Poland
Doing Business in Poland 2015
{Comparing Business Regulations for Domestic Firms in 18 cities}

{June 2015}

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EUROPE AND CENTRAL ASIA

Doing Business in Poland 2015

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

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

![Ease of doing business chart]

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 areas\(^6\)—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.
WHAT DOES DOING BUSINESS IN POLAND 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 (gminas), 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. 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.

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. 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: 

<table>
<thead>
<tr>
<th>TABLE 1.1 Business start up in Poland—before and after reform</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Before December 1, 2014</strong></td>
</tr>
<tr>
<td>Functions</td>
</tr>
<tr>
<td>Registration with the National Court Register (KRS)</td>
</tr>
<tr>
<td>Registration with the tax office and obtaining tax identification number (NIP)</td>
</tr>
<tr>
<td>Registration with statistical office and obtaining statistical number (REGON)</td>
</tr>
<tr>
<td>Notification to the Social Insurance Office</td>
</tr>
<tr>
<td>Use of standard articles of association</td>
</tr>
<tr>
<td>Information exchange</td>
</tr>
<tr>
<td>Total time</td>
</tr>
</tbody>
</table>

* 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.
as Olsztyn and Gorzów Wielkopolski, where the applications volume is five times smaller. 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 Pognań—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 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

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

<table>
<thead>
<tr>
<th>City (Voivodeship)</th>
<th>Aggregate rank on 4 indicators</th>
<th>Starting a business</th>
<th>Dealing with construction permits</th>
<th>Registering property</th>
<th>Enforcing contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bydgoszcz (Kujawsko-Pomorskie)</td>
<td>1</td>
<td>85.79</td>
<td>9</td>
<td>69.84</td>
<td>1</td>
</tr>
<tr>
<td>Olsztyn (Warmińsko-Mazurskie)</td>
<td>2</td>
<td>87.80</td>
<td>2</td>
<td>64.65</td>
<td>9</td>
</tr>
<tr>
<td>Białystok (Podlaśkie)</td>
<td>3</td>
<td>86.79</td>
<td>4</td>
<td>63.41</td>
<td>12</td>
</tr>
<tr>
<td>Toruń (Kujawsko-Pomorskie)</td>
<td>4</td>
<td>85.54</td>
<td>13</td>
<td>67.04</td>
<td>3</td>
</tr>
<tr>
<td>Opole (Opolskie)</td>
<td>5</td>
<td>86.79</td>
<td>4</td>
<td>66.31</td>
<td>6</td>
</tr>
<tr>
<td>Pognań (Wielkopolskie)</td>
<td>6</td>
<td>89.13</td>
<td>1</td>
<td>62.31</td>
<td>15</td>
</tr>
<tr>
<td>Rzeszów (Podkarpackie)</td>
<td>7</td>
<td>84.03</td>
<td>17</td>
<td>67.27</td>
<td>2</td>
</tr>
<tr>
<td>Zielona Góra (Lubuskie)</td>
<td>8</td>
<td>84.53</td>
<td>14</td>
<td>64.64</td>
<td>10</td>
</tr>
<tr>
<td>Łódź (Łódzkie)</td>
<td>9</td>
<td>85.79</td>
<td>9</td>
<td>66.35</td>
<td>5</td>
</tr>
<tr>
<td>Sęcogin (Zachodniopomorskie)</td>
<td>10</td>
<td>82.77</td>
<td>18</td>
<td>65.98</td>
<td>7</td>
</tr>
<tr>
<td>Gorzów Wielkopolski (Łubuskie)</td>
<td>11</td>
<td>84.53</td>
<td>14</td>
<td>60.85</td>
<td>17</td>
</tr>
<tr>
<td>Katowice (Śląskie)</td>
<td>12</td>
<td>85.79</td>
<td>9</td>
<td>63.43</td>
<td>11</td>
</tr>
<tr>
<td>Wrocław (Dolnośląskie)</td>
<td>13</td>
<td>86.29</td>
<td>6</td>
<td>66.65</td>
<td>4</td>
</tr>
<tr>
<td>Lublin ( Lubelskie)</td>
<td>14</td>
<td>86.04</td>
<td>7</td>
<td>65.92</td>
<td>8</td>
</tr>
<tr>
<td>Kielce (Świętokrzyskie)</td>
<td>15</td>
<td>84.28</td>
<td>16</td>
<td>63.06</td>
<td>13</td>
</tr>
<tr>
<td>Kraków (Małopolskie)</td>
<td>16</td>
<td>86.04</td>
<td>7</td>
<td>60.74</td>
<td>18</td>
</tr>
<tr>
<td>Warsaw (Mazowieckie)</td>
<td>17</td>
<td>85.79</td>
<td>9</td>
<td>62.97</td>
<td>14</td>
</tr>
<tr>
<td>Gdańsk (Pomorskie)</td>
<td>18</td>
<td>87.80</td>
<td>2</td>
<td>61.97</td>
<td>16</td>
</tr>
</tbody>
</table>

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.

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**OVERVIEW**
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, Górgów 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 Pognań, half of limited liability companies are set up with the help of the "S24" online system—the highest uptake among the 18 cities. 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 Słupsk. Notary fees are the main source of costs in all cities except for 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 online 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

Distance to frontier score (0-100)

Source: Doing Business database.

Rzeszów, and more difficult in Gorzów Wielkopolski and Kraków. The number of steps required range from 19 in Bydgoszcz, Rzeszów, Szczytno, Warsaw and Wroclaw to 22 in Gdańsk, Gorzów Wielkopolski, Kielce, Olsztyn and Opole. The differences arise from the 10–13 clearances required—related to electricity, water, sewage, 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: four 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, seven after construction, and two to obtain water and sewage connections. Complying with all requirements takes 137 days in Opole; in Kraków, Pogórne 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 Wroclaw 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 Wroclaw 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 referendarzy. 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 movable 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
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 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 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,
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
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.

