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# Your American

## On-line resources to AmCham

Check out our revamped website, with enhanced functionality including intuitive grouping of topic threads and multimedia coverage of our events!

**MEMBERS** This link includes access to AmCham community news, the member directory, information on how to become a member, and a list of companies and individuals who have received AmCham awards.

**EVENTS** The link Upcoming Events will take you to announcements of our future events. Past Events will take you to our events archive, which includes photo and multimedia coverage of selected events.

**COMMITTEES** AmCham's 13 committees are the heart of the organization, providing a forum for business leaders with similar interests to network, share best practices, and discuss relevant topics and issues. This enables active participation and input on matters of vital importance to members. The link will take you to a pop-up menu to choose the committee of interest to you.

**MEDIA** This link will take you to five databases: AmCham in the Press is a database of press clippings about AmCham in Poland. It will take you to a pdf version of our print quarterly, *American Investor*, in-

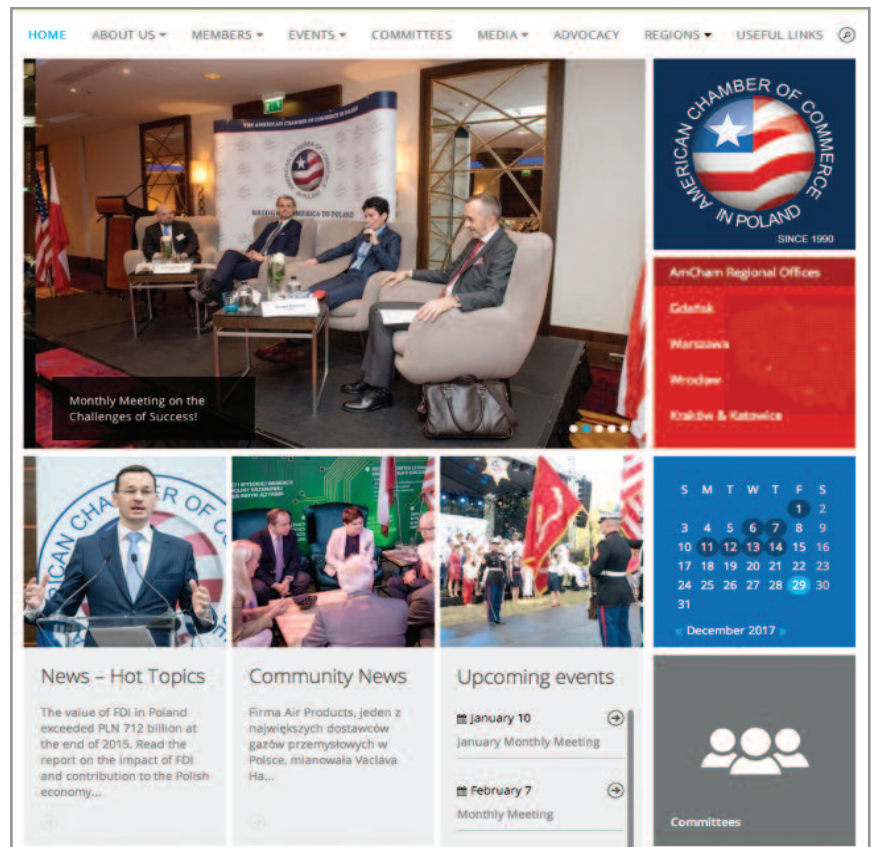
cluding the most recent edition as well as archives of past issues. Video Clips will take you to multimedia coverage of selected AmCham events. AmCham Media Contacts provides contact information for members of the media. Galleries will take you directly to the vast archive of photo coverage of our events.

**ADVOCACY** This link will take you to the archive of our position papers, policy statements, official letters to government ministers, and research papers.

**REGIONS** Apart from Warsaw, AmCham has three regional branches, which are active all year long and offer many exciting opportunities to interface with regional business leaders and politicians. Use the Regions menu to find out more about our services in Gdańsk and northern Poland, Kraków & Katowice and southern Poland, and Wrocław and Lower Silesia.

