

# Poland/Polska\*

## INTRODUCTION

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### General

<i>Capital/Other major cities:</i>	Warsaw/Lódz, Kraków, Wrocław, Poznan, Gdansk
<i>Area:</i>	312,685 km <sup>2</sup>
<i>Population:</i>	38.54m
<i>Language:</i>	Polish
<i>Currency:</i>	Polish zloty (PLN)
<i>Country telephone code:</i>	48
<i>National holidays:</i>	
– 2006	1 Jan, 16–17 Apr, 1, 3 May, 10 Jun, 15 Aug, 1, 11 Nov, 25–26 Dec.
– 2007	1 Jan, 8–9 Apr, 1, 3 May, 7 Jun, 15 Aug, 1, 11 Nov, 25–26 Dec.
<i>Business hours:</i>	09:00–17:00 (Mon–Fri)
<i>Banking hours:</i>	08:00–16:00 (Mon–Fri)
<i>Stock exchange:</i>	Warsaw Stock Exchange
<i>Price index:</i>	WIG20 Index
<i>Total return index:</i>	WIG Index

### Government

#### **Legislature**

- Parliamentary republic with a bicameral National Assembly (Zgromadzenie Narodowe) composed of the Lower House and the Senate.
  - Lower House (Sejm) – 460 members elected via proportional representation for four-year terms.
  - Senate (Senat) – 100 members elected via majority vote on a provincial basis for four-year terms.
- The president is elected every five years.
- Poland joined the EU in May 2004.

#### **Head of state**

- Lech Kaczynski, president since 23 December 2005.

#### **Political leader**

- Jaroslaw Kaczynski, PM since 10 July 2006.
- Head of a majority coalition government composed of his conservative Law and Justice Party, the left-wing Self-Defence Party, the right-wing League of Polish Families.

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\* Please note that rules and regulations and market practice are evolving rapidly. As a result, they may diverge from the formal regulatory framework described in this country profile and their interpretation may differ accordingly. If you are planning any business activity in the country, we would recommend that you seek independent advice on the latest market and regulatory developments as well as legal and tax advice.

**Economy**

	2000	2001	2002	2003	2004	2005			2006	
						Q2	Q3	Q4	YEAR	Q1
Exchange rate* (PLN/USD)	4.3461	4.0939	4.0800	3.8891	3.6576	3.2776	3.2938	3.2930	3.2355	3.1857
Interest rate* (MMR) (%)	18.16	16.23	9.39	5.76	6.0	5.6	4.8	4.4	5.3	4.3
Consumer inflation** (%)	+ 10.1	+ 5.5	+ 1.9	+ 0.8	+ 3.6	+ 2.3	+ 1.4	+ 0.9	+ 2.1	+ 0.7
Unemployment (%)	13.9	16.2	17.8	19.9	19.4	18.8	17.7	16.7	17.8	17.9
GDP volume growth** (%)	+ 4.2	+ 1.1	+ 1.4	+ 3.9	+ 5.3	+ 1.2	+ 3.5	+ 4.9	+ 3.2	+ 5.0
GDP (PLNbn)	745	779	808	842	922	-	-	-	968	-
GDP (USDbn)	171	190	198	217	252	-	-	-	299	-
GDP per capita (USD)	4,433	4,927	5,128	5,611	6,538	-	-	-	7,756	-
BoP (goods/services/income*) as % GDP	- 7.2	- 4.3	- 4.2	- 4.1	- 6.4	-	-	-	- 3.8	-

\* Period average.

Source: *International Financial Statistics*, IMF July 2006.**Sectoral distribution of GDP (% of GDP)**

- Agriculture 5%
- Industry 31.1%
- Services 64% (2005 estimate)

## COUNTRY CREDIT RATING

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Fitch Ratings rates Poland's issuer credit as:-

<b>Term</b>	<b>Local Currency Rating</b>	<b>Foreign Currency Rating</b>
Short	-	F2
Long	A	BBB +
<b>Long term rating alert</b>	Outlook Positive	

Source: [www.fitchratings.com](http://www.fitchratings.com) August 2006

## LEGAL AND REGULATORY

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### **Central bank**

- The National Bank of Poland (NBP) is an independent legal entity that operates in accordance with the Constitution of the Republic of Poland, the Act on the National Bank of Poland and the Banking Act of 1997. Its main task is to ensure price stability.

