

Foreign Investor Navigator

Helping you set up and grow your business in Poland

2019





**Expanding
your business
in Poland**



Why Poland?



**Our economic
relations**



**Expansion
of successful
companies**



**Investment
burdens and
incentives**

Expanding your business in Poland



Our **Investor Navigator** aims to make sure you have interdisciplinary support every step of the way to your new venture.

From finding the best location to setting up and organizing a branch or a subsidiary – we are fully committed to your success.

International expansion is a complex process, but we know how to make it a success. A dedicated international business advisor will make every effort to understand your business and tailor the service to your specific needs so you can focus on making the right business decisions.

With professional and timely advice, you will be able to efficiently manage the risks and maximise your potential in the new market.

Our advisers can help you at every stage of your company's growth cycle – whether you are starting-up, raising venture funding, listing on a stock exchange, acquiring or merging with another company, or using Poland as a base to expand into other markets.

Regardless of the challenge at hand, we make sure your business is ready for it.

Our unique Value Proposition

We deliver
and tie together at
a **SINGLE POINT**
a full range
of competencies
to guarantee results



We discover **what's important to you** and identify with your needs



We offer you **more than security**



We provide you with **comprehensive support**: from modelling, start-up to growing your business in Poland



We give you a **Project Manager**, who coordinates and supports you in the entire process of delivering professional services



We **facilitate your assimilation** into the specific Polish culture and dealing with cultural differences



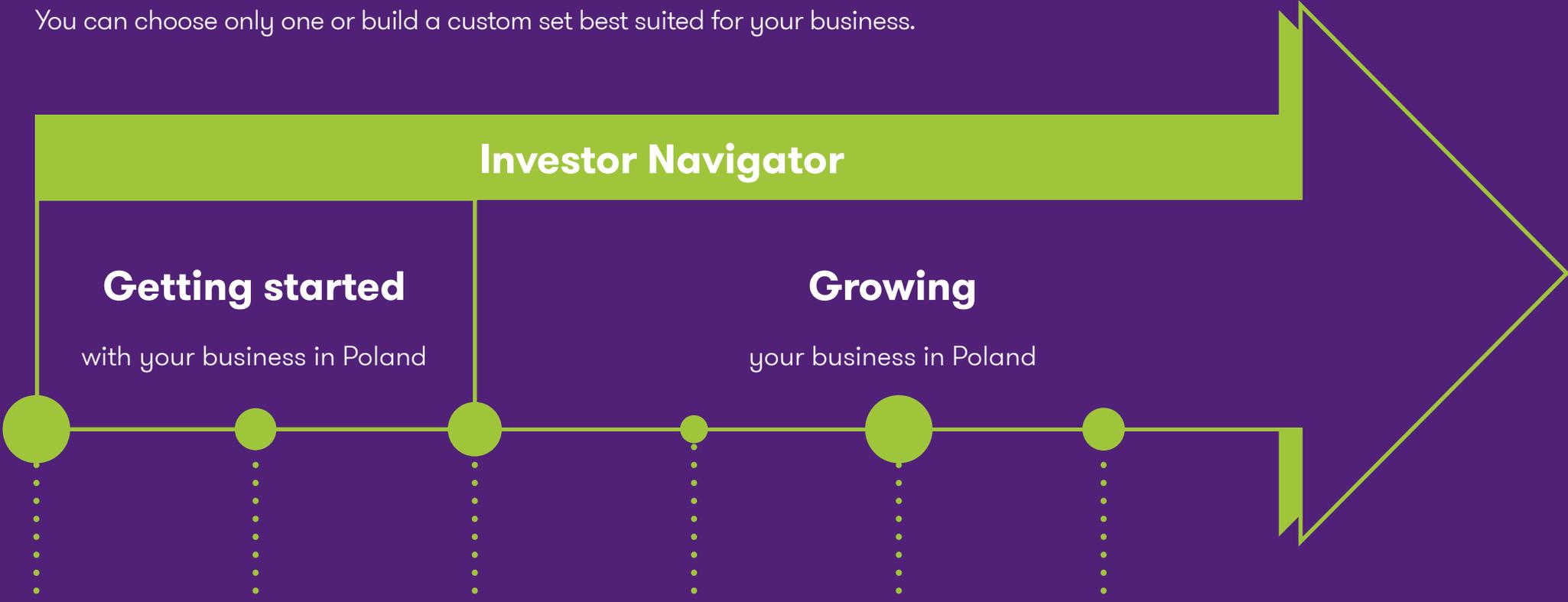
We offer you a **global network and ease of access** to business opportunities in other markets

A one-stop shop solution

To help you decide and to respond to your specific needs and interests, we offer you a list of 52 services.

You can choose only one or build a custom set best suited for your business.