**USEFUL LINKS** This section provides links to other important US business organizations, such as the US Chamber of Commerce and the American Chamber of Commerce to the European Union, and other organizations working for the benefit of transatlantic trade and investment relations.

What's on  
**amcham.pl**  
Your online guide to AmCham activities



*Dear AmCham Members and Friends,*

Welcome to 2018! Another exciting and challenging year is behind us, while the next one gets underway. Last year was an incredibly busy and, I believe, effective year of AmCham activities on behalf of our members undertaken for the sake of the investment climate in Poland.

AmCham engaged on a wide range of issues—court reform, ZUS limits, the Sunday trading legislation, transfer pricing, the second innovation act, the debate on the transparency in public life legislation, cybersecurity and data protection and many more. The voice of our investors has been an important part of the business and economic debate in Poland and we will continue this intensive level of engagement with the government as well as all political parties and thought leaders on the market.

We closed the year with our Annual General Meeting in December—a wonderful evening at the Westin Warsaw. It was a pleasure to host and hear from our honorary Chairman, Ambassador Paul Jones, and the Ministry of Development's Secretary of State Jerzy Kwieciński. We had the additional pleasure of Deputy Minister of Finance Paweł Gruza joining us, along with Commercial Counselor Charlie Ranado and Commercial Attache Ken Duckworth.



*Tony Housh*  
AMCHAM CHAIRMAN

In 2018 we will once again be present with the AmCham Diner at the European Economic Congress in Katowice and the Krynica Economic Forum. We are growing our roles at IMPACT in Kraków and at Kongres 590 in Rzeszów, in addition to an active plan of meetings and special events at our regional offices in Kraków, Wrocław, and Gdańsk. What is more, we are working to organize the next US-Poland Business Summit in Warsaw during the first half of 2018.

The New Year marks one hundred years since Poland regained its independence. To mark this occasion we are proud to support and participate in the KARTA project and the further digitalization of the thousands of cards signed by 5.5 million Poles on the occasion of America's 150<sup>th</sup> Independence Day. We invite you all to learn more about this initiative and its "rebirth" in 2018.

We are also working with LOT Polish Airlines on an exciting project to achieve a lower visa refusal rate and see Poland qualify for the Visa Waiver Program. This is an opportunity for our member companies to contribute to the positive response rate by seeking visas for employees that may travel to the US anytime over the next few years. Please, check with the office for more details!

This issue of *American Investor* has the 2018 outlook from Managing Director Dorota Dabrowski, a summary of our annual Charity Drive which supports orphanages and homes for single mothers throughout Poland, expert commentary, company profiles and coverage of our many events in Q4 2017. I invite you to learn more about what AmCham accomplished in 2017 and the year ahead.

Finally, it is my pleasure to welcome our newest Board member, Marcin Petrykowski of S&P Global. Welcome aboard!

I look forward to working with you all throughout the coming year!

A handwritten signature in black ink, appearing to read "Tony Housh".

# Newsline

## News from AmCham and its members

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*American Investor* is the official publication of the American Chamber of Commerce in Poland. It is a voice for foreign investors and the business community in Poland. The magazine strives to keep our members and other readers up to date by following chamber news and reporting on the leading trends in business and policy.

Letters to the editor should be e-mailed to tomasz.cwiok@amcham.pl

The photograph on the front cover: Pixabay.com

### CMS Legal

Law firm CMS advised Maxima Grupe UAB, the owner of the Maxima network of grocery stores, among others, in Lithuania, Latvia and Estonia, and a network of Aldi supermarkets in Poland, on the tender offer for the sale of 100% shares in Emperia Holding S.A. which owns the Stokrotka supermarket chain in Poland.

CMS advised on the due diligence investigation, the negotiations of the investment agreement and the preparation of documentation related to a tender offer for Emperia shares. Signing of the investment agreement marked the end of Emperia's selection of the strategic investor, which started in May last year.

Founded in 1990, Emperia is an independent chain of supermarkets operating under the Stokrotka banner. Having helped shape the Polish retail industry in Poland for the past 27 years, it operates in the retail and FMCG sector, with 410 stores in residential areas, as well as small and large shopping centers.

