

Polish Investment Zone - a new investment support instrument will replace Special Economic Zones



Polish Investment Zone – a breakthrough concept of a new incentive instrument for entrepreneurs in the form of a tax exemption for new investments



- No territorial restrictions on the project location
- Longer CIT exemption period
- Awarding the incentive depends on the fulfillment of a number of criteria



The instrument will operate in parallel with already existing Special Economic Zones (SEZs). For already issued zone permits, current SEZ regulations will apply

What are the benefits of the new support instrument?

What will change?

Benefits

<p>Tax exemption for investments located anywhere in Poland</p>	 Location of the supported investment	<ul style="list-style-type: none"> • Increased availability of the tax exemptions and freedom of choice in terms of investment location • Speed up of the support decision process
<p>CIT exemption for 10 to 15 years depending on location. Possible extension by additional 5 years for investments in the current SEZs.</p>	 Duration of the tax exemption	<p>Longer period to fully utilise tax exemption limit</p>

New investment requirements

What will change?

Effects

<p>Investment eligibility evaluation based on quantitative criteria (the value of investment expenditure depending on the unemployment rate and enterprise size) and extensive qualitative criteria</p>	 Evaluation criteria for the investment project	<p>More requirements to meet in order to obtain CIT exemption - the project will have to undergo the scoring evaluation.</p>
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Evaluation areas within qualitative criteria



Structural development

Examples: hiring people with specialized qualifications, creating high-paying jobs; consistency of the investment with the current national development policy, the share of export in the forecasted sales



Cooperation with the science community and R&D

Examples: cooperation with research and academic centers, R&D activities and sectoral clusters development



Sustainable development

Evaluation based on the investment location (e.g. in the areas with high rates of unemployment); additional scoring for support for micro, small and medium entrepreneurship, as well as support for medium and small towns and rural areas.



Human resources development

Examples: additional employee benefits (employee care or support for education and qualifications gains)

When planning a new investment, remember that ...



The investment can only be started after submitting the application for support under the new program – launch of the programme is planned in the first half of 2018.



Minimum points in qualitative criteria are 4 to 6 points, with a maximum of 10. The minimum point limit will depend on the location of the investment – advantages for investments in less developed areas, where it will also be possible to obtain a longer term of the exemption



Small and medium-sized companies can count for special preferences - the evaluation criteria will be more favourable for them comparing to large companies. Projects located in high-unemployment counties are also particularly preferred.

How can we help?

- » Innovation and R&D, Grants and Incentives team operates within PwC, specializing in the tax exemptions.
- » We have extensive and long-term experience in supporting entrepreneurs in obtaining financing and implementing various forms of state aid available in Poland, including tax exemptions - we provide tax consultancy services to companies operating in the SEZs since their establishment in 1995
- » We offer comprehensive services covering the planning stage of investment, implementation and settlement of granted state aid, including i.a.:

Support in applying for state aid, including tax exemption



Advisory services i.a. legislative consequences of the tax changes concerning the CIT exemption

Advising on tax settlements to maximize the benefits of tax exemptions

Support in the investment planning process

In case of any queries – do not hesitate to contact us



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