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

<table>
<thead>
<tr>
<th>SUGGESTED REFORMS</th>
<th>RELEVANT MINISTRIES/AGENCIES*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Starting a business</strong></td>
<td></td>
</tr>
<tr>
<td>• Improve efficiency at the National Court Register by adopting existing good practices</td>
<td>Local level: National Court Register division</td>
</tr>
<tr>
<td>• Allow the use of standard articles of association for registration at the one-stop shop of the National Court Register</td>
<td>Local level: District Court: National Court Register division</td>
</tr>
<tr>
<td>• Create a single online process for starting a business</td>
<td>Local level: Tax Office</td>
</tr>
<tr>
<td>• Assess the feasibility of replacing the civil law transaction tax with a business registration fee based on a cost recovery principle</td>
<td>Local level: Statistical Office</td>
</tr>
<tr>
<td>• Eliminate the minimum capital requirement</td>
<td>Local level: Social Insurance Office</td>
</tr>
<tr>
<td><strong>Dealing with construction permits</strong></td>
<td></td>
</tr>
<tr>
<td>• Consolidate or eliminate pre-construction clearances</td>
<td>Local level: Ministry of Justice</td>
</tr>
<tr>
<td>• Clarify and better communicate the construction permitting process and requirements</td>
<td>National level: Ministry of Finance</td>
</tr>
<tr>
<td>• Invest in advanced zoning systems</td>
<td>National level: Central Statistical Office</td>
</tr>
<tr>
<td>• Consolidate and simplify post-completion inspections and the issuance of the occupancy certificate</td>
<td>National level: National Council of the Judiciary</td>
</tr>
<tr>
<td>• Develop an electronic platform for the construction permit administration</td>
<td></td>
</tr>
<tr>
<td><strong>Registering property</strong></td>
<td></td>
</tr>
<tr>
<td>• Optimize available resources to reduce delays at the Land and Mortgage Registry of the relevant court</td>
<td>Local level: Ministry of Justice</td>
</tr>
<tr>
<td>• Move toward electronic registration</td>
<td>National level: National Council of the Judiciary</td>
</tr>
<tr>
<td>• Improve the interconnection between the Land and Mortgage Registry and the Cadastre</td>
<td></td>
</tr>
<tr>
<td>• Use a single identification number for property searches at the Land and Mortgage Registry and the Cadastre</td>
<td>National level: Polish Council for the Alternative Methods of Disputes and Conflicts Resolution</td>
</tr>
<tr>
<td>• Improve public service delivery at the City Hall</td>
<td></td>
</tr>
<tr>
<td><strong>Enforcing contracts</strong></td>
<td></td>
</tr>
<tr>
<td>• Establish a mediation culture among judges and litigants</td>
<td>Local level: Regional Court: Commercial division</td>
</tr>
<tr>
<td>• Expand court automation</td>
<td>Local level: Mediation centers</td>
</tr>
<tr>
<td>• Ensure effective financial and human resource allocation within the courts</td>
<td>National level: Ministry of Justice</td>
</tr>
<tr>
<td>• Institutionalize good practices across commercial divisions</td>
<td>National level: National Council of the Judiciary</td>
</tr>
</tbody>
</table>

*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.*
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. 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**

<table>
<thead>
<tr>
<th>Location</th>
<th>Distance to frontier score for registering property (0–100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nigeria, 2014</td>
<td>4.84</td>
</tr>
<tr>
<td>Colombia, 2012</td>
<td>29.38</td>
</tr>
<tr>
<td>Egypt, Arab Rep., 2013</td>
<td>55.14</td>
</tr>
<tr>
<td>Italy, 2012</td>
<td>64.52</td>
</tr>
<tr>
<td>Mexico, 2013</td>
<td>73.62</td>
</tr>
<tr>
<td></td>
<td>52.75</td>
</tr>
<tr>
<td></td>
<td>79.03</td>
</tr>
<tr>
<td></td>
<td>88.71</td>
</tr>
</tbody>
</table>

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.

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. 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.

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.

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

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

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. 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 (worst – y)/(worst – 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. 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**

![Graph illustrating the calculation of the distance to frontier score for indicators.](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 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

<table>
<thead>
<tr>
<th>TABLE 2.3</th>
<th>Advantages and limitations of the Doing Business methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Feature</strong></td>
<td><strong>Advantages</strong></td>
</tr>
<tr>
<td>Use of standardized case scenarios</td>
<td>Makes the data comparable across economies and the methodology transparent</td>
</tr>
<tr>
<td>Focus on largest business city\textsuperscript{a}</td>
<td>Makes the data collection manageable (cost-effective) and the data comparable</td>
</tr>
<tr>
<td>Focus on domestic and formal sector</td>
<td>Keeps the attention on where regulations are relevant and firms are most productive—the formal sector</td>
</tr>
<tr>
<td>Reliance on expert respondents</td>
<td>Ensures that the data reflect the knowledge of those with the most experience in conducting the types of transactions measured\textsuperscript{b}</td>
</tr>
<tr>
<td>Focus on the law</td>
<td>Makes the indicators “actionable”—because the law is what policy makers can change</td>
</tr>
</tbody>
</table>

\(\text{a. Subnational Doing Business goes beyond the largest business city within a country or region.}\)
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 subnational 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 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.

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**

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**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
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. 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.
Poland is among the most enthusiastic about entrepreneurship in Europe, according to a 2012 report. 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.

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. 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.

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. 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.

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. 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.

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

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.
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. 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.

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.