Investor Navigator



Getting started

with your business in Poland

Growing

your business in Poland

At every stage, we provide precisely tailored consultancy support to meet your unique needs and individual requirements.

Getting started with your business in Poland

- Creating a strategy and business plan
- Identifying and choosing the most advantageous legal form
- Setting up the company
- Opening a bank account
- Obtaining the necessary permits
- Providing payroll and accounting
- Choosing a business location
- Virtual office / front desk
- Identifying and choosing the optimal Polish tax solutions
- Selecting and applying for grants and incentives
- Recruiting staff, both managers and employees
- Targeting and acquiring a company in Poland, including due diligence
- Establishing business and municipal relations, liaising with central and local authorities
- Comprehensive tailored service

Back office services

- Accounting services and financial reporting
- Tax compliance
- Payroll, recruitment and other HR services

We will advise you in your investment decisions

Grant Thornton will support you in establishing your business in Poland and provide on-going assistance.

Consulting

- Business consulting
- Process optimization
- Human capital consulting
- Financial consulting
- Valuation
- Environmental and technical consulting
- Construction consulting, design and construction supervision

Tax advisory

- Corporate and international taxes
- Indirect taxes
- Transfer pricing
- Personal taxation advice
- Stock options and repatriation of funds

Growing your business

Technology

- Digital consulting
- IT consulting
- Cybersecurity

Due diligence and audit

- Tax
- Legal
- Business
- Finance
- Environment
- Technical
- IT and Cybersecurity
- GDPR

Employment issues

- Employment tax issues
- Pensions and benefits

Project management

Audit and assurance

- Statutory and non-statutory audits
- Local GAAP conversions
- Financial reporting advisory
- Consolidation packages

Transaction services

- Debt or equity funding advice
- Warsaw Stock Exchange listing
- Mergers and acquisitions
- Due diligence
- Valuation

Why Poland?

Poland is one of the largest countries in the European Union - sixth in terms of population and eighth in terms of GDP.

It is also one of the most dynamic economies in Europe and one of the most resilient to economic shocks – it has not experienced a recession for a quarter of a century.

2. Market opportunity

38 million people

8th largest economy in the EU (Eurostat, 2018)

The fastest growing CEE economy in the UE (Eurostat, 2018)

1. Incentives for investors

“Polish Investment Zone” – the whole of Poland is a Special Economic Zone where investors can apply for tax incentives for new businesses

National government grants for foreign investors

European Union funds for R&D projects and R&D tax relief



3. Unique business environment

Location in the centre of Europe, on East-West and North-South trade routes

Direct neighbourhood of Germany and Russia. A bridge for convenient expansion into the Eastern European markets

Dynamically expanding transport and ITC infrastructure



Why Poland?

4. Quality of life

A quickly modernizing country
Friendly and welcoming society
Good choice of residential and educational opportunities
Unique cultural heritage and impressive natural landscapes

5. Talent supply

1 out of 10 students in the European Union lives in Poland
High percentage of working age population
Hardworking, loyal employees
One of the world leaders in attracting BPO and SSC investments

6. Access to finance

A highly competitive and dynamic banking sector
Warsaw Stock Exchange – the biggest and most liquid CEE stock market
Wide access to EU structural funds for companies operating in Poland



The majority of foreign **investors are happy with their decision** to begin doing business in Poland.

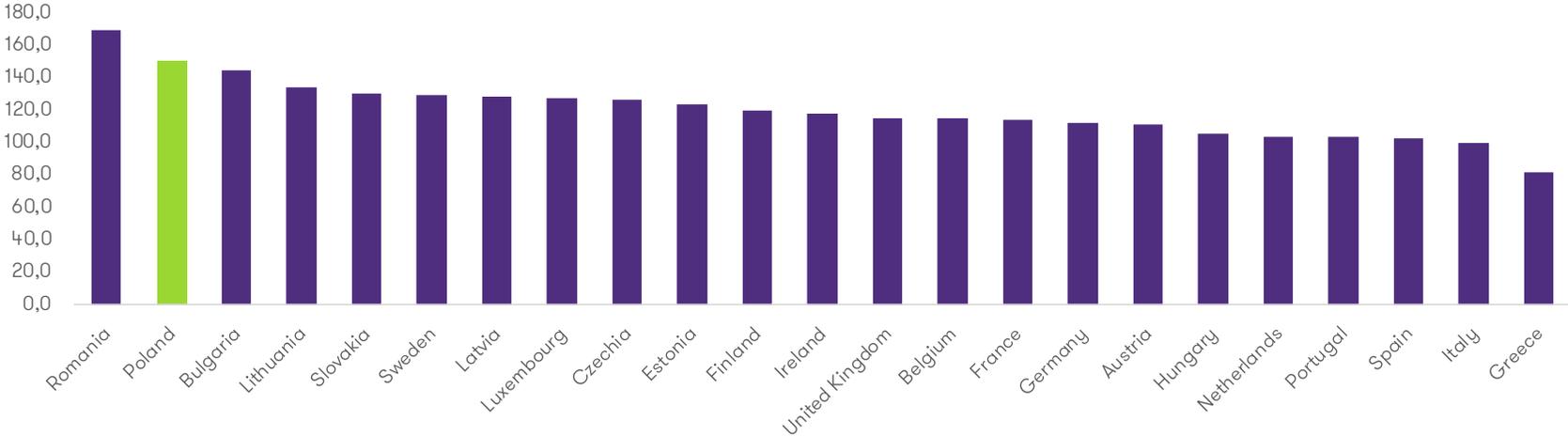
As many as **97%** claim that they **would choose Poland again** as the location for their investment.

