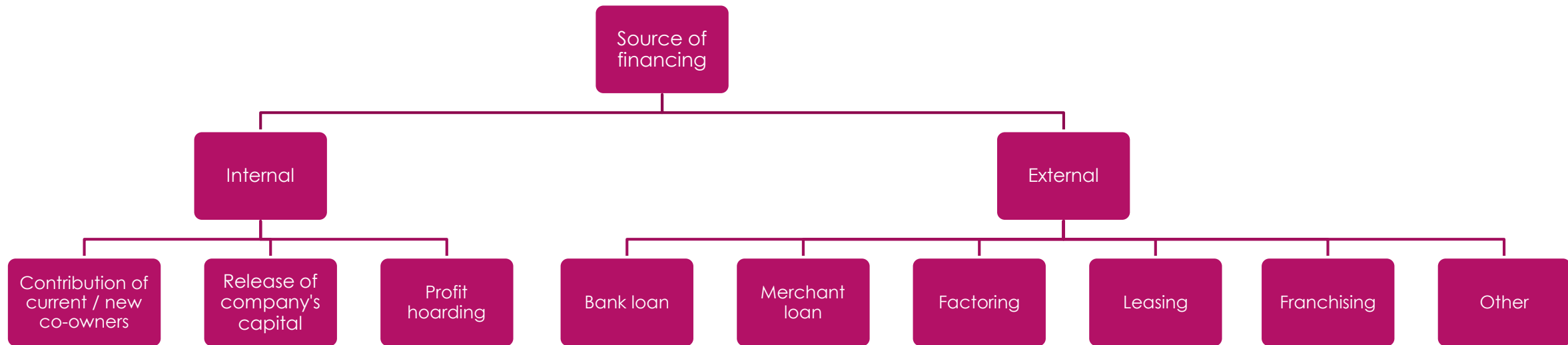




# KG LEGAL KIEŁTYKA GŁADKOWSKI

THE MOST POPULAR FORMS OF FINANCING BUSINESS ACTIVITY IN POLAND

# AVAILABLE FORMS OF FINANCING ON THE POLISH MARKET



# INTERNAL FINANCING

Contribution of current / new co-owners

Release of company's capital

Profit hoarding

Depositing funds through new or existing co-owners of the company

The sale of unnecessary, unused assets, e.g. machines

Net profit less dividend payment retained in the enterprise

# EXTERNAL FINANCING

- ▶ Bank loan
- ▶ Merchant loan
- ▶ Factoring
- ▶ Leasing
- ▶ Franchising
- ▶ Other

# BANK LOAN – TYPES AND PURPOSE

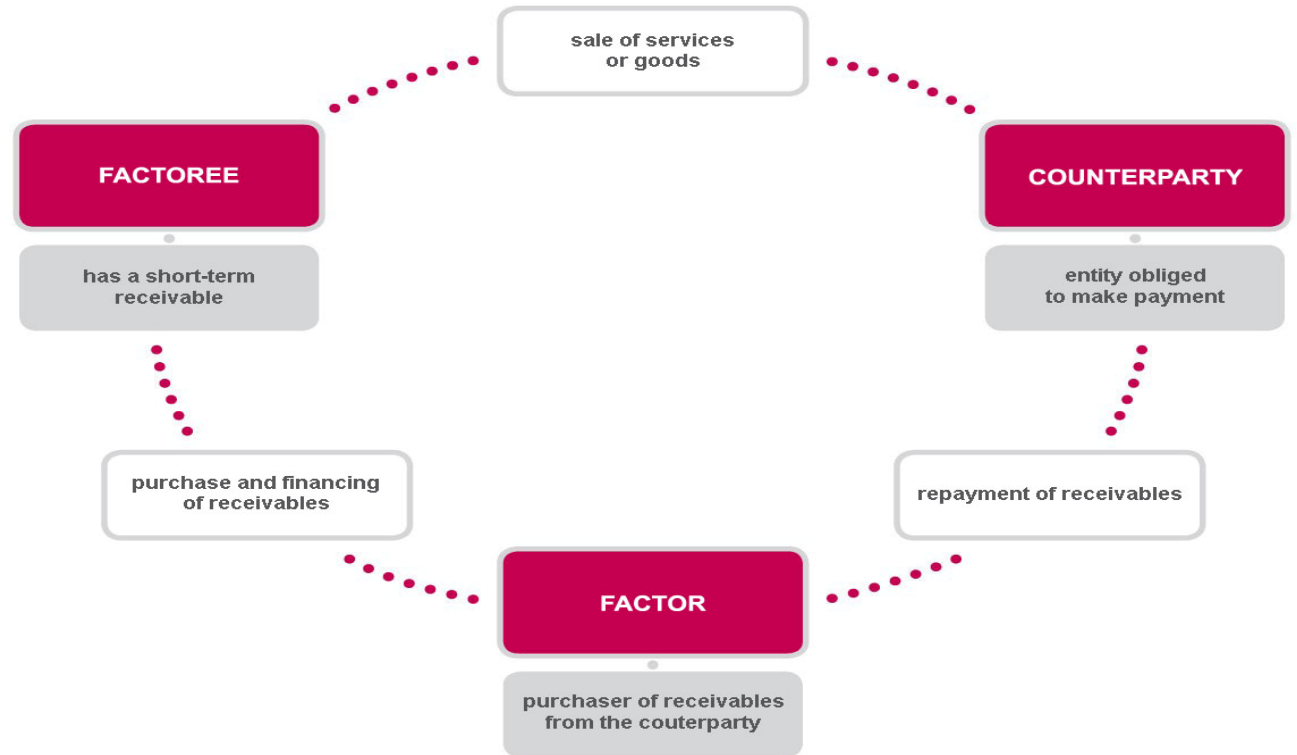
- ▶ The bank provides the entrepreneur with cash
- ▶ The funds are made available for a specified purpose and time
- ▶ The funds must be used for their intended purpose
- ▶ Working capital loan - is used to finance the company's current operations and provides liquidity
- ▶ Investment loan - long-term financing, indicated for the modernization of the company, restoration of the company's assets, purchase of machinery and equipment, financing of the purchase of intangible assets

