

Legal Alert

Warsaw, 23 Feb 2023



NEW REPORTING OBLIGATIONS OF REAL ESTATE COMPANIES

As this is only the second year when real estate companies must disclose their shareholding structures, we thought you might be interested in a brief overview of the new obligations.

What is a real estate company?

The Polish CIT Act defines real estate companies as those meeting the following criteria:

- at least **50%** of the balance sheet value of their assets is linked to real estate located in Poland;
- the balance sheet value of such real estate exceeds **PLN 10 million**; and
- over **60%** of their revenue comes from real estate, real estate rights, and shares in other real estate companies.

New companies are assessed based on market value rather than balance sheet value.

What information should be reported and by whom?

Real estate companies must disclose their entire shareholding structures (without limitations or thresholds). Notably, the reporting obligations also apply to taxpayers holding – whether directly or indirectly – at least **5%** of shares or rights in a real estate company.

Should you disclose the entire structure of a capital group?

The scope of disclosure can give rise to many doubts, especially when it comes to reporting the shareholding structure of a capital group. This uncertainty is further compounded by the Ministry of Finance's plan to publicise the data it collects. As such, deciding how much information to disclose should be carefully considered on a case-by-case basis to balance the risks involved.

What can we do for you?

We have assisted some of the largest real estate companies on the Polish market in successfully navigating the complex maze of Polish tax regulations, and we can do the same for you.

In particular, we can:

- assess whether your company meets the legal definition of a real estate company;
- share our recommendations on the required level of detail when reporting the structure of a capital group;
- propose tailored solutions aimed at balancing the risks involved in making such disclosures;
- prepare real estate reports; and
- assist you in discharging the reporting obligations.

How to get in touch with us?

You can find our contact details below. Please do not hesitate to reach out – we are ready to help.



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Penteris is pleased to welcome the newest member of our team, Piotr Prokocki, who joins us as our new Head of Tax.

Piotr is a tax advisor and legal counselor with more than 10 years of experience gained in international consulting and accounting firms and major Polish law firms. He also worked as the in-house head of the tax department at a medical manufacturing company. He specializes in comprehensive tax services for merger and acquisition transactions. He develops tax-efficient and tax-safe structures for financing transactions, withdrawal of capital and distribution of profits. Advises on reorganizations and consolidations of capital groups. He supports clients in tax planning and selection of tax-efficient business structures. He is an expert in the area of international tax issues. He has completed many projects and has extensive experience in the area of transfer pricing.