### **Bank supervision**

- The Commission for Banking Supervision supervises the banking sector within Poland, of which the executive agency, the General Inspectorate of Banking Supervision, operates autonomously within the NBP.

### **Resident/Non-resident status**

- A resident company is a company that has its registered office in Poland.

### **Bank accounts**

- Foreign exchange accounts and domestic currency (PLN) accounts can be held by residents both domestically and abroad, although prior approval from the NBP is required for resident accounts in countries outside the EU, EEA or OECD. In addition, all residents with accounts abroad must provide the NBP with quarterly balance reports.
- Non-resident bank accounts are permitted in Poland, denominated in either domestic or foreign currency. Non-resident holdings in domestic currency are convertible into foreign currency.
- Interest can be offered on current and time deposit accounts.

### **Reporting**

#### **Reporting regulations**

- Reporting regulations require all transactions between residents and non-residents and transactions made on non-resident accounts to be reported to the NBP. Information on the reasons behind the transaction is not required for transactions below EUR 12,500.
- Residents holding foreign exchange accounts abroad must also notify the NBP and provide the necessary documentation in addition to submitting balance reports on a quarterly basis. Natural persons who stay abroad temporarily are exempt as long as balances on these accounts at the end of a given quarter do not exceed EUR 10,000 and these accounts are maintained no more than two months after their return to Poland.

#### **Reporting method**

- Banks undertake the reporting on behalf of their corporate clients.
- However, the accuracy of all reported information is ultimately the resident's responsibility.
- Most transactions are reported on a monthly basis by resident banks.
- However, information on resident accounts abroad has to be reported directly by the resident.

### **Anti-money laundering / Counter-terrorist financing\***

- Poland has implemented the relevant EU anti-money laundering legislation ('Act on Counteracting Introduction into Financial Circulation of Property Values derived from Illegal or Undisclosed Sources' of 2000, most recently amended in 2004).
- Poland has established a financial intelligence unit (FIU), the General Inspectorate of Financial Information (GIIF), which is a member of The Egmont Group.
- Financial institutions in the broadest sense are required to report suspicious transactions to GIIF.
- Account opening procedures do not explicitly require formal identification of the account holder.
- All credit and financial institutions have to identify clients for transactions exceeding EUR 15,000.

\*Supplied by BCL Burton & Copeland ([www.burtoncopeland.co.uk](http://www.burtoncopeland.co.uk) for background explanatory article). Data as at May 2005.

### **Exchange controls**

- The Polish zloty (PLN) is Poland's official currency.
- The exchange rate is independently floating and is calculated via supply and demand in the foreign exchange market.
- The authority to alter Foreign Exchange Law belongs to Parliament. These regulations are made known to the public by the Ministry of Finance (MOF) and the President of the NBP.
- Exchange controls are applied by the NBP
- Funds exceeding EUR 10,000 are required to be transferred via a bank account.

- Capital flows (including account opening, investment and borrowing) to and from the EU, the EEA and OECD countries are fully liberalised.
- Capital flows (including account opening, investing and borrowing) involving so-called third countries (i.e. countries outside the EU, EEA or OECD) are still subject to NBP authorisation. However, there are exceptions for 'third countries' with which Poland has ratified agreements on the mutual promotion and protection of investments.
- There are restrictions on commercial and financial credits involving residents and non-residents from outside the EU, EEA or OECD and on the import and export of cash.

## TAXATION\*

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### **Resident/Non-resident**

- According to the Polish Corporate Income Tax Law, a company is considered resident if its seat or place of management is located in Poland.