# MERCHANT LOAN

- ▶ It is granted by the Seller to the Recipient
- ▶ The subject of this loan is delivery of goods and postponement of payment deadline
- ▶ It is commonly used in trade practice
- ▶ The due date of payment for the goods depends on the type of goods: consumer goods - a few weeks, capital goods - several years

# FACTORING

- ▶ Loan under repurchase of invoices – discounting invoice files
- ▶ Factor buys receivables arising from supplies of goods and services
- ▶ The company resells receivables



source: [https://www.bankmillennium.pl/documents/10184/156219/en-uczestnicy-schemat-ogolny\\_210607.jpg/b5494550-8063-4b1b-987e-21d4f11eb4b7?t=1400155485667](https://www.bankmillennium.pl/documents/10184/156219/en-uczestnicy-schemat-ogolny_210607.jpg/b5494550-8063-4b1b-987e-21d4f11eb4b7?t=1400155485667)

# LEASING

- ▶ The lessor provides the lessee with a fixed asset determined in the contract
- ▶ The lessee is obliged to make the lease payments
- ▶ It is a very popular method of financing the activity of newly established companies
- ▶ The use of the leased asset does not result in an increase in the value of fixed assets
- ▶ Depreciation write-offs can be made in respect of costs
- ▶ Tax shield - lease payments reduce the tax base



# FRANCHISING

- ▶ Sale of goods, services, technology and know-how
- ▶ Running a business under the brand of another well-known company
- ▶ The franchisee is entitled to use the franchisor's brand and trademark, provided that the license fee is paid.
- ▶ Franchisee receives from franchisor the right to use the brand, know-how, technology, etc., and also the furnishing and decoration of the premises and the necessary commercial assistance.

# Other

- ▶ Loans
- ▶ Subsidy
- ▶ Subvention
- ▶ Funds from EU
- ▶ Issuance of securities



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# KG LEGAL KIEŁTYKA GŁADKOWSKI

KG Legal, being a Polish law firm, renders legal assistance in investments in Poland. We provide specialist expertise for corporate and private clients. We advise in respect of setting up business in Poland, buying real property in Poland or investing in start-ups, including biotech and new tech start-ups or other commercial aspects.



# KG LEGAL KIEŁTYKA GŁADKOWSKI

## 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.

# KG LEGAL KIEŁTYKA GŁADKOWSKI

## **Representing international Clients before tax and administrative authorities in Poland:**

- ▶ Legal assistance in obtaining relevant licences and permits, administrative decisions and certificates to conduct business in Poland;
- ▶ 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.



# KG LEGAL KIEŁTYKA GŁADKOWSKI

**FOR MORE INFORMATION PLEASE VISIT  
OUR WEBSITE**

[www.kg-legal.eu](http://www.kg-legal.eu)

**IN CASE OF ANY QUESTION, WE REMAIN  
AT YOUR DISPOSAL**



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