In other news, CMS has provided advice to Bank Gospodarstwa Krajowego in relation to financing the construction of a Courtyard by Marriott hotel in Edinburgh. The value of the project is GBP 14 million.

The hotel will be financed by three entities: Polcom Group, Fundusz Ekspansji Zagranicznej and BGK, which provides 60 percent of the financing. Polcom and FEZ, managed by PFR TFI, will take up 51 percent and 49 percent of shares respectively. Polcom has announced a further investment that may exceed the value of GBP 120 million. When it goes through it will be the largest Polish investment in the UK.

### C&W

Real estate services firm Cushman & Wakefield has raised nearly PLN 16,000 through its charity auction organized as part of an exhibition held to mark its 100-year anniversary. All the proceeds went to families in need supported by the Szlachetna Paczka Foundation. The exhibition was held in November at the Mała Warszawa art and business complex. Items auctioned included a watercolor painted during the event by **Michał Suffczyński**, a graduate in Architecture from the Warsaw University of Technology and the University of Detroit Mercy, known for his watercolor of the Panorama of the Warsaw City which he painted for C&W earlier, and which was also presented at the exhibition.

In other news, the 7<sup>th</sup> Property Forum held in Warsaw in December hosted a launch of the *Guide For Companies Providing Modern Business Services*, prepared by Cushman & Wakefield and Hays Poland in cooperation with HB Reavis and Bene. The publication presents advice on how to choose an optimum location, but also new office fit-out, legal and HR activities, and how best prepare for setting up a business services centre, leverage the location to build an attractive employer brand, make an office a key element of employee branding, retain top talent, and what current trends are affecting the office space market in Poland. The

guide also includes basic information on legal aspects of setting up a business, labour law issues, lease agreements, state aid and grants.

In other news, in 2017, Cushman & Wakefield was behind the opening of 12 new stores across Poland, which total over 9,800 square meters of floor space. The largest projects were the TK Maxx's two-level store with a combined area of more than 1,800 square meters in Galeria Biała in Białystok; two-level stores of Forever21 in Warsaw's shopping center Złote Tarasy (over 1,000 square meters); Galeria Północna (nearly 1,700 square meters), and one-level stores in Kraków (Serenada Kraków, over 1,000 square meters) and in Szczecin (Galaxy Szczecin, over 1,500 square meters).

Cushman & Wakefield's Retail Agency team also brokered a 71,3 square meter lease at Warsaw's Galeria Północna shopping centre for KappAhl's Newbie, a newcomer to Poland that sells high-quality clothing for children and infants. KappAhl, a Swedish fashion retailer offering clothes for men, women and children, also opened a 760 plus square-meter store in this newly-opened retail scheme. New brands that gained a foothold in Kraków's Serenada shopping centre include Home&Deco (over 750 square meters) and Good Label (over 500 square meters).

### Deloitte



Business consultancy Deloitte announced the winners of the 2017 edition of Technology Fast 50 CEE—a ranking of the fastest growing tech companies in Central and Eastern Europe.

First place went to the search engine Kiwi.com. In 2017, the company's impressive growth rate of 7,165% eclipsed that of 1,534% generated in 2016. Kiwi is a company registered in the Czech Republic.

Deeper, a Lithuanian company that designs, develops and produces smart electronic devices for sports and outdoor activities, took second place, with a growth rate of 7,048%.

Third place was awarded to the 3D printing company Prusa Research, from the Czech Republic, with a growth rate of 6,910%.

Technology Fast 50 is a program that recognizes and profiles the fastest growing public and private technology companies in Central Europe. The 2017 edition covered companies from 11 countries in the CEE region, which in the aggregate, represented the average annual growth of 1,127%. In picture, the laureates of the 2017 edition of the ranking at the Technology Fast 50 gala held last year.

## Dentons

Law firm Dentons has launched Nextlaw In-House Solutions, a strategic consulting service, with more than 50 former general counsels across the globe to provide integrated, multi-disciplinary solutions to in-house counsel. Nextlaw In-House Solutions answers the growing client demand for managing new legal problems, legal technologies, procurement processes, and varying types of legal service providers. The company said in a press statement that Nextlaw In-House Solutions is a further step in a comprehensive strategy to face transformation and disruption in the industry.

