

To: **Lex Mundi Pro Bono Foundation**
From: **Wardyński & Partners**
Date: **02 March 2022**
Re: **Options for charitable organisations to start activity in Poland**

Summary

1. Foreign NGOs may conduct their activities in Poland either directly, after establishing a foundation's representative office, or indirectly, after setting up a local foundation or a non-profit limited liability company.
2. In a regular situation establishing a representative office would perhaps be the most advisable as it would be the least burdensome in the long run. However, setting up such an office requires a permit from the Minister of Internal Affairs which may be a time-consuming procedure.
3. On the other hand, setting up a non-profit limited liability company could allow to start operations almost immediately, independent of the company's registration status, but would also involve more formalities and expenses later on.

Foreign foundation's representative office

4. Currently it is unclear to us if a representative office might be established only by a foreign foundation or also by other foreign charitable organisations. We have contacted Polish Ministry of Internal Affairs with an inquiry and are waiting for its reply.
5. Procedure for establishing a representative office involves filing an application with the relevant ministry (in most cases – the Ministry of Internal Affairs). The fee is currently ca. PLN 900 (USD 215).
6. Among other, the application must indicate the organisation's Polish address, foundation's representatives in Poland, sources of income and information if the applicant wishes to pursue any business activities in Poland. The application must be accompanied by (i) the foundation board's declaration confirming certain information included in the application is true, (ii) by a certificate confirming the foundation's registration in its home jurisdiction is valid and (iii) by a report summarizing its activity in the previous year.
7. The application and all the documents appended to it must be in Polish or be officially translated into Polish.

Establishing a local foundation

8. Local foundations may be established by natural persons and legal persons, irrespective of their citizenship, place of residence or seat. Registration fee is PLN 250 (ca. USD 60) or PLN 600 (ca. USD 150) depending if the foundations intends to conduct business activity.

9. A foundation obtains legal personality and the right to operate only after it is registered in the National Court Register. This procedure may take several weeks or months. Also local foundations must prepare financial statements on a yearly basis.
10. A local foundation may obtain the status of a so-called 'public benefit organization' which allows it to take advantage of tax privileges and to receive state and local-government subsidies.

Establishing a non-profit limited liability company

11. Limited liability companies may be registered in Poland by natural and legal persons independent of their country of origin. The procedure is relatively straightforward and the registration fee is PLN 650 (ca. USD 160). In order to define an entity as a "non-profit company", it is simply indicated in its articles of association that it has a non-profit-making purpose and that dividing any profit generated by it would be prohibited.
12. Non-profit limited liability companies may start to conduct their activities even before their registration. As foundations, they may obtain status of a 'public benefit organization' and use the related tax privileges as well as apply for public funding. Additionally, they may apply for public contracts on the same terms as regular businesses.
13. On the other hand, a non-profit company is obliged to keep full accounting and to draw up financial statements on a yearly basis. Additionally, any changes in the company's status must be notified to the National Court Register which usually requires paying a fee of PLN 250.
14. Limited liability companies must be equipped with a starting capital of at least PLN 5,000 which may later be spent on its operations.