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

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

**FIGURE 3.4** Uptake of the "S24" online business registration system across cities

<table>
<thead>
<tr>
<th>City</th>
<th>Percentage of limited liability companies registered with the S24 system (June 2013-May 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poznań</td>
<td>50%</td>
</tr>
<tr>
<td>Kielce</td>
<td>40%</td>
</tr>
<tr>
<td>Wrocław</td>
<td>33%</td>
</tr>
<tr>
<td>Kraków</td>
<td>31%</td>
</tr>
<tr>
<td>Rzeszów</td>
<td>30%</td>
</tr>
<tr>
<td>Lublin</td>
<td>29%</td>
</tr>
<tr>
<td>Warsaw</td>
<td>27%</td>
</tr>
<tr>
<td>Katowice</td>
<td>26%</td>
</tr>
<tr>
<td>Łódź</td>
<td>23%</td>
</tr>
<tr>
<td>Szczecin</td>
<td>23%</td>
</tr>
<tr>
<td>Opole</td>
<td>22%</td>
</tr>
<tr>
<td>Toruń</td>
<td>22%</td>
</tr>
<tr>
<td>Białystok</td>
<td>21%</td>
</tr>
<tr>
<td>Bydgoszcz</td>
<td>20%</td>
</tr>
<tr>
<td>Gdańsk</td>
<td>19%</td>
</tr>
<tr>
<td>Olsztyn</td>
<td>19%</td>
</tr>
<tr>
<td>Gorzów Wielkopolski and Zielona Góra</td>
<td>15%</td>
</tr>
</tbody>
</table>

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.
be used by the other agencies. The tax identification and statistical numbers will be generated and displayed at the Ministry of Justice’s website. 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 Górgów Wielkopolski and Zielona Góra (figure 3.4). It is not surprising that Poznań, an emerging technology center, has a higher uptake of the "S24" system than other cities. 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. Next, the entrepreneurs deposit the paid-in minimum capital at the bank. 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. 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.

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?

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

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.
Zielona Góra

Referendarz

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

Number of new limited liability companies registered per referendarz (June 2013-May 2014)

Warsaw 218
Poznań 178
Rzeszów 177
Lublin 118
Wrocław 114
Katowice 99
Gdańsk 96
Szczecin 92
Kraków 92
Białystok 83
Kielce 82
Łódź 73
Opole 68
Toruń 67
Zielona Góra 65
Bydgoszcz 63
Olsztyn 63

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 Gorgów 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. Yet, sending applications to the local Statistical Office and the Tax Office, as well as receiving the statistical number and tax identification number back, 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 court divisions in Rzeszów is relatively overburdened (figure 3.6).\textsuperscript{29} 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.\textsuperscript{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 prioritizes firm registration over other transactions.\textsuperscript{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 advice 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 "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.\textsuperscript{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).\textsuperscript{34} However, notary fees are decreasing as a result of competitive pressure from new notaries entering the profession subsequent to recent deregulation.\textsuperscript{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.\textsuperscript{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.\textsuperscript{37} A draft bill under consultation would eliminate the mandatory publication in the Court and Commercial Gazette.
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 Pognań 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.\(^4\)

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.\(^4\)

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.\(^4\)

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.\(^4\) 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.\(^4\)

Eliminate the minimum capital requirement

Polish entrepreneurs must deposit a minimum capital of PLN5,000 (EUR1,166) prior to registration.\(^4\) 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.\(^4\) Recovery rates are the same in economies without any paid-in capital requirement as in the others.\(^4\) 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.\(^4\)

But, why not go further and eliminate the paid-in minimum capital altogether? A proposal to reduce the minimum capital requirement to a symbolic PLN1 (EUR0.23) was approved by the Council of Ministers in May 2014.\(^4\)

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,\(^5\) 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?

<table>
<thead>
<tr>
<th>Time (days)</th>
<th>Cost (% of warehouse value)</th>
<th>Number of procedures</th>
<th>Completed warehouse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preconstruction</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Construction</td>
<td>175</td>
<td>2.3%</td>
<td>13</td>
</tr>
<tr>
<td>Postconstruction and utilities</td>
<td>80</td>
<td>2.3%</td>
<td>22</td>
</tr>
</tbody>
</table>

A business in the construction industry

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 1994 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.

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 cities 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 cities 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

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?

<table>
<thead>
<tr>
<th>City</th>
<th>Distance to the frontier (score)</th>
<th>Rank</th>
<th>Procedures (number)</th>
<th>Time (days)</th>
<th>Cost (% of warehouse value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bydgoszcz</td>
<td>69.84</td>
<td>1</td>
<td>19</td>
<td>143</td>
<td>0.15</td>
</tr>
<tr>
<td>Rzeszow</td>
<td>67.27</td>
<td>2</td>
<td>19</td>
<td>168</td>
<td>0.25</td>
</tr>
<tr>
<td>Torun</td>
<td>67.04</td>
<td>3</td>
<td>20</td>
<td>157</td>
<td>0.22</td>
</tr>
<tr>
<td>Wroclaw</td>
<td>66.65</td>
<td>4</td>
<td>19</td>
<td>175</td>
<td>0.22</td>
</tr>
<tr>
<td>Lodz</td>
<td>66.35</td>
<td>5</td>
<td>20</td>
<td>164</td>
<td>0.24</td>
</tr>
<tr>
<td>Opole</td>
<td>66.31</td>
<td>6</td>
<td>22</td>
<td>137</td>
<td>0.21</td>
</tr>
<tr>
<td>Szczenin</td>
<td>65.98</td>
<td>7</td>
<td>19</td>
<td>182</td>
<td>0.22</td>
</tr>
<tr>
<td>Lublin</td>
<td>65.92</td>
<td>8</td>
<td>21</td>
<td>155</td>
<td>0.21</td>
</tr>
<tr>
<td>Olstyn</td>
<td>64.65</td>
<td>9</td>
<td>22</td>
<td>154</td>
<td>0.23</td>
</tr>
<tr>
<td>Zielona Góra</td>
<td>64.64</td>
<td>10</td>
<td>21</td>
<td>168</td>
<td>0.23</td>
</tr>
<tr>
<td>Katowice</td>
<td>63.43</td>
<td>11</td>
<td>21</td>
<td>181</td>
<td>0.21</td>
</tr>
<tr>
<td>Bydgoszcz</td>
<td>63.41</td>
<td>12</td>
<td>20</td>
<td>196</td>
<td>0.16</td>
</tr>
<tr>
<td>Kielce</td>
<td>63.06</td>
<td>13</td>
<td>22</td>
<td>171</td>
<td>0.21</td>
</tr>
<tr>
<td>Warsaw</td>
<td>62.97</td>
<td>14</td>
<td>19</td>
<td>212</td>
<td>0.30</td>
</tr>
<tr>
<td>Poznan</td>
<td>62.31</td>
<td>15</td>
<td>20</td>
<td>206</td>
<td>0.24</td>
</tr>
<tr>
<td>Gdansk</td>
<td>61.97</td>
<td>16</td>
<td>22</td>
<td>182</td>
<td>0.23</td>
</tr>
<tr>
<td>Gogów Wielkopolski</td>
<td>60.85</td>
<td>17</td>
<td>22</td>
<td>193</td>
<td>0.26</td>
</tr>
<tr>
<td>Krakow</td>
<td>60.74</td>
<td>18</td>
<td>21</td>
<td>209</td>
<td>0.21</td>
</tr>
</tbody>
</table>

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.