### **Tax year**

- The tax year is usually the calendar year unless the taxpayer resolves otherwise and communicates this decision to the competent tax office.
- Taxpayers are required to submit, without prior summons, monthly Corporate Income Tax ('CIT') returns in a standard form on the amount of income (losses) obtained from the beginning of the tax year, and to pay monthly advances corresponding to the difference between the tax payable on income earned from the beginning of the tax year and the sum of advances paid for the preceding months. A taxpayer may also choose to simplify the system by making advance payments which are equal to 1/12th of the taxpayer's Corporate Income Tax for the year n-2 (or for the year n-3 if no corporate income tax was payable for the year n-2). In such a case there is no need to submit monthly tax returns. Most probably, as of 1 January 2007 simplified advance payments will be abolished. Moreover, taxpayers will be released from filing monthly tax returns and will only be obliged to calculate and remit monthly tax advances.
- Taxpayers are obliged to submit annual reports on predefined forms as to the amount of income (loss) attained in the tax year, by the end of the third month of the following year. During that time they are required to pay the tax due, or the difference between the tax due on income disclosed in the report and the sum of advance instalments for the period from the beginning of the year. Taxpayers are also obliged to submit to the competent tax office annual audited financial statements within ten days of the date of approval of the financial statements by the competent authority within the company.

### **Corporate taxation**

- Resident companies are liable to corporate income tax at a rate of 19% on their total income, irrespective of the source of earnings. If a company does not have its seat or place of management in Poland, it is liable to tax only with respect to income earned in the territory of Poland.

### **Advance tax ruling availability**

- As of 1 January 2005 regulations have been introduced, according to which taxpayers can apply for binding rulings. Although at present it is not clearly stipulated in the tax regulations, in practice binding rulings apply to both already executed and planned transactions. Most probably, as of 1 January 2007, provisions will clearly specify that binding rulings may also be obtained for planned transactions.

### **Thin capitalisation**

- Poland operates thin capitalisation provisions with a debt/share ratio restriction of 3:1. Any excess interest is not tax deductible.
- Thin capitalisation restrictions are applicable to interest on loans as well as debt securities, irregular deposits and bank accounts.
- Polish bank debt, guaranteed by a parent company, does not fall within the thin capitalisation rules.

### **Transfer pricing**

- Polish transfer pricing legislation operates by reference to the arm's length principle and follows OECD guidelines. The arm's length principle is applied to transactions between related entities if one is Polish and the other a foreign taxpayer and one participates in the control of the other or a third company participates in the control of both.
- Polish transfer pricing regulations can also apply to transactions concluded between domestic related entities.
- The tax authorities have the power to require taxpayers to submit transfer pricing documentation relating to transactions with related parties or entities located in tax havens within seven days.
- The reporting requirement only applies to transactions whose aggregate amount as specified in the contract, payable or actually paid in the tax year exceeds certain monetary thresholds.

## Capital gains tax

- Chargeable capital gains are calculated by deducting costs and expenses of sale from sale proceeds and are taxed in the same way as other income. There is no indexation allowance. If the sales price differs substantially from market value, tax authorities may require an independent expert valuation.
- Capital losses are deductible from standard business income.

## Tax on civil law transactions (Stamp duty)

- The sale or exchange of goods and property rights, loan agreements, surety ship agreements and company agreements (increase of share capital) are subject to tax on civil law transactions (TCLT – stamp duty).
- In Poland, civil law transactions are subject to TCLT only if:
  - (i) the objects which are the subject of the transaction are located in Poland;
  - (ii) the property rights which are the subject of the transaction are executable in Poland; or
  - (iii) objects or property rights are located/executable abroad but the acquirer has its place of residence or its registered seat in Poland and the transaction is concluded in Poland.
- Transactions are not subject to TCLT if at least one party to the transaction is, by the virtue of this transaction, subject to Polish VAT or VAT exempt.
- TCLT law provides for exemptions from TCLT in respect of, *inter alia*, (i) loans granted by entrepreneurs not having their seat or place of management in the territory of Poland and those carrying on activity in the field of crediting and granting loans, (ii) shareholder loans and (iii) loans used to start or carry out business activities. Most probably as of 1 January 2007, the last two exemptions will be abolished.
- The tax rates are:
  - on the sale of immovable property, movables, right of perpetual usufruct – 2%;
  - on sale of other property rights – 1%;
  - loan agreements – 2%; and
  - on company agreements (increases of share capital) – 0.5%.