* 'Investment climate in Poland' report, Grant Thornton, The Polish Investment and Trade Agency, HSBC

Poland is one of EU's leaders in terms of...

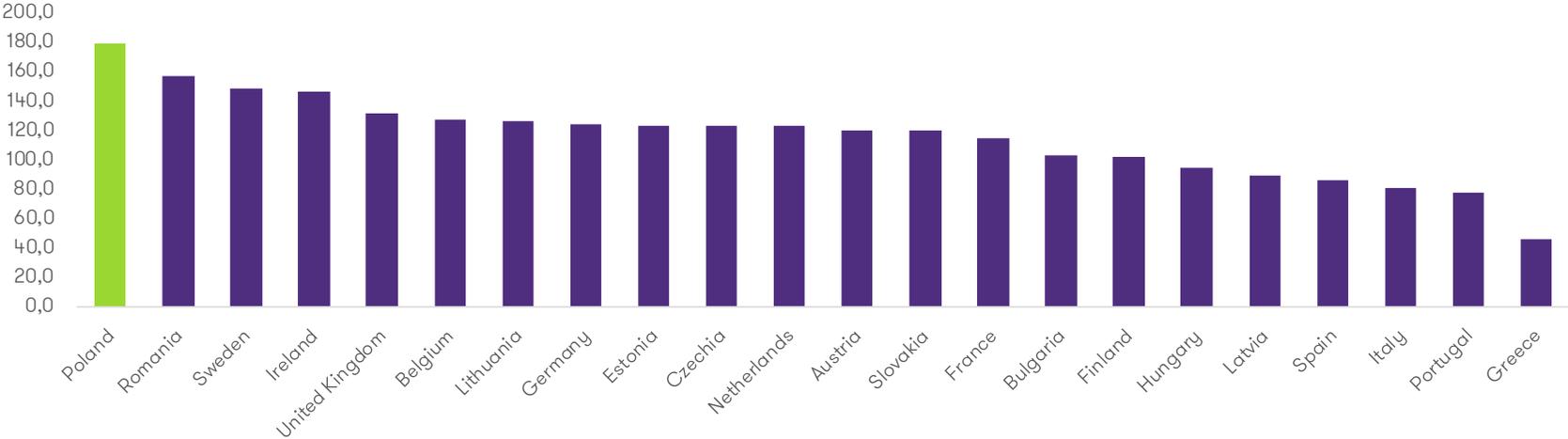
Consumption

Final consumption expenditure of households, growth in 2005-2018 (in %, acc. Eurostat)



Investments

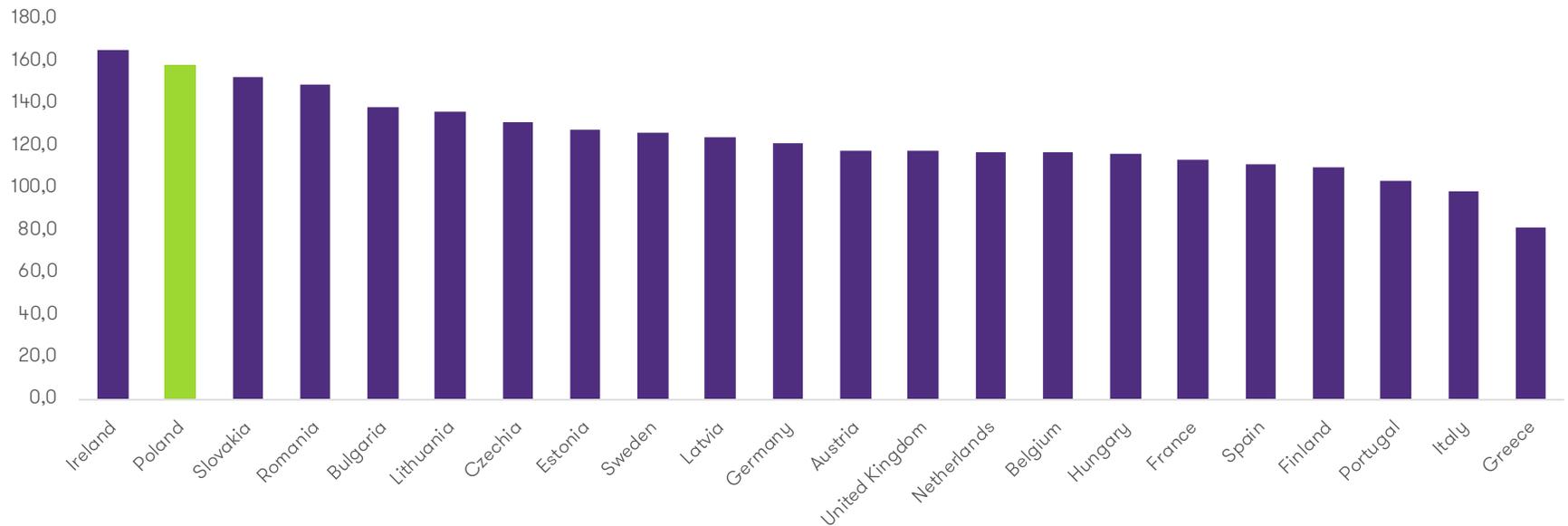
Growth of public and private investments in European Union countries in 2005-2018 (in %, acc. Eurostat)