NextLaw is yet another Denton's response to the growing and diversifying client's needs. With the launch of Nextlaw Labs in 2015, Nextlaw Global Referral Network in 2016, Nextlaw Public Affairs Network in 2017, and now Nextlaw In-House Solutions, the law firm demonstrates that it changes to meet to the challenges confronting its clients.

## Gremi



Gremi International, an investment company owned by **Grzegorz Hajdarowicz**, and Six Senses Hotels Resorts Spas have announced their first joint project—Six Senses Formosa Bay—an ecological resort in northeastern Brazil.

Located in *Baia Formosa*, which translates to Beautiful Bay, in the state of Rio Grande do Norte, it is the most eastern territory of Brazil and the country's closest point to Europe. The site, which is a part of the bigger Eco Estrela Project, features almost 4.5 miles of Atlantic Ocean beachfront and covers an area of 2,570 hectares.

The proposed master plan for Six Senses Formosa Bay was designed with 185 villas divided between three areas: 73 one- two- and three-bedroom Pool Villas to the north of the site with easy access to water sports; 54 two- and three-bedroom Family Villas to the center of the property with family and wellness orientation; and 58 three- four- and five-bedroom Six Senses Residences in the southern section, which will be made available for private ownership.

In picture: **Andres Bukowinski**, Honorary Consul of Poland in Sao Paulo; **Grzegorz Hajdarowicz**; **Andrzej Braiter**, Polish Ambassador in Brazil; **Wolf Hengst**, Executive Chairman of Six Senses Hotels Resorts Spas; **Robinson**

**Faria**, Governor of the State of Rio Grande do Norte; **Adeilson Gomes**, Mayor of Baia Formosa.

## Lufthansa



German airline Lufthansa has unveiled its latest design for its business class cabin that includes new seats that can be converted into beds that are up to 7-feet long. The redesigned business class will be available in 2020 in over 30 Boeing 777-9s.

All seats will have access to the aisle due to a 1-2-1 or 1-1-1 configuration. Additional upgrades will be made to existing business class seats this year, and they will include better mattresses, blankets, and optional sleeping sweaters.

Lufthansa also upgraded its technology in the planned business class by providing larger TV screens with full HD, wireless charging stations, and the ability for passengers to control the entertainment system via their personal devices.

## Łaszczuk & Partners



**Krzysztof Riedl**, associate at Łaszczuk & Partners law firm, is one of the ten winners of the 6<sup>th</sup> edition of Rising Stars—Future Leaders 2017, a competition organized by the daily *Dziennik Gazeta Prawna* and Wolters Kluwer.

Riedl is the youngest among the ten winners of the 2017 edition. He specializes in civil law, privacy protection and constitutional law. He advises clients in litigation and arbitration cases, and also his practice covers personal data protection, including audit of data processing in companies covering the technical and organizational measures taken by businesses to ensure data safety.

Rising Stars—Future Leaders is designed to award young lawyers, aged below 35 years, who demonstrate knowledge, entrepreneurial spirit and community engagement, and perform the highest standards of legal advice.

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# Agenda

## Intelligence from AmCham Committees

### Business Technology & Services

In October, AmCham hosted **Gabriella Schitek**, Manager for Central & Eastern Europe at the Internet Corporation for Assigned Names and Numbers (ICANN). She talked about how over the last years ICANN has driven the largest expansion of the domain name system in the history of the Internet. Since launching the new generic top-level domain program (gTLD), over 1,200 new domains have been delegated to the Internet. With the gTLD program ICANN is enabling a new level of choice, competition and innovation online. The speakers explained how the gTLD program works and gave an insight into the new type of domain assignment system and how it will develop in the years to come.

### Defense & Security



In October, AmCham hosted three guests representing Poland's Ministry of National Defense. **Colonel Robert Frommholz**, **Colonel Bogdan Frasoński**, and **Colonel Karol Dymowski**, Director of Armaments Policy Department, talked about transatlantic defense issues, the involvement of US defense corps in Poland, and the Polish defense policy, including the role in it of the ministry's defense modernization program. The speakers explained some of the program procedures for the implementation of new defense weapons and technologies, and talked about how the US defense sector may cooperate with the Ministry regarding this program.

