

TEMPORARY RELOCATION OF OPERATIONS TO POLAND

– various legal forms

CONDUCTING ACTIVITIES IN THE FORM OF SOLE PROPRIETORSHIP

- According to the Special Act, Ukrainian citizens (natural persons) who want to operate in a form of a sole proprietorship will have the right to carry on a business activity **on the same terms as Polish citizens** do if they obtain (i) legal residence in the territory of Poland on the basis of the Special Act or Act on Foreigners and (ii) a PESEL number.
- Starting a sole proprietorship requires a free registration in the Central Register and Information on Economic Activity (CEIDG). The activity may be conducted immediately **from the moment of registration**.
- Several **additional actions** are required, i.a. registration for the purposes of social insurance (ZUS) and VAT, opening a bank account, setting up a registered office and bookkeeping.

OPERATING IN THE FORM OF A BRANCH

- Possibility of opening a branch might be helpful if the company intends to temporarily relocate its activities abroad.
- It is necessary to **adopt relevant documents** on the establishment of a branch by the relevant corporate bodies of a Ukrainian company and then **register with the National Court Register**.

OPERATING IN THE FORM OF A PARTNERSHIP OR A COMPANY

- There is no special procedure for the cross-border transfer of companies to Poland or even for changing their registered office. In order to temporarily relocate a larger-scale business to safeguard its continuity, **setting up a partnership or a company** may be the best solution. The most popular way of doing business in Poland, especially in the case of larger business entities, are **limited liability companies (LLC)**.
- Establishing an LLC or acquiring or taking up shares in it **is not subject to any additional requirements**. A shareholder may be either a natural person (Ukrainian citizen) or a foreign company (Ukrainian company, foreign investor) and their presence in Poland is, in principle, not required.
- One can set up an LLC in of the below mentioned ways:
 - **Traditional registration**: Establishing a limited liability company requires: a **conclusion of the articles of association** before a notary public (form of a notarial deed) and **registration with the National Court Register** (which takes approx. 3-4 weeks).
 - **Simple registration**: There is a simplified path of registering an LLC by using the s24 system (required **account in the s24 system** and **qualified electronic signature / ePUAP trusted profile**, the s24 system is only supported in Polish, for foreigners it may be an additional difficulty). S24 registration takes approx. 7 days. There are limited possibilities of modifying the content of the articles of association in the s24 system.

- **Additional solution:** Possibility to **purchase shares in a registered limited liability company (SPV)** without operational history with the share capital covered and a bank account opened (a share sale agreement must be signed **in the form with notarized signatures** - effective upon signing or on another date indicated in the agreement; registration in the National Court Register is declaratory). In the event of granting powers of attorney to sign the agreement, they should be granted before a notary public.
- Starting to perform business activities **requires additional steps**, including i.a.: registering a bank account (possible KYC procedure by the bank), establishing a registered seat, VAT and UBO registration.

TRANSFER OF BUSINESS OPERATIONS

- It is necessary to determine the **scope of activity which is to be transferred** (taking into account the perspective of permanent or temporary relocation) - in particular in the context of employees, concluded and performed contracts, fixed assets or other rights currently in the company operating in the territory of Ukraine. One might consider transfer of rights and obligations under contracts, termination of existing contracts and conclusion of new ones or transfer of the enterprise (on-going business).
- Additionally, in the case of activities that require **permits, concessions or approvals**, it is possible to carry on such activity only after obtaining the same.

CONTACT



Aleksandra Czarnecka

SENIOR ASSOCIATE

M: +48 883 845 274

E: aleksandra.czarnecka@crido.pl



Justyna Solnica

SENIOR ASSOCIATE

M: +48 602 379 238

E: justyna.solnica@crido.pl