodetic map. The process is completed by a certified geodesist and is reviewed by the Poviats Geodetic Office.

Procedure 21. Request and receive occupancy permit

Time: 10 days

Cost: PLN 135 (25% of the cost of the building permit)

Comments: When the building works are over, BuildCo must inform, in writing, the Building Inspectorate of its intention to start using the building.

Before the building can be occupied, BuildCo must obtain an occupancy permit. BuildCo applies for an occupancy permit to the Building Inspectorate. The Building Inspectorate is in charge of executing a final inspection to certify that the new construction has been built according to the approved plans and that it is ready to be operative.

The following documents must be attached to the application for an occupancy permit:

- Original copy of the building log;
- 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;
- Expert's reports and protocols of required tests and controls;
- Final geodetic report;
- Investor's written statement of lack of objections from the authorities;
- Confirmation of completion of the building connection to utility networks;
- Energy characteristic of the building, prepared by the architect.

Procedure 22*. Receive final inspections

Time: 8 days

Cost: No cost

Comments: The post-construction review of the site is carried out by the Building Inspectorate.

* This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

Poznań, Wielkopolskie

Warehouse value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1. Obtain current geodetic map**Time:** 14 days**Cost:** PLN 50

Comments: A land surveyor sends an application to the Geodetic Department requesting the current map of the area where the new construction will be built. Once obtained, the land surveyor performs a land survey and updates the map with the geodetic data s/he has collected. The updated map is then submitted to the Geodetic Department for approval.

An updated geodetic map serves as the starting point for all projects. In this city, an updated geodetic map is also needed in order to apply for a decision regarding the location of the road exit from the Administrator of Public Roads. The cost of the procedure depends on the number of copies and on the size of the maps required by the land surveyor. The cost has been increased since July, 12th 2014.

Procedure 2. Request technical conditions for utility connections: electricity**Time:** 30 days**Cost:** No cost

Comments: Requesting the technical conditions to connect to electricity is compulsory in order to obtain the building permit.

Procedure 3*. Request and obtain technical conditions for the location of the road exit from the Administrator of Public Roads**Time:** 30 days**Cost:** PLN 82

Comments: BuildCo applies to the Administrator of Public Roads asking the technical conditions to locate the road connection between the plot of land and the public road. BuildCo needs to submit the following documents:

- Copy of the local zoning plan (or a copy of the building conditions for the plot);
- Proof of ownership of the plot of land;
- An updated geodetic map;
- Information about neighboring plots;
- The technical parameters of the connection;
- Company incorporation documents (if the applicant is a company);
- Proof of paying of the fees.

The law sets a time-limit of 30 days to issue a decision. In case of complex projects, the limit is of 60 days.

Procedure 4*. Request technical conditions for utility connections: waterworks**Time:** 30 days**Cost:** PLN 100

Comments: BuildCo contacts the agency in charge of waterworks asking the technical conditions for connecting the warehouse to utilities. The situational map of the area and a proof of ownership of the land must be attached to the request of technical conditions.

Procedure 5. Receive an opinion from the coordination meeting about the lack of conflicts among utility connections**Time:** 30 days

Cost: PLN 325.5 (PLN 105 for the first utility connection + PLN 73.5 for 3 additional utility connections)

Comments: The location of the proposed public utility networks is agreed upon during "coordination meetings" organized by the district governorate ("Starosta") and attended by:

- The applicant;
- Entities that manage public utilities;
- Representatives of the local governments;
- Other entities that may be affected by the outcomes of the coordination meetings.

BuildCo needs to submit documents containing proposals for the location of the different networks. The district governorate sets the date and the place of the coordination meeting. The scope of the coordination meeting is to eliminate the risks arising from possible collisions between utility networks. The results of coordination meetings are stated in the protocol containing:

- Description of the meeting, the date and the location;
- A description of the subject of discussion;
- The name and other identifying information of the applicant;
- The name and position of the chairman;
- The names of the participants and the entities that they represent, or information about the reasons for a person to participate in the meeting;
- Final decisions of each of the attendees;
- Information on the entities summoned to the meeting, whose representatives did not participate in it;
- The signatures of the participants.

Procedure 6*. Obtain a decision on the project proposal for the water and sewage connections**Time:** 30 days**Cost:** PLN 300

Comments: BuildCo submits the project to connect to the water and sewage networks based on the technical conditions received before.

Procedure 7*. Request and obtain a decision on the project proposal for road connection from the Administrator of Public Roads**Time:** 21 days**Cost:** No cost

Comments: The building project must be adjusted with the administrator of the public road near which the building is to be constructed, and to which the construction site is to be joined. The approval is issued in the form of a written

confirmation. Building or rebuilding an entrance to the plot requires a permit to locate the driveway. The entrance project should be approved by the Administrator of Public Roads, to which BuildCo needs to submit an application form and the following attachments:

- 2 copies of the project of road connections;
- Copy of the decision about the location of the road exit previously issued by the Administrator of Public Roads;
- Copy of the local zoning plan (or a copy of building conditions for the plot).

Procedure 8*. Request and obtain consent from fire safety expert**Time:** 1 day**Cost:** PLN 750

Comments: BuildCo hires a fire safety expert to review the aspects of the project that concerns fire safety. The fire safety expert works with BuildCo during the preparation of the project and, once it has been finalized, s/he signs and stamps it. Without this stamp, the authority issuing building permits will not approve the project. For complex projects, a statement from the local State Fire Service might be required.

Procedure 9*. Request and obtain consent from sanitary expert**Time:** 1 day**Cost:** PLN 750

Comments: The building project must be reviewed by a sanitary expert. This professional gives a positive opinion to the project by affixing his/her stamp and an approval/non approval clause to the project. The authority issuing building permits then checks if the project has been stamped by a sanitary expert. Without this stamp, the building permits cannot be granted.

Procedure 10. Request and obtain building permit**Time:** 60 days**Cost:** PLN 539

Comments: 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.

The following documents should be attached to the application:

- 4 copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts;
- The investor's formal written statement concerning the right to use the land on which the building is to be built.

The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. 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. The legally allowed time for making an administrative decision granting a building permit is 30 days, and 65 days for resolving difficult cases (as set in the Code

* This procedure can be completed simultaneously with previous procedures.

of Administrative Procedure). The Building Law stipulates that City Halls are fined PLN 500 for each day of delay in issuing a building permit. A request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision. As of August 22, 2008 the validity of building permits has been extended from 2 years to 3 years.

Procedure 11. Notify the Building Inspectorate about the beginning of construction

Time: 1 day

Cost: No cost

Comments: BuildCo must notify the Building Inspectorate of the start of construction work 7 days in advance (Article 41.4 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.

The following documents must be attached to the notification:

- Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works;
- Statement of the supervising inspector regarding control assumption;
- Certificates confirming the building director's and supervising inspector's professional skills;
- Information regarding the safety and hygiene of working conditions on the building site.

The investor must immediately inform the Building Inspectorate of any changes in the data above and register the building log with this authority.

Procedure 12*. Conclude agreement with utility provider: water and sewage

Time: 7 days

Cost: PLN 300

Comments: BuildCo incurs the cost of building connection to water and sewage networks. This cost depends on the technical conditions previously issued.

Procedure 13. Receive inspection and obtain water and sewage connections

Time: 1 day

Cost: No cost

Comments: Once the water and sewage connection project has been agreed, BuildCo can submit a request to start the connection works. The agency responsible for waterworks conducts a technical inspection and connects the warehouse to the water and sewage networks on the same day.

Procedure 14*. Inform the National Sanitary Inspectorate about the completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the National Sanitary Inspectorate (Sanepid) about the completion of the building. After receiving BuildCo's notification, Sanepid has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if Sanepid does not issue any response within this timeframe, it is considered approved.

Procedure 15. Receive inspection from the National Sanitary Inspectorate and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the National Sanitary Inspectorate (Sanepid). This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse. In order to pass the inspection, BuildCo needs to provide to Sanepid the following documents:

- The construction permit;
- The technological project with the agreed hygiene and health requirements;
- The relevant opinions and agreements, including: the bacteriological test of water from the internal system, a document certifying the effectiveness of mechanical ventilation, a document certifying the effectiveness of the protection against electrical hazard;
- Documents approving the use of the construction materials used in construction;
- An agreement for the collection of waste (municipal, medical, hazardous);
- The medical certificate for sanitary-epidemiological purposes for staff.

Procedure 16*. Inform the State Fire Service about completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the local department of the State Fire Service about the completion of the building. After receiving BuildCo's notification, the State Fire Service has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if the State Fire Service remains silent, it is regarded as having no objections or comments.

Procedure 17. Receive inspection from the State Fire Service and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the local department of the State Fire Service. This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse.

Procedure 18*. Obtain final geodetic report

Time: 14 days

Cost: PLN 1,500

Comments: When the building is complete, it is necessary to prepare the final geodetic report to confirm the real, final layout of the building on the geodetic map. The process is completed by a certified geodesist and is reviewed by the Poviast Geodetic Office.

Procedure 19. Request and receive occupancy permit

Time: 30 days

Cost: PLN 135 (25% of the cost of the building permit)

Comments: When the building works are over, BuildCo must inform, in writing, the Building Inspectorate of its intention to start using the building.

Before the building can be occupied, BuildCo must obtain an occupancy permit. BuildCo applies for an occupancy permit to the Building Inspectorate. The Building Inspectorate is in charge of executing a final inspection to certify that the new construction has been built according to the approved plans and that it is ready to be operative.

The following documents must be attached to the application for an occupancy permit:

- Original copy of the building log;
- 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;
- Expert's reports and protocols of required tests and controls;
- Final geodetic report;
- Investor's written statement of lack of objections from the authorities;
- Confirmation of completion of the building connection to utility networks;
- Energy characteristic of the building, prepared by the architect.

Procedure 20*. Receive final inspections

Time: 21 days

Cost: No cost

Comments: The post-construction review of the site is carried out by the Building Inspectorate.

DEALING WITH CONSTRUCTION PERMITS

Rzeszów, Podkarpackie

Warehouse value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1. Request and obtain technical conditions for the location of the road exit from the Administrator of Public Roads

Time: 30 days

Cost: PLN 82

Comments: BuildCo applies to the Administrator of Public Roads asking the technical conditions to locate the road connection between the plot of land and the public road. BuildCo needs to submit the following documents:

- Copy of the local zoning plan (or a copy of the building conditions for the plot);
- Proof of ownership of the plot of land;

* This procedure can be completed simultaneously with previous procedures.

- c. An updated geodetic map;
- d. Information about neighboring plots;
- e. The technical parameters of the connection;
- f. Company incorporation documents (if the applicant is a company);
- g. Proof of paying of the fees.

The law sets a time-limit of 30 days to issue a decision. In case of complex projects, the limit is of 60 days.

Procedure 2*. Obtain current geodetic map

Time: 18 days

Cost: PLN 150

Comments: A land surveyor sends an application to the Geodetic Department requesting the current map of the area where the new construction will be built. Once obtained, the land surveyor performs a land survey and updates the map with the geodetic data s/he has collected. The updated map is then submitted to the Geodetic Department for approval.

An updated geodetic map serves as the starting point for all projects. The cost of the procedure depends on the number of copies and on the size of the maps required by the land surveyor. The cost has been increased since July, 12th 2014.

Procedure 3*. Request technical conditions for utility connections: electricity

Time: 14 days

Cost: No cost

Comments: Requesting the technical conditions to connect to electricity is compulsory in order to obtain the building permit.

Procedure 4*. Request technical conditions for utility connections: waterworks

Time: 14 days

Cost: PLN 100

Comments: BuildCo contacts the agency in charge of waterworks asking the technical conditions for connecting the warehouse to utilities. The situational map of the area and a proof of ownership of the land must be attached to the request of technical conditions.

Procedure 5. Request and obtain a decision on the project proposal for road connection from the Administrator of Public Roads

Time: 14 days

Cost: No cost

Comments: The building project must be adjusted with the administrator of the public road near which the building is to be constructed, and to which the construction site is to be joined. The approval is issued in the form of a written confirmation. Building or rebuilding an entrance to the plot requires a permit to locate the driveway. The entrance project should be approved by the Administrator of Public Roads, to which BuildCo needs to submit an application form and the following attachments:

- a. 2 copies of the project of road connections;

- b. Copy of the decision about the location of the road exit previously issued by the Administrator of Public Roads;
- c. Copy of the local zoning plan (or a copy of building conditions for the plot).

Procedure 6*. Receive an approval from the Project Documentation Coordination Unit (ZUDP) about the lack of conflicts among utility connections

Time: 14 days

Cost: PLN 325.5 (PLN 105 for the first utility connection + PLN 73.5 for 3 additional utility connections)

Comments: The location of the proposed public utility networks is agreed upon during "coordination meetings" organized by the district governorate ("Starosta") and attended by:

- a. The applicant;
- b. Entities that manage public utilities;
- c. Representatives of the local governments;
- d. Other entities that may be affected by the outcomes of the coordination meetings.

BuildCo needs to submit documents containing proposals for the location of the different networks. The district governorate sets the date and the place of the coordination meeting. The scope of the coordination meeting is to eliminate the risks arising from possible collisions between utility networks. The results of coordination meetings are stated in the protocol containing:

- a. Description of the meeting, the date and the location;
- b. A description of the subject of discussion;
- c. The name and other identifying information of the applicant;
- d. The name and position of the chairman;
- e. The names of the participants and the entities that they represent, or information about the reasons for a person to participate in the meeting;
- f. Final decisions of each of the attendees;
- g. Information on the entities summoned to the meeting, whose representatives did not participate in it;
- h. The signatures of the participants.

Procedure 7*. Request and obtain consent from sanitary expert

Time: 7 days

Cost: PLN 500

Comments: The building project must be reviewed by a sanitary expert. This professional gives a positive opinion to the project by affixing his/her stamp and an approval/non approval clause to the project. The authority issuing building permits then checks if the project has been stamped by a sanitary expert. Without this stamp, the building permits cannot be granted.

Procedure 8*. Request and obtain consent from fire safety expert

Time: 3 days

Cost: PLN 1,000

Comments: BuildCo hires a fire safety expert to review the aspects of the project that concerns fire safety. The fire safety expert works with BuildCo during the preparation of the project and, once it has been finalized, s/he signs and stamps it. Without this stamp, the authority issuing building permits will not approve the project. For complex projects, a statement from the local State Fire Service might be required.

Procedure 9. Request and obtain building permit

Time: 54 days

Cost: PLN 539

Comments: 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.

The following documents should be attached to the application:

- a. 4 copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts;
- b. The investor's formal written statement concerning the right to use the land on which the building is to be built.

The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. 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. The legally allowed time for making an administrative decision granting a building permit is 30 days, and 65 days for resolving difficult cases (as set in the Code of Administrative Procedure). The Building Law stipulates that City Halls are fined PLN 500 for each day of delay in issuing a building permit. A request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision. As of August 22, 2008 the validity of building permits has been extended from 2 years to 3 years.

Procedure 10. Notify the Building Inspectorate about the beginning of construction

Time: 1 day

Cost: No cost

Comments: BuildCo must notify the Building Inspectorate of the start of construction work 7 days in advance (Article 41.4 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.

The following documents must be attached to the notification:

- a. Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works;

- b. Statement of the supervising inspector regarding control assumption;
- c. Certificates confirming the building director's and supervising inspector's professional skills;
- d. Information regarding the safety and hygiene of working conditions on the building site.

The investor must immediately inform the Building Inspectorate of any changes in the data above and register the building log with this authority.

Procedure 11*. Conclude agreement with utility provider: water and sewage

Time: 7 days

Cost: PLN 300

Comments: BuildCo incurs the cost of building connection to water and sewage networks. This cost depends on the technical conditions previously issued.

Procedure 12. Receive inspection and obtain water and sewage connections

Time: 1 day

Cost: No cost

Comments: Once the water and sewage connection project has been agreed, BuildCo can submit a request to start the connection works. The agency responsible for waterworks conducts a technical inspection and connects the warehouse to the water and sewage networks on the same day.

Procedure 13*. Inform the National Sanitary Inspectorate about the completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the National Sanitary Inspectorate (Sanepid) about the completion of the building. After receiving BuildCo's notification, Sanepid has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if Sanepid does not issue any response within this timeframe, it is considered approved.

Procedure 14. Receive inspection from the National Sanitary Inspectorate and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the National Sanitary Inspectorate (Sanepid). This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse. In order to pass the inspection, BuildCo needs to provide to Sanepid the following documents:

- a. The construction permit;
- b. The technological project with the agreed hygiene and health requirements;
- c. The relevant opinions and agreements, including: the bacteriological test of water from the internal system, a document certifying the effectiveness of mechanical ventilation, a document certifying the effectiveness of the protection against electrical hazard;
- d. Documents approving the use of the construction materials used in construction;

- e. An agreement for the collection of waste (municipal, medical, hazardous);
- f. The medical certificate for sanitary-epidemiological purposes for staff.

Procedure 15*. Inform the State Fire Service about completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the local department of the State Fire Service about the completion of the building. After receiving BuildCo's notification, the State Fire Service has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if the State Fire Service remains silent, it is regarded as having no objections or comments.

Procedure 16. Receive inspection from the State Fire Service and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the local department of the State Fire Service. This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse.

Procedure 17*. Obtain final geodetic report

Time: 14 days

Cost: PLN 2,000

Comments: When the building is complete, it is necessary to prepare the final geodetic report to confirm the real, final layout of the building on the geodetic map. The process is completed by a certified geodesist and is reviewed by the Poviats Geodetic Office.

Procedure 18. Request and receive occupancy permit

Time: 30 days

Cost: PLN 135 (25% of the cost of the building permit)

Comments: When the building works are over, BuildCo must inform, in writing, the Building Inspectorate of its intention to start using the building.

Before the building can be occupied, BuildCo must obtain an occupancy permit. BuildCo applies for an occupancy permit to the Building Inspectorate. The Building Inspectorate is in charge of executing a final inspection to certify that the new construction has been built according to the approved plans and that it is ready to be operative.

The following documents must be attached to the application for an occupancy permit:

- a. Original copy of the building log;
- b. 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;
- c. Expert's reports and protocols of required tests and controls;
- d. Final geodetic report;

- e. Investor's written statement of lack of objections from the authorities;
- f. Confirmation of completion of the building connection to utility networks;
- g. Energy characteristic of the building, prepared by the architect.

Procedure 19*. Receive final inspections

Time: 21 days

Cost: No cost

Comments: The post-construction review of the site is carried out by the Building Inspectorate.

DEALING WITH CONSTRUCTION PERMITS

Szczecin, Zachodniopomorskie

Warehouse value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1. Obtain current geodetic map

Time: 21 days

Cost: PLN 150

Comments: A land surveyor sends an application to the Geodetic Department requesting the current map of the area where the new construction will be built. Once obtained, the land surveyor performs a land survey and updates the map with the geodetic data s/he has collected. The updated map is then submitted to the Geodetic Department for approval.

An updated geodetic map serves as the starting point for all projects. The cost of the procedure depends on the number of copies and on the size of the maps required by the land surveyor. The cost has been increased since July, 12th 2014.

Procedure 2*. Request technical conditions for utility connections: waterworks

Time: 21 days

Cost: PLN 17

Comments: BuildCo contacts the agency in charge of waterworks asking the technical conditions for connecting the warehouse to utilities. The situational map of the area and a proof of ownership of the land must be attached to the request of technical conditions.

Procedure 3*. Request technical conditions for utility connections: electricity

Time: 14 days

Cost: No cost

Comments: Requesting the technical conditions to connect to electricity is compulsory in order to obtain the building permit.

Procedure 4*. Request and obtain technical conditions for the location of the road exit from the Administrator of Public Roads

Time: 14 days

Cost: PLN 82

* This procedure can be completed simultaneously with previous procedures.

Comments: BuildCo applies to the Administrator of Public Roads asking the technical conditions to locate the road connection between the plot of land and the public road. BuildCo needs to submit the following documents:

- Copy of the local zoning plan (or a copy of the building conditions for the plot);
- Proof of ownership of the plot of land;
- An updated geodetic map;
- Information about neighboring plots;
- The technical parameters of the connection;
- Company incorporation documents (if the applicant is a company);
- Proof of paying of the fees.

The law sets a time-limit of 30 days to issue a decision. In case of complex projects, the limit is of 60 days.

Procedure 5*. Request and obtain consent from fire safety expert

Time: 3 days

Cost: PLN 800

Comments: BuildCo hires a fire safety expert to review the aspects of the project that concerns fire safety. The fire safety expert works with BuildCo during the preparation of the project and, once it has been finalized, s/he signs and stamps it. Without this stamp, the authority issuing building permits will not approve the project. For complex projects, a statement from the local State Fire Service might be required.

Procedure 6. Request and obtain a decision on the project proposal for road connection from the Administrator of Public Roads

Time: 21 days

Cost: No cost

Comments: The building project must be adjusted with the administrator of the public road near which the building is to be constructed, and to which the construction site is to be joined. The approval is issued in the form of a written confirmation. Building or rebuilding an entrance to the plot requires a permit to locate the driveway. The entrance project should be approved by the Administrator of Public Roads, to which BuildCo needs to submit an application form and the following attachments:

- 2 copies of the project of road connections;
- Copy of the decision about the location of the road exit previously issued by the Administrator of Public Roads;
- Copy of the local zoning plan (or a copy of building conditions for the plot).