Poland is one of EU's leaders in terms of...

GDP growth

Accumulated real GDP growth in European Union countries in 2005-2018 (in %)



Best connected country in emerging Europe

Measured in trade, FDI, migration, information and communication technology (ICT), and transport links. World Bank Group 2018

Poland ranks 33rd out of 190 in the global Doing Business ranking

World Bank Group 2019

Expansion of successful companies into Poland



Investment burdens

Out of the 26 factors making it harder for businesses to grow, those relating to bureaucracy, legislation, and the tax system were identified by foreign investors as the most burdensome.*

1. Bureaucracy

The Polish government is constantly working towards creating a more friendly environment for foreign investors. However, some bureaucratic requirements still continue to impose a burden on investors. In 2016, the Ministry of Finance approved a Strategy for Sustainable Development with the aim to deregulate, increase transparency, and promote competition, but since then some additional requirements have been imposed on investors.

2. Legislation changes

The leading party in Poland is in the process of implementing a substantial tax overhaul. The changes are aimed at increasing budgetary revenue by targeting tax planning solutions, closing gaps and implementing solutions to prevent aggressive tax planning, e.g. Mandatory Disclosure Rules. Foreign investors should keep track of the most recent proposals that may affect their business.

3. Complexity and changes of taxation regulations

Since the early 1990s, the Polish tax system has been gradually evolving. The aim has been to encourage foreign investors to invest in Poland, and as a consequence to create new jobs. To make it happen, the corporate income tax rate was reduced from 40% to 19% boosting the effect of relatively low labour costs. There are only 5 countries in Central and Eastern Europe where expenditures on labour are lower.

Poland, like other countries of the European Union or OECD, provides for different tax exemptions (deductions). However, there is a tendency to cut back on them. On the other hand, the tax system has become clearer and simpler. The collection of taxes is simplified for taxpayers.

*11th edition of the "Investment climate in Poland" survey conducted by Grant Thornton, Polish Investment and Trade Agency, HSBC

Investment incentives



Polish Investment Zone

Investors can apply for tax incentives for new businesses or expansion of existing businesses. Such tax incentives are granted in the form of tax exemptions. Since mid-2018, 14 special economic zones have been replaced by the concept of one large economic zone, which covers the entire territory of Poland.



EU funding

The new EU budget proposal has earmarked EUR 82.5 billion for implementing the cohesion policy in Poland. This means that in the years to come Poland will remain the largest beneficiary of the EU cohesion strategy.



R&D relief

Since 2016, businesses in Poland can claim tax relief for research and development (R&D). In 2018, the tax relief scheme was amended, offering even more advantages. As an incentive, the costs incurred on R&D as of 2018 can be claimed in the form of an additional deduction from the tax base and thereby reduce the amount of tax payable.

The new relief allows for a deduction in the calculation of income tax:

- 100% of salary costs of employees involved in research and development
- 100% of other eligible costs associated with research and development (including depreciation)

In 2019 the IP Box was introduced in Poland as a preferential form of taxation for entrepreneurs deriving income from the commercialization of intellectual property rights. The preferential rate – 5% of the tax base – applies to the income from eligible intellectual property rights created, developed or improved by the taxpayer as part of their R&D activities.

About Grant Thornton



25 years of experience



**5th biggest audit, advisory
and outsourcing firm
in Poland**



550+ employees



6 offices in key cities in Poland

Contact us!

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www.GrantThornton.pl/en/