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

<table>
<thead>
<tr>
<th>Procedures (number)</th>
<th>Smaller cities</th>
<th>Medium size cities</th>
<th>Larger cities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cagliari</td>
<td>10</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Gorzów Wielkopolski</td>
<td>22</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Bologna</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bydgoszcz</td>
<td>25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milan</td>
<td>15</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Warsaw</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poznań</td>
<td>19</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Kraków</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Szczecin</td>
<td>11</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Gdansk</td>
<td>19</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Katowice</td>
<td>19</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Warsaw</td>
<td>19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poznań</td>
<td>19</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Kraków</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Szczecin</td>
<td>11</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Gdansk</td>
<td>19</td>
<td>12</td>
<td>12</td>
</tr>
</tbody>
</table>

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.


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, Gliwice 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 geo-detic 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 geodetic 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 systems 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

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.

2. Doing Business in Poland 2015 benchmarks two cities in the voivodeship Kujawsko-Pomorski (Toruń and Bydgoszcz) and one in the voivodeship Śląski (Katowice).
FIGURE 4.5 The many pre- and post-construction requirements across cities in Poland make the process more complex than in other EU economies

<table>
<thead>
<tr>
<th>Country</th>
<th>Before construction</th>
<th>During construction</th>
<th>After construction</th>
<th>Connection to utilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gdańsk, Gorzów Wielkopolski, Kielce, Opole</td>
<td>13</td>
<td>7</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Katowice, Kraków, Lublin, Zielona Góra, Poland average</td>
<td>12</td>
<td>7</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Białystok, Łódź, Poznań, Toruń</td>
<td>11</td>
<td>7</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Bydgoszcz, Rzeszów, Szczecin, Warsaw, Wrocław</td>
<td>10</td>
<td>7</td>
<td>2</td>
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<tr>
<td>Portugal</td>
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<td>3</td>
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<td>3</td>
<td>1</td>
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<tr>
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<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Sweden</td>
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<td>2</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Denmark</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

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. Moreover, an expert certification regarding the compliance with the fire safety code is required. In 14 cities, the developer also needs a certification of compliance from a sanitary expert. In Gorzów Wielkopolski and Warsaw, a work safety and hygiene expert certification is also required.

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.
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 Gorgów Wielkopolski (90 days). In Gorgów 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, Szczyglin 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 Gorgów 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 Gorgów Wielkopolski and Olsztyn22—manage to issue a building permit in 35 and 45 days, respectively.

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.26 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.26

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 Szczyngin and more than two months in Warsaw (figures 4.6).
WHAT TO REFORM?

Reforms are already underway. The Building Law was recently amended to simplify the permitting process. 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 going 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 obtention 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.

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. 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, having an up-to-date land information system clearly matters.

A reliable, transparent and secure land registration system is associated with greater access to credit and lower income inequality. Insecure title to land prevents people from taking full advantage of the productive uses of the property. 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. 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.

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. 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.
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.

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 (Wydzjał Wieczystościowe - 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

| Source: Doing Business database |

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

<table>
<thead>
<tr>
<th></th>
<th>Time (days)</th>
<th>Number of procedures</th>
<th>Cost (% of property value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preregistration</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Registration</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Postregistration</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
</tbody>
</table>

Buyer can use the property, resell it or assign it as collateral.

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

- Preregistration
  - Obtain information on zoning from the City Hall
  - Obtain the land plot characteristics from the Cadastre
  - Obtain ownership information from the Land and Mortgage Registry
  - Obtain company record from the National Court Register
  - Execute notary deed

- Registration
  - Apply for the registration at the Land and Mortgage Registry of the relevant court
  - Procedures can be completed simultaneously

Denmark 4
Austria 4
Poland 4
Greece 10
Lublin 3
Slovak Republic 0.0
Kielce 1
Warsaw 2.5
Gorzów Wielkopolski 0
Dziwnowek 5
Zielona Góra 7
Wrocław 25
Szczecin 1
Olsztyn 7
Bydgoszcz 1
Wrocław 10
Katowice 0
Warsaw 20
Gdańsk 7
Kraków 2.5
Lublin 20
Gorzów Wielkopolski 5
Kielce 1
Poznań 1
Preregistration Postregistration Registration

Land & 2-story warehouse
Seller with property registered and no title disputes
Buyer can use the property, resell it or assign it as collateral.

Information in cadastres and land registries is essential to correctly assess property values 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
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, 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 cities up to 7 days in 6 cities. The company record from the National Court Register can be obtained online all over Poland and it...
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 referendary23 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 referendary collaborate closely with legal secretaries and train them. As a result, the referendary can delegate certain administrative tasks, including the initial manual data entry into the Land and Mortgage Registry database. This allows the referendary 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).