Procedure 7*. Obtain a decision on the project proposal for the water and sewage connections

Time: 14 days

Cost: No cost

Comments: BuildCo submits the project to connect to the water and sewage networks based on the technical conditions received before.

Procedure 8*. Receive an opinion from the coordination meeting about the lack of conflicts among utility connections

Time: 14 days

Cost: PLN 325.5 (PLN 105 for the first utility connection + PLN 73.5 for 3 additional utility connections)

Comments: The location of the proposed public utility networks is agreed upon during "coordination meetings" organized by the district governorate ("Starosta") and attended by:

- The applicant;
- Entities that manage public utilities;
- Representatives of the local governments;
- Other entities that may be affected by the outcomes of the coordination meetings.

BuildCo needs to submit documents containing proposals for the location of the different networks. The district governorate sets the date and the place of the coordination meeting. The scope of the coordination meeting is to eliminate the risks arising from possible collisions between utility networks. The results of coordination meetings are stated in the protocol containing:

- Description of the meeting, the date and the location;
- A description of the subject of discussion;
- The name and other identifying information of the applicant;
- The name and position of the chairman;
- The names of the participants and the entities that they represent, or information about the reasons for a person to participate in the meeting;
- Final decisions of each of the attendees;
- Information on the entities summoned to the meeting, whose representatives did not participate in it;
- The signatures of the participants.

Procedure 9. Conclude agreement with utility provider: water and sewage

Time: 7 days

Cost: PLN 300

Comments: BuildCo incurs the cost of building connection to water and sewage networks. This cost depends on the technical conditions previously issued.

Procedure 10. Request and obtain building permit

Time: 65 days

Cost: PLN 539

Comments: 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.

The following documents should be attached to the application:

- 4 copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts;
- The investor's formal written statement concerning the right to use the land on which the building is to be built.

The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. 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. The legally allowed time for making an administrative decision granting a building permit is 30 days, and 65 days for resolving difficult cases (as set in the Code of Administrative Procedure). The Building Law stipulates that City Halls are fined PLN 500 for each day of delay in issuing a building permit. A request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision. As of August 22, 2008 the validity of building permits has been extended from 2 years to 3 years.

Procedure 11. Notify the Building Inspectorate about the beginning of construction

Time: 1 day

Cost: No cost

Comments: BuildCo must notify the Building Inspectorate of the start of construction work 7 days in advance (Article 41.4 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.

The following documents must be attached to the notification:

- Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works;
- Statement of the supervising inspector regarding control assumption;
- Certificates confirming the building director's and supervising inspector's professional skills;
- Information regarding the safety and hygiene of working conditions on the building site.

The investor must immediately inform the Building Inspectorate of any changes in the data above and register the building log with this authority.

Procedure 12. Receive inspection and obtain water and sewage connections

Time: 1 day

Cost: No cost

Comments: Once the water and sewage connection project has been agreed, BuildCo can submit a request to start the connection works. The agency responsible for waterworks conducts a technical inspection and connects the warehouse to the water and sewage networks on the same day.

Procedure 13*. Inform the National Sanitary Inspectorate about the completion of the building

Time: 1 day

Cost: No cost

* This procedure can be completed simultaneously with previous procedures.

Comments: BuildCo must inform the National Sanitary Inspectorate (Sanepid) about the completion of the building. After receiving BuildCo's notification, Sanepid has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if Sanepid does not issue any response within this timeframe, it is considered approved.

Procedure 14. Receive inspection from the National Sanitary Inspectorate and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the National Sanitary Inspectorate (Sanepid). This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse. In order to pass the inspection, BuildCo needs to provide to Sanepid the following documents:

- The construction permit;
- The technological project with the agreed hygiene and health requirements;
- The relevant opinions and agreements, including: the bacteriological test of water from the internal system, a document certifying the effectiveness of mechanical ventilation, a document certifying the effectiveness of the protection against electrical hazard;
- Documents approving the use of the construction materials used in construction;
- An agreement for the collection of waste (municipal, medical, hazardous);
- The medical certificate for sanitary-epidemiological purposes for staff.

Procedure 15*. Inform the State Fire Service about completion of the building

Time: 1 day

Cost: PLN 100

Comments: BuildCo must inform the local department of the State Fire Service about the completion of the building. After receiving BuildCo's notification, the State Fire Service has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if the State Fire Service remains silent, it is regarded as having no objections or comments.

Procedure 16. Receive inspection from the State Fire Service and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the local department of the State Fire Service. This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse.

Procedure 17*. Obtain final geodetic report

Time: 14 days

Cost: PLN 2,000

Comments: When the building is complete, it is necessary to prepare the final geodetic report to confirm the real, final layout of the building on the geodetic map. The process is completed by a certified geodesist and is reviewed by the Poviast Geodetic Office.

Procedure 18. Request and receive occupancy permit

Time: 35 days

Cost: PLN 135 (25% of the cost of the building permit)

Comments: When the building works are over, BuildCo must inform, in writing, the Building Inspectorate of its intention to start using the building.

Before the building can be occupied, BuildCo must obtain an occupancy permit. BuildCo applies for an occupancy permit to the Building Inspectorate. The Building Inspectorate is in charge of executing a final inspection to certify that the new construction has been built according to the approved plans and that it is ready to be operative.

The following documents must be attached to the application for an occupancy permit:

- Original copy of the building log;
- 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;
- Expert's reports and protocols of required tests and controls;
- Final geodetic report;
- Investor's written statement of lack of objections from the authorities;
- Confirmation of completion of the building connection to utility networks;
- Energy characteristic of the building, prepared by the architect.

Procedure 19*. Receive final inspections

Time: 21 days

Cost: No cost

Comments: The post-construction review of the site is carried out by the Building Inspectorate.

DEALING WITH CONSTRUCTION PERMITS

Toruń, Kujawsko-Pomorskie

Warehouse value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1. Request technical conditions for utility connections: waterworks

Time: 28 days

Cost: PLN 135

Comments: BuildCo contacts the agency in charge of waterworks asking the technical conditions for connecting the warehouse to utilities. The situational map of the area and a proof of ownership of the land must be attached to the request of technical conditions.

Procedure 2*. Request and obtain technical conditions for the location of the road exit from the Administrator of Public Roads

Time: 28 days

Cost: PLN 82

Comments: BuildCo applies to the Administrator of Public Roads asking the technical conditions to locate the road connection between the plot of land and the public road. BuildCo needs to submit the following documents:

- Copy of the local zoning plan (or a copy of the building conditions for the plot);
- Proof of ownership of the plot of land;
- An updated geodetic map;
- Information about neighboring plots;
- The technical parameters of the connection;
- Company incorporation documents (if the applicant is a company);
- Proof of paying of the fees.

The law sets a time-limit of 30 days to issue a decision. In case of complex projects, the limit is of 60 days.

Procedure 3*. Obtain current geodetic map

Time: 14 days

Cost: PLN 150

Comments: A land surveyor sends an application to the Geodetic Department requesting the current map of the area where the new construction will be built. Once obtained, the land surveyor performs a land survey and updates the map with the geodetic data s/he has collected. The updated map is then submitted to the Geodetic Department for approval.

An updated geodetic map serves as the starting point for all projects. The cost of the procedure depends on the number of copies and on the size of the maps required by the land surveyor. The cost has been increased since July, 12th 2014.

Procedure 4*. Request technical conditions for utility connections: electricity

Time: 14 days

Cost: No cost

Comments: Requesting the technical conditions to connect to electricity is compulsory in order to obtain the building permit.

Procedure 5. Receive an approval from the Project Documentation Coordination Unit (ZUDP) about the lack of conflicts among utility connections

Time: 14 days

Cost: PLN 325.5 (PLN 105 for the first utility connection + PLN 73.5 for 3 additional utility connections)

Comments: The location of the proposed public utility networks is agreed upon during "coordination meetings" organized by the district governorate ("Starosta") and attended by:

- The applicant;
- Entities that manage public utilities;
- Representatives of the local governments;

* This procedure can be completed simultaneously with previous procedures.

- d. Other entities that may be affected by the outcomes of the coordination meetings.

BuildCo needs to submit documents containing proposals for the location of the different networks. The district governorate sets the date and the place of the coordination meeting. The scope of the coordination meeting is to eliminate the risks arising from possible collisions between utility networks. The results of coordination meetings are stated in the protocol containing:

- Description of the meeting, the date and the location;
- A description of the subject of discussion;
- The name and other identifying information of the applicant;
- The name and position of the chairman;
- The names of the participants and the entities that they represent, or information about the reasons for a person to participate in the meeting;
- Final decisions of each of the attendees;
- Information on the entities summoned to the meeting, whose representatives did not participate in it;
- The signatures of the participants.

Procedure 6. Obtain a decision on the project proposal for the water and sewage connections

Time: 14 days

Cost: PLN 80

Comments: BuildCo submits the project to connect to the water and sewage networks based on the technical conditions received before.

Procedure 7*. Request and obtain a decision on the project proposal for road connection from the Administrator of Public Roads

Time: 14 days

Cost: No cost

Comments: The building project must be adjusted with the administrator of the public road near which the building is to be constructed, and to which the construction site is to be joined. The approval is issued in the form of a written confirmation. Building or rebuilding an entrance to the plot requires a permit to locate the driveway. The entrance project should be approved by the Administrator of Public Roads, to which BuildCo needs to submit an application form and the following attachments:

- 2 copies of the project of road connections;
- Copy of the decision about the location of the road exit previously issued by the Administrator of Public Roads;
- Copy of the local zoning plan (or a copy of building conditions for the plot).

Procedure 8*. Request and obtain consent from fire safety expert

Time: 1 day

Cost: PLN 500

Comments: BuildCo hires a fire safety expert to review the aspects of the project that concerns fire safety. The fire safety expert works with BuildCo during the preparation of the project and, once it has been finalized, s/he signs and stamps

it. Without this stamp, the authority issuing building permits will not approve the project. For complex projects, a statement from the local State Fire Service might be required.

Procedure 9*. Request and obtain consent from sanitary expert

Time: 1 day

Cost: PLN 500

Comments: The building project must be reviewed by a sanitary expert. This professional gives a positive opinion to the project by affixing his/her stamp and an approval/non approval clause to the project. The authority issuing building permits then checks if the project has been stamped by a sanitary expert. Without this stamp, the building permits cannot be granted.

Procedure 10. Request and obtain building permit

Time: 40 days

Cost: PLN 539

Comments: 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.

The following documents should be attached to the application:

- 4 copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts;
- The investor's formal written statement concerning the right to use the land on which the building is to be built.

The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. 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. The legally allowed time for making an administrative decision granting a building permit is 30 days, and 65 days for resolving difficult cases (as set in the Code of Administrative Procedure). The Building Law stipulates that City Halls are fined PLN 500 for each day of delay in issuing a building permit. A request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision. As of August 22, 2008 the validity of building permits has been extended from 2 years to 3 years.

Procedure 11. Notify the Building Inspectorate about the beginning of construction

Time: 1 day

Cost: No cost

Comments: BuildCo must notify the Building Inspectorate of the start of construction work 7 days in advance (Article 41.4 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.

The following documents must be attached to the notification:

- Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works;
- Statement of the supervising inspector regarding control assumption;
- Certificates confirming the building director's and supervising inspector's professional skills;
- Information regarding the safety and hygiene of working conditions on the building site.

The investor must immediately inform the Building Inspectorate of any changes in the data above and register the building log with this authority.

Procedure 12*. Conclude agreement with utility provider: water and sewage

Time: 7 days

Cost: PLN 100

Comments: BuildCo incurs the cost of building connection to water and sewage networks. This cost depends on the technical conditions previously issued.

Procedure 13. Receive inspection and obtain water and sewage connections

Time: 1 day

Cost: No cost

Comments: Once the water and sewage connection project has been agreed, BuildCo can submit a request to start the connection works. The agency responsible for waterworks conducts a technical inspection and connects the warehouse to the water and sewage networks on the same day.

Procedure 14*. Inform the National Sanitary Inspectorate about the completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the National Sanitary Inspectorate (Sanepid) about the completion of the building. After receiving BuildCo's notification, Sanepid has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if Sanepid does not issue any response within this timeframe, it is considered approved.

Procedure 15. Receive inspection from the National Sanitary Inspectorate and obtain approval

Time: 14 days

Cost: No cost

* This procedure can be completed simultaneously with previous procedures.

Comments: The new construction must be inspected by the National Sanitary Inspectorate (Sanepid). This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse. In order to pass the inspection, BuildCo needs to provide to Sanepid the following documents:

- a. The construction permit;
- b. The technological project with the agreed hygiene and health requirements;
- c. The relevant opinions and agreements, including: the bacteriological test of water from the internal system, a document certifying the effectiveness of mechanical ventilation, a document certifying the effectiveness of the protection against electrical hazard;
- d. Documents approving the use of the construction materials used in construction;
- e. An agreement for the collection of waste (municipal, medical, hazardous);
- f. The medical certificate for sanitary-epidemiological purposes for staff.

Procedure 16*. Inform the State Fire Service about completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the local department of the State Fire Service about the completion of the building. After receiving BuildCo's notification, the State Fire Service has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if the State Fire Service remains silent, it is regarded as having no objections or comments.

Procedure 17. Receive inspection from the State Fire Service and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the local department of the State Fire Service. This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse.

Procedure 18*. Obtain final geodetic report

Time: 7 days

Cost: PLN 2,000

Comments: When the building is complete, it is necessary to prepare the final geodetic report to confirm the real, final layout of the building on the geodetic map. The process is completed by a certified geodesist and is reviewed by the Poviast Geodetic Office.

Procedure 19. Request and receive occupancy permit

Time: 21 days

Cost: PLN 135 (25% of the cost of the building permit)

Comments: When the building works are over, BuildCo must inform, in writing, the Building Inspectorate of its intention to start using the building.

Before the building can be occupied, BuildCo must obtain an occupancy permit. BuildCo applies for an occupancy permit to the Building Inspectorate. The Building Inspectorate is in charge of executing a final inspection to certify that the new construction has been built according to the approved plans and that it is ready to be operative.

The following documents must be attached to the application for an occupancy permit:

- a. Original copy of the building log;
- b. 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;
- c. Expert's reports and protocols of required tests and controls;
- d. Final geodetic report;
- e. Investor's written statement of lack of objections from the authorities;
- f. Confirmation of completion of the building connection to utility networks;
- g. Energy characteristic of the building, prepared by the architect.

Procedure 20*. Receive final inspections

Time: 15 days

Cost: No cost

Comments: The post-construction review of the site is carried out by the Building Inspectorate.

DEALING WITH CONSTRUCTION PERMITS

Warsaw, Mazowieckie

Warehouse value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1. Obtain current geodetic map

Time: 30 days

Cost: PLN 60

Comments: A land surveyor sends an application to the Geodetic Department requesting the current map of the area where the new construction will be built. Once obtained, the land surveyor performs a land survey and updates the map with the geodetic data s/he has collected. The updated map is then submitted to the Geodetic Department for approval.

An updated geodetic map serves as the starting point for all projects. The cost of the procedure depends on the number of copies and on the size of the maps required by the land surveyor. The cost has been increased since July, 12th 2014.

Procedure 2*. Request technical conditions for utility connections: electricity

Time: 21 days

Cost: PLN 146

Comments: Requesting the technical conditions to connect to electricity is compulsory in order to obtain the building permit.

Procedure 3*. Request technical conditions for utility connections: waterworks

Time: 21 days

Cost: PLN 100

Comments: BuildCo contacts the agency in charge of waterworks asking the technical conditions for connecting the warehouse to utilities. The situational map of the area and a proof of ownership of the land must be attached to the request of technical conditions.

Procedure 4*. Request and obtain consent from sanitary expert

Time: 7 days

Cost: No cost

Comments: The building project must be reviewed by a sanitary expert. This professional gives a positive opinion to the project by affixing his/her stamp and an approval/non approval clause to the project. The authority issuing building permits then checks if the project has been stamped by a sanitary expert. Without this stamp, the building permits cannot be granted.

Procedure 5*. Request and obtain consent from expert of work safety and hygiene

Time: 12 days

Cost: PLN 1,750

Comments: The building project must be reviewed by a work safety and hygiene expert. This professional gives a positive opinion the project by affixing his/her stamp and an approval/non approval clause to the project. The authority issuing building permits then checks if the project has been stamped by a work safety and hygiene expert. Without this stamp, the building permits cannot be granted.

Procedure 6*. Request and obtain consent from fire safety expert

Time: 3 days

Cost: PLN 1,000

Comments: BuildCo hires a fire safety expert to review the aspects of the project that concerns fire safety. The fire safety expert works with BuildCo during the preparation of the project and, once it has been finalized, s/he signs and stamps it. Without this stamp, the authority issuing building permits will not approve the project. For complex projects, a statement from the local State Fire Service might be required.

Procedure 7*. Receive an approval from the Project Documentation Coordination Unit (ZUDP) about the lack of conflicts among utility connections

Time: 30 days

Cost: No cost

Comments: The location of the proposed public utility networks is agreed upon during "coordination meetings" organized by the district governorate ("Starosta") and attended by:

- a. The applicant;
- b. Entities that manage public utilities;
- c. Representatives of the local governments;
- d. Other entities that may be affected by the outcomes of the coordination meetings.

* This procedure can be completed simultaneously with previous procedures.

BuildCo needs to submit documents containing proposals for the location of the different networks. The district governorate sets the date and the place of the coordination meeting. The scope of the coordination meeting is to eliminate the risks arising from possible collisions between utility networks. The results of coordination meetings are stated in the protocol containing:

- a. Description of the meeting, the date and the location;
- b. A description of the subject of discussion;
- c. The name and other identifying information of the applicant;
- d. The name and position of the chairman;
- e. The names of the participants and the entities that they represent, or information about the reasons for a person to participate in the meeting;
- f. Final decisions of each of the attendees;
- g. Information on the entities summoned to the meeting, whose representatives did not participate in it;
- h. The signatures of the participants.

Procedure 8*. Request and obtain project approval from Administrator of Public Roads

Time: 14 days

Cost: No cost

Comments: The building project must be adjusted with the administrator of the public road near which the building is to be constructed, and to which the construction site is to be joined. Only the building project must be attached to the application for such an adjustment. The approval is issued in the form of a written confirmation. Building or rebuilding an entrance to the plot requires a permit to locate the driveway. The entrance project should be approved by the administrator of the public road.

The fees in this case are variable and depend on an agreement between the administrator and the investor. The ground used for building the entrance is either determined by the administrator of the public road or the result of an agreement, such as a lease agreement.

Procedure 9. Request and obtain building permit

Time: 65 days

Cost: PLN 589 (PLN 539 issuance of the building permit + PLN 47 approval fees + PLN 2.50 cost of wire transfer)

Comments: 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.

The following documents should be attached to the application:

- a. 4 copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts;
- b. The investor's formal written statement concerning the right to use the land on which the building is to be built.

The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. 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. The legally allowed time for making an administrative decision granting a building permit is 30 days, and 65 days for resolving difficult cases (as set in the Code of Administrative Procedure). The Building Law stipulates that City Halls are fined PLN 500 for each day of delay in issuing a building permit. A request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision. As of August 22, 2008 the validity of building permits has been extended from 2 years to 3 years.

Procedure 10. Notify municipal authority about the beginning of construction and register the building diary

Time: 1 day

Cost: No cost

Comments: BuildCo must notify the Building Inspectorate of the start of construction work 7 days in advance (Article 41.4 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.

The following documents must be attached to the notification:

- a. Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works;
- b. Statement of the supervising inspector regarding control assumption;
- c. Certificates confirming the building director's and supervising inspector's professional skills;
- d. Information regarding the safety and hygiene of working conditions on the building site.

The investor must immediately inform the Building Inspectorate of any changes in the data above and register the building log with this authority.

Procedure 11*. Conclude agreement with utility provider: water and sewage

Time: 5 days

Cost: PLN 250

Comments: BuildCo incurs the cost of building connection to water and sewage networks. This cost depends on the technical conditions previously issued.

Procedure 12. Receive inspection from Warsaw Water Company and obtain water and sewage connections

Time: 1 day

Cost: No cost

Comments: When the water and sewage connection project is agreed, 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 technical inspection of construction works and will connect the warehouse to water and sewage systems in the same day.

Procedure 13*. Inform the National Sanitary Inspectorate about the completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the National Sanitary Inspectorate (Sanepid) about the completion of the building. After receiving BuildCo's notification, Sanepid has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if Sanepid does not issue any response within this timeframe, it is considered approved.

Procedure 14. Receive inspection from the National Sanitary Inspectorate and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the National Sanitary Inspectorate (Sanepid). This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse. In order to pass the inspection, BuildCo needs to provide to Sanepid the following documents:

- a. The construction permit;
- b. The technological project with the agreed hygiene and health requirements;
- c. The relevant opinions and agreements, including: the bacteriological test of water from the internal system, a document certifying the effectiveness of mechanical ventilation, a document certifying the effectiveness of the protection against electrical hazard;
- d. Documents approving the use of the construction materials used in construction;
- e. An agreement for the collection of waste (municipal, medical, hazardous);
- f. The medical certificate for sanitary-epidemiological purposes for staff.