### Employment & Labor Relations



In November, AmCham hosted two speakers from HR consultancy Hudson: **Alexandra Kazimierski**, Executive Director, and **Izabela Bartnicka**, Senior Consultant. They spoke about the economic rationale behind promoting employee experience at the workplace, based on the findings of a recent Hudson survey of employees in Poland. The speakers said that Behind the common aspiration to promote employee happiness and personal development

lies a true economic justification—a happy employee brings more value to the company. On the contrary, when employee's expectations are not met through their experience at the workplace their engagement suffers and leads to a direct negative cost to the business.

Following their presentation, the guests discussed how to use the findings of the survey to positively impact employee engagement, retention and motivation.

In picture: **Izabela Bartnicka**, **Jolanta Samul-Kowalska**, **Alexandra Kazimierski**, and **Marta Pawlak-Dobrzańska** of Great Digital.

### Energy & Environment

In November, **Leszek Jesień**, Director of the Department of International Cooperation of Polskie Sieci Energetyczne (PSE), a state owned transmission system operator, met with AmCham to discuss the PSE strategy for 2017-2019 in the context of Poland's demand for electric power and the energy market reform in the European Union. The guest said that the European power sector is driven by its commitments to emission reduction and the need to provide affordable and reliable power supply. In turn, the Polish power sector, which relies heavily on natural coal and old electric grid, is in need of modernization to continue to cover the growing demand for electric power.

In December, the AmCham Energy and Environment Committee hosted **Tomasz Stepien**, President of the Management Board of Gaz System, a state-owned natural gas transmission system operator. The guest talked about the company's investment plans in the gas distribution network and how they may impact the energy market in Central and Eastern Europe. Gaz System owns and operates almost all gas transmission and distribution pipelines in Poland. The company is also responsible for the construction of the LNG terminal at Świnoujście and the Baltic Pipe pipeline between Poland and Denmark. The Gaz-System strategy is to develop its transmission network to such a level that will make Poland one of the largest distribution hubs in Europe.

### EU Affairs

Former Minister of Labor and Digitalization who now serves as Member of the European Parliament, **Michał Boni**, met with AmCham in December to talk about how eHealth solutions translate into cost-efficient healthcare system models. He also talked about mobile phone applications for eHealth and explained the industry's Code of Conduct regarding privacy issues around such applications. Speaker Boni also presented the EU guidelines on the assessment of the reliability such applications.

The phenomenon of using IT in healthcare (eHealth) and mobile technologies (mHealth) is perceived as a symbol of the democratization of healthcare, and also as an opportunity to meet the challenges of the aging society, chronic diseases, and the growing cost of healthcare.

The most difficult challenges in the development of eHealth services include the lack of harmonization of eHealth implementation within the EU and unsatisfactory access to cross-border healthcare.

### Tax & Financial Services

In October, AmCham met with three tax experts from Deloitte, **Barbara Bona**, Tax Partner, **Marek Sienkiewicz**, Manager, and **Aleksandra Skrzypczak**, Manager, who presented the new regulations governing Poland's special economic zones. The presentation included an overview of the conditions which companies need to meet to obtain a SEZ permit, and the basic rules of how companies in special economic zones may benefit from corporate income tax exemptions.

The speakers presented gave an overview of the new tax limits and talked about the approach of the tax authorities in dealing with tax issues of companies with a SEZ permit.

The speakers also highlighted the main points of the government program of grants and other forms of financial support that were being drafted at the time of the presentation for SEZ-licensed companies to use in 2018 and beyond.

In November, AmCham met with tax experts from EY's Tax Controversy Team, **Michał Kocerała**, Manager at the team, and **Michał Goj**, Partner at the team. They talked about the threats of penal fiscal liability and how to manage and mitigate the risks. The speakers discuss such issues as who may be found liable, which acts can be classified as fiscal crimes or fiscal offenses, the consequences of penal fiscal liability for individuals and companies, and the most effective ways of mitigating the risks.

