



TAX SERVICES



REGULATIONS ON BUSINESS ACTIVITIES IN POLAND 2025

- ▶ LIMITED LIABILITY
COMPANY (SP. Z O.O.)
- ▶ JOINT-STOCK COMPANY (S.A.)



THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK





REGULATIONS ON BUSINESS ACTIVITIES

Limited liability company (Sp. z o.o.)

A limited liability company is the most popular and flexible form of conducting business activity in Poland. It is the Polish equivalent of the private limited liability company in the UK, of a société à responsabilité limitée (sarl) in France, or of a Gesellschaft mit beschränkter Haftung (GmbH) in Germany. Limited liability companies may be established for any purpose allowed by law. They are often used as special purpose vehicles, holding companies and as national companies controlled by international corporations. The personal structure of the limited liability company may be, in general, changed without affecting the legal structure of the limited liability company, which is normally not the case with a partnership. A limited liability company may also be run by a single founder/shareholder. However, a single-shareholder limited liability company cannot incorporate another single-shareholder limited liability company. Although a limited liability company is a capital company, it still preserves some personal elements, such as the possibility to limit the disposal of the company's shares or establish the shareholder's right of individual control of the limited liability company. The shares of a limited liability company are always dematerialized and cannot be listed on any stock exchange.

Joint-stock company (S.A.)

A joint-stock company is the Polish equivalent of the public liability company in the UK, société anonyme (SA) in France and the German Aktiengesellschaft (AG). Joint-stock companies are rather expensive to run and are primarily used for large-scale business activities, in particular, if access to a large number of investors is to be considered as a crucial way of obtaining capital.

Formally, it is more structured than the limited liability company.

The shares of joint-stock companies may be publicly traded (listed on the Stock Exchange). The Polish law provides stricter and more complex rules with respect to public joint-stock companies regarding their capitalization, composition of the governing bodies, compliance, and reporting duties.

Simple joint-stock company (P.S.A.)

The frame of a simple joint-stock company covers the simplification of some procedures and mechanisms, up to now reserved for classic joint-stock companies. To begin with, it was decided to lower the minimum share capital to the amount of **PLN 1.00**. Moreover, the aim of the new regulation is to enable entrepreneurs to freely shape their property structure. A simple joint-stock company will therefore also issue shares without face value, and the founder-shareholders will be able to contribute their capital injection through know-how, work and services, without the need to prepare any valuations of their capital-in-kind contributions.

Detailed requirements for a limited liability company (Sp. z o.o.) and a joint-stock company (S.A.)

Capital

Sp. z o.o.: The minimum capital required to establish a limited-liability company is **PLN 5,000.00**. A limited-liability company may have a single shareholder. **S.A.:** The minimum capital for a joint-stock company is **PLN 100,000.00** of which **25%** must be paid up before registration. A joint-stock company can be established by one or more founding members, who must sign an article of association agreement.

Taxation of capital companies (CIT)

Capital companies are separate taxpayers to CIT. In principle, the companies are subject to taxation on their global income. With regards a management board, taxation on their global income applies only if they have a fixed domicile in Poland. Taxable income consists of all revenues earned in a tax year (financial and operational), net of deductible costs. As a rule, this income is subject to CIT at the rate of **19%** or **9%**, depending on the amount of revenue generated by the company.

Reserve for supplementary capital

Sp. z o.o.: None. **S.A.:** **8%** of annual net profits, until the capital reserve reaches one-third of share capital.

Founders / shareholders

Sp. z o.o.: There are no restrictions on nationality or residence of shareholders. **S.A.:** The company must be founded by at least one natural or legal person. Once the company has been established, one shareholder may buy out others. There are no residence or nationality requirements.

Supervisory board

Sp. z o.o.: If share capital exceeds **PLN 500,000.00** and there are more than 25 shareholders, the company must have a supervisory board with at least three persons. **S.A.:** a supervisory board with at least three members, each appointed for a term of up to **5 years**, is required. **Both:** No residence or nationality requirements, but the chairman of the board for banks registered in Poland must have a confirmed by a hearing in front of the banking supervisory authority working knowledge of Polish language.