## Withholding tax (subject to tax treaties)

Payments to:	Interest	Dividends	Royalties	Other income
Resident Companies	–	19%	–	–
Non-resident Companies	20%	19%	20%	20%

- Subject to the relevant double tax treaty, withholding tax of 20% is levied on income earned by non-residents from interest, copyrights, trademarks and know-how (including proceeds from the sale of the property rights). In case of payments made to EU companies, if certain conditions are met, the 20% withholding tax is reduced to 10% (from 1 July 2009 – to 5% and from 1 July 2013 – 0%).
- Income from interest and royalties paid by Polish company to another Polish company is not subject to withholding tax but is taxed on a general basis at a 19% CIT rate.
- Withholding tax of 19% is levied on dividends and other returns from participating in profits, derived by both resident and non-resident companies (unless a relevant double tax treaty provides otherwise). This includes income from the redemption of shares or income received in connection with a liquidation of a corporate entity, income allocated to increase the initial capital or equity, as well as income representing the equivalent of funds contributed to this capital originating from other capital of a corporate entity.
- Dividends paid to EU companies are not subject to Polish withholding tax provided that the parent company holds at least a 20% shareholding in the Polish company for an uninterrupted period of at least two years (the minimum shareholding requirement is to be reduced to 15% from 1 January 2007 and to 10% from 1 January 2009). The exemption also applies to distributions on redemption and liquidation proceeds.
- Most probably, as of 1 January 2007, under certain conditions (2 years holding period and 15% shareholding) dividends paid by Polish entity to another Polish entity will not be subject to withholding tax and will be exempt from tax at the recipient level (from 1 January 2007, the required shareholding will be reduced to 10%).

- Unless a relevant double tax treaty provides otherwise, payments made to non-residents for the following services: consulting, accounting, market research, legal, commercial, management and control, data processing, human resources, guarantees and other of a similar character are also subject to withholding tax at the 20% rate. Withholding tax of 20% is also levied on income earned by non-residents from entertainment and sporting activities. Moreover, withholding tax of 10% is levied on income arising from non-resident maritime enterprises using Polish ports for the transportation of goods and/or passengers, and on income earned in Poland by non-resident air transport companies. Income from the aforementioned services received by resident companies is not subject to withholding tax but is taxed on a general basis at a 19% CIT rate.

### **Tax treaties**

- Poland has signed double tax treaties with some 80 countries. Most of the treaties signed by Poland are based on the OECD Model Tax Convention.
- Tax treaties reduce withholding tax to 0–15%.
- To benefit from withholding tax reductions, a certificate of residency is required.

### **Sales taxes/VAT (incl. financial services)**

- All resident legal entities are subject to VAT, as are non-residents who sell, import or export goods and/or services on Polish territory. All companies with a turnover exceeding EUR 10,000 must register for VAT. The standard rate of VAT is 22%, and a reduced rate of 7% applies to certain goods and machines used in agriculture and forestry, health care appliances, transportation services, certain children's articles and building materials. Exports are zero-rated. Certain goods and services, including insurance and banking, are exempt from VAT.
- Input VAT is recoverable by offsetting it against output VAT or by refunding it to taxpayer's account.

### **Payroll and social security taxes**

- Aggregate social security contributions of 35.87% to 38.57% of base salary are payable by employers and employees. Employer contributions vary between 17.16 to 19.86% and are payable at the rates shown below for 2005.

Fund	Employer contribution (% of base salary)
Pension	9.76
Disability	6.50
Accident	0.90 – 3.60

- Additionally, employers are also required to contribute 2.45% of employees' wages to the labour fund to cover unemployment and 0.10% to the fund to cover unpaid wages. The contributions are deductible for corporate tax purposes.

\*All tax information supplied by Deloitte & Touche ([www.deloitte.com](http://www.deloitte.com)). Data as at 1 May 2006.

