

Branch office

Foreign entrepreneurs may set up a branch office in Poland to carry out business activity. The rights of foreign entrepreneurs depend on whether Polish entrepreneurs abroad enjoy equivalent rights under international agreements (the principle of reciprocity), and on whether any international agreements ratified by Poland provide otherwise.

1. Objects of business activity

The business activity of a branch office must overlap with that of a foreign entrepreneur. However, its objectives do not have to be as extensive as those of the foreign entrepreneur's business activities carried out abroad. In other words, the business pursued by a branch office may constitute only a portion of the entire business operations run by the foreign entrepreneur.

2. Entry in the Register of Entrepreneurs

A branch office may conduct business after it's been entered in the Register of Entrepreneurs. The manner of registration is set forth in the Law of 20 August 1997 in the National Court Register (Journal of Laws, No 121, item 769 as amended). Apart from complying with the requirements of the above-mentioned law, the foreign entrepreneur must meet the following formal requirements in order to be entered in the Register of Entrepreneurs. They must:

- disclose the name and address in Poland of the person authorized to represent the foreign entrepreneur in the branch office;
- attach a notarized signature of the person authorized to represent the foreign entrepreneur in the branch office;
- If he or she operates on the basis of a founding deed, the articles of association or statutes must be placed in the registration files of a branch office together with a sworn translation into Polish. If the foreign entrepreneur sets up more than one branch office in Poland, this document only needs to be filed with one branch office, provided copies are in the files of any other branch offices along with an identification of the Court which holds such files and the number of the Registry division;

if the entrepreneur exists or operates pursuant to an entry in a commercial register in the country in which that business is registered - he or she must place an excerpt from said register, along with its sworn translation into Polish, in the registration files of the Polish branch office. If a foreign entrepreneur sets up more than one branch office in Poland, these documents only need to be placed in the registration files of one branch office, provided that copies are placed in the registration files of any other branch offices along with an identification of the Court in which such files are kept and the number of the Registry division.

3. Obligations of a branch office

A branch office is obliged to:

- use the name of the foreign entrepreneur in the language of the country in which his registered office is located, together with the Polish translation of the entrepreneur's legal form of operation and with the phrase "oddział w Polsce";
- keep separate books in Polish in accordance with the provisions of Polish accountancy laws (see below);
- notify the Minister of the Economy of any factual and legal changes, (such as the winding-up of the foreign operator establishing the branch office or forfeiture of his right to conduct business activity or possess property) within 14 days following the occurrence of such changes.

The obligations referred to above are the same as for Polish businesses.

Accounts may also be kept in accordance with requirements applicable in the entrepreneur's country of residence. Polish law requires, however, that a branch office maintain separate accounts in accordance with the provisions of the Accountancy Law of 29 September 1994.