Labour

Employees have no influence over the management of private-sector firms unless they are shareholders. Employees are entitled to form trade unions.

Management

No residency requirements. The board of directors does not have to consist of shareholders, both in the case of a joint stock company and a limited liability company. Limited Liability Company (**LLC**): The upper term of office for members of the board of directors is not specified. **Joint Stock Company:** The board of directors may be appointed initially for a term of up to **2** years, with an extension of each subsequent term of up to **3** years each.

Disclosure

Both types of companies are required to prepare annual balance sheets and profit and loss accounts, which must be filed with the local court in the electronic file format JPK.

Sole proprietorship

A sole proprietor is an individual who conducts business activity in his/her own name and on his/her own behalf. There are no legal requirements regarding the amount of the initial capital to undertake business activity as a sole proprietor in Poland. Also, no new legal entity is established as a result of such undertaking. The business of the sole proprietor may be transformed into a capital company, i.e. a limited-liability company or a joint-stock company.

Civil law partnership

Two or more sole proprietors as well as other legal entities, i.e. partnerships and capital companies, may decide to establish a civil law partnership by concluding a contract regulated by the Polish Civil Code. A civil law partnership is not a separate legal entity and does not possess legal personality.

It also cannot acquire rights or incur obligations in its own name and on its own behalf, it can not sue or be sued. Contributions and assets established during the business operations of the civil law partnership are owned by partners as joint co-ownership.

Civil law partnerships may be transformed into registered partnerships based on a unanimous decision of the partners.

Professional partnership

Professional partnerships may be established by specific professionals as defined and listed in the Polish Commercial Companies' Code (lawyers, architects, tax advisers, accountants, doctors, dentists, and others) or in other legal Acts regulating the exercise of certain professions. The professional partnership may be formed for the purpose of pursuing more than one profession, unless the law prohibits this specifically. As in the case of registered partnerships, professional partnerships do not have legal personality, but have legal capacity and capacity to perform legal actions (they may acquire rights, including ownership of a real estate, and incur obligations in their own name, as well as sue and be sued).

Limited partnership

A limited partnership is a commercial partnership that has legal capacity and the capacity to undertake legal actions. This type of business is a good solution for partners, where one is involved in the affairs of the partnership and the other only wishes to provide a financial contribution.

A limited partnership is formed by at least two partners, one of whom is a limited partner with limited liability for the company's obligations, and the other is a general partner who is liable for the limited partnership's obligations without limitation, i.e. he answers thus with all his/her assets.

Discussed in detail in **"Taxation of limited partnerships" on page 36.**

Limited joint-stock partnership

A limited joint-stock partnership is the most complex type of partnership, as its structure combines the elements of both the registered partnership and the joint-stock company. Like other partnerships, the limited joint-stock partnership has no legal personality, but it has legal capacity, which means that it may acquire rights, and incur obligations in its own name. The limited joint-stock partnership may also sue and be sued. Limited joint-stock partnerships are established by at least one general partner and one shareholder. Participation of shareholders is a consequence of a capital-focused character of the limited joint-stock company.



	Polish term	Entry into Company Registry / Legal Personality	Minimum capital	Single-member company
Limited Liability Company (Ltd.)	Spółka z ograniczoną odpowiedzialnością (Sp. z o.o.)	Yes / Yes	PLN 5,000.00 Minimum face value PLN 50.00	Yes
Joint-stock Company (JSC)	Spółka Akcyjna (S.A.)	Yes / Yes	PLN 100,000.00 Minimum face value PLN 0.01	Yes
Co-operative (Co-op.)	Spółdzielnia	Yes / Yes	No	No, at least 10 members (5 in an agricultural co-operative). Does not apply if at least 3 members are legal persons.
General Partnership	Spółka jawna (Sp.j.)	Yes / No	No	No
Limited Partnership	Spółka komandytowa (Sp. k.)	Yes / No	No	No
Limited joint-stock partnership	Spółka komandytowo-akcyjna (Sp. k-a)	Yes / No	PLN 50,000.00	No
Partnership under the Civil Code	Spółka cywilna (S.C.)	No / No	No	No
Branch	Oddział	Yes / No	No	
Permanent tax establish-	Zakład	No / No	No	