## BANKING

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### Major banks

Bank	Total assets (USDm) 31 Dec. 2005
PKO Bank Polski	27,730
Bank Pekao	19,025
Bank BPH	17,782
ING Bank Slaski	12,920
Bank Handlowy w Warszawie	10,029
BRE Bank	9,249
Bank Zachodni WBK	8,652
Bank Millennium	7,081
Kredyt Bank	6,420

Source: [www.bankersalmanac.com](http://www.bankersalmanac.com)

### Overview

- There are currently 58 commercial banks and around 592 co-operative banks, in addition to approximately 14 branches of foreign banks and 19 representative offices of foreign banks in Poland.
- Around 75% of the banking sector's total assets belong to ten banks.
- The Polish banking sector is relatively overbanked with many co-operative banks lacking in capital.
- However, the Polish banking sector has diminished significantly in size over the years due to consolidation and, above all, numerous co-operative bank closures.
- In 2001, a merger took place between two banks majority-owned by Allied Irish Banks, Bank Zachodni and Wielkopolski Bank Kredytowy, forming Bank Zachodni WBK.
- Consolidation has also taken place in recent years e.g. Citibank's acquisition of Bank Handlowy w Warszawie (the latter is now also known as Citibank Handlowy), the merger between ING Bank's Warsaw Branch and Bank Slaski SA to form ING Bank Slaski, and the merger between two HypoVereinsbank-controlled banks – Powszechny Bank Kredytowy and Bank Przemyslowo-Handlowy – to form Bank Przemyslowo-Handlowy PBK. In January 2004, Bank Przemyslowo-Handlowy PBK (now known as Bank BPH) then merged with Spoldzielczy Bank Rozwoju Samopomoc Chlopska.
- In addition, 400 local co-operative banks merged under the name of Bank Polskiej Spoldzielczosci.
- Around 80% the banking sector in Poland is currently under foreign ownership.
- However, Poland's largest bank in terms of total assets, PKO Bank Polski, is state-controlled.

## PAYMENT INSTRUMENTS

### Payment statistics

	Millions of			Traffic		
	transactions	% change		(PLN billion)	% change	
	2003	2004	2004/2003	2003	2004	2004/2003
Cheques	1.7	0.4	-76.0	11.9	0.7	-94.0
Credit transfers	619.8	726.6	17.2	1,833.8	2,001.0	9.1
Direct debits	4.4	7.5	70.2	4.9	6.7	36.9
Debit card payments	103.2	147.2	42.7	12.5	17.4	39.6
Credit card payments	52.5	54.2	3.3	8.6	8.8	3.0
<b>Total</b>	<b>781.5</b>	<b>936.0</b>	<b>19.8</b>	<b>1,871.7</b>	<b>2,034.7</b>	<b>8.7</b>

Source: ECB Blue Book statistical update, March 2006.

### Credit transfers

- The credit transfer is the dominant cashless payment instrument in Poland, both in terms of volume and value.
- Credit transfers can be paper-based or automated. However, despite the increase in the use of electronic credit transfers, the majority of credit transfers remain paper-based.
- Credit transfers in PLN and EUR below the equivalent of PLN 1 million are processed via ELIXIR. Paper-based transfers are cleared via ELIXIR using image technology (IMBIR). Those above the equivalent of PLN 1 million are cleared directly via SORBNET.

### Direct debits

- Direct debit usage has increased rapidly over recent years, although it is still very limited.
- A new direct debit system, called GOBI (Business-to-Business Direct Debit), for the clearing of high-value direct debits (i.e. above the PLN equivalent of EUR 50,000) was introduced in October 2003. However, the new system is based upon voluntary interbank agreements, and some banks have declined to participate. GOBI processed its first transaction in March 2005. At the end of May 2006, only nine banks were technically prepared to offer GOBI and only 341 transactions had been processed since its introduction.
- Until the introduction of GOBI, direct debits could only be set up for transactions up to the PLN equivalent of EUR 1,000 for individuals and transactions up to EUR 50,000 for corporate and non-private debtors.

### Cheques

- Cheque usage is low and has been in decline over recent years in favour of electronic payment instruments (particularly payment cards).
- Cheques are of little importance commercially and banks do not readily cash in cheques of non-customers.
- Although the cashier's cheque is a popular method of payment, it is classed as a cash payment under Polish law.