Procedure 15*. Inform the State Fire Service about completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the local department of the State Fire Service about the completion of the building. After receiving BuildCo's notification, the State Fire Service has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if the State Fire Service remains silent, it is regarded as having no objections or comments.

* This procedure can be completed simultaneously with previous procedures.

Procedure 16. Receive inspection from the State Fire Service and obtain approval

Time: 14 days

Cost: PLN 50

Comments: The new construction must be inspected by the local department of the State Fire Service. This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse.

Procedure 17*. Obtain final geodetic report

Time: 3 days

Cost: PLN 2,000

Comments: When the building is complete, it is necessary to prepare the final geodetic report to confirm the real, final layout of the building on the geodetic map. The process is completed by a certified geodesist and is reviewed by the Powiat Geodetic Office.

Procedure 18. Request and receive occupancy permit

Time: 75 days

Cost: PLN 135 (25% of the cost of the building permit)

Comments: When the building works are over, BuildCo must inform, in writing, the Building Inspectorate of its intention to start using the building.

Before the building can be occupied, BuildCo must obtain an occupancy permit. BuildCo applies for an occupancy permit to the Building Inspectorate. The Building Inspectorate is in charge of executing a final inspection to certify that the new construction has been built according to the approved plans and that it is ready to be operative.

The following documents must be attached to the application for an occupancy permit:

- Original copy of the building log;
- 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;
- Expert's reports and protocols of required tests and controls;
- Final geodetic report;
- Investor's written statement of lack of objections from the authorities;
- Confirmation of completion of the building connection to utility networks;
- Energy characteristic of the building, prepared by the architect.

Procedure 19*. Receive final inspections

Time: 21 days

Cost: No cost

Comments: The post-construction review of the site is carried out by the Building Inspectorate.

DEALING WITH CONSTRUCTION PERMITS

Wrocław, Dolnośląskie

Warehouse value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1. Obtain current geodetic map

Time: 21 days

Cost: PLN 150

Comments: A land surveyor sends an application to the Geodetic Department requesting the current map of the area where the new construction will be built. Once obtained, the land surveyor performs a land survey and updates the map with the geodetic data s/he has collected. The updated map is then submitted to the Geodetic Department for approval.

An updated geodetic map serves as the starting point for all projects. In this city, an updated geodetic map is also needed in order to apply for a decision regarding the location of the road exit from the Administrator of Public Roads. The cost of the procedure depends on the number of copies and on the size of the maps required by the land surveyor. The cost has been increased since July, 12th 2014.

Procedure 2. Request and obtain technical conditions for the location of the road exit from the Administrator of Public Roads

Time: 30 days

Cost: PLN 82

Comments: BuildCo applies to the Administrator of Public Roads asking the technical conditions to locate the road connection between the plot of land and the public road. BuildCo needs to submit the following documents:

- Copy of the local zoning plan (or a copy of the building conditions for the plot);
- Proof of ownership of the plot of land;
- An updated geodetic map;
- Information about neighboring plots;
- The technical parameters of the connection;
- Company incorporation documents (if the applicant is a company);
- Proof of paying of the fees.

The law sets a time-limit of 30 days to issue a decision. In case of complex projects, the limit is of 60 days.

Procedure 3*. Request technical conditions for utility connections: electricity

Time: 14 days

Cost: No cost

Comments: Requesting the technical conditions to connect to electricity is compulsory in order to obtain the building permit.

Procedure 4*. Request technical conditions for utility connections: waterworks

Time: 14 days

Cost: PLN 100

Comments: BuildCo contacts the agency in charge of waterworks asking the technical conditions for connecting the warehouse to utilities. The situational map of the area and a proof of ownership of the land must be attached to the request of technical conditions.

Procedure 5. Obtain a decision on the project proposal for the water and sewage connections

Time: 30 days

Cost: PLN 100

Comments: BuildCo submits the project to connect to the water and sewage networks based on the technical conditions received before.

Procedure 6*. Request and obtain a decision on the project proposal for road connection from the Administrator of Public Roads

Time: 14 days

Cost: No cost

Comments: The building project must be adjusted with the administrator of the public road near which the building is to be constructed, and to which the construction site is to be joined. The approval is issued in the form of a written confirmation. Building or rebuilding an entrance to the plot requires a permit to locate the driveway. The entrance project should be approved by the Administrator of Public Roads, to which BuildCo needs to submit an application form and the following attachments:

- 2 copies of the project of road connections;
- Copy of the decision about the location of the road exit previously issued by the Administrator of Public Roads;
- Copy of the local zoning plan (or a copy of building conditions for the plot).

Procedure 7*. Receive an approval from the Project Documentation Coordination Unit (ZUDP) about the lack of conflicts among utility connections

Time: 14 days

Cost: PLN 325.5 (PLN 105 for the first utility connection + PLN 73.5 for 3 additional utility connections)

Comments: The location of the proposed public utility networks is agreed upon during "coordination meetings" organized by the district governorate ("Starosta") and attended by:

- The applicant;
- Entities that manage public utilities;
- Representatives of the local governments;
- Other entities that may be affected by the outcomes of the coordination meetings.

BuildCo needs to submit documents containing proposals for the location of the different networks. The district governorate sets the date and the place of the coordination meeting. The scope of the coordination meeting is to eliminate the risks arising from possible collisions between utility networks. The results of coordination meetings are stated in the protocol containing:

- Description of the meeting, the date and the location;
- A description of the subject of discussion;

* This procedure can be completed simultaneously with previous procedures.

- c. The name and other identifying information of the applicant;
- d. The name and position of the chairman;
- e. The names of the participants and the entities that they represent, or information about the reasons for a person to participate in the meeting;
- f. Final decisions of each of the attendees;
- g. Information on the entities summoned to the meeting, whose representatives did not participate in it;
- h. The signatures of the participants.

Procedure 8*. Request and obtain consent from fire safety expert

Time: 2 days

Cost: PLN 800

Comments: BuildCo hires a fire safety expert to review the aspects of the project that concerns fire safety. The fire safety expert works with BuildCo during the preparation of the project and, once it has been finalized, s/he signs and stamps it. Without this stamp, the authority issuing building permits will not approve the project. For complex projects, a statement from the local State Fire Service might be required.

Procedure 9. Request and obtain building permit

Time: 35 days

Cost: PLN 588

Comments: 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.

The following documents should be attached to the application:

- a. 4 copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts;
- b. The investor's formal written statement concerning the right to use the land on which the building is to be built.

The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. 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. The legally allowed time for making an administrative decision granting a building permit is 30 days, and 65 days for resolving difficult cases (as set in the Code of Administrative Procedure). The Building Law stipulates that City Halls are fined PLN 500 for each day of delay in issuing a building permit. A request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision. As of August 22, 2008 the validity of building permits has been extended from 2 years to 3 years.

Procedure 10. Notify the Building Inspectorate about the beginning of construction

Time: 1 day

Cost: No cost

Comments: BuildCo must notify the Building Inspectorate of the start of construction work 7 days in advance (Article 41.4 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.

The following documents must be attached to the notification:

- a. Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works;
- b. Statement of the supervising inspector regarding control assumption;
- c. Certificates confirming the building director's and supervising inspector's professional skills;
- d. Information regarding the safety and hygiene of working conditions on the building site.

The investor must immediately inform the Building Inspectorate of any changes in the data above and register the building log with this authority.

Procedure 11*. Conclude agreement with utility provider: water and sewage

Time: 7 days

Cost: PLN 250

Comments: BuildCo incurs the cost of building connection to water and sewage networks. This cost depends on the technical conditions previously issued.

Procedure 12. Receive inspection and obtain water and sewage connections

Time: 1 day

Cost: No cost

Comments: Once the water and sewage connection project has been agreed, BuildCo can submit a request to start the connection works. The agency responsible for waterworks conducts a technical inspection and connects the warehouse to the water and sewage networks on the same day.

Procedure 13*. Inform the National Sanitary Inspectorate about the completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the National Sanitary Inspectorate (Sanepid) about the completion of the building. After receiving BuildCo's notification, Sanepid has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if Sanepid does not issue any response within this timeframe, it is considered approved.

Procedure 14. Receive inspection from the National Sanitary Inspectorate and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the National Sanitary Inspectorate (Sanepid). This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse. In order to pass the inspection, BuildCo needs to provide to Sanepid the following documents:

- a. The construction permit;
- b. The technological project with the agreed hygiene and health requirements;
- c. The relevant opinions and agreements, including: the bacteriological test of water from the internal system, a document certifying the effectiveness of mechanical ventilation, a document certifying the effectiveness of the protection against electrical hazard;
- d. Documents approving the use of the construction materials used in construction;
- e. An agreement for the collection of waste (municipal, medical, hazardous);
- f. The medical certificate for sanitary-epidemiological purposes for staff.

Procedure 15*. Inform the State Fire Service about completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the local department of the State Fire Service about the completion of the building. After receiving BuildCo's notification, the State Fire Service has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if the State Fire Service remains silent, it is regarded as having no objections or comments.

Procedure 16. Receive inspection from the State Fire Service and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the local department of the State Fire Service. This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse.

Procedure 17*. Obtain final geodetic report

Time: 3 days

Cost: PLN 2,000

Comments: When the building is complete, it is necessary to prepare the final geodetic report to confirm the real, final layout of the building on the geodetic map. The process is completed by a certified geodesist and is reviewed by the Poviát Geodetic Office.

Procedure 18. Request and receive occupancy permit

Time: 21 days

Cost: PLN 135 (25% of the cost of the building permit)

Comments: When the building works are over, BuildCo must inform, in writing, the Building Inspectorate of its intention to start using the building.

Before the building can be occupied, BuildCo must obtain an occupancy permit. BuildCo applies for an occupancy permit to the Building Inspectorate. The Building Inspectorate is in charge of executing a final inspection to certify that the new construction has been built according to the approved plans and that it is ready to be operative.

The following documents must be attached to the application for an occupancy permit:

- Original copy of the building log;
- 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;
- Expert's reports and protocols of required tests and controls;
- Final geodetic report;
- Investor's written statement of lack of objections from the authorities;
- Confirmation of completion of the building connection to utility networks;
- Energy characteristic of the building, prepared by the architect.

Procedure 19*. Receive final inspections

Time: 7 days

Cost: No cost

Comments: The post-construction review of the site is carried out by the Building Inspectorate.

DEALING WITH CONSTRUCTION PERMITS

Zielona Góra, Lubuskie

Warehouse value: PLN 2,032,884 (EUR 474,109)
Data as of: September 1st, 2014

Procedure 1. Obtain current geodetic map

Time: 30 days

Cost: PLN 150

Comments: A land surveyor sends an application to the Geodetic Department requesting the current map of the area where the new construction will be built. Once obtained, the land surveyor performs a land survey and updates the map with the geodetic data s/he has collected. The updated map is then submitted to the Geodetic Department for approval.

An updated geodetic map serves as the starting point for all projects. The cost of the procedure depends on the number of copies and on the size of the maps required by the land surveyor. The cost has been increased since July, 12th 2014.

Procedure 2*. Request technical conditions for utility connections: waterworks

Time: 30 days

Cost: No cost

Comments: BuildCo contacts the agency in charge of waterworks asking the technical conditions for connecting the warehouse to utilities. The situational map of the area and a proof of ownership of the land must be attached to the request of technical conditions.

Procedure 3*. Request technical conditions for utility connections: electricity

Time: 28 days

Cost: No cost

Comments: Requesting the technical conditions to connect to electricity is compulsory in order to obtain the building permit.

Procedure 4*. Receive an environment impact analysis decision

Time: 14 days

Cost: PLN 220

Comments: BuildCo needs to submit to the Department of Environment Protection a request to know if the building needs an environmental impact analysis. The decision, even when negative, must be included in the application for a building permit. In the case of a commercial warehouse of 1,300.6 square meters, the environmental impact analyses are not necessary.

Procedure 5*. Request and obtain technical conditions for the location of the road exit from the Administrator of Public Roads

Time: 21 days

Cost: PLN 82

Comments: BuildCo applies to the Administrator of Public Roads asking the technical conditions to locate the road connection between the plot of land and the public road. BuildCo needs to submit the following documents:

- Copy of the local zoning plan (or a copy of the building conditions for the plot);
- Proof of ownership of the plot of land;
- An updated geodetic map;
- Information about neighboring plots;
- The technical parameters of the connection;
- Company incorporation documents (if the applicant is a company);
- Proof of paying of the fees.

The law sets a time-limit of 30 days to issue a decision. In case of complex projects, the limit is of 60 days.

Procedure 6. Request and obtain a decision on the project proposal for road connection from the Administrator of Public Roads

Time: 30 days

Cost: No cost

Comments: The building project must be adjusted with the administrator of the public road near which the building is to be constructed, and to which the construction site is to be joined. The approval is issued in the form of a written confirmation. Building or rebuilding an entrance to the plot requires a permit to locate the driveway. The entrance project should be approved by the Administrator of Public Roads, to which BuildCo needs to submit an application form and the following attachments:

- 2 copies of the project of road connections;
- Copy of the decision about the location of the road exit previously issued by the Administrator of Public Roads;

- Copy of the local zoning plan (or a copy of building conditions for the plot).

Procedure 7*. Obtain a decision on the project proposal for the water and sewage connections

Time: 21 days

Cost: PLN 82

Comments: BuildCo submits the project to connect to the water and sewage networks based on the technical conditions received before.

Procedure 8*. Receive an opinion from the coordination meeting about the lack of conflicts among utility connections

Time: 14 days

Cost: PLN 325.5 (PLN 105 for the first utility connection + PLN 73.5 for 3 additional utility connections)

Comments: The location of the proposed public utility networks is agreed upon during "coordination meetings" organized by the district governorate ("Starosta") and attended by:

- The applicant;
- Entities that manage public utilities;
- Representatives of the local governments;
- Other entities that may be affected by the outcomes of the coordination meetings.

BuildCo needs to submit documents containing proposals for the location of the different networks. The district governorate sets the date and the place of the coordination meeting. The scope of the coordination meeting is to eliminate the risks arising from possible collisions between utility networks. The results of coordination meetings are stated in the protocol containing:

- Description of the meeting, the date and the location;
- A description of the subject of discussion;
- The name and other identifying information of the applicant;
- The name and position of the chairman;
- The names of the participants and the entities that they represent, or information about the reasons for a person to participate in the meeting;
- Final decisions of each of the attendees;
- Information on the entities summoned to the meeting, whose representatives did not participate in it;
- The signatures of the participants.

Procedure 9*. Request and obtain consent from sanitary expert

Time: 1 day

Cost: PLN 420

Comments: The building project must be reviewed by a sanitary expert. This professional gives a positive opinion to the project by affixing his/her stamp and an approval/non approval clause to the project. The authority issuing building permits then checks if the project has been stamped by a sanitary expert. Without this stamp, the building permits cannot be granted.

Procedure 10*. Request and obtain consent from fire safety expert

Time: 1 day

Cost: PLN 420

Comments: BuildCo hires a fire safety expert to review the aspects of the project that concerns fire safety. The fire safety expert works with BuildCo during the preparation of the project and, once it has been finalized, s/he signs and stamps it. Without this stamp, the authority issuing building permits will not approve the project. For complex projects, a statement from the local State Fire Service might be required.

Procedure 11. Request and obtain building permit

Time: 42 days

Cost: PLN 539

Comments: 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.

The following documents should be attached to the application:

- a. 4 copies of the building project, with all opinions, adjustments, permits, and other documents required by the particular legal acts;
- b. The investor's formal written statement concerning the right to use the land on which the building is to be built.

The opinions, adjustments, and permits mentioned above should be acquired by BuildCo or its attorney. 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. The legally allowed time for making an administrative decision granting a building permit is 30 days, and 65 days for resolving difficult cases (as set in the Code of Administrative Procedure). The Building Law stipulates that City Halls are fined PLN 500 for each day of delay in issuing a building permit. A request for additional documents or explanations suspends the proceeding of the application until these documents and explanations are delivered. Once the City Hall approves a building permit request, it takes 14 days for the administrative decision to become legal. During these 14 days, interested parties (such as neighbors) can appeal the decision. As of August 22, 2008 the validity of building permits has been extended from 2 years to 3 years.

Procedure 12. Notify the Building Inspectorate about the beginning of construction

Time: 1 day

Cost: No cost

Comments: BuildCo must notify the Building Inspectorate of the start of construction work 7 days in advance (Article 41.4 of the Construction Law), providing the relevant authority with information about the building director and supervising inspector.

The following documents must be attached to the notification:

- a. Statement of the building director (site manager) regarding completion of the safety and health protection plan, and plans for the management of building works;

- b. Statement of the supervising inspector regarding control assumption;
- c. Certificates confirming the building director's and supervising inspector's professional skills;
- d. Information regarding the safety and hygiene of working conditions on the building site.

The investor must immediately inform the Building Inspectorate of any changes in the data above and register the building log with this authority.

Procedure 13*. Conclude agreement with utility provider: water and sewage

Time: 4 days

Cost: PLN 300

Comments: BuildCo incurs the cost of building connection to water and sewage networks. This cost depends on the technical conditions previously issued.

Procedure 14. Receive inspection and obtain water and sewage connections

Time: 1 day

Cost: No cost

Comments: Once the water and sewage connection project has been agreed, BuildCo can submit a request to start the connection works. The agency responsible for waterworks conducts a technical inspection and connects the warehouse to the water and sewage networks on the same day.

Procedure 15*. Inform the National Sanitary Inspectorate about the completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the National Sanitary Inspectorate (Sanepid) about the completion of the building. After receiving BuildCo's notification, Sanepid has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if Sanepid does not issue any response within this timeframe, it is considered approved.

Procedure 16. Receive inspection from the National Sanitary Inspectorate and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the National Sanitary Inspectorate (Sanepid). This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse. In order to pass the inspection, BuildCo needs to provide to Sanepid the following documents:

- a. The construction permit;
- b. The technological project with the agreed hygiene and health requirements;
- c. The relevant opinions and agreements, including: the bacteriological test of water from the internal system, a document certifying the effectiveness of mechanical ventilation, a document certifying the effectiveness of the protection against electrical hazard;
- d. Documents approving the use of the construction materials used in construction;

- e. An agreement for the collection of waste (municipal, medical, hazardous);
- f. The medical certificate for sanitary-epidemiological purposes for staff.

Procedure 17*. Inform the State Fire Service about completion of the building

Time: 1 day

Cost: No cost

Comments: BuildCo must inform the local department of the State Fire Service about the completion of the building. After receiving BuildCo's notification, the State Fire Service has 14 days to inspect the new construction and issue its opinion. After 14 days pass, a silence-is-consent rule applies: if the State Fire Service remains silent, it is regarded as having no objections or comments.

Procedure 18. Receive inspection from the State Fire Service and obtain approval

Time: 14 days

Cost: No cost

Comments: The new construction must be inspected by the local department of the State Fire Service. This procedure is needed in order to obtain the certificate of occupancy and start using the warehouse.

Procedure 19*. Obtain final geodetic report

Time: 3 days

Cost: PLN 2,000

Comments: When the building is complete, it is necessary to prepare the final geodetic report to confirm the real, final layout of the building on the geodetic map. The process is completed by a certified geodesist and is reviewed by the Poviats Geodetic Office.

Procedure 20. Request and receive occupancy permit

Time: 30 days

Cost: PLN 135 (25% of the cost of the building permit)

Comments: When the building works are over, BuildCo must inform, in writing, the Building Inspectorate of its intention to start using the building.

Before the building can be occupied, BuildCo must obtain an occupancy permit. BuildCo applies for an occupancy permit to the Building Inspectorate. The Building Inspectorate is in charge of executing a final inspection to certify that the new construction has been built according to the approved plans and that it is ready to be operative.

The following documents must be attached to the application for an occupancy permit:

- a. Original copy of the building log;
- b. 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;
- c. Expert's reports and protocols of required tests and controls;
- d. Final geodetic report;

* This procedure can be completed simultaneously with previous procedures.

- e. Investor's written statement of lack of objections from the authorities;
- f. Confirmation of completion of the building connection to utility networks;
- g. Energy characteristic of the building, prepared by the architect.

Procedure 21*. Receive final inspections

Time: 21 days

Cost: No cost

Comments: The post-construction review of the site is carried out by the Building Inspectorate.

LIST OF PROCEDURES REGISTERING PROPERTY

Białystok, Podlaskie

Property value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1*. Obtain a certificate of the property allocation in the local Spatial Development Plan

Time: 7 days

Cost: PLN 17 (certificate of the property allocation in the local Spatial Development Plan)

Comments: Parties obtain an extract of 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. The cost of this extract is of PLN 30. Due to recent 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 of 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.

