

## Poland

### Summary of CbC Reporting and Transfer Pricing Documentation Rules

#### **Country-by-Country Report** (see [CbC FAQs](#), 5<sup>th</sup> edition (Feb. 2022))

- **Effective Date**: Tax years beginning on or after January 1, 2016.
- **Filing Threshold**: Polish MNEs with annual consolidated group revenue exceeding €750 million (or PLN 3.25 billion if the consolidated financial statements of the group are prepared in the local currency) in the previous year.
- **Local Filing**: For tax years beginning on or after January 1, 2017, a Polish subsidiary is required to file a CbC report if certain conditions are met.
- **Information Reported**: Consistent with OECD guidance.
- **Language**: Polish.
- **Forms/Filing Instructions**:
  - CbC Notification of Reporting Entity: [Form CbC-P](#) filed electronically.
  - CbC Report: [Form CbC-R](#) filed electronically.
- **Deadline for Filing Notification of Reporting Entity**: Within 3 months of the end of the reporting year.
- **Deadline for Filing CbC Report**: Within 12 months of the end of the reporting year.
- **Penalties**: Penalties for non-compliance may apply.
- **Exchange of Information**:
  - MCAA CbC: signed.
  - EU Directive 2016/88: enacted.
  - U.S. CAA CbC - signed.
- **Public CbC Reporting**: In November 2022, a draft bill was announced to transpose the EU public CbC reporting directive into domestic law.

*For a schedule of CbC report and CbC notification deadlines (by country), please see [CbC Reporting Deadlines](#).*

#### **Public Country-by-Country Report**

Information forthcoming.

#### **Master File**

- **Effective Date**: Tax years beginning on or after January 1, 2017.
- **Filing Threshold**: From 2019, a Master File is required if (i) the entity is required to prepare a Local File; (ii) the entity belongs to a group of related entities that prepares consolidated financial statements; and (iii) the consolidated revenue of the group exceeded PLN 200 million (or the equivalent in foreign currency) in the previous year.

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- Language: Polish or English (if provided in English, the tax authorities may request a translation be provided within 30 days).
- Information Reported: Generally, in line with OECD guidance; however, local modifications apply.
- Deadline for Preparation/Submission: Prepared within 12 months of the end of the relevant tax year and submitted within 7 days of a request of the tax authorities.
- Penalties: General tax penalties for non-compliance may apply.

## **Local File**

- Effective Date: Tax years beginning on or after January 1, 2017.
- Filing Threshold: Taxpayers engaged in controlled transactions which exceed the following thresholds in a tax year: (i) PLN 10 million for commodity and financial transactions; or (ii) PLN 2 million for service transactions and all other transactions.  
  
In addition, taxpayers engaged in transactions with an entity, or a foreign permanent establishment located in a tax haven (i.e., direct tax haven transactions), if the value exceeds PLN 2.5 million for financial transactions and PLN 500,000 for other transactions during the tax year (increased from PLN 100,000).<sup>1</sup> The list of tax havens is provided in a Decree issued by the Finance Minister. The transfer pricing documentation requirement for indirect tax haven transactions was repealed effective January 1, 2021.
- Exemption from Local File Requirement: Exemptions from the requirement to prepare a Local File include (i) transactions between companies from a tax capital group; (ii) transactions between Polish related parties that do not result in a tax loss or do not benefit from certain tax exemptions; (iii) controlled transactions between a foreign permanent establishment in Poland and its Polish related party, if all revenue and tax-deductible costs from the controlled transactions is reported for tax purposes in Poland (from 2022); (iv) controlled transactions covered by an advance pricing agreement or investment agreement (from 2022); and (v) certain re-invoicing transactions (from 2022).
- Benchmark Analysis Not Required: A benchmarking analysis is not required for controlled transactions with micro- or small enterprises or uncontrolled transactions with residents of a tax haven (from 2021).
- Safe Harbors: Safe harbor provisions, in which a benchmarking analysis or Local File are not required (if transactions are carried out under the relevant tax rules), include transaction related to low value-added services and loan agreements (from 2022).
- Information Reported: More detailed information than the OECD guidance is required; including for example, market analyses; more detailed functional analyses; references to financial statements; and documents forming the legal basis for the transactions.
- Language: Polish.

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<sup>1</sup> The increased thresholds apply to transactions started and not completed before January 1, 2021 (for the part of the transaction carried out in tax years beginning after December 31, 2020) or for transactions commencing after December 31, 2020.

In the case of transactions with a foreign permanent establishment located in a tax haven, the amended provisions apply to transactions started and not completed before January 1, 2023 (for the part of the transaction carried out in tax years beginning after December 31, 2022) or for transactions commencing after December 31, 2022.

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- Deadline for Preparation/Submission: From January 1, 2022, the local file must be prepared by the end of the 10<sup>th</sup> month after the relevant tax year-end and submitted electronically within 14 days of a request of the tax authorities.
- Penalties: General tax penalties for non-compliance may apply.

## **Transfer Pricing Information (TPR Information)** (see [TPR Questions and Answers](#), 3<sup>rd</sup> edition (Oct. 2022))

From January 1, 2022, all taxpayers required to file a Local File are also required to electronically file Form TPR-C (or Form TPR-P) by the end of the 11<sup>th</sup> month after the relevant tax year-end (from January 1, 2022). [Form TPR-C](#) (or [Form TPR-P](#)) includes detailed data on the controlled transactions, including values of financial indicators measuring the financial situation (e.g., operational margin, return on assets, and return on equity). The form may be signed by a designated person who is a member of the management board or by a proxy who is an attorney, legal adviser, tax adviser, or certified auditor. The form must also be submitted for controlled domestic transactions that are exempt from the requirement to prepare a Local File because the transactions were concluded exclusively between Polish entities. General tax penalties for non-compliance may apply.

From January 1, 2022, taxpayers are no longer required to file a separate transfer pricing statement confirming the Local File was prepared and that the transfer prices for all documented transactions comply with the arm's length principle, as this information is now part of the transfer pricing disclosure.

*For more detailed guidance, please see the [Country Portfolio: Poland, Intercompany Prices: Adjustment and Reporting, Transactions Subject to Reporting](#).*