The topic of the meeting came as a response to many AmCham complaints from AmCham members about an increase in the number of tax audits by Polish tax authorities. In many cases, penal fiscal proceedings were initiated automatically, upon the discovery of any irregularities in the audited company's tax settlements.

In December, AmCham met with tax experts from KPMG Global R&D Incentives Network: **Kiejstut Żagun**, Director, for Tax, Grants & Incentives department, and **Bartosz Igielski**, Manager at this department. The speakers talked about the R&D tax relief which had been introduced into CIT and PIT provisions in 2016 to encourage entrepreneurs to carry out more R&D projects. The introduction came as part of government policies to spur private sector's investment in R&D, as according to data for 2016, the Polish private sector was well behind most EU countries in terms of the amount of money spent on R&D.

The speakers said that the current rules define R&D activities broadly which means that the right to obtain the R&D tax relief is not reserved exclusively for entrepreneurs engaged in specialized research, but may be also granted to entrepreneurs and companies who work invest in the implementation of new or existing products and services.



## Travel & Tourism

In November, following a government announcement of the plans for the construction of the Central Polish Airport in a place about one-hour drive west of Warsaw, AmCham met with **Mikołaj Wild**, the Government Plenipotentiary for the CPA, whose responsibilities range from the coordination of the preparatory steps for the CPA to the execution of the construction proper.

The new airport is planned to be able to process 50 million passengers per year, with an additional capacity to process another 50 million passengers if the need be. The CPE scheme is an ambitious government project to create one of the largest aviation hubs in Central and Eastern Europe, and will impact Warsaw as Poland's business capital and as a tourist destination.

Another speaker at the meeting, **Jędrzej Puzyński**, Program Director at TOR, an economic consultancy specializing in transportation infrastructure, provided additional insight into the CPA project.

## Off-Committee meetings

In October, **Sylwia Ciemińska**, Business Development Manager of Edenred, a business expenses management consulting firm, met

with AmCham to talk about the main issues impacting business expense management in Poland, including the cost of handling business expenses and how to manage it effectively. She also gave practical advice on how to approach risk management and what standards and tools of expense management to use to build proper expense management policies within organizations. She noted that the underlining problem of business expense management is that while nearly every organization has some kind of expense management process in place, many neglect to define its goals and consequently fail to implement it effectively.

In turn, in December, **Lisa Glassner**, Community Designer Insight-led Experience at Steelcase, and **Andrew Blatiak**, Director of the Leadership and Management Institute, were the speakers at a meeting dedicated to the future of work in Poland. They discussed how companies start to transform their organization structures to utilize the modern information technologies and the capabilities of their employees.

Lisa Glassner said that the way in which employees perform their work is massively changing and the change is driven by technology, which is altering the patterns of human

behavior. As a result, companies come up with new jobs so people who perform them get engaged in new roles that were not taken for granted before. The roles include many creative aspects that humans may add to their work, such as approaching complexities in an unorthodox fashion instead of trying to solve them along the lines that have been already set up. This is a new way of leveraging the human potential at the workplace and the key aspect of why companies are innovative.

In turn, Andrew Blatiak talked about the changing attitudes of employers towards their employees. Liberal, open and sympathetic business leaders make their employees open up and share ideas and concepts with them. By doing that the employees become sources of feedback on how organizations can evolve to become more effective. In turn, autocracy at the workplace makes the workers upset with their managers and unwilling to share with them.

The dominant form of management in Poland is, still, the autocratic approach, Blatiak said. This may explain why a relatively high number of companies in Poland find it difficult to innovate successfully. ●

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# Cover story

Corporate taxes

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## A fine line



**Lawmakers must not punish honest taxpayers just because they happen to use the same business model as dishonest ones**

**L**ast year marked a busy period for Polish lawmakers and Parliament with both passing a large number of acts. Some of the new laws, such as the new Personal Data Protection Act, were prompted by regulatory changes at a European Union level. For these Poland followed suit as it declared it would do under the EU Accession Treaty. Ideas for other regulations, such as the introduction of a

new support mechanism for investors, called the Polish Investment Zone, which is an alternative to Special Economic Zones that will expire come 2026, originated exclusively in Poland. Investors generally welcomed the new type of zone as it gives them more opportunities to use exemptions from corporate income tax (CIT) for up to 15 years for investments located anywhere in Poland.