	Start-up duty	Writing / notarial	Transpa- rency	Registration with the tax authorities	Statutory audit: Turnover ≥ EUR 5,000,000.00; Balance sheet total ≥ EUR 2,500,000.00; Employees ≥50
Limited Liability Company (Ltd.)	0.5% tax on the articles of association / Entry in the Commercial Register	Yes / Yes	No	Yes	Provided that at least 2 of those requirements are met
Joint-stock Company (JSC)	0.5% tax on the articles of association / Entry in the Commercial Register	Yes / Yes	No	Yes	Compulsory
Co-operative (Co-op.)	No / Entry in the Commercial Register	Yes / No	No	Yes	Mandatory
General Partnership	0.5% tax on the articles of association / Entry in the Commercial Register	Yes / No	Yes*	Yes	Provided that at least 2 of those requirements are met
Limited Partnership	0.5% tax on the articles of association (Yes for the Limited Partnership having a Limited Liability Company as general partner) / Entry	Yes / No	No	Yes	Provided that at least 2 of those requirements are met
Limited joint-stock partnership	0.5% tax on the articles of association / Entry in the Commercial Register	Yes / Yes	No	Yes	Provided that at least 2 of those requirements are met
Partnership under the Civil Code	0.5% tax on the articles of association / Entry into the CEIDG free of charge	Yes / No	Yes	Yes	Provided that at least 2 of those requirements are met
Branch	As a rule, no / Entry in the Commercial Register	-	-	Yes	In the context of any audit of the parent company
Permanent tax establishment	-	-	-	Yes	In the context of any audit of the parent company

PLEASE FEEL FREE TO CONTACT US:



ORTWIN-UWE JENTSCH
Head of Customer
Relationships Department
Partner
Tax consulting
Localization: Warszawa



**ELŻBIETA NARON-
GROCHALSKA**
Head of Customer
Relationships Department
Tax consulting
Localization: Wrocław



MARTA ROGACKA
Chief Operating Officer
Attorney
Tax consulting
Localization: Poznań



**MARTA
RADOSZKO-ADAMCZAK**
Senior Customer Relations
Manager
Tax consulting
Localization: Szczecin, Poznań



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If you have any questions regarding accounting, taxation, or other aspects of tax law in Poland, please contact our team of advisors.

e-mail: office@getsix.pl
tel.: +48 (71) 388 13 00

Wrocław

ul. Zwycięska 45
53-033 Wrocław
Tel.: +48 71 388 13 00
Fax: +48 71 388 13 10
Claus Frank
Monika Martynkiewicz-Frank
E-mail: wroclaw@getsix.pl

Warszawa

Sky Office Center
ul. Rzymowskiego 31
02-697 Warszawa
Tel.: +48 22 336 77 00
Fax: +48 22 336 77 10
Ortwin-Uwe Hentsch
E-mail: warszawa@getsix.pl

Katowice

ul. Konduktorska 33
40-155 Katowice
Tel.: +48 32 700 07 30
Fax: +48 32 700 07 31
Monika Martynkiewicz-Frank
E-mail: katowice@getsix.pl

Berlin

- Representative Office

Pariser Platz 4a
D-10117 Berlin
Germany
Tel.: +49 30 208 481 200
E-mail: berlin@getsix.de

Poznań

ul. Wyspiańskiego 43
60-751 Poznań
Tel.: +48 61 668 34 00
Fax: +48 61 668 34 10
Roy Heynlein
E-mail: poznan@getsix.pl

Szczecin

ul. Storrady Świętosławy 1a
71-602 Szczecin
Tel.: +48 91 351 86 00
Fax: +48 91 351 86 10
Roy Heynlein
E-mail: szczecin@getsix.pl

Rzeszów

ul. Jana i Jędrzeja Śniadeckich
20D/7
35-006 Rzeszów
Tel.: +48 17 200 85 00
Monika Martynkiewicz-Frank
E-mail: rzeszow@getsix.pl

Düsseldorf

- Representative Office

FOMACON Business Center
Mörsenbroicher Weg 191
D-40470 Düsseldorf
Germany



GET IN TOUCH WITH US

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our team will guide you in the right
direction.

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