

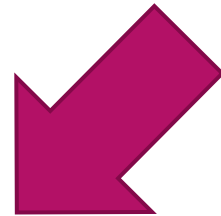


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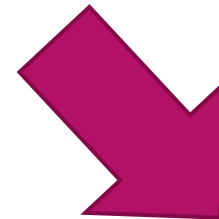
LIQUIDATION OF A POLISH BRANCH OF A FOREIGN ENTREPRENEUR

TWO DIFFERENT PROCEDURES

Liquidation of a branch can be conducted in two different procedures



Procedure on the basis of the provisions of liquidation contained in the Polish Commercial Companies Code



Simplified procedure on the basis of the European law.

SIMPLIFIED PROCEDURE

- ▶ In theory, it is possible to conduct the liquidation of a branch of a foreign entity on the basis of the European Union provisions.
- ▶ Such a solution is only available in case of a voluntary liquidation.
- ▶ In general, during this procedure, there is only required a decision made by the parent company of the branch to wind up the entity.

SIMPLIFIED PROCEDURE

- ▶ This procedure requires the registry court to acknowledge that the Polish provisions concerning the liquidation are not contradictory to the European law.
- ▶ Because of that this is much more risky way to close the branch and it is not recommended since there is a risk of the registry court not accepting the petition to delete the branch from the registry court.

STANDARD PROCEDURE

The choice of a standard liquidation procedure is safer

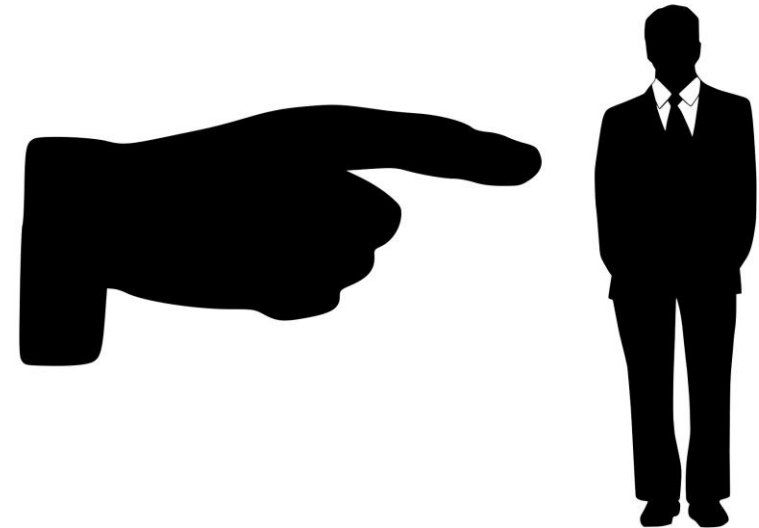
- ▶ In the event of the liquidation of a branch office pursuant to a decision of a parent company (foreign entrepreneur) to wind up the branch, there applies Article 92 of Freedom of Economic Activity Act.
- ▶ The abovementioned regulation states that the provisions of the Code of Commercial Companies and Partnerships relating to the liquidation of limited liability companies apply accordingly to the liquidation of branches.

FIRST STEPS

- ▶ The first step is to proceed with the procedure of registering the fact of opening the liquidation in the registry court, where the name of the branch is expanded by the phrase 'in liquidation'.
- ▶ Voluntary winding-up procedure is initiated by the adoption of the resolution to dissolve the branch. This resolution is taken by the competent authority/body of the parent company (foreign entity).

THE CHOICE OF LIQUIDATORS

- ▶ During the process of winding-up the branch, liquidators are representing the branch in relations with third parties – therefore the previous representation of the branch is changed.
- ▶ Liquidators shall be appointed in the resolution adopted by the competent authority/body of a parent entity. There is also required the consent of the liquidator to take this function and a specimen of his signature.