Procedure 2*. Obtain an extract of the Cadastre entry

Time: 2 days

Cost: PLN 50

Comments: The parties obtain an extract of the Cadastre entry held by the respective geodetic authorities, stating the evidentiary number and the boundaries of the property on the official map, as well as information regarding the type of the plots comprising the property (e.g. agricultural, housing, urban). If no local Spatial Development Plan has been adopted for the area, this information will constitute the basis to determine the plot type. The fee is determined on the basis of the annex to the Act of 5 of June 2014, which amends the Surveying and Cartography Act and the Administrative Enforcement Proceedings acts (Journal of Laws of 2014 Item 897). The current cost for a printed extract from the Cadastre is PLN 50. If a printed extract from the cadastral map is also required (e.g. when the information from the Cadastre doesn't coincide with the information

from the Land and Mortgage Registry) the cost is PLN 150. These new costs are applicable since the 12 of July 2014.

Procedure 3*. Obtain an extract of the Land and Mortgage Registry entry online

Time: 0.5 day

Cost: PLN 20 (current excerpt)

Comments: 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 Registry can be issued either by the relevant court, or directly through the online platform. The cost of the abbreviated extract is of PLN 30 if obtained through the court, and PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on www.ekw.ms.gov.pl. The transition of the Land and Mortgage Registry data to the electronic system started in September 2004. As of July 2014, almost 99% of existing records exist in electronic format.

Procedure 4*. Obtain company record from the National Court Register

Time: 0.5 day

Cost: No cost (verified online)

Comments: As the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register (KRS) 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). The record can be obtained for free online through the official website <https://ems.ms.gov.pl/>.

Procedure 5. A notary executes the sale agreement

Time: 1 day

Cost: PLN 6,852 (notary fees)

Comments: 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 (KRS). 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.

Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees: 1) up to PLN 3,000 - PLN 100; 2) from PLN 3,000 to PLN 10,000 - PLN 100 + 3 % of excess over PLN 3,000; 3) from PLN 10,000 to PLN 30,000 - PLN 310 + 2 % of excess over PLN 10,000; 4)

from PLN 30,000 to PLN 60,000 - PLN 710 + 1 % of excess over PLN 30,000; 5) from PLN 60,000 to PLN 1,000,000 - PLN 1,010 + 0,4 % of excess over PLN 60,000; 6) from PLN 1,000,000 to PLN 2,000,000 - PLN 4,770 + 0,2 % of excess over PLN 1,000,000; 7) from PLN 2,000,000 - PLN 6,770 + 0,25 % of excess over PLN 2,000,000, but no more than PLN 10,000, and if the transaction is between close relatives PLN 7,500. The fee cannot exceed PLN 10,000 or PLN 7,500 (for the person from the first group of taxpayer). Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004. As the law only sets maximum chargeable fees, it is common practice to negotiate the fee with the notary.

For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). The notary sends this information to the GIIF through a dedicated webpage: <https://www.giif.mofnet.gov.pl/giif/>;

Additionally the notary sends:

- a. A letter to the Tax Office (to inform about the transaction);
- b. A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
- c. A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 6. Apply for registration at the Land and Mortgage Registry of the relevant court

Time: 10 days

Cost: PLN 200

Comments: The transfer of the property is registered at the Land and Mortgage Registry of the relevant court. Although the ownership of the property is legally transferred from the moment of the signature of the sale agreement in the presence of the notary, 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). The notary sends the notarial deed and additional documentation (if needed) to the relevant court in charge of the Land and Mortgage Registry. 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), from the moment the party receives the written information about the entry from court.

REGISTERING PROPERTY

Bydgoszcz, Kujawsko-Pomorskie

Property value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1*. Obtain a certificate of the property allocation in the local Spatial Development Plan

Time: 4 days

Cost: PLN 17 (certificate of the property allocation in the local Spatial Development Plan)

* This procedure can be completed simultaneously with previous procedures.

Comments: Parties obtain an extract of 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. The cost of this extract is of PLN 30. Due to recent 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 of 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.

Procedure 2*. Obtain an extract of the Cadastre entry

Time: 4 days

Cost: PLN 150

Comments: The parties obtain an extract of the Cadastre entry held by the respective geodetic authorities, stating the evidentiary number and the boundaries of the property on the official map, as well as information regarding the type of the plots comprising the property (e.g. agricultural, housing, urban). If no local Spatial Development Plan has been adopted for the area, this information will constitute the basis to determine the plot type. The fee is determined on the basis of the annex to the Act of 5 of June 2014, which amends the Surveying and Cartography Act and the Administrative Enforcement Proceedings acts (Journal of Laws of 2014 Item 897). The current cost for a printed extract from the Cadastre is PLN 50. If a printed extract from the cadastral map is also required (e.g. when the information from the Cadastre doesn't coincide with the information from the Land and Mortgage Registry) the cost is PLN 150. These new costs are applicable since the 12 of July 2014.

Procedure 3*. Obtain an extract from the Land and Mortgage Registry entry online

Time: 0.5 day

Cost: PLN 20 (current excerpt)

Comments: 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 Registry can be issued either by the relevant court, or directly through the online platform. The cost of the abbreviated extract is of PLN 30 if obtained through the court, and PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on www.ekw.ms.gov.pl. The transition of the Land and Mortgage Registry data to the electronic system started in September 2004. As of July 2014, almost 99% of existing records exist in electronic format.

Procedure 4*. Obtain company record from the National Court Register

Time: 0.5 day

Cost: No cost (verified online)

Comments: As the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register (KRS) 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). The record can be obtained for free online through the official website <https://ems.ms.gov.pl/>.

Procedure 5. A notary executes the sale agreement

Time: 1 day

Cost: PLN 6,852 (notary fees)

Comments: 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 (KRS). 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.

Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees: 1) up to PLN 3,000 - PLN 100; 2) from PLN 3,000 to PLN 10,000 - PLN 100 + 3 % of excess over PLN 3,000; 3) from PLN 10,000 to PLN 30,000 - PLN 310 + 2 % of excess over PLN 10,000; 4) from PLN 30,000 to PLN 60,000 - PLN 710 + 1 % of excess over PLN 30,000; 5) from PLN 60,000 to PLN 1,000,000 - PLN 1,010 + 0,4 % of excess over PLN 60,000; 6) from PLN 1,000,000 to PLN 2,000,000 - PLN 4,770 + 0,2 % of excess over PLN 1,000,000; 7) from PLN 2,000,000 - PLN 6,770 + 0,25 % of excess over PLN 2,000,000, but no more than PLN 10,000, and if the transaction is between close relatives PLN 7,500. The fee cannot exceed PLN 10,000 or PLN 7,500 (for the person from the first group of taxpayer). Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004. As the law only sets maximum chargeable fees, it is common practice to negotiate the fee with the notary.

For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). The notary sends this information to the GIIF through a dedicated webpage: <https://www.giif.mofnet.gov.pl/giif/>; Additionally the notary sends:

- A letter to the Tax Office (to inform about the transaction);
- A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
- A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 6. Apply for registration at the Land and Mortgage Registry of the relevant court

Time: 15 days

Cost: PLN 200

Comments: The transfer of the property is registered at the Land and Mortgage Registry of the relevant court. Although the ownership of the property is legally transferred from the moment of the signature of the sale agreement in the presence of the notary, 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). The notary sends the notarial deed and additional documentation (if needed) to the relevant court in charge of the Land and Mortgage Registry. 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) from the moment the party receives the written information about the entry from court.

REGISTERING PROPERTY

Gdańsk, Pomorskie

Property value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1*. Obtain an extract of the Cadastre entry and the maps

Time: 7 days

Cost: PLN 150

Comments: The parties obtain an extract of the Cadastre entry held by the respective geodetic authorities, stating the evidentiary number and the boundaries of the property on the official map, as well as information regarding the type of the plots comprising the property (e.g. agricultural, housing, urban). If no local Spatial Development Plan has been adopted for the area, this information will constitute the basis to determine the plot type.

The fee is determined on the basis of the annex to the Act of 5 of June 2014, which amends the Surveying and Cartography Act and the Administrative Enforcement Proceedings acts (Journal of Laws of 2014 Item 897). The current cost for a printed extract from the Cadastre is PLN 50. If a printed extract from the cadastral map is also required (e.g. when the information from the Cadastre doesn't coincide with the information from the Land and Mortgage Registry) the cost is PLN 150. These new costs are applicable since the 12 of July 2014.

Procedure 2*. Obtain a certificate of the property allocation in the local spatial development plan

Time: 4 days

Cost: PLN 17 (certificate of the property allocation in the local Spatial Development Plan)

Comments: Parties obtain an extract of 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. The cost of this

* This procedure can be completed simultaneously with previous procedures.

extract is of PLN 30. Due to recent 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 of 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. Additionally in Gdańsk, the notary checks if the property is on the area of the port as this would have consequences on the right of first refusal. In this particular situation, the right of first refusal would be granted to the port authorities and the State Treasury. An additional contract needs to be sign, confirming that these authorities resign from their preemption right.

Procedure 3*. Obtain an extract from the Land and Mortgage Registry entry online

Time: 0.5 day

Cost: PLN 20 (online extract)

Comments: 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 Registry can be issued either by the relevant court, or directly through the online platform. The cost of the abbreviated extract is of PLN 30 if obtained through the court, and PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on www.ekw.ms.gov.pl. The transition of the Land and Mortgage Registry data to the electronic system started in September 2004. As of July 2014, almost 99% of existing records exist in electronic format.

Procedure 4*. Obtain company record from the National Court Register

Time: 0.5 day

Cost: No cost (verified online)

Comments: As the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register (KRS) 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). The record can be obtained for free online through the official website <https://ems.ms.gov.pl/>.

Procedure 5. A notary executes the sale agreement

Time: 1 day

Cost: PLN 6,852 (notary fees)

Comments: 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 (KRS). 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.

Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees: 1) up to PLN 3,000 - PLN 100; 2) from PLN 3,000 to PLN 10,000 - PLN 100 + 3 % of excess over PLN 3,000; 3) from PLN 10,000 to PLN 30,000 - PLN 310 + 2 % of excess over PLN 10,000; 4) from PLN 30,000 to PLN 60,000 - PLN 710 + 1 % of excess over PLN 30,000; 5) from PLN 60,000 to PLN 1,000,000 - PLN 1,010 + 0,4 % of excess over PLN 60,000; 6) from PLN 1,000,000 to PLN 2,000,000 - PLN 4,770 + 0,2 % of excess over PLN 1,000,000; 7) from PLN 2,000,000 - PLN 6,770 + 0,25 % of excess over PLN 2,000,000, but no more than PLN 10,000, and if the transaction is between close relatives PLN 7,500. The fee cannot exceed PLN 10,000 or PLN 7,500 (for the person from the first group of taxpayer). Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004. As the law only sets maximum chargeable fees, it is common practice to negotiate the fee with the notary.

For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). The notary sends this information to the GIIF through a dedicated webpage: <https://www.giif.mofnet.gov.pl/giif/>; Additionally the notary sends:

- A letter to the Tax Office (to inform about the transaction);
- A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
- A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 6. Apply for registration at the Land and Mortgage Registry of the relevant court

Time: 30 days

Cost: PLN 200

Comments: The transfer of the property is registered at the Land and Mortgage Registry of the relevant court. Although the ownership of the property is legally transferred from the moment of the signature of the sale agreement in the presence of the notary, 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). The notary sends the notarial deed and additional documentation (if needed) to the relevant court in charge of the Land and Mortgage Registry. 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) from the moment the party receives the written information about the entry from court.

REGISTERING PROPERTY

Gorzów Wielkopolski, Lubuskie

Property value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1*. Obtain a certificate of the property allocation in the local Spatial Development Plan

Time: 4 days

Cost: PLN 17 (certificate of the property allocation in the local Spatial Development Plan)

Comments: Parties obtain an extract of 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. The cost of this extract is of PLN 30. Due to recent 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 of 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.

Procedure 2*. Obtain an extract of the Cadastre entry

Time: 2 days

Cost: PLN 50

Comments: The parties obtain an extract of the Cadastre entry held by the respective geodetic authorities, stating the evidentiary number and the boundaries of the property on the official map, as well as information regarding the type of the plots comprising the property (e.g. agricultural, housing, urban). If no local Spatial Development Plan has been adopted for the area this information will constitute the basis to determine the plot type.

The fee is determined on the basis of the annex to the Act of 5 of June 2014, which amends the Surveying and Cartography Act and the Administrative Enforcement Proceedings acts (Journal of Laws of 2014 Item 897). The current cost for a printed extract from the Cadastre is PLN 50. If a printed extract from the cadastral map is also required (e.g. when the information from the Cadastre doesn't coincide with the information from the Land and Mortgage Registry) the cost is PLN 150. These new costs are applicable since the 12 of July 2014.

Procedure 3*. Obtain an extract from the Land and Mortgage Registry entry online

Time: 0.5 day

Cost: PLN 20 (online extract)

Comments: 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 Registry can be issued either by

* This procedure can be completed simultaneously with previous procedures.

the relevant court, or directly through the online platform. The cost of the abbreviated extract is of PLN 30 if obtained through the court, and PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on www.ekw.ms.gov.pl. The transition of the Land and Mortgage Registry data to the electronic system started in September 2004. As of July 2014, almost 99% of existing records exist in electronic format.

Procedure 4*. Obtain company record from the National Court Register

Time: 0.5 day

Cost: No cost (verified online)

Comments: As the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register (KRS) 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). The record can be obtained for free online through the official website <https://ems.ms.gov.pl/>.

Procedure 5. A notary executes the sale agreement

Time: 1 day

Cost: PLN 5,824 (notary fees)

Comments: 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 (KRS). 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.

Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees: 1) up to PLN 3,000 - PLN 100; 2) from PLN 3,000 to PLN 10,000 - PLN 100 + 3 % of excess over PLN 3,000; 3) from PLN 10,000 to PLN 30,000 - PLN 310 + 2 % of excess over PLN 10,000; 4) from PLN 30,000 to PLN 60,000 - PLN 710 + 1 % of excess over PLN 30,000; 5) from PLN 60,000 to PLN 1,000,000 - PLN 1,010 + 0,4 % of excess over PLN 60,000; 6) from PLN 1,000,000 to PLN 2,000,000 - PLN 4,770 + 0,2 % of excess over PLN 1,000,000; 7) from PLN 2,000,000 - PLN 6,770 + 0,25 % of excess over PLN 2,000,000, but no more than PLN 10,000, and if the transaction is between close relatives PLN 7,500. The fee cannot exceed PLN 10,000 or PLN 7,500 (for the person from the first group of taxpayer). Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004. As the law only sets maximum chargeable fees, it is common practice to negotiate the fee with the notary.

For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). The notary sends this information to the GIIF through a dedicated webpage: <https://www.giif.mofnet.gov.pl/giif/>; Additionally the notary sends:

- A letter to the Tax Office (to inform about the transaction);
- A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
- A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 6. Apply for registration at the Land and Mortgage Registry of the relevant court

Time: 30 days

Cost: PLN 200

Comments: The transfer of the property is registered at the Land and Mortgage Registry of the relevant court. Although the ownership of the property is legally transferred from the moment of the signature of the sale agreement in the presence of the notary, 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). The notary sends the notarial deed and additional documentation (if needed) to the relevant court in charge of the Land and Mortgage Registry. 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) from the moment the party receives the written information about the entry from court.

REGISTERING PROPERTY

Katowice, Śląskie

Property value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1*. Obtain an extract of the local Spatial Development Plan entry

Time: 7 days

Cost: PLN 30 (extract of the local Spatial Development Plan entry)

Comments: Parties obtain an extract of 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. The cost of this extract is of PLN 30. Due to recent 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 of 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. Additionally in Katowice, the notary checks if the property is not on within mining areas.

Procedure 2*. Obtain an extract of the Cadastre entry

Time: 7 days

Cost: PLN 50

Comments: The parties obtain an extract of the Cadastre entry held by the respective geodetic authorities, stating the evidentiary number and the boundaries of the property on the official map, as well as information regarding the type of the plots comprising the property (e.g. agricultural, housing, urban). If no local Spatial Development Plan has been adopted for the area, this information will constitute the basis to determine the plot type.

The fee is determined on the basis of the annex to the Act of 5 of June 2014, which amends the Surveying and Cartography Act and the Administrative Enforcement Proceedings acts (Journal of Laws of 2014 Item 897). The current cost for a printed extract from the Cadastre is PLN 50. If a printed extract from the cadastral map is also required (e.g. when the information from the Cadastre doesn't coincide with the information from the Land and Mortgage Registry) the cost is PLN 150. These new costs are applicable since the 12 of July 2014.

Procedure 3*. Obtain an extract from the Land and Mortgage Registry entry online

Time: 0.5 day

Cost: PLN 20 (online extract)

Comments: 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 Registry can be issued either by the relevant court, or directly through the online platform. The cost of the abbreviated extract is of PLN 30 if obtained through the court, and PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on www.ekw.ms.gov.pl. The transition of the Land and Mortgage Registry data to the electronic system started in September 2004. As of July 2014, almost 99% of existing records exist in electronic format.

Procedure 4*. Obtain company record from the National Court Register

Time: 0.5 day

Cost: No cost (verified online)

Comments: As the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register (KRS) 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). The record can be obtained for free online through the official website <https://ems.ms.gov.pl/>.

Procedure 5. A notary executes the sale agreement

Time: 1 day

* This procedure can be completed simultaneously with previous procedures.

Cost: PLN 6,167 (notary fees)

Comments: 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 (KRS). 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.

Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees: 1) up to PLN 3,000 - PLN 100; 2) from PLN 3,000 to PLN 10,000 - PLN 100 + 3 % of excess over PLN 3,000; 3) from PLN 10,000 to PLN 30,000 - PLN 310 + 2 % of excess over PLN 10,000; 4) from PLN 30,000 to PLN 60,000 - PLN 710 + 1 % of excess over PLN 30,000; 5) from PLN 60,000 to PLN 1,000,000 - PLN 1,010 + 0,4 % of excess over PLN 60,000; 6) from PLN 1,000,000 to PLN 2,000,000 - PLN 4,770 + 0,2 % of excess over PLN 1,000,000; 7) from PLN 2,000,000 - PLN 6,770 + 0,25 % of excess over PLN 2,000,000, but no more than PLN 10,000, and if the transaction is between close relatives PLN 7,500. The fee cannot exceed PLN 10,000 or PLN 7,500 (for the person from the first group of taxpayer). Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004. As the law only sets maximum chargeable fees, it is common practice to negotiate the fee with the notary.

For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). The notary sends this information to the GIIF through a dedicated webpage: <https://www.giif.mofnet.gov.pl/giif/>; Additionally the notary sends:

- A letter to the Tax Office (to inform about the transaction);
- A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
- A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 6. Apply for registration at the Land and Mortgage Registry of the relevant court

Time: 30 days

Cost: PLN 200

Comments: The transfer of the property is registered at the Land and Mortgage Registry of the relevant court. Although the ownership of the property is legally transferred from the moment of the signature of the sale agreement in the presence of the notary, 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). The notary sends the notarial deed and additional documentation (if needed) to the relevant court in charge of the Land and Mortgage Registry. 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) from the moment the party receives the written information about the entry from court.

REGISTERING PROPERTY

Kielce, Świętokrzyskie

Property value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1*. Obtain a certificate of the property allocation in the local Spatial Development Plan

Time: 7 days

Cost: PLN 17 (certificate of the property allocation in the local Spatial Development Plan)

Comments: Parties obtain an extract of 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. The cost of this extract is of PLN 30. Due to recent 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 of 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.

Procedure 2*. Obtain an extract of the Cadastre entry

Time: 7 days

Cost: PLN 50

Comments: The parties obtain an extract of the Cadastre entry held by the respective geodetic authorities, stating the evidentiary number and the boundaries of the property on the official map, as well as information regarding the type of the plots comprising the property (e.g. agricultural, housing, urban). If no local Spatial Development Plan has been adopted for the area, this information will constitute the basis to determine the plot type. The fee is determined on the basis of the annex to the Act of 5 of June 2014, which amends the Surveying and Cartography Act and the Administrative Enforcement Proceedings acts (Journal of Laws of 2014 Item 897). The current cost for a printed extract from the Cadastre is PLN 50. If a printed extract from the cadastral map is also required (e.g. when the information from the Cadastre doesn't coincide with the information from the Land and Mortgage Registry) the cost is PLN 150. These new costs are applicable since the 12 of July 2014.

Procedure 3*. Obtain an extract from the Land and Mortgage Registry entry online

Time: 0.5 day

Cost: PLN 20 (online extract)

Comments: 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 Registry can be issued either by the relevant court, or directly through the online platform. The cost of the abbreviated extract is of PLN 30 if obtained through the court, and PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on www.ekw.ms.gov.pl. The transition of the Land and Mortgage Registry data to the electronic system started in September 2004. As of July 2014, almost 99% of existing records exist in electronic format.

Procedure 4*. Obtain company record from the National Court Register

Time: 0.5 day

Cost: No cost (verified online)

Comments: As the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register (KRS) 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). The record can be obtained for free online through the official website <https://ems.ms.gov.pl/>.

Procedure 5. A notary executes the sale agreement

Time: 1 day

Cost: PLN 5,824 (notary fees)

Comments: 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 (KRS). 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.

Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees: 1) up to PLN 3,000 - PLN 100; 2) from PLN 3,000 to PLN 10,000 - PLN 100 + 3 % of excess over PLN 3,000; 3) from PLN 10,000 to PLN 30,000 - PLN 310 + 2 % of excess over PLN 10,000; 4) from PLN 30,000 to PLN 60,000 - PLN 710 + 1 % of excess over PLN 30,000; 5) from PLN 60,000 to PLN 1,000,000 - PLN 1,010 + 0,4 % of excess over PLN 60,000; 6) from PLN 1,000,000 to PLN 2,000,000 - PLN 4,770 + 0,2 % of excess over PLN 1,000,000; 7) from PLN 2,000,000 - PLN 6,770 + 0,25 % of excess over PLN 2,000,000, but no more than PLN 10,000, and if the transaction is between close relatives PLN 7,500. The fee cannot exceed PLN 10,000 or PLN 7,500 (for

* This procedure can be completed simultaneously with previous procedures.

the person from the first group of taxpayer). Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004. As the law only sets maximum chargeable fees, it is common practice to negotiate the fee with the notary.

For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). The notary sends this information to the GIIF through a dedicated webpage: <https://www.giif.mofnet.gov.pl/giif/>; Additionally the notary sends:

- A letter to the Tax Office (to inform about the transaction);
- A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
- A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 6. Apply for registration at the Land and Mortgage Registry of the relevant court

Time: 30 days

Cost: PLN 200

Comments: The transfer of the property is registered at the Land and Mortgage Registry of the relevant court. Although the ownership of the property is legally transferred from the moment of the signature of the sale agreement in the presence of the notary, 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). The notary sends the notarial deed and additional documentation (if needed) to the relevant court in charge of the Land and Mortgage Registry. 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) from the moment the party receives the written information about the entry from court.

REGISTERING PROPERTY

Kraków, Małopolskie

Property value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1*. Obtain information from the local Spatial Development Plan online

Time: 0.5 day

Cost: No cost (online)

Comments: Parties obtain an extract of 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. The cost of this extract is of PLN 30. Due to recent 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 of 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. In Krakow the practice is to research the information concerning the Spatial Development Plan online.

Procedure 2*. Obtain an extract of the Cadastre entry

Time: 2 days

Cost: PLN 50

Comments: The parties obtain an extract of the Cadastre entry held by the respective geodetic authorities, stating the evidentiary number and the boundaries of the property on the official map, as well as information regarding the type of the plots comprising the property (e.g. agricultural, housing, urban). If no local Spatial Development Plan has been adopted for the area, this information will constitute the basis to determine the plot type. The fee is determined on the basis of the annex to the Act of 5 of June 2014, which amends the Surveying and Cartography Act and the Administrative Enforcement Proceedings acts (Journal of Laws of 2014 Item 897). The current cost for a printed extract from the Cadastre is PLN 50. If a printed extract from the cadastral map is also required (e.g. when the information from the Cadastre doesn't coincide with the information from the Land and Mortgage Registry) the cost is PLN 150. These new costs are applicable since the 12 of July 2014.

Procedure 3*. Obtain an extract from the Land and Mortgage Registry entry online

Time: 0.5 day

Cost: PLN 20 (online extract)

Comments: 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 Registry can be issued either by the relevant court, or directly through the online platform. The cost of the abbreviated extract is of PLN 30 if obtained through the court, and PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on www.ekw.ms.gov.pl. The transition of the Land and Mortgage Registry data to the electronic system started in September 2004. As of July 2014, almost 99% of existing records exist in electronic format.

Procedure 4*. Obtain company record from the National Court Register

Time: 0.5 day

Cost: No cost (verified online)

Comments: As the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register (KRS) 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). The record can be obtained for free online through the official website <https://ems.ms.gov.pl/>.

Procedure 5. A notary executes the sale agreement

Time: 1 day

Cost: PLN 5,139 (notary fees)

Comments: 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 (KRS). 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.

Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees: 1) up to PLN 3,000 - PLN 100; 2) from PLN 3,000 to PLN 10,000 - PLN 100 + 3% of excess over PLN 3,000; 3) from PLN 10,000 to PLN 30,000 - PLN 310 + 2% of excess over PLN 10,000; 4) from PLN 30,000 to PLN 60,000 - PLN 710 + 1% of excess over PLN 30,000; 5) from PLN 60,000 to PLN 1,000,000 - PLN 1,010 + 0,4% of excess over PLN 60,000; 6) from PLN 1,000,000 to PLN 2,000,000 - PLN 4,770 + 0,2% of excess over PLN 1,000,000; 7) from PLN 2,000,000 - PLN 6,770 + 0,25% of excess over PLN 2,000,000, but no more than PLN 10,000, and if the transaction is between close relatives PLN 7,500. The fee cannot exceed PLN 10,000 or PLN 7,500 (for the person from the first group of taxpayer). Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004. As the law only sets maximum chargeable fees, it is common practice to negotiate the fee with the notary.

For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). The notary sends this information to the GIIF through a dedicated webpage: <https://www.giif.mofnet.gov.pl/giif/>; Additionally the notary sends:

- A letter to the Tax Office (to inform about the transaction);
- A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
- A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 6. Apply for registration at the Land and Mortgage Registry of the relevant court

Time: 35 days

Cost: PLN 200

Comments: The transfer of the property is registered at the Land and Mortgage Registry of the relevant court. Although the ownership of the property is legally transferred from the moment of the signature of the sale agreement in the

* This procedure can be completed simultaneously with previous procedures.

presence of the notary, 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). The notary sends the notarial deed and additional documentation (if needed) to the relevant court in charge of the Land and Mortgage Registry. 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) from the moment the party receives the written information about the entry from court.

REGISTERING PROPERTY

Łódź, Łódzkie

Property value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1*. Obtain a certificate of the property allocation in the local Spatial Development Plan

Time: 10 days

Cost: PLN 17 (certificate of the property allocation in the local Spatial Development Plan)

Comments: Parties obtain an extract of 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. The cost of this extract is of PLN 30. Due to recent 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 of 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.

Procedure 2*. Obtain an extract of the Cadastre entry

Time: 2 days

Cost: PLN 50

Comments: The parties obtain an extract of the Cadastre entry held by the respective geodetic authorities, stating the evidentiary number and the boundaries of the property on the official map, as well as information regarding the type of the plots comprising the property (e.g. agricultural, housing, urban). If no local Spatial Development Plan has been adopted for the area, this information will constitute the basis to determine the plot type. The fee is determined on the basis of the annex to the Act of 5 of June 2014, which amends the Surveying and Cartography Act and the Administrative Enforcement Proceedings acts (Journal of Laws of 2014 Item 897). The current cost for a printed extract from the Cadastre is PLN 50. If a printed extract from the cadastral map is also required (e.g. when the information from the Cadastre doesn't coincide with the information

from the Land and Mortgage Registry) the cost is PLN 150. These new costs are applicable since the 12 of July 2014.

Procedure 3*. Obtain an extract from the Land and Mortgage Registry entry in paper format

Time: 1 day

Cost: PLN 30 (current excerpt)

Comments: 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 Registry can be issued either by the relevant court, or directly through the online platform. The cost of the abbreviated extract is of PLN 30 if obtained through the court, and PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on www.ekw.ms.gov.pl. The transition of the Land and Mortgage Registry data to the electronic system started in September 2004. As of July 2014, almost 99% of existing records exist in electronic format.

Procedure 4*. Obtain company record from the National Court Register

Time: 0.5 day

Cost: No cost (verified online)

Comments: As the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register (KRS) 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). The record can be obtained for free online through the official website <https://ems.ms.gov.pl/>.

Procedure 5. A notary executes the sale agreement

Time: 1 day

Cost: PLN 5,824 (notary fees)

Comments: 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 (KRS). 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.

Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees: 1) up to PLN 3,000 - PLN 100; 2) from PLN 3,000 to PLN 10,000 - PLN 100 + 3 % of excess over PLN 3,000; 3) from PLN 10,000 to PLN 30,000 - PLN 310 + 2 % of excess over PLN 10,000; 4)

from PLN 30,000 to PLN 60,000 - PLN 710 + 1 % of excess over PLN 30,000; 5) from PLN 60,000 to PLN 1,000,000 - PLN 1,010 + 0,4 % of excess over PLN 60,000; 6) from PLN 1,000,000 to PLN 2,000,000 - PLN 4,770 + 0,2 % of excess over PLN 1,000,000; 7) from PLN 2,000,000 - PLN 6,770 + 0,25 % of excess over PLN 2,000,000, but no more than PLN 10,000, and if the transaction is between close relatives PLN 7,500. The fee cannot exceed PLN 10,000 or PLN 7,500 (for the person from the first group of taxpayer). Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004. As the law only sets maximum chargeable fees, it is common practice to negotiate the fee with the notary.

For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). The notary sends this information to the GIIF through a dedicated webpage: <https://www.giif.mofnet.gov.pl/giif/>;

Additionally the notary sends:

- A letter to the Tax Office (to inform about the transaction);
- A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
- A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 6. Apply for registration at the Land and Mortgage Registry of the relevant court

Time: 20 days

Cost: PLN 200

Comments: The transfer of the property is registered at the Land and Mortgage Registry of the relevant court. Although the ownership of the property is legally transferred from the moment of the signature of the sale agreement in the presence of the notary, 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). The notary sends the notarial deed and additional documentation (if needed) to the relevant court in charge of the Land and Mortgage Registry. 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) from the moment the party receives the written information about the entry from court.

REGISTERING PROPERTY

Lublin, Lubelskie

Property value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1*. Obtain an extract of the local Spatial Development Plan entry

Time: 14 days

Cost: PLN 30 (extract of the local Spatial Development Plan entry)

* This procedure can be completed simultaneously with previous procedures.

Comments: Parties obtain an extract of 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. The cost of this extract is of PLN 30. Due to recent 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 of 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.

Procedure 2*. Obtain an extract of the Cadastre entry

Time: 7 days

Cost: PLN 150

Comments: The parties obtain an extract of the Cadastre entry held by the respective geodetic authorities, stating the evidentiary number and the boundaries of the property on the official map, as well as information regarding the type of the plots comprising the property (e.g. agricultural, housing, urban). If no local Spatial Development Plan has been adopted for the area, this information will constitute the basis to determine the plot type. The fee is determined on the basis of the annex to the Act of 5 of June 2014, which amends the Surveying and Cartography Act and the Administrative Enforcement Proceedings acts (Journal of Laws of 2014 Item 897). The current cost for a printed extract from the Cadastre is PLN 50. If a printed extract from the cadastral map is also required (e.g. when the information from the Cadastre doesn't coincide with the information from the Land and Mortgage Registry) the cost is PLN 150. These new costs are applicable since the 12 of July 2014.

Procedure 3*. Obtain an extract from the Land and Mortgage Registry entry in paper format

Time: 1 day

Cost: PLN 30 (current excerpt)

Comments: 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 Registry can be issued either by the relevant court, or directly through the online platform. The cost of the abbreviated extract is of PLN 30 if obtained through the court, and PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on www.ekw.ms.gov.pl. The transition of the Land and Mortgage Registry data to the electronic system started in September 2004. As of July 2014, almost 99% of existing records exist in electronic format.

Procedure 4*. Obtain company record from the National Court Register

Time: 0.5 day

Cost: No cost (verified online)

Comments: As the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register (KRS) 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). The record can be obtained for free online through the official website <https://ems.ms.gov.pl/>.

Procedure 5. A notary executes the sale agreement

Time: 1 day

Cost: PLN 6,167 (notary fees)

Comments: 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 (KRS). 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.

Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees: 1) up to PLN 3,000 - PLN 100; 2) from PLN 3,000 to PLN 10,000 - PLN 100 + 3% of excess over PLN 3,000; 3) from PLN 10,000 to PLN 30,000 - PLN 310 + 2% of excess over PLN 10,000; 4) from PLN 30,000 to PLN 60,000 - PLN 710 + 1% of excess over PLN 30,000; 5) from PLN 60,000 to PLN 1,000,000 - PLN 1,010 + 0,4% of excess over PLN 60,000; 6) from PLN 1,000,000 to PLN 2,000,000 - PLN 4,770 + 0,2% of excess over PLN 1,000,000; 7) from PLN 2,000,000 - PLN 6,770 + 0,25% of excess over PLN 2,000,000, but no more than PLN 10,000, and if the transaction is between close relatives PLN 7,500. The fee cannot exceed PLN 10,000 or PLN 7,500 (for the person from the first group of taxpayer). Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004. As the law only sets maximum chargeable fees, it is common practice to negotiate the fee with the notary.

For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). The notary sends this information to the GIIF through a dedicated webpage: <https://www.giif.mofnet.gov.pl/giif/>;

Additionally the notary sends:

- A letter to the Tax Office (to inform about the transaction);
- A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
- A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 6. Apply for registration at the Land and Mortgage Registry of the relevant court

Time: 30 days

Cost: PLN 200

Comments: The transfer of the property is registered at the Land and Mortgage Registry of the relevant court. Although the ownership of the property is legally transferred from the moment of the signature of the sale agreement in the presence of the notary, 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). The notary sends the notarial deed and additional documentation (if needed) to the relevant court in charge of the Land and Mortgage Registry. 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) from the moment the party receives the written information about the entry from court.

REGISTERING PROPERTY

Olsztyn, Warmińsko-Mazurskie

Property value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1*. Obtain a certificate of the property allocation in the local Spatial Development Plan

Time: 7 days

Cost: PLN 17 (certificate of the property allocation in the local Spatial Development Plan)

Comments: Parties obtain an extract of 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. The cost of this extract is of PLN 30. Due to recent 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 of 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.

Procedure 2*. Obtain an extract of the Cadastre entry

Time: 2 days

Cost: PLN 50

Comments: The parties obtain an extract of the Cadastre entry held by the respective geodetic authorities, stating the evidentiary number and the boundaries of the property on the official map, as well as information regarding the type of the plots comprising the property (e.g. agricultural, housing,

* This procedure can be completed simultaneously with previous procedures.

urban). If no local Spatial Development Plan has been adopted for the area, this information will constitute the basis to determine the plot type.

The fee is determined on the basis of the annex to the Act of 5 of June 2014, which amends the Surveying and Cartography Act and the Administrative Enforcement Proceedings acts (Journal of Laws of 2014 Item 897). The current cost for a printed extract from the Cadastre is PLN 50. If a printed extract from the cadastral map is also required (e.g. when the information from the Cadastre doesn't coincide with the information from the Land and Mortgage Registry) the cost is PLN 150. These new costs are applicable since the 12 of July 2014.

Procedure 3*. Obtain an extract from the Land and Mortgage Registry entry online

Time: 0.5 day

Cost: PLN 20 (online extract)

Comments: 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 Registry can be issued either by the relevant court, or directly through the online platform. The cost of the abbreviated extract is of PLN 30 if obtained through the court, and PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on www.ekw.ms.gov.pl. The transition of the Land and Mortgage Registry data to the electronic system started in September 2004. As of July 2014, almost 99% of existing records exist in electronic format.

Procedure 4*. Obtain company record from the National Court Register

Time: 0.5 day

Cost: No cost (verified online)

Comments: As the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register (KRS) 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). The record can be obtained for free online through the official website <https://ems.ms.gov.pl/>.

Procedure 5. A notary executes the sale agreement

Time: 1 day

Cost: PLN 6,852 (notary fees)

Comments: 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 (KRS). 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.

Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees: 1) up to PLN 3,000 - PLN 100; 2) from PLN 3,000 to PLN 10,000 - PLN 100 + 3 % of excess over PLN 3,000; 3) from PLN 10,000 to PLN 30,000 - PLN 310 + 2 % of excess over PLN 10,000; 4) from PLN 30,000 to PLN 60,000 - PLN 710 + 1 % of excess over PLN 30,000; 5) from PLN 60,000 to PLN 1,000,000 - PLN 1,010 + 0,4 % of excess over PLN 60,000; 6) from PLN 1,000,000 to PLN 2,000,000 - PLN 4,770 + 0,2 % of excess over PLN 1,000,000; 7) from PLN 2,000,000 - PLN 6,770 + 0,25 % of excess over PLN 2,000,000, but no more than PLN 10,000, and if the transaction is between close relatives PLN 7,500. The fee cannot exceed PLN 10,000 or PLN 7,500 (for the person from the first group of taxpayer). Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004. As the law only sets maximum chargeable fees, it is common practice to negotiate the fee with the notary.

For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). The notary sends this information to the GIIF through a dedicated webpage: <https://www.giif.mofnet.gov.pl/giif/>; Additionally the notary sends:

- A letter to the Tax Office (to inform about the transaction);
- A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
- A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 6. Apply for registration at the Land and Mortgage Registry of the relevant court

Time: 20 days

Cost: PLN 200

Comments: The transfer of the property is registered at the Land and Mortgage Registry of the relevant court. Although the ownership of the property is legally transferred from the moment of the signature of the sale agreement in the presence of the notary, 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). The notary sends the notarial deed and additional documentation (if needed) to the relevant court in charge of the Land and Mortgage Registry. 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) from the moment the party receives the written information about the entry from court.

REGISTERING PROPERTY

Opole, Opolskie

Property value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1*. Obtain a certificate of the property allocation in the local Spatial Development Plan

Time: 7 days

Cost: PLN 17 (certificate of the property allocation in the local Spatial Development Plan)

Comments: Parties obtain an extract of 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. The cost of this extract is of PLN 30. Due to recent 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 of 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.

Procedure 2*. Obtain an extract of the Cadastre entry

Time: 5 days

Cost: PLN 50

Comments: The parties obtain an extract of the Cadastre entry held by the respective geodetic authorities, stating the evidentiary number and the boundaries of the property on the official map, as well as information regarding the type of the plots comprising the property (e.g. agricultural, housing, urban). If no local Spatial Development Plan has been adopted for the area, this information will constitute the basis to determine the plot type.

The fee is determined on the basis of the annex to the Act of 5 of June 2014, which amends the Surveying and Cartography Act and the Administrative Enforcement Proceedings acts (Journal of Laws of 2014 Item 897). The current cost for a printed extract from the Cadastre is PLN 50. If a printed extract from the cadastral map is also required (e.g. when the information from the Cadastre doesn't coincide with the information from the Land and Mortgage Registry) the cost is PLN 150. These new costs are applicable since the 12 of July 2014.

Procedure 3*. Obtain an extract from the Land and Mortgage Registry entry in paper format

Time: 1 day

Cost: PLN 30 (current excerpt)

Comments: 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 Registry can be issued either by

* This procedure can be completed simultaneously with previous procedures.

the relevant court, or directly through the online platform. The cost of the abbreviated extract is of PLN 30 if obtained through the court, and PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on www.ekw.ms.gov.pl. The transition of the Land and Mortgage Registry data to the electronic system started in September 2004. As of July 2014, almost 99% of existing records exist in electronic format.

Procedure 4*. Obtain company record from the National Court Register

Time: 0.5 day

Cost: No cost (verified online)

Comments: As the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register (KRS) 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). The record can be obtained for free online through the official website <https://ems.ms.gov.pl/>.

Procedure 5. A notary executes the sale agreement

Time: 1 day

Cost: PLN 6,852 (notary fees)

Comments: 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 (KRS). 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.

Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees: 1) up to PLN 3,000 - PLN 100; 2) from PLN 3,000 to PLN 10,000 - PLN 100 + 3 % of excess over PLN 3,000; 3) from PLN 10,000 to PLN 30,000 - PLN 310 + 2 % of excess over PLN 10,000; 4) from PLN 30,000 to PLN 60,000 - PLN 710 + 1 % of excess over PLN 30,000; 5) from PLN 60,000 to PLN 1,000,000 - PLN 1,010 + 0,4 % of excess over PLN 60,000; 6) from PLN 1,000,000 to PLN 2,000,000 - PLN 4,770 + 0,2 % of excess over PLN 1,000,000; 7) from PLN 2,000,000 - PLN 6,770 + 0,25 % of excess over PLN 2,000,000, but no more than PLN 10,000, and if the transaction is between close relatives PLN 7,500. The fee cannot exceed PLN 10,000 or PLN 7,500 (for the person from the first group of taxpayer). Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004. As the law only sets maximum chargeable fees, it is common practice to negotiate the fee with the notary.

For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). The notary sends this information to the GIIF through a dedicated webpage: <https://www.giif.mofnet.gov.pl/giif/>; Additionally the notary sends:

- A letter to the Tax Office (to inform about the transaction);
- A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
- A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 6. Apply for registration at the Land and Mortgage Registry of the relevant court

Time: 30 days

Cost: PLN 200

Comments: The transfer of the property is registered at the Land and Mortgage Registry of the relevant court. Although the ownership of the property is legally transferred from the moment of the signature of the sale agreement in the presence of the notary, 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). The notary sends the notarial deed and additional documentation (if needed) to the relevant court in charge of the Land and Mortgage Registry. 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) from the moment the party receives the written information about the entry from court.