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

<table>
<thead>
<tr>
<th>City</th>
<th>Distance to the frontier (score)</th>
<th>Rank</th>
<th>Procedures (number)</th>
<th>Time (days)</th>
<th>Cost (% of property value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Białystok</td>
<td>82.62</td>
<td>1</td>
<td>6</td>
<td>18</td>
<td>0.35</td>
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<tr>
<td>Zielona Góra</td>
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<td>2</td>
<td>6</td>
<td>19</td>
<td>0.32</td>
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<tr>
<td>Bydgoszcz</td>
<td>82.14</td>
<td>3</td>
<td>6</td>
<td>21</td>
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<td>81.49</td>
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<td>26</td>
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<td>28</td>
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<td>6</td>
<td>30</td>
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</tr>
<tr>
<td>Toruń</td>
<td>80.78</td>
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<td>6</td>
<td>30</td>
<td>0.32</td>
</tr>
<tr>
<td>Łódź</td>
<td>80.66</td>
<td>8</td>
<td>6</td>
<td>31</td>
<td>0.30</td>
</tr>
<tr>
<td>Gniezno</td>
<td>80.38</td>
<td>9</td>
<td>6</td>
<td>33</td>
<td>0.28</td>
</tr>
<tr>
<td>Warsaw</td>
<td>80.30</td>
<td>10</td>
<td>6</td>
<td>33</td>
<td>0.32</td>
</tr>
<tr>
<td>Gdańsk Wielkopolski</td>
<td>80.02</td>
<td>11</td>
<td>6</td>
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<td>0.30</td>
</tr>
<tr>
<td>Kraków</td>
<td>79.54</td>
<td>12</td>
<td>6</td>
<td>38.5</td>
<td>0.27</td>
</tr>
<tr>
<td>Opole</td>
<td>79.43</td>
<td>13</td>
<td>6</td>
<td>38</td>
<td>0.35</td>
</tr>
<tr>
<td>Gdańsk</td>
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<td>6</td>
<td>38</td>
<td>0.36</td>
</tr>
<tr>
<td>Kielce</td>
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<td>15</td>
<td>6</td>
<td>39</td>
<td>0.30</td>
</tr>
<tr>
<td>Katowice</td>
<td>79.34</td>
<td>16</td>
<td>6</td>
<td>39</td>
<td>0.32</td>
</tr>
<tr>
<td>Lublin</td>
<td>78.39</td>
<td>17</td>
<td>6</td>
<td>45</td>
<td>0.32</td>
</tr>
<tr>
<td>Wrocław</td>
<td>77.47</td>
<td>18</td>
<td>6</td>
<td>51</td>
<td>0.30</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>City</th>
<th>Preregistration</th>
<th>Registration</th>
<th>Time (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Białystok</td>
<td>7</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Zielona Góra</td>
<td>8</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Bydgoszcz</td>
<td>5</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Poznań</td>
<td>5</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Olsztyn</td>
<td>7</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Toruń</td>
<td>4</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Szczecin</td>
<td>4</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Łódź</td>
<td>10</td>
<td>20</td>
<td></td>
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<tr>
<td>Warsaw</td>
<td>14</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Rzeszów</td>
<td>7</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Gorzów Wielkopolski</td>
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<td></td>
</tr>
<tr>
<td>Gdańsk</td>
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<td>Opole</td>
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</tr>
<tr>
<td>Wrocław</td>
<td>10</td>
<td>40</td>
<td></td>
</tr>
</tbody>
</table>

Collecting the necessary preliminary data
A notary executes the sale agreement
Registration at the Land and Mortgage Registry

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

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 referendarz 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 referendarz, 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 referendarz 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. 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. 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.

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. For the purpose of publishing information, this data was also transmitted to a state owned enterprise, Norsk Eiendomsinformasjon 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). Currently, it takes only one procedure and three days to register property in Norway.

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 finalised. 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.

**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 geportal.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. The majority of Doing Business economies use a single identification number. 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. 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. Learning from customers not only allows improvements in overall satisfaction with the service delivery, but also can ultimately reduce costs and delays.
“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 performance and regulatory reform, 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).

Landmark reforms include the adoption of a standard civil procedure for all types of cases, including commercial ones, 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. 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.

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.
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 Górgów 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 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 Górgów 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 Górgów Wielkopolski are heard before the Regional Court in Szczyceń.
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. 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 pleadings 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](chart)
The government is looking to address delays in the court system as a result of inefficiency and inefficiencies in the postal service. In multiple auctions in cities where court proceedings have been reported recent improvements in the postal service, in a few 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.\(^\text{16}\) 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 through the use of e-filing systems. 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.\(^\text{16}\) 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.\(^\text{17}\) 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).\(^\text{18}\)

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.\(^\text{16}\) 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.\(^\text{17}\) 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).\(^\text{18}\)

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,\(^\text{19}\) 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.\(^\text{20}\) As against only 6.1 percentage points in Poland. There

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.\(^\text{15}\) 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.
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. 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.

**BOX 6.1 The makeover of the komornik**

Ten years ago, enforcing a judgment in Warsaw took 180 days—among Europe’s slowest. 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.

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. 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. The trend has continued, and as of August 2014 there are 1,296 bailiffs registered in Poland. 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. 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.

3. Except in cases involving immovable property.
5. Statistics provided by the Ministry of Justice of Poland (2014).

**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 justice as well as a good practice for assessing the quality of judicial infrastructure. Mediation can also (a) help reduce the number of incoming cases by...
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. 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.

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.
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). 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.

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.
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).
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.
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), Gorgów 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. Referendarzs 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.

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.
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.


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.


STARTING A BUSINESS


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, Dz. 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 Ragposgdzanie Ministra Sprawiedliwości z dnia 13 maja 2014 r. w sprawie wydawania i rapowegzaczzenia Monitora Sądowego i Gospodarczego (Dz. U. 2014 poz. 649). The change came into force on 30 May 2014.


14. Notification to the ZUS is not required if the company does not have employees.


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/portal_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 udoctorowanego w systemie telefonatycznym (wzorcow umowy).


22. Statistics provided by the Ministry of Justice of Poland. The competent court for the registration of companies located in Górgów Wielkopolski is District Court in Zielona Góra (National Court Register division).


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 Bielsko-Biała, 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 Górgów Wielkopolski, Lublin and Zielona Góra, the entrepreneur and the court division of KRS are informed of the NIP and REGON in parallel.
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). Rzeporządzenie Ministra Sprawiedliwości z dnia 15 czerwca 2004 r. w sprawie maksymalnych stawek taksej notarialnej (Dz. Nr 148 poz. 1564 §1 p.g.).


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 r. o zmianie ustaw – Kodeks spółek handlowych oraz niektórych innych ustaw (Dz. U. 2015 poz. 45).


