

December 2020

Fast-approaching deadline for submitting reports on payment dates in commercial transactions

On 1 January 2020, the material provisions of the Act of amending certain regulations in order to limit payment backlogs (Polish Journal of Laws of 2019, item 1649) entered into force.

Under the amended Act on counteracting excessive payment delays in commercial transactions of 8 March 2013 (Polish Journal of Laws of 2020, item 935), the largest CIT payers and tax capital groups are required to submit to the minister competent for economy-related matters (currently this task rests with the Minister of Economic Development, Labour and Technology) an annual report on the payment dates in commercial transactions carried out. In principle, the reports must be submitted by 31 January annually. The first report, covering 2020, should be prepared by 1 February 2021.

Failure to submit the report as well as hindering or preventing timely performance of the reporting duty may result in a fine imposed on the head of the entity (usually members of the board).

Information provided in the report will be made publicly available.

More details can be found below.

Who needs to submit the report?

The reports must be submitted by the heads of entities (i.e. the management board in companies and general partners managing the affairs of the partnership in limited joint-stock partnerships) specified in Article 27b(2) of the CIT Act, i.e.:

- taxpayers (other than tax capital groups) who in the previous financial year exceeded the equivalent EUR 50 million in revenues, converted into PLN at the average exchange rate of EUR announced by the National Bank of Poland on the last business day of the calendar year;
- tax capital groups (regardless of the revenue earned).

Importantly, for tax capital groups, the reports must be submitted by the head of each entity forming the group.

Scope of the report

The report must include:

1. company's name and tax identification number;
2. the value of payments received in the previous year within a period:
 - not exceeding 30 days
 - from 31 to 60 days
 - from 61 to 120 days
 - exceeding 120 days
 – elapsed from the date of issue of an invoice or a receipt confirming that a delivery was made, or a service was rendered;
3. the value of payments made in the previous year within a period:
 - not exceeding 30 days
 - from 31 to 60 days

- from 61 to 120 days
- exceeding 120 days

– elapsed from the date of issue of an invoice or a receipt confirming that a delivery was made, or a service was rendered;

4. the value of payments not received in the previous calendar year by the date specified in the contract and its percentage share in the total value of payments due to this entity in that year;
5. the value of payments not made in the previous calendar year by the date specified in the contract and its percentage share in the total value of payments due from this entity in that year.

Under the interim provisions, the reports submitted in 2021 should also include information on payments made in transactions concluded before 1 January 2020.

Method of report submission

The first report must be submitted by 1 February 2021, via electronic form available at: www.biznes.gov.pl

It must be authenticated with a qualified electronic signature or a trusted signature.

How can KPMG assist you?

Because the possible fines may be severe and given that the process of collecting and verifying data on payments is not only strenuous but time consuming, KPMG would like to offer you its assistance in preparing the report.

Our aid would cover:

- determining the scope of transactions and payments, considering the methods of concluding the contract, origin of contractors, transactions with related entities and reporting periods;
- establishing the rules for including certain types of payments in the report;
- determining the effectiveness of contractually defined payment

deadlines, in particular in transactions with SMEs;

- determining the correct payment deadlines for transactions subject to the reporting obligation;
- resolving other issues arising from the specific nature of the company's operations;
- completing and submitting the appropriate report following the analysis performed.

We also provide a dedicated electronic tool for ongoing monitoring of compliance with the Act on Reducing Payment Backlogs and the process of handling purchase invoices for effective management of the organization's payment practices.

If you would like to learn more about the ways we can assist you, please do not hesitate to contact us at: mampytanie@kpmg.pl

KPMG offices

Warsaw

ul. Inflancka 4a
00-189 Warsaw
Tel. : +48 22 528 11 00
Fax: +48 22 528 10 09
kpmg@kpmg.pl

Gdańsk

al. Zwycięstwa 13a
80-219 Gdańsk
Tel. : +48 58 772 95 00
Fax: +48 58 772 95 01
gdansk@kpmg.pl

Kraków

ul. Opolska 114
31-323 Kraków
Tel. : +48 12 424 94 00
Fax: +48 12 424 94 01
krakow@kpmg.pl

Katowice

ul. Francuska 36
40-028 Katowice
Tel. : +48 32 778 88 00
Fax: +48 32 778 88 10
katowice@kpmg.pl

Poznań

ul. Roosevelta 22
60-829 Poznań
Tel. : +48 61 845 46 00
Fax: +48 61 845 46 01
poznan@kpmg.pl

Łódź

ul. Składowa 35
90-127 Łódź
Tel. : +48 42 232 77 00
Fax: +48 42 232 77 01
lodz@kpmg.pl

Wrocław

ul. Szczytnicka 11
50-382 Wrocław
Tel. : +48 71 370 49 00
Fax: +48 71 370 49 01
wroclaw@kpmg.pl



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

© 2020 KPMG Tax M. Michna sp. k., a Polish limited partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

kpmg.pl