When it comes to CIT, however, not everybody was happy to see the new changes to the Polish CIT law. They became law in January and affect all business entities operating in the country.

As AmCham explained in its *Advocacy Bulletin* (2/2017) delivered to members via email, the goal of the new legislation, according to the government, was “to seal the corporate income tax system against entrepreneurs who use aggressive tax optimization”.

The bulletin info goes on to explain that one of the main changes in the new legislation is the introduction of a limit—5% of EBITA—on the tax-deductibility on services, such as marketing, consulting and legal services, provided by companies belonging to the same capital group as the company which buys those services. In other words, a company which buys such a service from another company belonging to the same capital group, can deduct its cost up to a certain limit, and is obliged to pay taxes on the amount exceeding the limit.

It is worth noting that AmCham proposed, in the position papers the chamber sent to Parliament, a number of amendments to the draft of the new legislation. The final version of the CIT law includes many of the suggestions made by AmCham, among others, the raise in the amount of tax-deductible expenditures through transactions made between companies belonging to same capital groups from PLN 1.2 million to PLN 3 million per year; excluding intra-group license fees from this tax-deductible limit; excluding advance pricing agreement (APA) services from the tax-deductible limit, and extending this exclusion to one year before the year when the APA decision was issued.

As the author of the bulletin and AmCham Legal Counsel Marta Pawlak explained in the email, the original changes to the CIT made by the lawmakers were “alarming”. They not only put a much lower cap on the tax deductible cost of the services mentioned above but also in the same way limited tax deductible costs of license fees paid by one company to another within the same capital group. Eventually, thanks to lobbying efforts from AmCham and other business organizations such as the Association of Business Service Leaders (ABSL), some of those limits were dropped.

### **That pesky transfer pricing!**

In the parlance of tax professionals, transactions between companies which belong to the same capital group are called “transfer pricing”. The term signifies that such transactions fall under special tax regulations governing how the transactions are documented and reported to the tax au-

thorities.

It is so because “transfer pricing” for a long time has been also synonymous with “aggressive tax optimization” which essentially is a way of avoiding paying high taxes by companies in areas with high CIT who transfer their profits to low-CIT areas. Typically, such transfers are made through transactions between companies belonging to the same capital group. A company wanting to relocate to its financial gains to a more favorable tax regime would do it by contracting services or products from a related company operating in a more favorable tax regime. As a result, the selling company generates profits above the market conditions and has them taxed much more liberally than if it had been taxed by tax regime in which the selling company resides. At the other end of the transaction, the buying company reports high costs and subtracts them from the taxable amount of money.

Because of the widespread nature of such practices and the dishonest approach to transfer pricing tax authorities the world over, including in the EU and the US, are trying to prevent dishonest companies from relocating their profits to low-tax regimes. While they see no wrong in transfer pricing itself, they argue it has to be honest and the underlining principle is that transactions between related companies must meet certain criteria which ensure that such transactions do not serve the purpose of aggressive tax optimization.

### **The BEPS initiative**

One of the first organizations that called for the establishment of clear rules for transfer pricing was the OECD which gave birth to the Base Erosion and Profit Shifting initiative. It aims to prevent global companies from shifting profits from countries with high CIT to countries where they could use low CIT and other tax privileges and deductions, and often legal loopholes to avoid taxation of their profits.

As explained on the OECD website, BEPS refers to tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations. Although some of the schemes are illegal, most are not. This undermines the fairness and integrity of tax systems because businesses that operate across borders can use BEPS to gain a competitive advantage over enterprises that operate at a domestic level. Moreover, when taxpayers see multinational corporations legally avoiding income tax, it undermines voluntary compliance by all taxpayers.

BEPS is of major significance for developing countries due to their heavy reliance on corporate income tax, particularly from

multinational enterprises. Engaging developing countries in the international tax agenda is important to ensure that they receive support to address their specific needs.

Under the inclusive framework of BEPS over 100 countries and jurisdictions are now collaborating to implement the BEPS measures and tackle dishonest tax practices.