39. Sole proprietors can register at https:// www.co.ind.mikrofirmy.pl/cgi-bin/WebObjects/ mcedig.woa


45. Ibid.


DEALING WITH CONSTRUCTION PERMITS


2. Ibid.


6. Cofade, Poland Construction Sector (Cofade, 2015).


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 Górgow 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 6,026 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 - Rzegorządzenie Ministra Infrastruktury z dnia 23 września 2003 r. w sprawie szczegółowych warunków porgorządzenia ruchem na drogach oraz wykonywania nadzoru nad tym porgorządzeniem (Dz.U. 2003 nr 177 poz. 1729).


29. A geographic information system (GIS) is a computer system for capturing, storing, checking, and displaying data related to the surface of Earth.


REGISTERRING PROPERTY


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.


13. Regulation of the Minister of Justice of 17 September 2001, on the functioning of Land and Mortgages registries and collections of documents - Rzegorządzenie Ministra Sprawiedliwości z dnia 17 września 2001 r. w sprawie prowadzenia ksiąg wieczystych i gabinetów dokumentów (Dz.U. 2001 nr 102 poz. 1122).

14. Under a title 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.


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 gaging information should be necessary, because the property is already built and duly registered. However, providing information on gaging 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 - Zawiadomienie o przeznaczeniu nieruchomości w planie miejscowym zagospodarowania przestrzennego.

21. Obtaining an extract from the Cadastre takes two days in Białystok, Górgow 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. Referendarius are court officers who can be compared to Rechtspleger 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.


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 określania
ENFORCING CONTRACTS

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.
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 Gorgów Wielkopolski contributors reported ongoing problems in the postal service.
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% of the claim value.
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.”
25. Statistics provided by the Ministry of Justice of Poland.

REFERENCES 57
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


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 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?

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Cost required to complete each procedure (% of income per capita)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preregistration (for example, name verification or registration)</td>
<td>25%</td>
</tr>
<tr>
<td>Registration in the selected city</td>
<td>25%</td>
</tr>
<tr>
<td>Postregistration (for example, social security registration, company seal)</td>
<td>25%</td>
</tr>
<tr>
<td>Time required to complete each procedure (calendar days)</td>
<td>25%</td>
</tr>
<tr>
<td>Does not include time spent gathering information</td>
<td></td>
</tr>
<tr>
<td>Each procedure starts on a separate day (2 procedures cannot start on the same day)</td>
<td>No prior contact with officials</td>
</tr>
<tr>
<td>Procedure considered completed once final incorporation document is received</td>
<td></td>
</tr>
<tr>
<td>No prior contact with officials</td>
<td></td>
</tr>
<tr>
<td>Cost required to complete each procedure (% of income per capita)</td>
<td></td>
</tr>
<tr>
<td>Official costs only, no bribes</td>
<td></td>
</tr>
<tr>
<td>No professional fees unless services required by law</td>
<td></td>
</tr>
<tr>
<td>Paid-in minimum capital (% of income per capita)</td>
<td></td>
</tr>
<tr>
<td>Funds deposited in a bank or with a notary before registration (or within 3 months)</td>
<td></td>
</tr>
</tbody>
</table>

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 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
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 cadastral and land registry.
- Is valued at 50 times income per capita.
- Will be a new construction (there was no previous construction on the land).
- 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.
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
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 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?**

<table>
<thead>
<tr>
<th>Procedures to legally transfer title on immovable property (number)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)</td>
</tr>
<tr>
<td>Registration procedures in the selected city</td>
</tr>
<tr>
<td>Postregistration procedures (for example, filing title with municipality)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time required to complete each procedure (calendar days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does not include time spent gathering information</td>
</tr>
<tr>
<td>Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule</td>
</tr>
<tr>
<td>Procedure considered completed once final document is received</td>
</tr>
<tr>
<td>No prior contact with officials</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost required to complete each procedure (% of property value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official costs only, no bribes</td>
</tr>
<tr>
<td>No value added or capital gains taxes included</td>
</tr>
</tbody>
</table>

**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 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
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 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**
1. The complete data set can be obtained from the Doing Business website: www.doingbusiness.org
City snapshots
<table>
<thead>
<tr>
<th>Białystok (Podlaskie)</th>
<th>Aggregate rank on 4 indicators</th>
<th>3</th>
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</thead>
<tbody>
<tr>
<td><strong>Starting a business (rank)</strong></td>
<td>4</td>
<td><strong>Registering property (rank)</strong></td>
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<tr>
<td>Distance to frontier score (0-100)</td>
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<td>Distance to frontier score (0-100)</td>
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<tr>
<td>Procedures (number)</td>
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<td>Procedures (number)</td>
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<tr>
<td>Time (days)</td>
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<td>Time (days)</td>
</tr>
<tr>
<td>Cost (% of income per capita)</td>
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<td>Cost (% of property value)</td>
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<tr>
<td>Minimum capital (% of income per capita)</td>
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<tr>
<td><strong>Dealing with construction permits (rank)</strong></td>
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<td><strong>Enforcing contracts (rank)</strong></td>
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<td>Distance to frontier score (0-100)</td>
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<td>Cost (% of claim)</td>
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<td>Procedures (number)</td>
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<td>Time (days)</td>
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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 (certified copy of 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 a 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.

*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

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**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 - (0 (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.

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**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 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.

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**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 1027 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 of the Code of Commercial Companies and Partnerships);

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**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.

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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-B). 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.

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*c This procedure can be completed simultaneously with previous procedures.*
STARTING A BUSINESS

**Gdansk, 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 company has certain 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:

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);

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 urzędów 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 urzędów 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-B). 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 urzędów 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 - (0 (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:

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-B). 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.
**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 will 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);

b. 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);

c. 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);

d. 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);

e. 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);

f. Before December 1st, 2014: Application form to register with tax office (nazelnik urzędu skarbowego) to obtain NIP number (art. 19b section 1 point 3 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 (nazelnik 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 (nazelnik 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-B). 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 (nazelnik 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.
**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

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**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 - (0 (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.

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**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 only once the company provides the registration, statistical and tax certificates.