### Card payments

- The usage of payment cards has increased rapidly over recent years.
- A significant majority (99%) of cards issued are Visa or MasterCard payment cards.
- Card payments are processed via several servicing centres, including PolCard, a company established by Polish banks in 1990. Approximately 40 banks and financial institutions currently use PolCard services.
- Bank Pekao and Bank Zachodni WBK have their own proprietary payment card processing centres.
- The availability and usage of ATMs has increased steadily in recent years. There are two main networks:
  - The national PolCard ATM network, created by the merger of 15 independent bank networks, and
  - the Bankomat 24/Euronet-operated network, which accepts both international and domestic payment cards.

- At the end of 2005, there were over 20 million cards in circulation, and 8,776 ATM terminals operating in Poland.

### ***Postal instruments***

- The Post Office processes postal transfers, cash payments into bank accounts, in addition to numerous pension payments and disability allowances.
- Money transferred between individuals without bank accounts is processed via postal transfer.

## PAYMENT SYSTEMS

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### Type

- The Polish payment system is composed of:
  - SORBNET (System for Bank Accounts Servicing), the national RTGS system operated by the NBP, which has been linked to TARGET since March 2005, and
  - ELIXIR, an electronic net settlement system for retail payments operated by the National Clearing House (KIR).
- KIR is owned by the NBP, Polish Bank Association and the leading commercial banks in Poland and operates 17 regional centres.

### Participants

- SORBNET currently has around 55 direct participants, which include both domestic and foreign commercial banks, the NBP, the National Clearing House (KIR) and the National Depository for Securities. The new TARGET-linked SORBNET-EURO system (see Transaction types processed) has around 38 participants (including KIR SA, the National Depository for Securities and 36 banking institutions).
- ELIXIR currently has approximately 54 direct participants, including the NBP, and five indirect participants. The Euro-ELIXIR system has 34 direct participants (including the NBP) and 6 indirect participants.

### Transaction types processed

- SORBNET settles high-value credit transfers above PLN 1 million and performs the final settlement of net balances originating from transactions cleared in ELIXIR. Since 7 March 2005, SORBNET has also been able to clear EUR payments via a complementary RTGS system called SORBNET-EURO, which is linked to TARGET via the intermediary of the Bank of Italy's RTGS system, BI-REL
- ELIXIR clears electronic and paper-based credit transfers below PLN 1 million, direct debits and all cheque payments. On 7 March 2005, ELIXIR also began to clear transactions in EUR via its new sub-system, Euro-ELIXIR.

### Operating hours

- SORBNET operates between 07:30 and 18:00 CET.
- ELIXIR operates 24 hours a day.

### Clearing cycle details

#### **SORBNET**

- SORBNET settles transactions individually in real time and with immediate finality.
- Payment instructions are submitted to the NBP's Payment System Division (PSD) in EDIFACT format via the TELBANK network, or alternatively the bank is required to submit payment instructions via the internet or floppy disk.
- Paper-based items delivered by customers are converted into an electronic format. Payment instructions issued by banks on paper or by fax are required to be sent to the PSD via the KIR.
- Settlement takes place via the participants' accounts held at the NBP.

#### **ELIXIR**

- Payment instructions are transmitted electronically via the TELBANK network or floppy disk.
- Only a minority of banks can process transactions with same-day value.
- ELIXIR has three clearing sessions (at 18:30–09:30, 10:00–13:30 and 14:30–18:00 CET) and three settlement cycles per day (at 10:30–11:00, 14:30–15:00 and 17:00–17:30 CET) for credit transfers.
- Debit transfers are settled during the final session (17:00–17:30 CET).
- Final net settlement takes place on an end-of-day basis via SORBNET across accounts held at the NBP. Final settlement of all EUR-denominated low-value/non-urgent transactions are effected via SORBNET-EURO.
- SYBIR, the country's former paper-based clearing system, was closed on 30 June 2004. All paper-based credit transfers and cheques are now electronically processed in ELIXIR using the optical scanning service, IMBIR. Alternatively, banks may scan them in their own processing centres. The exchange of cheques and paper-based credit transfers between banks is handled by the Post Office.