FINANCIAL DOCUMENTS

After the resolution to dissolve the branch is adopted, it is necessary to prepare the relevant financial statements

- ▶ As the liquidation procedure affects the financial issues, pursuant to the Polish Commercial Companies Code and the Accountancy Act, there needs to be prepared a financial statement as well as a separate balance sheet of opening the liquidation.

NATIONAL COURT REGISTER

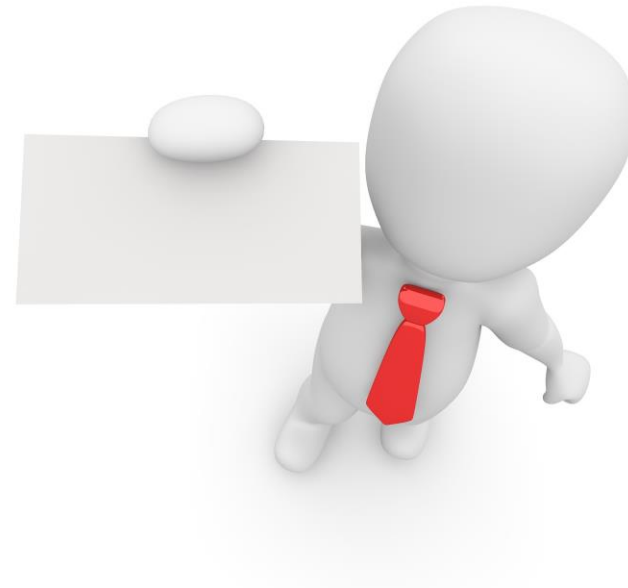
- ▶ The opening of liquidation, the appointment of a liquidator and the manner of the representation of the branch by the liquidator (sole, joint) require notification to the Polish National Court Register.



ANNOUNCEMENT TO THE CREDITORS

Creditors have to be notified of the fact that the branch is being liquidated

- ▶ Liquidators should announce the dissolution of the branch and opening of the liquidation in the Court and Economic Journal, thus calling the creditors to submit their claims (if any) within three months from the publication of such announcement.



LIQUIDATION ACTIVITIES

All actions taken by the liquidators should serve the purpose of winding-up the branch

- ▶ According to Art. 282 § 1 of the Polish Commercial Companies Code liquidators shall close the current business of the entity, collect receivables, pay debts and liquidate the assets of the entity (liquidation actions).
- ▶ New businesses can be transacted only where needed to close current business.

LAST PHASE

- ▶ Closing every ongoing business and preparing a financial statement of closing the liquidation which sums up the entire liquidation period is a condition to submit an application to remove the branch from the Polish National Court Register.
- ▶ Filing the application to delete the branch from the court register is the last step to wind-up the branch.
- ▶ When the court's decision to remove the branch from the National Court Register becomes final, the entity is officially dissolved.

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Investing in Special Economic Zones in Poland:

- ▶ Legal assistance in setting up and operating business by foreign investors in Polish Special Economic Zones;
- ▶ Legal support in obtaining tax exemption in Polish Special Economic Zones;
- ▶ Negotiating the conditions of investing in the Special Economic Zones with the administrator of SEZ;
- ▶ Legal assistance in purchasing and leasing real property in Polish Special Economic Zones.

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- ▶ Representing international Clients in the Office of Competition and Consumer Protection;
- ▶ Representing foreign employers before employment law authorities and before administrative authorities in Poland (including Polish governors);
- ▶ Representing foreign companies before the Inspector General for Personal Data Protection.

Legal advice on cross border contracts:

- ▶ Legal support in negotiating investment contracts with Polish business partners;
- ▶ Drafting, reviewing and negotiating international contracts with Polish entrepreneurs;
- ▶ Securing contractual interests in such transactions as sales, distribution or licensing to Poland;
- ▶ Securing payment in Poland;
- ▶ Conducting local and cross border negotiations with the Clients' business partners in the Polish market;
- ▶ Advising on contractual penalties;
- ▶ Advising on security interests, mortgage, promissory notes, liens and registered pledges in Poland.



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Thank you for your attention

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