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**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:

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);

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.

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**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 payer. 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.

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* 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 5 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 1027 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);

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.

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-B). The reform also applies to the S24 online system.

Finaly, 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.

* 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. 16751 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. 16751 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), an additional document evidencing the appointment of such authorities, including a specification of their members (art. 16751 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. 16752 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. 16753 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 (nazelnik urzędu skarbowego) to obtain NIP number (art. 19b section 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:

1. The competent tax office (nazelnik 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 other agencies involved in the process. However, this is not used by the majority of limited liability companies. The 526 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-B). The reform also applies to the 524 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 (nazelnik 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 20 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:

a. National Court Register form, duly filled;

b. Notarized company agreement (art. 167§1 sec-
tion 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 (Rejestru 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-R). 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 odpowiedzialnoścą
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 online registration 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:

a. National Court Register form, duly filled;
b. Notarized company agreement (art. 167§1 section 2 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 urzędów 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 urzędów 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 (Numerator 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-B). 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 13th, 2004, registration is carried out by submitting the application form VAT-R to the relevant tax office (naczelnik urzędów 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 inform the tax office 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 (urzęd 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 1,766)

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.
**DOING BUSINESS IN POLAND 2015**

**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 (a) provide a notarized specimen signature of the company founders; (b) sign the articles of association in the notarial form; (c) present an application form to register with the Social Insurance Office (naczelnik urzędu skarbowego) to obtain NIP number (art. 19b section 1 point 3 of the National Court Register Act); (d) provide an application form to register with tax office (naczelnik urzędu skarbowego) to obtain REGON number (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 a 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 RGN) 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 is obtained by the companies after the registration with National Court Register Act.

**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, 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 1,766)  
Data as of: September 1st, 2014

**Procedure 1. Deposit paid-in capital at the bank**

**Time:** 2 days  
**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 1616) 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, 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-23 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 transactions 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:

- 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);  
- 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 amount 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);

*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 (Numerator 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-B). 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, 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) |

**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 agreement 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-B). 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, 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 (urzęd 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. 16751 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. 16751 section 2 of the Code of Commercial Companies and Partnerships) or of 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. 16751 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. 16752 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. 16753 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 (Rejestru 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-B). 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 (urzęd 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 1,666)**

**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 tax proceedings 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 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 2 point 1 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 (Rejestru 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 documents.

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

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

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 statistic 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 (urzędu skarbowego) 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 - (Noraty 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:

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§3 section 2 of the Code of Commercial Companies and Partnerships) or of 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.

*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 (stump 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 (numerz 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.

**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 - (16 Notary fees + 23% VAT) + Court fees of PLN 600)) x 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 16th, 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 a court clerk 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 (numerz 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 (numerz 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.

* 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-B). 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, 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 (urzęd 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.

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: waterworks

Time: 14 days
Cost: No cost

Comments: BuildCo contacts the agency in charge of waterworks asking for 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 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 submits the project to connect to electricity. The entrance project should be approved by the Administrator of Public Roads, to which BuildCo submits the project to connect to electricity.

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.
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.

**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 Poviat 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:

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 characteristics 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.

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:

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 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:

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 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 governor (“Starszosta”) 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 governor 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. 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: 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-
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 concern 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 the State Fire Service remains silent, it is regarded as having no objections or comments.

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 Poviat 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

Gdański, 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

* This procedure can be completed simultaneously with previous procedures.
Comments: BuildCo hires a fire safety expert to review the aspects of the project that concern 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 413 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, 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 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 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 Poviat 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:

- 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: 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 for 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 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:
- 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*. 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 “co-ordination meetings” organized by the district governorate (“Starosty”) 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;

* This procedure can be completed simultaneously with previous procedures.
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.

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. 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.
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 Poviat 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.

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.

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.

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
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 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:

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:** 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:

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:** 7 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 Poviat 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:

- 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 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:

- 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 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  
**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. 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:

- 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).

* 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 414 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

* This procedure can be completed simultaneously with previous procedures.
**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 from the Building Inspectorate. The building project must be adjusted in order to confirm that the building was completed in total compliance with the project, building permit, and law regulations, and that the building site and neighborhood have been cleared of construction debris;
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;  
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:** 14 days  
**Cost:** No cost  
**Comments:** The post-construction review of the site is carried out by the Building Inspectorate.

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**DEALING WITH CONSTRUCTION PERMITS**

**Kraków, Małopolskie**

*List of Procedures - Dealing with Construction Permits*

**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.

**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:

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 the fees.  

**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:

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*. 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 “cooperation 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
For safety reasons, the City Hall may suspend the proceeding of the application until a legally allowed building permit or a binding special layout plan. The legally allowed building permit or a binding special layout plan must be accompanied by a document certifying that the project has been agreed, BuildCo or its representative has participated 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. Once the fire safety expert has reviewed the project, BuildCo must notify the Fire Service about completion of the safety and health protection plan, and plans for the management of building works. The Fire Service may be required if the building is complex.

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 the municipal building administration.

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:** 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 the National Sanitary Inspectorate remains silent, it is regarded as having no objections or comments.

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:** 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 Poviat 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:

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 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**

**كوودز, كودزكيه**

**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.** Obtain 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:

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 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 approved by 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:** 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 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

* This procedure can be completed simultaneously with previous procedures.
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:

- 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, 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:

- 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 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 the State Fire Service remains silent, it is regarded as having no objections or comments.

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 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 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 Poviat 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:

- 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 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:
- 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 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:
- 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 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*. 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 concern 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:

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: 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:

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: 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 Poviat 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;

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.

* 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:
- 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 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:
- 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: 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 (“Staraota”) 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: 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 concern 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

* 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:

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;

f. The medical certificate for sanitary-epidemiological purposes for staff.

e. An agreement for the collection of waste (municipal, medical, hazardous);

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 1,600

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 Poviat 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.
**Opole, Opolskie**

Warehouse value: PLN 2,032,884 (EUR 474,109)

Data as of: September 1st, 2014

**DEALING WITH CONSTRUCTION PERMITS**

**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:

- 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: 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 road requires a permit to locate the roadway. 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: 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:

- 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 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:

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 area is obligatory when the area is not covered by an approved special layout plan.