REGISTERING PROPERTY

Poznań, Wielkopolskie

Property value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1*. Obtain an extract of the Cadastre entry

Time: 5 days

Cost: PLN 50

Comments: The parties obtain an extract of the Cadastre entry held by the respective geodetic authorities, stating the evidentiary number and the boundaries of the property on the official map, as well as information regarding the type of the plots comprising the property (e.g. agricultural, housing, urban). If no local Spatial Development Plan has been adopted for the area, this information will constitute the basis to determine the plot type. The fee is determined on the basis of the annex to the Act of 5 of June 2014, which amends the Surveying and Cartography Act and the Administrative Enforcement Proceedings acts (Journal of Laws of 2014 Item 897). The current cost for a printed extract from the Cadastre is PLN 50. If a printed extract from the cadastral map is also required (e.g. when the information from the Cadastre doesn't coincide with the information

from the Land and Mortgage Registry) the cost is PLN 150. These new costs are applicable since the 12 of July 2014.

Procedure 2*. Obtain a certificate of the property allocation in the local spatial development plan

Time: 3 days

Cost: PLN 17 (certificate of the property allocation in the local Spatial Development Plan)

Comments: Parties obtain an extract of 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. The cost of this extract is of PLN 30. Due to recent 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 of 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.

Procedure 3*. Obtain an extract from the Land and Mortgage Registry entry online

Time: 0.5 day

Cost: PLN 20 (online extract)

Comments: 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 Registry can be issued either by the relevant court, or directly through the online platform. The cost of the abbreviated extract is of PLN 30 if obtained through the court, and PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on www.ekw.ms.gov.pl. The transition of the Land and Mortgage Registry data to the electronic system started in September 2004. As of July 2014, almost 99% of existing records exist in electronic format.

Procedure 4*. Obtain company record from the National Court Register

Time: 0.5 day

Cost: No cost (verified online)

Comments: As the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register (KRS) 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). The record can be obtained for free online through the official website <https://ems.ms.gov.pl/>.

Procedure 5. A notary executes the sale agreement

Time: 1 day

* This procedure can be completed simultaneously with previous procedures.

Cost: PLN 5,482 (notary fees)

Comments: 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 (KRS). 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.

Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees: 1) up to PLN 3,000 - PLN 100; 2) from PLN 3,000 to PLN 10,000 - PLN 100 + 3 % of excess over PLN 3,000; 3) from PLN 10,000 to PLN 30,000 - PLN 310 + 2 % of excess over PLN 10,000; 4) from PLN 30,000 to PLN 60,000 - PLN 710 + 1 % of excess over PLN 30,000; 5) from PLN 60,000 to PLN 1,000,000 - PLN 1,010 + 0,4 % of excess over PLN 60,000; 6) from PLN 1,000,000 to PLN 2,000,000 - PLN 4,770 + 0,2 % of excess over PLN 1,000,000; 7) from PLN 2,000,000 - PLN 6,770 + 0,25 % of excess over PLN 2,000,000, but no more than PLN 10,000, and if the transaction is between close relatives PLN 7,500. The fee cannot exceed PLN 10,000 or PLN 7,500 (for the person from the first group of taxpayer). Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004. As the law only sets maximum chargeable fees, it is common practice to negotiate the fee with the notary.

For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). The notary sends this information to the GIIF through a dedicated webpage: <https://www.giif.mofnet.gov.pl/giif/>; Additionally the notary sends:

- A letter to the Tax Office (to inform about the transaction);
- A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
- A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 6. Apply for registration at the Land and Mortgage Registry of the relevant court

Time: 20 days

Cost: PLN 200

Comments: The transfer of the property is registered at the Land and Mortgage Registry of the relevant court. Although the ownership of the property is legally transferred from the moment of the signature of the sale agreement in the presence of the notary, 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). The notary sends the notarial deed and additional documentation (if needed) to the relevant court in charge of the Land and Mortgage Registry. 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) from the moment the party receives the written information about the entry from court.

REGISTERING PROPERTY

Rzeszów, Podkarpackie

Property value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1*. Obtain a certificate of the property allocation in the local Spatial Development Plan

Time: 7 days

Cost: PLN 17 (certificate of the property allocation in the local Spatial Development Plan)

Comments: Parties obtain an extract of 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. The cost of this extract is of PLN 30. Due to recent 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 of 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.

Procedure 2*. Obtain an extract of the Cadastre entry

Time: 2 days

Cost: PLN 50

Comments: The parties obtain an extract of the Cadastre entry held by the respective geodetic authorities, stating the evidentiary number and the boundaries of the property on the official map, as well as information regarding the type of the plots comprising the property (e.g. agricultural, housing, urban). If no local Spatial Development Plan has been adopted for the area, this information will constitute the basis to determine the plot type. The fee is determined on the basis of the annex to the Act of 5 of June 2014, which amends the Surveying and Cartography Act and the Administrative Enforcement Proceedings acts (Journal of Laws of 2014 Item 897). The current cost for a printed extract from the Cadastre is PLN 50. If a printed extract from the cadastral map is also required (e.g. when the information from the Cadastre doesn't coincide with the information from the Land and Mortgage Registry) the cost is PLN 150. These new costs are applicable since the 12 of July 2014.

Procedure 3*. Obtain an extract from the Land and Mortgage Registry entry in paper format

Time: 1 day

Cost: PLN 30 (current excerpt)

Comments: 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 Registry can be issued either by the relevant court, or directly through the online platform. The cost of the abbreviated extract is of PLN 30 if obtained through the court, and PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on www.ekw.ms.gov.pl. The transition of the Land and Mortgage Registry data to the electronic system started in September 2004. As of July 2014, almost 99% of existing records exist in electronic format.

Procedure 4*. Obtain company record from the National Court Register

Time: 0.5 day

Cost: No cost (verified online)

Comments: As the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register (KRS) 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). The record can be obtained for free online through the official website <https://ems.ms.gov.pl/>.

Procedure 5. A notary executes the sale agreement

Time: 1 day

Cost: PLN 5,482 (notary fees)

Comments: 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 (KRS). 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.

Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees: 1) up to PLN 3,000 - PLN 100; 2) from PLN 3,000 to PLN 10,000 - PLN 100 + 3 % of excess over PLN 3,000; 3) from PLN 10,000 to PLN 30,000 - PLN 310 + 2 % of excess over PLN 10,000; 4) from PLN 30,000 to PLN 60,000 - PLN 710 + 1 % of excess over PLN 30,000; 5) from PLN 60,000 to PLN 1,000,000 - PLN 1,010 + 0,4 % of excess over PLN 60,000; 6) from PLN 1,000,000 to PLN 2,000,000 - PLN 4,770 + 0,2 % of excess over PLN 1,000,000; 7) from PLN 2,000,000 - PLN 6,770 + 0,25 % of excess over PLN 2,000,000, but no more than PLN 10,000, and if the transaction is between close relatives PLN 7,500. The fee cannot exceed PLN 10,000 or PLN 7,500 (for

* This procedure can be completed simultaneously with previous procedures.

the person from the first group of taxpayer). Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004. As the law only sets maximum chargeable fees, it is common practice to negotiate the fee with the notary.

For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). The notary sends this information to the GIIF through a dedicated webpage: <https://www.giif.mofnet.gov.pl/giif/>;

Additionally the notary sends:

- A letter to the Tax Office (to inform about the transaction);
- A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
- A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 6. Apply for registration at the Land and Mortgage Registry of the relevant court

Time: 25 days

Cost: PLN 200

Comments: The transfer of the property is registered at the Land and Mortgage Registry of the relevant court. Although the ownership of the property is legally transferred from the moment of the signature of the sale agreement in the presence of the notary, 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). The notary sends the notarial deed and additional documentation (if needed) to the relevant court in charge of the Land and Mortgage Registry. 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) from the moment the party receives the written information about the entry from court.

REGISTERING PROPERTY

Szczecin, Zachodniopomorskie

Property value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1*. Obtain a certificate of the property allocation in the local Spatial Development Plan

Time: 3 days

Cost: PLN 17 (Certificate of the property allocation in the local Spatial Development Plan)

Comments: Parties obtain an extract of 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. The cost of this extract is of PLN 30. Due to recent 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 of 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.

Procedure 2*. Obtain an extract of the Cadastre entry

Time: 3 days

Cost: PLN 50

Comments: The parties obtain an extract of the Cadastre entry held by the respective geodetic authorities, stating the evidentiary number and the boundaries of the property on the official map, as well as information regarding the type of the plots comprising the property (e.g. agricultural, housing, urban). If no local Spatial Development Plan has been adopted for the area, this information will constitute the basis to determine the plot type.

The fee is determined on the basis of the annex to the Act of 5 of June 2014, which amends the Surveying and Cartography Act and the Administrative Enforcement Proceedings acts (Journal of Laws of 2014 Item 897). The current cost for a printed extract from the Cadastre is PLN 50. If a printed extract from the cadastral map is also required (e.g. when the information from the Cadastre doesn't coincide with the information from the Land and Mortgage Registry) the cost is PLN 150. These new costs are applicable since the 12 of July 2014.

Procedure 3*. Obtain an extract from the Land and Mortgage Registry entry in paper format

Time: 1 day

Cost: PLN 30 (current excerpt)

Comments: 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 Registry can be issued either by the relevant court, or directly through the online platform. The cost of the abbreviated extract is of PLN 30 if obtained through the court, and PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on www.ekw.ms.gov.pl. The transition of the Land and Mortgage Registry data to the electronic system started in September 2004. As of July 2014, almost 99% of existing records exist in electronic format.

Procedure 4*. Obtain company record from the National Court Register

Time: 0.5 day

Cost: No cost (verified online)

Comments: As the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register (KRS) 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). The record can be obtained for free online through the official website <https://ems.ms.gov.pl/>.

Procedure 5. A notary executes the sale agreement

Time: 1 day

Cost: PLN 5,824 (notary fees)

Comments: 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 (KRS). 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.

Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees: 1) up to PLN 3,000 - PLN 100; 2) from PLN 3,000 to PLN 10,000 - PLN 100 + 3 % of excess over PLN 3,000; 3) from PLN 10,000 to PLN 30,000 - PLN 310 + 2 % of excess over PLN 10,000; 4) from PLN 30,000 to PLN 60,000 - PLN 710 + 1 % of excess over PLN 30,000; 5) from PLN 60,000 to PLN 1,000,000 - PLN 1,010 + 0,4 % of excess over PLN 60,000; 6) from PLN 1,000,000 to PLN 2,000,000 - PLN 4,770 + 0,2 % of excess over PLN 1,000,000; 7) from PLN 2,000,000 - PLN 6,770 + 0,25 % of excess over PLN 2,000,000, but no more than PLN 10,000, and if the transaction is between close relatives PLN 7,500. The fee cannot exceed PLN 10,000 or PLN 7,500 (for the person from the first group of taxpayer). Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004. As the law only sets maximum chargeable fees, it is common practice to negotiate the fee with the notary.

For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). The notary sends this information to the GIIF through a dedicated webpage: <https://www.giif.mofnet.gov.pl/giif/>;

Additionally the notary sends:

- A letter to the Tax Office (to inform about the transaction);
- A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
- A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 6. Apply for registration at the Land and Mortgage Registry of the relevant court

Time: 25 days

Cost: PLN 200

Comments: The transfer of the property is registered at the Land and Mortgage Registry of the relevant court. Although the ownership of the property is legally transferred from the moment of the signature of the sale agreement in the presence of the notary, updating the Land and Mortgage Registry is a necessary step to finalize the property transfer, and allow the new owner

* This procedure can be completed simultaneously with previous procedures.

to fully benefit from the property (for example by using the property as a collateral for a loan). The notary sends the notarial deed and additional documentation (if needed) to the relevant court in charge of the Land and Mortgage Registry. 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) from the moment the party receives the written information about the entry from court.

REGISTERING PROPERTY

Toruń, Kujawsko-Pomorskie

Property value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1*. Obtain a certificate of the property allocation in the local Spatial Development Plan

Time: 4 days

Cost: PLN 17 (certificate of the property allocation in the local Spatial Development Plan)

Comments: Parties obtain an extract of 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. The cost of this extract is of PLN 30. Due to recent 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 of 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.

Procedure 2*. Obtain an extract of the Cadastre entry

Time: 2 days

Cost: PLN 50

Comments: The parties obtain an extract of the Cadastre entry held by the respective geodetic authorities, stating the evidentiary number and the boundaries of the property on the official map, as well as information regarding the type of the plots comprising the property (e.g. agricultural, housing, urban). If no local Spatial Development Plan has been adopted for the area, this information will constitute the basis to determine the plot type. The fee is determined on the basis of the annex to the Act of 5 of June 2014, which amends the Surveying and Cartography Act and the Administrative Enforcement Proceedings acts (Journal of Laws of 2014 Item 897). The current cost for a printed extract from the Cadastre is PLN 50. If a printed extract from the cadastral map is also required (e.g. when the information from the Cadastre doesn't coincide with the information from the Land and Mortgage Registry) the cost is PLN 150. These new costs are applicable since the 12 of July 2014.

Procedure 3*. Obtain an extract from the Land and Mortgage Registry entry in paper format

Time: 1 day

Cost: PLN 30 (current excerpt)

Comments: 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 Registry can be issued either by the relevant court, or directly through the online platform. The cost of the abbreviated extract is of PLN 30 if obtained through the court, and PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on www.ekw.ms.gov.pl. The transition of the Land and Mortgage Registry data to the electronic system started in September 2004. As of July 2014, almost 99% of existing records exist in electronic format.

Procedure 4*. Obtain company record from the National Court Register

Time: 0.5 day

Cost: No cost (verified online)

Comments: As the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register (KRS) 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). The record can be obtained for free online through the official website <https://ems.ms.gov.pl/>.

Procedure 5. A notary executes the sale agreement

Time: 1 day

Cost: PLN 6,167 (notary fees)

Comments: 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 (KRS). 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.

Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees: 1) up to PLN 3,000 - PLN 100; 2) from PLN 3,000 to PLN 10,000 - PLN 100 + 3 % of excess over PLN 3,000; 3) from PLN 10,000 to PLN 30,000 - PLN 310 + 2 % of excess over PLN 10,000; 4) from PLN 30,000 to PLN 60,000 - PLN 710 + 1 % of excess over PLN 30,000; 5) from PLN 60,000 to PLN 1,000,000 - PLN 1,010 + 0,4 % of excess over PLN 60,000; 6) from PLN 1,000,000 to PLN

2,000,000 - PLN 4,770 + 0,2 % of excess over PLN 1,000,000; 7) from PLN 2,000,000 - PLN 6,770 + 0,25 % of excess over PLN 2,000,000, but no more than PLN 10,000, and if the transaction is between close relatives PLN 7,500. The fee cannot exceed PLN 10,000 or PLN 7,500 (for the person from the first group of taxpayer). Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004. As the law only sets maximum chargeable fees, it is common practice to negotiate the fee with the notary.

For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). The notary sends this information to the GIIF through a dedicated webpage: <https://www.giif.mofnet.gov.pl/giif/>;

Additionally the notary sends:

- A letter to the Tax Office (to inform about the transaction);
- A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
- A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 6. Apply for registration at the Land and Mortgage Registry of the relevant court

Time: 25 days

Cost: PLN 200

Comments: The transfer of the property is registered at the Land and Mortgage Registry of the relevant court. Although the ownership of the property is legally transferred from the moment of the signature of the sale agreement in the presence of the notary, 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). The notary sends the notarial deed and additional documentation (if needed) to the relevant court in charge of the Land and Mortgage Registry. 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) from the moment the party receives the written information about the entry from court.

REGISTERING PROPERTY

Warsaw, Mazowieckie

Property value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1*. Obtain a certificate of the property allocation in the local Spatial Development Plan

Time: 14 days

Cost: PLN 17 (certificate of the property allocation in the local Spatial Development Plan)

Comments: Parties obtain an extract of 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. The cost of this extract is of PLN 30. Due to recent changes in na-

* This procedure can be completed simultaneously with previous procedures.

tional 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 of 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.

Procedure 2*. Obtain an extract of the Cadastre entry

Time: 7 days

Cost: PLN 50

Comments: The parties obtain an extract of the Cadastre entry held by the respective geodetic authorities, stating the evidentiary number and the boundaries of the property on the official map, as well as information regarding the type of the plots comprising the property (e.g. agricultural, housing, urban). If no local Spatial Development Plan has been adopted for the area, this information will constitute the basis to determine the plot type.

The fee is determined on the basis of the annex to the Act of 5 of June 2014, which amends the Surveying and Cartography Act and the Administrative Enforcement Proceedings acts (Journal of Laws of 2014 Item 897). The current cost for a printed extract from the Cadastre is PLN 50. If a printed extract from the cadastral map is also required (e.g. when the information from the Cadastre doesn't coincide with the information from the Land and Mortgage Registry) the cost is PLN 150. These new costs are applicable since the 12 of July 2014.

Procedure 3*. Obtain an extract from the Land and Mortgage Registry entry online

Time: 0.5 day

Cost: PLN 50 (full excerpt)

Comments: 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 Registry can be issued either by the relevant court, or directly through the online platform. The cost of the abbreviated extract is of PLN 30 if obtained through the court, and PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on www.ekw.ms.gov.pl. The transition of the Land and Mortgage Registry data to the electronic system started in September 2004. As of July 2014, almost 99% of existing records exist in electronic format.

Procedure 4*. Obtain company record from the National Court Register

Time: 0.5 day

Cost: No cost (verified online)

Comments: As the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register (KRS) 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). The record can be obtained for free online through the official website <https://ems.ms.gov.pl/>.

Procedure 5. A notary executes the sale agreement

Time: 1 day

Cost: PLN 6,167 (notary fees)

Comments: 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 (KRS). 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.

Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees: 1) up to PLN 3,000 - PLN 100; 2) from PLN 3,000 to PLN 10,000 - PLN 100 + 3 % of excess over PLN 3,000; 3) from PLN 10,000 to PLN 30,000 - PLN 310 + 2 % of excess over PLN 10,000; 4) from PLN 30,000 to PLN 60,000 - PLN 710 + 1 % of excess over PLN 30,000; 5) from PLN 60,000 to PLN 1,000,000 - PLN 1,010 + 0,4 % of excess over PLN 60,000; 6) from PLN 1,000,000 to PLN 2,000,000 - PLN 4,770 + 0,2 % of excess over PLN 1,000,000; 7) from PLN 2,000,000 - PLN 6,770 + 0,25 % of excess over PLN 2,000,000, but no more than PLN 10,000, and if the transaction is between close relatives PLN 7,500. The fee cannot exceed PLN 10,000 or PLN 7,500 (for the person from the first group of taxpayer). Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004. As the law only sets maximum chargeable fees, it is common practice to negotiate the fee with the notary.

For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). The notary sends this information to the GIIF through a dedicated webpage: <https://www.giif.mofnet.gov.pl/giif/>;

Additionally the notary sends:

- A letter to the Tax Office (to inform about the transaction);
- A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
- A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 6. Apply for registration at the Land and Mortgage Registry of the relevant court

Time: 18 days

Cost: PLN 200

Comments: The transfer of the property is registered at the Land and Mortgage Registry of the relevant court. Although the ownership of the property is legally transferred from the moment of the signature of the sale agreement in the presence of the notary, 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). The notary sends the notarial deed and additional documentation (if needed) to the relevant court in charge of the Land and Mortgage Registry. 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) from the moment the party receives the written information about the entry from court.

REGISTERING PROPERTY

Wrocław, Dolnośląskie

Property value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1*. Obtain a certificate of the property allocation in the local Spatial Development Plan

Time: 10 days

Cost: PLN 17 (certificate of the property allocation in the local Spatial Development Plan)

Comments: Parties obtain an extract of 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. The cost of this extract is of PLN 30. Due to recent 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 of 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.

Procedure 2*. Obtain an extract of the Cadastre entry

Time: 4 days

Cost: PLN 50

Comments: The parties obtain an extract of the Cadastre entry held by the respective geodetic authorities, stating the evidentiary number and the boundaries of the property on the official map, as well as information regarding the type of the plots comprising the property (e.g. agricultural, housing, urban). If no local Spatial Development Plan has been adopted for the area, this information will constitute the basis to determine the plot type.

* This procedure can be completed simultaneously with previous procedures.

The fee is determined on the basis of the annex to the Act of 5 of June 2014, which amends the Surveying and Cartography Act and the Administrative Enforcement Proceedings acts (Journal of Laws of 2014 Item 897). The current cost for a printed extract from the Cadastre is PLN 50. If a printed extract from the cadastral map is also required (e.g. when the information from the Cadastre doesn't coincide with the information from the Land and Mortgage Registry) the cost is PLN 150. These new costs are applicable since the 12 of July 2014.

Procedure 3*. Obtain an extract from the Land and Mortgage Registry entry online

Time: 0.5 day

Cost: PLN 20 (online extract)

Comments: 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 Registry can be issued either by the relevant court, or directly through the online platform. The cost of the abbreviated extract is of PLN 30 if obtained through the court, and PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on www.ekw.ms.gov.pl. The transition of the Land and Mortgage Registry data to the electronic system started in September 2004. As of July 2014, almost 99% of existing records exist in electronic format.

Procedure 4*. Obtain company record from the National Court Register

Time: 0.5 day

Cost: No cost (verified online)

Comments: As the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register (KRS) 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). The record can be obtained for free online through the official website <https://ems.ms.gov.pl/>.

Procedure 5. A notary executes the sale agreement

Time: 1 day

Cost: PLN 5,824 (notary fees)

Comments: 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 (KRS). 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.

Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees: 1) up to PLN 3,000 - PLN 100; 2) from PLN 3,000 to PLN 10,000 - PLN 100 + 3% of excess over PLN 3,000; 3) from PLN 10,000 to PLN 30,000 - PLN 310 + 2% of excess over PLN 10,000; 4) from PLN 30,000 to PLN 60,000 - PLN 710 + 1% of excess over PLN 30,000; 5) from PLN 60,000 to PLN 1,000,000 - PLN 1,010 + 0,4% of excess over PLN 60,000; 6) from PLN 1,000,000 to PLN 2,000,000 - PLN 4,770 + 0,2% of excess over PLN 1,000,000; 7) from PLN 2,000,000 - PLN 6,770 + 0,25% of excess over PLN 2,000,000, but no more than PLN 10,000, and if the transaction is between close relatives PLN 7,500. The fee cannot exceed PLN 10,000 or PLN 7,500 (for the person from the first group of taxpayer). Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004. As the law only sets maximum chargeable fees, it is common practice to negotiate the fee with the notary.

For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). The notary sends this information to the GIIF through a dedicated webpage: <https://www.giif.mofnet.gov.pl/giif/>; Additionally the notary sends:

- A letter to the Tax Office (to inform about the transaction);
- A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
- A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 6. Apply for registration at the Land and Mortgage Registry of the relevant court

Time: 40 days

Cost: PLN 200

Comments: The transfer of the property is registered at the Land and Mortgage Registry of the relevant court. Although the ownership of the property is legally transferred from the moment of the signature of the sale agreement in the presence of the notary, 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). The notary sends the notarial deed and additional documentation (if needed) to the relevant court in charge of the Land and Mortgage Registry. 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) from the moment the party receives the written information about the entry from court.

REGISTERING PROPERTY

Zielona Góra, Lubuskie

Property value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

Procedure 1*. Obtain a certificate of the property allocation in the local Spatial Development Plan

Time: 7 days

Cost: PLN 17 (certificate of the property allocation in the local Spatial Development Plan)

Comments: Parties obtain an extract of 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. The cost of this extract is of PLN 30. Due to recent 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 of 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.

Procedure 2*. Obtain an extract of the Cadastre entry

Time: 7 days

Cost: PLN 50

Comments: The parties obtain an extract of the Cadastre entry held by the respective geodetic authorities, stating the evidentiary number and the boundaries of the property on the official map, as well as information regarding the type of the plots comprising the property (e.g. agricultural, housing, urban). If no local Spatial Development Plan has been adopted for the area, this information will constitute the basis to determine the plot type.

The fee is determined on the basis of the annex to the Act of 5 of June 2014, which amends the Surveying and Cartography Act and the Administrative Enforcement Proceedings acts (Journal of Laws of 2014 Item 897). The current cost for a printed extract from the Cadastre is PLN 50. If a printed extract from the cadastral map is also required (e.g. when the information from the Cadastre doesn't coincide with the information from the Land and Mortgage Registry) the cost is PLN 150. These new costs are applicable since the 12 of July 2014.

Procedure 3*. Obtain an extract from the Land and Mortgage Registry entry online

Time: 0.5 day

Cost: PLN 20 (online extract)

Comments: 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 Registry can be issued either by

* This procedure can be completed simultaneously with previous procedures.

the relevant court, or directly through the online platform. The cost of the abbreviated extract is of PLN 30 if obtained through the court, and PLN 20 if requested online. According to the legislation, the Land and Mortgage Registry is maintained in electronic form and available on www.ekw.ms.gov.pl. The transition of the Land and Mortgage Registry data to the electronic system started in September 2004. As of July 2014, almost 99% of existing records exist in electronic format.

Procedure 4*. Obtain company record from the National Court Register

Time: 0.5 day

Cost: No cost (verified online)

Comments: As the purchaser and the seller are companies, a record from the register of entrepreneurs of the National Court Register (KRS) 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). The record can be obtained for free online through the official website <https://ems.ms.gov.pl/>.

Procedure 5. A notary executes the sale agreement

Time: 1 day

Cost: PLN 6,167 (notary fees)

Comments: 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 (KRS). 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.

Notary's fees are based on the following fee schedule, that sets the maximum chargeable fees: 1) up to PLN 3,000 - PLN 100; 2) from PLN 3,000 to PLN 10,000 - PLN 100 + 3 % of excess over PLN 3,000; 3) from PLN 10,000 to PLN 30,000 - PLN 310 + 2 % of excess over PLN 10,000; 4) from PLN 30,000 to PLN 60,000 - PLN 710 + 1 % of excess over PLN 30,000; 5) from PLN 60,000 to PLN 1,000,000 - PLN 1,010 + 0,4 % of excess over PLN 60,000; 6) from PLN 1,000,000 to PLN 2,000,000 - PLN 4,770 + 0,2 % of excess over PLN 1,000,000; 7) from PLN 2,000,000 - PLN 6,770 + 0,25 % of excess over PLN 2,000,000, but no more than PLN 10,000, and if the transaction is between close relatives PLN 7,500. The fee cannot exceed PLN 10,000 or PLN 7,500 (for the person from the first group of taxpayer). Legal basis: Regulation of the Ministry of Justice dated 28 of June 2004. As the law only sets maximum chargeable fees, it is common practice to negotiate the fee with the notary.

For all properties that exceed EUR 15,000 the notary must inform the General Inspector for Financial Information (GIIF). The notary sends this information to the GIIF through a dedicated webpage: <https://www.giif.mofnet.gov.pl/giif/>;

Additionally the notary sends:

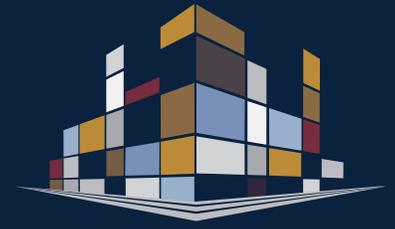
- a. A letter to the Tax Office (to inform about the transaction);
- b. A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
- c. A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 6. Apply for registration at the Land and Mortgage Registry of the relevant court

Time: 10 days

Cost: PLN 200

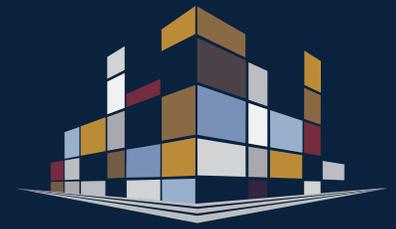
Comments: The transfer of the property is registered at the Land and Mortgage Registry of the relevant court. Although the ownership of the property is legally transferred from the moment of the signature of the sale agreement in the presence of the notary, updating the Land and Mortgage Registry is 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). The notary sends the notarial deed and additional documentation (if needed) to the relevant court in charge of the Land and Mortgage Registry. 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) from the moment the party receives the written information about the entry from court.



Indicator details– Enforcing contracts

Enforcing contracts

City, Voivodeship	Procedures (number)	Time (days)				Cost (% of claim)			
		Filing	Judgment	Enforcement	Total days	Attorney	Court	Enforcement	Total cost
Białystok, Podlaskie	33	45	250	145	440	6.0	5.4	2.2	13.6
Bydgoszcz, Kujawsko-Pomorskie	33	60	269	145	474	6.0	5.4	2.4	13.8
Gdańsk, Pomorskie	33	70	500	145	715	12.0	5.4	2.3	19.7
Gorzów Wielkopolski, Lubuskie	33	90	254	90	434	6.0	5.4	2.4	13.8
Katowice, Śląskie	33	60	314	145	519	8.0	5.4	3.0	16.4
Kielce, Świętokrzyskie	33	60	319	150	529	6.0	5.4	2.6	14.0
Kraków, Małopolskie	33	49	314	135	498	8.0	5.4	2.0	15.4
Łódź, Łódzkie	33	90	374	135	599	7.0	5.4	2.2	14.6
Lublin, Lubelskie	33	60	400	135	595	7.0	5.4	3.3	15.7
Olsztyn, Warmińsko-Mazurskie	33	44	194	90	328	6.0	5.4	3.9	15.3
Opole, Opolskie	33	45	275	105	425	9.0	5.4	2.0	16.4
Poznań, Wielkopolskie	33	45	330	110	485	8.0	5.4	2.4	15.8
Rzeszów, Podkarpackie	33	50	365	100	515	6.0	5.4	2.4	13.8
Szczecin, Zachodniopomorskie	33	59	254	180	493	9.0	5.4	2.3	16.7
Toruń, Kujawsko-Pomorskie	33	30	214	180	424	8.0	5.4	3.3	16.7
Warsaw, Mazowieckie	33	60	480	145	685	12.0	5.4	2.0	19.4
Wrocław, Dolnośląskie	33	52	374	120	546	11.0	5.4	3.0	19.4
Zielona Góra, Lubuskie	33	50	330	120	500	8.0	5.4	2.4	15.8



Acknowledgments

Doing Business in Poland 2015 was produced by a team led by Maddalina Papahagi and Pilar Salgado-Otónel. The team comprised Anna Bokina, Sarah Cuttaree, Cécile Ferro, Aleksander Gryger, Zenaida Hernández-Uríz, Tommaso Rooms, Magdalena Włodarczyk, and Alessio Zanelli. The report was prepared under the general direction of Mierta Capaul.

The team is grateful for valuable peer review comments provided by colleagues from across the World Bank Group. Iva Hamel, Thomas Haven, and Silvia Muži reviewed the full text. Experts in each of the 4 areas measured were consulted when drafting the individual chapters: Gavin Adlington, Lubomira Zimanova Beardsley, Karim Belayachi, Erica Bosio, Radosław Czapski, Klaus Decker, Alejandro Espinoza-Wang, Fernando Fernández-Monge, Joyce Antone Ibrahim, Frédéric Meunier, Thomas Moullier, Parvina Rakhimova, Valentina Saltane, and Victoria Stanley.

Mamta Murthi, Augusto Lopez Claros, Xavier Devictor (until June 2014), Marina Wes (from July 2014), Marcin Piątkowski, Isfandyar Zaman Khan, and Paloma Anos Casero provided guidance and leadership. Małgorzata Bargilewicz, Allison Berg, Agnieszka Boratynska, Barbara Cetner, Maika Chiquier, Julio Fuster, Małgorzata Garlicka, Carlos Andres Guadarrama Gandara, Vera Lapshina, Trimor Mici, Monique Pelloux, Ismail Radwan, Sreekala Ramanathan, Maria Camila

Roberts, Pilar Sanchez-Bella, and Moussa Traore provided valuable assistance at various stages of the project. The communications campaign was designed and led by Hyun Kyong Lee and Indira Chand in collaboration with Dorota Kowalska. The website (<http://www.doingbusiness.org/Poland>) was developed by Kunal Patel, Vinod Vasudevan, and Hashim Zia. The report was edited by Chris Marquardt and Gerald Quinn produced the layout.

The study was initiated and substantially funded by the Ministry of Infrastructure and Development (MID) of the Republic of Poland (*Ministerstwo Infrastruktury i Rozwoju*) and *Bank Gospodarstwa Krajowego* (BGK). The MID team in charge of the implementation of this study was led by Stanisław Sudak, under the general supervision of Minister Marcei Niezgodna. The team included Robert Dzierżgwa, Jacek Białek, Monika Kusina-Pycinsk, and Wojciech Porczyk. The BGK team was led by Tomasz Kaczor and Monika Michniewicz, under the general supervision of Dariusz Kacprzyk. Valuable assistance was provided by BGK branches across Poland, which organized and hosted meetings between the project team and local public officials and magistrates during the implementation phase.

Special thanks go to the Ministry of Justice of the Republic of Poland (*Ministerstwo Sprawiedliwości*) for the information and assistance provided throughout the project. The Ministry of

Justice team was led by Jakub Michalski and was composed of Marcin Korzeb and Kamil Joński. The General Office of Building Control (*Główny Urząd Nadzoru Budowlanego*), especially Anna Macińska and Norbert Książek, also contributed valuable feedback and data.

Data collection was carried out in collaboration with the Polish Confederation Lewiatan (*Konfederacja Lewiatan*). The Lewiatan team in charge of project coordination was comprised of Sławomir Arczewski, Marcin Kowalski, Małgorzata Starczewska-Krzysztożek and Jakub Wojnarowski.

The project team extends special thanks to the city and court representatives from 18 cities designated as projects counterparts, the National Council of Notaries (*Krajowa Rada Notarialna*), the Polish Union of Civil Engineers and Technicians (*Polski Związek Inżynierów i Techników Budownictwa*), the Polish Chamber of Architects (*Krajowa Izba Architektów*), the Polish Association of Developers (*Polski Związek Firm Deweloperskich*) and to the many local professional associations that supported the project.

More than 400 business consultants, lawyers, notaries, engineers, architects, construction experts, utility providers, public officials and magistrates contributed to the *Doing Business in Poland 2015* report. The team would like to express its special gratitude to the national and local government officials and members of the judiciary who participated in the project and who made valuable comments during the consultation and data-review period. The names of those wishing to be acknowledged are listed on the following pages.