## CASH MANAGEMENT

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### **Domestic**

#### **Notional pooling**

- Notional pooling is permitted but not widely offered, largely because banks are not permitted to offset credit and debit balances on their balance sheets.
- Notional pooling between different legal entities is also subject to a stamp duty ranging from 0.1% to 2.0%.
- Notional pooling lacks a clear legal framework in Poland.

#### **Cash concentration**

- Most companies prefer to manage their liquidity via cash concentration (particularly via zero-balancing).
- Cash concentration is permitted, although all accounts should be denominated in PLN.
- Cash concentration involving different legal entities is subject to stamp duty.
- Implementing cash concentration solutions requires independent legal advice as the legal status of cash concentration remains uncertain.

### **Cross-border**

- Cross-border sweeping is permitted but not widely offered as a result of exchange controls (when involving non-resident from countries outside the EU, EEA or OECD), legal uncertainty and stamp duty.

### **Lifting fees**

- Banks do not apply lifting fees on funds transfers between resident and non-resident accounts but apply item-based charges in accordance with the banks' terms and conditions and the overall relationship.

### **Short-term investments**

- Interest can usually be earned on current accounts.
- Time deposits are the most frequent method of short-term investment and usually have maturities of one, three or six months, or one, two or three years.
- Treasury bills are particularly popular among institutional investors and are issued by the Ministry of Finance at weekly auctions with maturities of usually two, three, six and twelve months. Bills with maturities of two, four or six weeks are also occasionally issued.
- NBP bills are issued to money market dealers (banks) by the National Bank of Poland in order to control the banking sector's liquidity.
- Commercial paper is offered by companies and usually issued to domestic investors.
- Offered by commercial banks, certificates of deposit (CDs) are short-term promissory notes and cannot be resold.
- Repos on Treasury bills are available from Poland's leading banks but are seldom used.

## **ELECTRONIC BANKING**

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- Electronic banking is increasingly widespread in Poland.
- While there is no formal bank-independent standard, the popular MultiCash standard platform is has become a 'de facto' standard. It offers companies bank-independent balance reporting in addition to both domestic and cross-border transaction initiation services.
- Offered by most banks in Poland, internet banking services are also popular, particularly among retail clients. Corporate usage has increased significantly.

## TRADE FINANCE

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### **Trading partners**

#### **Import**

- Germany 29.6%, Russia 8.7%, Italy 6.5%, Netherlands 5.9%, France 5.7%.

#### **Export**

- Germany 28.2%, France 6.2%, Italy 6.1%, UK 5.6%, Czech Republic 4.5%, Russia 4.4%, Netherlands 4.2%.

### **Imports/Exports**

Poland applies the European Union customs code and all associated regulations and commercial policies.

## USEFUL CONTACTS

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National Bank of Poland		<a href="http://www.nbp.pl">www.nbp.pl</a>
Leading banks	PKO Bank Polski	<a href="http://www.pkobp.pl">www.pkobp.pl</a>
	Bank Pekao	<a href="http://www.pekao.com.pl">www.pekao.com.pl</a>
	Bank BPH	<a href="http://www.bph.pl">www.bph.pl</a>
Polish Bank Association		<a href="http://www.zbp.pl">www.zbp.pl</a>
Ministry of Finance		<a href="http://www.mf.gov.pl">www.mf.gov.pl</a>
Ministry of Economy and Labour		<a href="http://www.mgip.gov.pl">www.mgip.gov.pl</a>
Ministry of the Treasury		<a href="http://www.msp.gov.pl">www.msp.gov.pl</a>
Poland Import Export Chamber of Commerce		<a href="http://www.chamberofcommerce.pl">www.chamberofcommerce.pl</a>
Polish Information and Foreign Investment Agency		<a href="http://www.paiz.gov.pl">www.paiz.gov.pl</a>
Warsaw Stock Exchange		<a href="http://www.gpw.com.pl">www.gpw.com.pl</a>
National Clearing House		<a href="http://www.kir.com.pl">www.kir.com.pl</a>
PolCard		<a href="http://www.polcard.pl">www.polcard.pl</a>

## HSBC CONTACT DETAILS

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