Once the City Hall approves a building permit request for additional documents or explanations are delivered. 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*. 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:

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: 3 days
Cost: PLN 1,000
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 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.

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.
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:

- 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 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 "coordinating 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 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:

- 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*. 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:

- 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

* 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:

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 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:

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: 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 Poviat 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:

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: 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:

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;

* 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 for a list of 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 “co-ordination meetings” organized by the district governorate (“Starosty”) 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 co-ordination 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 permit 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, 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 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 the State Fire Service remains silent, it is regarded as having no objections or comments.

Procedure 14. Receive inspection from the State Fire Service and obtain approval

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 Poviat Geodetic Office.

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 Poviat 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 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.
Procedure 5*. Request and obtain consent from fire safety expert

Time: 3 days
Cost: PLN 800

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 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 road is to be joined. The entrance project should be approved 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*. 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:

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 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:

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 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:

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 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:

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:** 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

**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:

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**

**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:

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*. 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:

a. The applicant;  
b. Entities that manage public utilities;  
c. 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:

- 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 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:

- 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*. 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:

- 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 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:

- 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 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 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.
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 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 Poviat 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.

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 situation 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 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 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: 30 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 (“Storosty”) 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:

- 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 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:

- 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 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:

- 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:** 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:

- 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.
DEALING WITH CONSTRUCTION PERMITS

Wrocław, Dolnośląskie
Warehouse value: PLN 2,032,884 (EUR 474,109)
Data as of: September 1st, 2014

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 Poviat 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:

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.

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:

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 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 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, 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 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 Poviat 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 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 governor (“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 governor 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:** The building project must be reviewed by a fire safety 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 fire safety expert. Without this stamp, the building permits cannot be granted.

* This procedure can be completed simultaneously with previous procedures.
LIST OF PROCEDURES • DEALING WITH CONSTRUCTION PERMITS

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 those 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.

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 Poviat 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;
- e. An agreement for the collection of waste (municipal, medical, hazardous);
- f. The medical certificate for sanitary-epidemiological purposes for staff.

* 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.etw.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 1,000; 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: 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 referral was registered the property) and 14 days (if it was a judge), from the moment the party receives the written information from 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.
**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 evidentory 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. 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.

**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 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 to 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 750. The fee cannot exceed PLN 10,000 or PLN 7,500 (for the person from the first group of taxpayers). 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: 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.

**REGISTRATION 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 evidentory 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
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 Gdansk, 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.mgs.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 2,000,000.5/7 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: Legislation 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/.

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 by any mistake were made in the registration, they can file a complaint to contest the decision. The registration becomes legally binding after 7 days (if a referendzor 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.

Procedure 3*. Obtain an extract from the Cadastre entry online

Time: 0.5 day
Cost: PLN 20 (online extract)
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 4*. 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. It also discloses whether there are any mortgages or other encumbrances over the 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 the cover includes 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.
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 not 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: 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.

REGISTERRING 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 usufruct 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.
in charge of the Land and Mortgage Registry. The documentation (if needed) to the relevant court by using the property as a collateral for a loan).

To fully benefit from the property (for example the property transfer, and allow the new owner presence of the notary, updating the Land and Mortgage Registry of the signature of the sale agreement in the property is legally transferred from the moment of the moment the party receives the written information about the entry from court.

**REGISTERING PROPERTY**

**Kielce, Świętoszynskie**

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://emc.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.

**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.

*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.mofinet.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: 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 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 property 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.ukw.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.mofinet.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: 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
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, Łódźkie**

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 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 + 0.2% 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**: 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 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.ems.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 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.

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 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

Comments:

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).
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 of July 2014, no legal changes have been introduced regarding the 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:
1. A letter to the Tax Office (to inform about the transaction);
2. A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
3. A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

Procedure 2*. Obtain an extract of the Cadastre
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. As of July 2014, no legal changes have been introduced regarding the Cadastre fees, it is common practice to negotiate the fee with the notary.

Procedure 3*. Obtain an extract from the Land and Mortgage Registry 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. 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
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 less than PLN 10,000; and if the transfer of ownership or perpetual usufruct is less than PLN 10,000, 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); and

c. A letter to the City Hall Department in charge of the Spatial Development Plan (to inform of the change of the owner).

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 Land and Mortgage Registry in charge of the Cadastre entry (to inform about the changes);

- A letter to the City Hall Department in charge of the Cadastre entry (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 referendzor 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.

REGISTRATION 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 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 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 50 + 1,5 % 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.mof.net.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 about 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 issuing 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.

REGISTRATION 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 Law of 2014, almost 99% of existing records exist in electronic format.

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://emc.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 50 + 1,5 % 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 alone.

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:** 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 reference was 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. 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:** 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 of the Land and Mortgage Registry held by the respective geodetic office. 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 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:** 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 national legislation, the person from the first group of taxpayer). Legal fee cannot exceed PLN 10,000 or PLN 7,500 (for action 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/.

* This procedure can be completed simultaneously with previous procedures.
Cost: PLN 50
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. 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 7,500 or PLN 7,500 (for the person from the first group of taxpayers). 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: 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.

* 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 50 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 a 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 referendor 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.

**Procedure 3*. Obtain an extract from 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 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.

* This procedure can be completed simultaneously with previous procedures. 

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**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.
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 15,000 and 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:
1. A letter to the Tax Office (to inform about the transaction);
2. A letter to the City Hall Department in charge of the Cadastre (to inform about the changes);
3. 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.

This procedure can be completed simultaneously with previous procedures.
Indicator details—Enforcing contracts
## Enforcing contracts

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Doing Business in Poland 2015 was produced by a team led by Madalina Papahagi and Pilar Salgado-Otónel. The team comprised Anna Bokina, Sarah Cuttaree, Cécile Ferro, Aleksander Gryger, Zenaída Hernández-Urig, Tommaso Rooms, Magdalena Włudarczyk, and Alessio Zanelli. The report was prepared under the general direction of Mierta Capaul.

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