PRIVATE SECTOR CONTRIBUTORS

Adam Boridko

PRACOWNIA PROJEKTOWA

Adam Nowak

KANCELARIA RADCY PRAWNEGO

Adam Wiszniewski

MONEY BACK

Adam Znyk

ZNYK, JAWORSKI, PIETRZYK & KOLLEGEN

Agata Drabek

Aleksander Skupin

BIURO ARCHYTEKTONICZNE

Aleksander Szymański

KANCELARIA NOTARIALNA KATARZYNA SOBAŃSKA-TIUTIUNIK, ALEKSANDER SZYMAŃSKI

Alicja Lehmann

KANCELARIA NOTARIALNA

Alicja Mizerska

BSJP BROCKHUIS JURZAK PRUSAK

Andrzej Jan Szereda

KANCELARIA NOTARIALNA

Andrzej Janda

KANCELARIA ADWOKACKA

Andrzej Tusiński

KANCELARIA ADWOKACKA TOGA

Andrzej Wasilewski

KANCELARIA ADWOKACKA

Anna Biel

KANCELARIA RADCÓW PRAWNYCH BIEL, JUDEK, POCZOBIUT-ODLANICKI

Anna Ignaczewska

KANCELARIA NOTARIALNA BEATA CZEREPAK-BOROWIK, ANNA IGNACZEWSKA

Anna Klimczuk

KANCELARIA ADWOKACKA

Anna Orlik

KANCELARIA NOTARIALNA AGNIESZKA BACHALSKA-KOLASIŃSKA, ANNA ORLIK

Anna Sulska

KANCELARIA NOTARIALNA

Anna Turzyńska-Karakiewicz

KANCELARIA NOTARIALNA ALEKSANDER REINHARDT, ANNA TURZYŃSKA-KARAKIEWICZ

Anna Zakrzewska-Skup

Ariel Latecki

KANCELARIA ADWOKACKA

Artur Kępiński

KANCELARIA RADCÓW PRAWNYCH I ADWOKATÓW AVAL-CONSULT OSTROWSKA, SZYCHOWSKI, KRĄWCZYK, KORPUSIK, GRZECHOWIAK I PARTNERZY

Artur Mazurkiewicz

Astryda Adamczak

KANCELARIA PRAWNICZA

Barbara Balas

PRZEDSIĘBIORSTWO BUDOWNICTWA I OBROTU TOWAROWEGO - FRONTON

Barbara Dulińska

Bartłomiej Boratyn

B2 ARCHITEKCI BIURO PROJEKTOWE

Bartłomiej Lach

TELKOM-PROJEKT

Beata Karwowska-Magiarska

KANCELARIA NOTARIALNA

Beata Nieniewska

KANCELARIA NOTARIALNA MARIOLA JONCZYK, BEATA NIENIEWSKA

Beata Sobczak

KANCELARIA RADCÓW PRAWNYCH BEATA SOB CZAK, ALICJA POLCZYŃSKA-ŁAGODA

Bogusław Rębisz

KANCELARIA RADCY PRAWNEGO

Bogusława Miecznik

KANCELARIA NOTARIALNA

Damian Pakulski

KANCELARIA RADCY PRAWNEGO

Danuta Wandziuk

KANCELARIA NOTARIALNA

Dariusz Mucha

KANCELARIA ADWOKACKA

Dariusz Zdanowicz

KANCELARIA NOTARIALNA

Dobrosława Kuniewicz

KANCELARIA NOTARIALNA

Dorota Kuzebska

KANCELARIA NOTARIALNA

Emilia Polańska

KANCELARIA ADWOKACKA I KANCELARIA RADCÓW PRAWNYCH POLAŃSKY & TABOROWICZ

Ewa Wiszniewska

KANCELARIA RADCY PRAWNEGO

Grzegorz Błaszczyk

KANCELARIA NOTARIALNA

Grzegorz Gębala

KANCELARIA NOTARIALNA

Grzegorz Jurczyński

KANCELARIA ADWOKACKA

Grzegorz Wieliński

LINDSCHULTE POLSKA

Hanna Zamorska

SCHLEIFER, MILCZANOWSKI ARCHITEKCI

Igor Frąszczak

KANCELARIA NOTARIALNA

Jacek Frelich

KANCELARIA NOTARIALNA

Jacek Kowalski

KOWALSKI DEVELOPMENT

Jacek Winogrodzki

THERMOPROJEKT

Jakub Magdziarz

KANCELARIA RADCY PRAWNEGO

Jakub Stanisław Członkowski

PRACOWNIA PROJEKTOWA

Jan Łukaszewski

USŁUGI PROJEKTOWE

Janusz Gilewicz

KANCELARIA ADWOKACKA

Jarosław Chałas

KANCELARIA PRAWNA CHAŁAS I WSPÓLNICY

Jarosław Misterek

CPC TAX

Jerzy Adamczyk

Jerzy Bieluk

KANCELARIA RADCÓW PRAWNYCH BIELUK I PARTNERZY

Jerzy Dobrzański

KANCELARIA ADWOKACKA TOGA

Jerzy Różek

KANCELARIA ADWOKATÓW I RADCÓW PRAWNYCH ADP POPIOŁEK ADWOKACI I DORADCY

Joanna Mędraś

KANCELARIA NOTARIALNA

Justyna Tuszyńska

KANCELARIA NOTARIALNA

Karolina Wenclik-Macewicz

KANCELARIA ADWOKACKA

Katarzyna Barej

PRACOWNIA ARCHYTEKTONICZNA, KATARZYNA BAREJ, MIROSLAW BAREJ

Katarzyna Kaczanowska

KANCELARIA NOTARIALNA KATARZYNA HAŃSKA, KATARZYNA KACZANOWSKA

Katarzyna Kłudka-Giejbo

KANCELARIA NOTARIALNA

Katarzyna Schmidt-Kwiecińska

KANCELARIA RADCÓW PRAWNYCH DR. P. BOJARSKI, DR. K. SCHMIDT-KWIECIŃSKA

Katarzyna Sroczyk

OPTIMUM CONSULTING GROUP

Katarzyna Stabińska

KANCELARIA ADWOKATÓW I RADCÓW PRAWNYCH ŚLĄZAK, ZAPIÓR I WSPÓLNICY

Katarzyna Zadykowicz-Sokół

KANCELARIA RADCÓW PRAWNYCH BIELUK I PARTNERZY

Konrad Stolarski

KANCELARIA RADCY PRAWNEGO

Krzysztof Buzzek

KANCELARIA ADWOKACKA

Krzysztof Kinder

KANCELARIA RADCÓW PRAWNYCH KINDER I PARTNERZY

Krzysztof Kieczka

KANCELARIA ADWOKATA I RADCY PRAWNEGO MONIKA PLISECKA-WAJDZIAK, KRZYSZTOF KIECZKA

Krzysztof Kinder

KANCELARIA RADCÓW PRAWNYCH KINDER I PARTNERZY

Krzysztof Kowalski

KANCELARIA ADWOKACKA

Krzysztof Sawinski

KANCELARIA NOTARIALNA - JAN BORSKI

Krzysztof Smaga

KANCELARIA ADWOKACKA

Krzysztof Szajek

KANCELARIA RADCY PRAWNEGO

Krzysztof Wichliński

ARCHIDEA - KRÓLIKOWSKI WICHLIŃSKI ARCHITEKCI

Leszek Krupanek

KANCELARIA PRAWNA LESZEK KRUPANEK

Lew Michał Lizak

KANCELARIA ADWOKACKA LIZAK, STANGIEWICZ, KRÓLIKOWSKI

Łukasz Królikowski

ARCHIDEA - KRÓLIKOWSKI WICHLIŃSKI ARCHITEKCI

Maciej Buczek

KANCELARIA RADCY PRAWNEGO

Maciej Iłowski

KANCELARIA NOTARIALNA

Maciej Mielcarek

KANCELARIA NOTARIALNA MACIEJ MIELCAREK, WOJCIECH OSŁAWSKI

Magdalena Moczulska

WARDYŃSKI I WSPÓLNICY

Magdalena Olczyk

KANCELARIA ADWOKACKA

Magdalena Orlik

Magdalena Mikołajek

KANCELARIA RADCY PRAWNEGO

Marcin Kasperowicz

KANCELARIA ADWOKACKA KASPEROWICZ & SZUBSKI

Marcin Radomski

KANCELARIA RADCY PRAWNEGO EURO-LEX

Marcin Różański

KANCELARIA PRAWNICZA SAPIENTIA W. KEGEL I WSPÓLNICY

Marcin Taracha

KANCELARIA ADWOKACKA

Marek Glanowski

KANCELARIA NOTARIALNA TOMASZ ANTONIAK, MAREK GLANOWSKI

Marek Kolasa

KANCELARIA NOTARIALNA

Marek Martynowski

BUDIMARK

Marek Nakonieczny

ALTER POLIS - GDAŃSKA PRACOWNIA URBANISTYCZNA

Marek Wążyk

MAREK WAZNY

Marek Zychla

VINCI & VINCI KANCELARIA RADCY PRAWNEGO I ADWOKATA, M. ZYCHLA, P. VINCI

Marek Żywica

PRZEDSIĘBIORSTWO BUDOWNICTWA PRZEMYSŁOWEGO - BUDO

Mariola Jonczyk

KANCELARIA MARIOLA JONCZYK, BEATA NIENIEWSKA

Mariusz Tywoniuk

KANCELARIA PRAWNA GM CONSULTING

Mariusz Ziaja

KANCELARIA RADCY PRAWNEGO

Marta Drozdowska

Michał Czarnecki

Michał Grajner

KANCELARIA NOTARIALNA MICHAŁ GRAJNER, TYMOTELUZS GRAJNER

Michał Jan Jaworski

ZNYK, JAWORSKI, PIETRZYK & KOLLEGEN

Michał Poborski

KANCELARIA NOTARIALNA

Michał Solarczyk

PROJEKTOWANIE I NADZORY BUDOWLANE

Mieczysław Molencki

OPOLSKA OKRĘGOWA IZBA INŻYNIERÓW BUDOWNICTWA

Miłosz Skuczyński

KANCELARIA PRAWNA PROFILEGAL

Miłosz Woziniński

KANCELARIA RADCÓW PRAWNYCH M. WOZIŃSKI A. KULISZ

Mirela Bieda

KANCELARIA ADWOKACKA

Młcisław Olszowski

Mirela Bieda

Natalia Mika

Natalia Rutkowska

WARDYŃSKI I WSPÓLNICY

Paweł Bojarski

KANCELARIA RADCÓW PRAWNYCH DR. P. BOJARSKI, DR. K. SCHMIDT-KWIECIŃSKA

Paweł Gniadek

KANCELARIA PODATKOWA IGNACZAK KACPRZAK GNIADZEK

Paweł Konopko

KANCELARIA RADCÓW PRAWNYCH SOPOPKO IZBA PRAWNICZA KORPAS, KLONOWSKI, KONOPKO

Paweł Kotwica

KOTWICA ARCHITEKCI MAGDA I PAWEŁ KOTWICA

Paweł Łobza

INSTAL POZNAŃ PROJEKT

Paweł Mazur

WARDYŃSKI I WSPÓLNICY

Paweł Nykiel

HOŃCZA CONSULTING

Piotr Banderski

KANCELARIA NOTARIALNA JACEK RZĄCZYŃSKI, PIOTR BANDERSKI

Piotr Brzeziński

2B PRACOWNIA PROJEKTOWA

Piotr Daraszewicz

Piotr Dąbrowski

KANCELARIA NOTARIALNA

Piotr Faron

KANCELARIA NOTARIALNA

Piotr Kazimierz Szyszko

KANCELARIA NOTARIALNA

Piotr Korczowski

KANCELARIA ADWOKACKA

Piotr Marquardt

KANCELARIA NOTARIALNA

Piotr Zwoździak

INWEST BIURO

Przemysław Malinowski

KANCELARIA RADCY PRAWNEGO

Przemysław Puchalski

BUDOWLANE BIURO INŻYNIERSKIE

Przemysław Szejna

KANCELARIA RADCÓW PRAWNYCH BUJKO & SZTEJNA

Radostaw Susłowicz

KANCELARIA ADWOKACKA

Rafał Tazbir

KANCELARIA NOTARIALNA

Rafał Zarzycki

PUBLIC SECTOR CONTRIBUTORS

BIAŁYSTOK

Ireneusz Marczuk
SĄD REJONOWY W BIAŁYMSTOKU -
XII WYDZIAŁ GOSPODARCZY KRS

Iwona Ciborowska
SĄD REJONOWY W BIAŁYMSTOKU -
XII WYDZIAŁ GOSPODARCZY KRS

Marta Rękawek-Pachwicewicz
SĄD REJONOWY W BIAŁYMSTOKU -
IX WYDZIAŁ KSIĄG WIECZYSTYCH

Paweł Andrzej Hempel
SĄD REJONOWY W BIAŁYMSTOKU -
XII WYDZIAŁ GOSPODARCZY KRS

Andrzej P. Karolski
URZĄD MIASTA W BIAŁYMSTOKU -
DEPARTAMENT OCHRONY ŚRODOWISKA I
GOSPODARKI KOMUNALNEJ

Piotr Firsowicz
URZĄD MIASTA W BIAŁYMSTOKU -
DEPARTAMENT URBANISTYKI

Tomasz T. Buczek
URZĄD MIASTA W BIAŁYMSTOKU

Wiesław Bielawski
URZĄD MIASTA W BIAŁYMSTOKU

BYDGOSZCZ

Edyta Wiwatowska
BYDGOSKA AGENCJA ROZWOJU
REGIONALNEGO - BARR

Marcin Napierała
BYDGOSKA AGENCJA ROZWOJU
REGIONALNEGO - BARR

Bożena Przewoźniak
SĄD OKRĘGOWY W BYDGOSZCZY

Marcin Pilarski
SĄD REJONOWY W BYDGOSZCZY

Marek Buczkowski
SĄD REJONOWY W SZUBINIE

Agnieszka Antczak
URZĄD MIASTA W BYDGOSZCZY

Bożena Szalkowska
URZĄD MIASTA W BYDGOSZCZY

Beata Bednarczyk
URZĄD STATYSTYCZNY

Magdalena Miniszewska
ZUS

GDAŃSK

Krzysztof Pluta
KOMORNIK SĄDOWY PRZY SĄDZIE
REJONOWYM GDAŃSK - PÓŁNOC

Tomasz Perzanowski
KOMORNIK SĄDOWY PRZY SĄDZIE
REJONOWYM GDAŃSK - PÓŁNOC

Przemysław Banasik
SĄD OKRĘGOWY W GDAŃSKU

Magdalena Wojciechowska
SĄD REJONOWY W GDAŃSKU - POŁUDNIE W
GDAŃSKU

Ewa Szarmach
SĄD REJONOWY W GDAŃSKU - PÓŁNOC W
GDAŃSKU

Bogumił Koczoł
URZĄD MIASTA W GDAŃSKU - WYDZIAŁ
GEODEZJI

Jan Michalski
URZĄD MIASTA W GDAŃSKU

Katarzyna Swarczewicz
URZĄD MIASTA W GDAŃSKU

Magdalena Kreft
URZĄD MIASTA W GDAŃSKU

Piotr Pawlik
URZĄD MIASTA W GDAŃSKU

GORZÓW WIELKOPOLSKI

Marek Onyszkiewicz
KOMORNIK SĄDOWY PRZY SĄDZIE
REJONOWYM W GORZOWIE WIELKOPOLSKIM

Robert Słabuszewski
SĄD REJONOWY W GORZOWIE
WIELKOPOLSKIM

Bogusław Bukowski
SĄD REJONOWY W GORZOWIE
WIELKOPOLSKIM

Jacek Mikulski
URZĄD MIASTA W GORZOWIE
WIELKOPOLSKIM

Maciej Barnicki
URZĄD MIASTA W GORZOWIE
WIELKOPOLSKIM

Paweł Jacewicz
URZĄD MIASTA W GORZOWIE
WIELKOPOLSKIM

Zdzisław Plis
URZĄD MIASTA W GORZOWIE
WIELKOPOLSKIM

Magdalena Rzeczycka-
Więckowska
URZĄD SKARBOWY

Katarzyna Smolińska
URZĄD STATYSTYCZNY

Mirosław Strawa
URZĄD STATYSTYCZNY

KATOWICE

Grzegorz Misina
SĄD OKRĘGOWY W KATOWICACH

Daria Kwapisz
SĄD REJONOWY KATOWICE - WSCHÓD

Jarosław Gwizdak
SĄD REJONOWY KATOWICE - ZACHÓD

Danuta Kamińska
URZĄD MIASTA W KATOWICACH

Mirosława Witas
URZĄD MIASTA W KATOWICACH

Roman Olszewski
URZĄD MIASTA W KATOWICACH

Roman Rohaczyński
URZĄD MIASTA W KATOWICACH

KIELCE

Dominik Kraska
KIELECKI PARK TECHNOLOGICZNY

Grzegorz Staszewski
MIEJSKI ZARZĄD DRÓG

Renata Pajek
MIEJSKI ZARZĄD DRÓG

Wiesław Krzyk
POWIATOWY INSPEKTORAT NADZORU
BUDOWLANEGO DLA MIASTA KIELCE

Rafał Adamczyk
SĄD OKRĘGOWY W KIELCACH

Edyta Słusarczyk
SĄD REJONOWY W KIELCACH - KRS

Jan Klocek
SĄD REJONOWY W KIELCACH

Anna Zadara
URZĄD MIASTA W KIELCACH - WYDZIAŁ
ARCHITECTURY I URBANISTYKI

Agnieszka Michta
URZĄD MIASTA W KIELCACH - WYDZIAŁ
GOSPODARKI NIERUCHOMOŚCIAMI I GEODEZJI

Aneta Skrobot
URZĄD MIASTA W KIELCACH - WYDZIAŁ
GOSPODARKI NIERUCHOMOŚCIAMI I GEODEZJI

Bogumiła Jedynak
URZĄD MIASTA W KIELCACH

Dorota Lasocka
URZĄD MIASTA W KIELCACH

Jolanta Guzik
URZĄD MIASTA W KIELCACH - WYDZIAŁ
GOSPODARKI NIERUCHOMOŚCIAMI I GEODEZJI

Aneta Klimczak
URZĄD SKARBOWY

Anna Rudnicka
URZĄD STATYSTYCZNY

Teresa Ciszek-Stradomska
ZUS

KRAKÓW

Paweł Czepiel
SĄD OKRĘGOWY W KRAKOWIE

Irena Bochniak
SĄD REJONOWY W KRAKOWIE - PODGÓRZE -
WYDZIAŁ IV KSIĄG WIECZYSTYCH

Iwona Rutkowska
SĄD REJONOWY W KRAKOWIE - PODGÓRZE

Grzegorz Dyrga
SĄD REJONOWY W KRAKOWIE - ŚRÓDMIEŚCIE

Joanna Sawicka-Paliś
SĄD REJONOWY W KRAKOWIE - ŚRÓDMIEŚCIE
- XII WYDZIAŁ GOSPODARCZY KRS

Monika Skórka
SĄD REJONOWY W KRAKOWIE - ŚRÓDMIEŚCIE
- XI WYDZIAŁ GOSPODARCZY KRS

Katarzyna Wysocka
URZĄD MIASTA W KRAKOWIE

Paul Majka
URZĄD MIASTA W KRAKOWIE

Robert łoś
URZĄD MIASTA W KRAKOWIE

Przemysław Czech
ZARZĄD INFRASTRUKTURY KOMUNALNEJ I
TRANSPORTU W KRAKOWIE - ZIKIT

LUBLIN

Artur Ozimek
SĄD OKRĘGOWY W LUBLINIE

Agnieszka Piskorska-Wąsala
SĄD REJONOWY W LUBLINIE - WSCHÓD - V
WYDZIAŁ KSIĄG WIECZYSTYCH

Paweł Drag
SĄD REJONOWY W LUBLINIE - WSCHÓD - VI
WYDZIAŁ KRS

Zofia Tarkiewicz
SĄD REJONOWY W LUBLINIE - WSCHÓD

Agnieszka Wojnarowicz-
Postulszna
SĄD REJONOWY W LUBLINIE - ZACHÓD

Mariusz Sagan
URZĄD MIASTA W LUBLINIE

Przemysław Gruba
URZĄD MIASTA W LUBLINIE

Robert Żyśko
URZĄD MIASTA W LUBLINIE

Mariusz Pociupany
URZĄD SKARBOWY

Barbara Chodor
URZĄD STATYSTYCZNY

Sławomir Dziaduch
URZĄD STATYSTYCZNY

Wojciech Wiśniewski
URZĄD STATYSTYCZNY

Maciej Raszewski
ZUS

Agata Gogol

ŁÓDŹ

Jolanta Przepiórkowska-Bala
SĄD OKRĘGOWY W ŁÓDZI

Małgorzata Chmielewska
SĄD REJONOWY W ŁÓDZI - ŚRÓDMIEŚCIE -
XX WYDZIAŁ GOSPODARCZY KRS

Wioletta Sychniak
SĄD REJONOWY W ŁÓDZI - WIDZEW

Agnieszka Sińska-Głowacka
URZĄD MIASTA W ŁÓDZI

Anna Piotrowska
URZĄD MIASTA W ŁÓDZI

Beata Wiktorowska
URZĄD MIASTA W ŁÓDZI

Maciej Maciejewski
URZĄD MIASTA W ŁÓDZI

Marcin Górski
URZĄD MIASTA W ŁÓDZI

Marcin Nowak
URZĄD MIASTA W ŁÓDZI

Marcin Włodarczyk
URZĄD MIASTA W ŁÓDZI

Wiesław Makal
URZĄD MIASTA W ŁÓDZI

OLSZTYN

Karolina Trykacz
KOMORNIK SĄDOWY PRZY SĄDZIE
REJONOWYM W OLSZTYNIE

Adam Barczak
SĄD OKRĘGOWY W OLSZTYNIE

Paweł Rynko
SĄD REJONOWY W OLSZTYNIE - VI WYDZIAŁ
KSIĄG WIECZYSTYCH

Wioletta Reut-Łubkowska
SĄD REJONOWY W OLSZTYNIE - VIII
WYDZIAŁ GOSPODARCZY

Ewa Bachry
URZĄD MIASTA W OLSZTYNIE

Hanna Gawrysiak
URZĄD MIASTA W OLSZTYNIE

Maciej Maścianica
URZĄD MIASTA W OLSZTYNIE

Magdalena Bukowiecka
URZĄD MIASTA W OLSZTYNIE

Magdalena Rafalska
URZĄD MIASTA W OLSZTYNIE

Natalia Bender

OPOLE

Eliza Gajda
SĄD REJONOWY W OPOLU

Katarzyna Szulc
SĄD REJONOWY W OPOLU

Rafał Ratajczak
SĄD REJONOWY W OPOLU

Aneta Czarnecka
URZĄD MIASTA W OPOLU

Sławomir Plewka
URZĄD SKARBOWY

Monika Bartel
URZĄD STATYSTYCZNY

Grzegorz Stucke
ZUS

POZNAŃ

Tomasz Chojnacki
SĄD OKRĘGOWY W POZNANIU

Anna Mikołajczak
SĄD REJONOWY W POZNANIU - GRUNWALD
I JEZYCE

Jolanta Ludwiczek
SĄD REJONOWY W POZNANIU - NOWE
MIASTO I WILDA

Andrzej Nowak
URZĄD MIASTA W POZNANIU

Katja Lőżina
URZĄD MIASTA W POZNANIU

Szymon Błażek
URZĄD MIASTA W POZNANIU

RZESZÓW

Andrzej Kopacz
KOMORNIK SĄDOWY PRZY SĄDZIE
REJONOWYM W RZESZOWIE

Stanisław Rőżaniński
KOMORNIK SĄDOWY PRZY SĄDZIE
REJONOWYM W RZESZOWIE

Barbara Szpunar
SĄD REJONOWY W RZESZOWIE

Maciej Panek
SĄD REJONOWY W RZESZOWIE

Witold Olech
SĄD REJONOWY W RZESZOWIE

Renata Słowik-Chuchla
SĄD REJONOWY W RZESZOWIE - VII
WYDZIAŁ KSIĄG WIECZYSTYCH

Jerzy Bieniek
URZĄD MIASTA W RZESZOWIE

Andrzej Skotnicki
URZĄD MIASTA W RZESZOWIE - WYDZIAŁ
ARCHITECTURY

Janina Kwolek
SĄD REJONOWY W RZESZOWIE - WYDZIAŁ
GEODEZJI

Aneta Klimczak
URZĄD SKARBOWY

Jerzy Pukała
URZĄD SKARBOWY

Mateusz Skworzec
URZĄD SKARBOWY

Marta Krzyżak
URZĄD STATYSTYCZNY

Wiesława Magryś
URZĄD STATYSTYCZNY

Barbara Jarocka
ZUS

Dorota Kijowska
ZUS

Teresa Ciszek-Stradomska
ZUS

SZCZECIN

Aleksander Balcer
MODGIK Szczecin

Anna Górnik
SĄD REJONOWY W SZCZECINIE - CENTRUM

Małgorzata Jankowska
SĄD REJONOWY W SZCZECINIE - XIII
WYDZIAŁ GOSPODARCZY

Monika Luczyńska
SĄD REJONOWY W SZCZECINIE - PRAWOBRZEZE
I ZACHÓD

Małgorzata Saar
URZĄD MARSZAŁKOWSKI WOJEWÓDZTWA
ZACHODNIOPOMORSKIEGO

Andrzej Loch
URZĄD MIASTA W SZCZECINIE

Anna Nuckowska
URZĄD MIASTA W SZCZECINIE

Jolanta Góra
URZĄD MIASTA W SZCZECINIE

Krzysztof Gajewski
URZĄD MIASTA W SZCZECINIE

Mariusz Senior
URZĄD MIASTA W SZCZECINIE

Zdzisław Kula
URZĄD MIASTA W SZCZECINIE

Łukasz Żak
ZACHODNIOPOMORSKIE STOWARZYSZENIE
ROZWOJU GOSPODARCZEGO - SZCZECIŃSKIE
CENTRUM PRZEDSIĘBIORCZOŚCI

TORUŃ

Alicja Krymska
DZIAŁ TECHNICZNY - TORUŃSKIE WODOCIĄGI

Ryszard Stanisław Reif
SĄD REJONOWY W TORUNIU - VII WYDZIAŁ
GOSPODARCZY KRS

Adam Zakrzewski
URZĄD MIASTA W TORUNIU

Beata Gutkowska
URZĄD MIASTA W TORUNIU

Dorota Nawrocka
URZĄD MIASTA W TORUNIU

Magdalena Moczyńska
URZĄD MIASTA W TORUNIU

Wiktor Krawiec
URZĄD MIASTA W TORUNIU

WARSAW

Agnieszka Grzybczak-Stachyra
SĄD REJONOWY W WARSZAWIE

Anna Janas
SĄD REJONOWY W WARSZAWIE

Tomasz Szczurowski
SĄD REJONOWY W WARSZAWIE

Agnieszka Zadrożna
SĄD REJONOWY W WARSZAWIE –
MOKOTÓW

Ewa Talarczyk
SĄD REJONOWY W WARSZAWIE –
MOKOTÓW

Cezary Dymkowski
SĄD REJONOWY W WARSZAWIE – PRAGA
POŁUDNIE

Marcin Brud
SĄD REJONOWY W WARSZAWIE – PRAGA
PÓŁNOC

Agnieszka Wleky
SĄD REJONOWY W WARSZAWIE – ŻOLIBÓRZ

Agnieszka Pisula-Mercik
URZĄD MIASTA W WARSZAWIE

Anna Mroczek
URZĄD MIASTA W WARSZAWIE

Ewa Jakubowska
URZĄD MIASTA W WARSZAWIE – WYDZIAŁ
GEODEZJI I KATASTRU

Grzegorz Wolff
URZĄD MIASTA W WARSZAWIE

Mariusz Kordeli
URZĄD MIASTA W WARSZAWIE

WROCŁAW

Agata Krasiczyńska-Knuter
KOMORNIK SĄDOWY PRZY SĄDZIE
REJONOWYM WE WROCŁAWIU – FABRYCZNA

Adrian Orliński
SĄD REJONOWY WE WROCŁAWIU – IX
WYDZIAŁ GOSPODARCZY KRS

Aleksandra Nespiak
URZĄD MIASTA WE WROCŁAWIU

Katarzyna Faruga
URZĄD MIASTA WE WROCŁAWIU

Marzena Horak
URZĄD MIASTA WE WROCŁAWIU

Paweł Kaniok
URZĄD MIASTA WE WROCŁAWIU – ZARZĄD
GEODEZJI, KARTOGRAFII I KATASTRU
MIEJSKIEGO

ZIELONA GÓRA

Paweł Luczek
SĄD REJONOWY W ŚWIEBODZINIE – VII
ZAMIEJSCOWY WYDZIAŁ KSIĄG WIECZYSTYCH
W SULECHOWIE

Jacek Antoszewski
SĄD REJONOWY W ZIELONEJ GÓRZE

Joanna Pieniężna
URZĄD MIASTA W ZIELONEJ GÓRZE

WWW.DOINGBUSINESS.ORG/POLAND



EUROPEAN UNION
EUROPEAN REGIONAL
DEVELOPMENT FUND

