

# Starting company in Poland

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# How? Where? When? For how much?

These are basic questions you should know how to answer before starting your own company. If you ever wondered who is allowed to start a business in Poland or how much it will cost, now is the time you will get to know

# Who can start business activity?

- Every adult Polish citizen can set up, run and close business activity
- Since Poland became member of the European Union, every citizen of another EU member country can set up a company in Poland on the same terms as a Polish citizen



# Who can't start a business activity?

- In order to eliminate corruption, public officials can not run business or sit on the supervisory board
- People residing illegally in Poland and Polish citizens who are under 18 years old
- People who by court order were banned from doing business

# What is it and how do you choose the subject of your business?

The foremost matter you should consider is the subject of your future business. Regardless of the form you want to run your business, you must specify the type of activity you are pursuing in accordance to the PKD codes system

PKD codes are required at the time of setting up your company and also when the entrepreneur changes or expands his business. In PKD every kind of business has its own unique code assigned.

Codes consist of sections, divisions, groups, classes, and subclasses. For example, if you want to open your restaurant, you will find this business activity in Section I: Accommodation and Catering Services, Section 56 - Food Service.

# What are the legal forms of doing business?

The choice of form of business activity will be dependent on the cost of its registration and the conditions for its further operation.

# Starting one-person business

One-person business is the simplest form of business activity. As the name suggests - one person assumes it. This is a form suitable for small start up businesses

If you decide on a one-person business, all formalities can be arranged within a few hours!

You can register your business in your municipality office. You can also apply for a business registration online using the form available on the CEIDG website

From January 2017, you can register your company at CEIDG using your phone by calling 801 055 088. The call center is available Monday to Friday from 8:00 to 16:00. The cost of the call will depend on your operator's tariff. On the phone you provide all the information necessary to complete the registration application. The consultant will enter the data in the Central Business Information and Records System (CEIDG). If you have questions about the company registration policy, the consultant will help you to clarify any doubts. After you have finished the interview with the consultant, you will receive an SMS with the number of your application.

Then go to the municipality office and give the requested application number there. An official will search, print your application and submit for signature. Be sure to bring your identity card with you.

As you can see, for the simplest forms of doing business, their registration is not so time consuming and laborious.

In the case of other companies than civil registration, it is necessary to obtain registration in the National Court Register. Therefore, the application for registration of a company is considered by the court and usually takes an average of several weeks. The longest is the registration of a joint stock company, which results from its more complicated character. Therefore, most beginner entrepreneurs decide on one-person business.



# What documents are required to start a business?

- The CEIDG-1 application is the first document needed to establish a business that you must submit to a municipal office or by completing it online
- Another document needed to start a business is the VAT-R. While setting up a business, you need to determine whether you are going to be a VAT payer and you can apply for an EU VAT NIP number that will allow you to issue invoices to customers from foreign countries
- If you have both social insurance and health insurance Then "ZUS ZUA" document must be submitted to ZUS or "ZUS ZZA" - if you only have health insurance
- Finally when you start your business you will also have to go to a bank and set up a separate bank account for your business - the account number should be reported to the tax office. If you are going to do business in the field of catering or in the food industry you must go to SANEPID for the necessary permits.

# How much does it cost to start a business?

Starting a one-person business or civil partnership is free.

However, registration of partnership businesses requires some investment, because in the case of companies it is necessary to obtain entry in the National Court Register - the cost of such entry is 500 zł court fee plus 100 zł for the announcement of the first entry in the Court and Economic Monitor.

# When should you start your business?

Many beginner entrepreneurs make the mistake of registering a company on the first day of a given month. Do you know why it is more profitable to register a company September 2 than September 1? This involves some (of course a 100% legal) way of extending tax ease.

For the first 2 years, an entrepreneur can take advantage of the benefits and pay less premiums. Not everyone is aware that the length of this reduction depends on the day of business start. The right to smaller contributions ZUS is held for the first full 24 months of business. Therefore, if we start the business on a different day of the month than the first one, the 24 month period will only be counted from the following month – giving us another full month of lower contributions.