Developing countries have been engaged since the beginning of the BEPS Project. Over 80 developing countries and other non-OECD/non-G20 economies discuss the challenges of BEPS through direct participation in the OECD Committee on Fiscal Affairs, regional meetings in partnership with regional tax organizations.

The BEPS package provides 15 Actions that equip governments with the domestic and international instruments needed to tackle BEPS. Countries now have the tools to ensure that profits are taxed where the economic activities generating the profits are performed and where value is created. These tools also give businesses greater certainty by reducing disputes over the application of international tax rules and standardizing compliance requirements.

OECD and G20 countries along with developing countries that participated in the development of the BEPS Package are establishing a modern international tax framework under which profits are taxed where economic activity and value creation occur. Work will be carried out to support all countries interested in implementing and applying the rules in a consistent and coherent manner, particularly those for which capacity building is an important issue.

Monitoring implementation and the impact of the different BEPS measures is a key element of the work ahead. Members of the Inclusive Framework will develop a monitoring process for the four minimum standards as well as put in place the review mechanisms for other elements of the BEPS Package. The monitoring of the four minimum standards will ensure that all members, as well as jurisdictions of relevance, will comply with the standards in order to ensure a level playing field. Monitoring mechanisms are going to be developed in order to monitor jurisdictions' compliance with their commitments. These mechanisms will ensure the effectiveness of the filing and dissemination of the Country-by-Country reports, as provided for by the review of the Country-by-Country standard by 2020. In regards to review mechanisms, they may differ depending on the Actions and will take into account countries' specific circumstances. All countries and jurisdictions joining the framework will participate in this review

# Cover story

## Corporate taxes

process, which allows members to review their own tax systems and to identify and remove elements raising BEPS risks.

### Setting the rules

The Polish parliament included the BEPS standards and recommendations on methodologies which tax authorities need to apply in resolving whether a transfer price transaction is acceptable from the point of view of tax law. Among them are requirements for reporting transfer pricing transactions, including through local file, master file, and country-by-country reports—the BEPS standard. The bill was prepared in 2015, and the regulations governing transfer pricing came into force in 2017.

But even before that Finance Minister Paweł Szałamacha took additional steps to look into transactions between related companies and ordered the tax authorities to pay special attention to transactions between mother and sister companies regarding, for instance, fees paid for the right to use trademarks, logotypes, and also consulting services. In December 2015 he obliged tax officers to double-check if the prices in transfer price transactions reflected market prices or were used by companies to lower their tax base.

Following minister's orders, in 2016 Polish tax authorities questioned a number of transactions between related entities. The authorities reassessed taxable income by nearly PLN 660 million and calculated the unpaid tax at nearly PLN 170 million.

Szałamacha's successor Paweł Gruza, continued the ministry's focus on transfer pricing. At a press conference soon after he had taken office, he said that "monitoring transfer pricing will become the priority of the Ministry of Finance." Following on his words Gruza established a department to deal exclusively with transfer pricing problems and manned it with experts who had gained experience in transfer pricing from working in leading private business advisories. When the ministry began its work on the new CIT act, some of them were pivotal in drafting the final version.

"The act is meant to be the next step in our attempt to rebuild the tax income [of Poland], especially when it comes to the income generated through CIT," the Ministry of Finance said in a press statement. According to the numbers the Ministry of Finance issued in 2016, CIT revenues had been dropping year-on-year since 2008.

### Just a business model

But transactions between companies which are related by the same capital are not, by definition, about transferring profits to avoid taxation. It is true, that they may be used dishonestly with foul intent. But in

principle, companies which use transfer pricing do so because they use a certain business model. It is normal that a company with global operations supported by a network of sister companies residing in different countries around the world resolves to use one company in its network, which specializes in accounting, and use it to do accounting for other companies in its group. Thanks to modern information technology it is possible. Again, the same principle may be applied to other business services, such as marketing, HR management, client service, IT administration and others. The whole world of business has been evolving in this direction for years now, and nobody ever said it there was anything wrong about it.

Poland, a country which like no other in the region of Central and Eastern Europe, has benefited from the growth of such business model. Take the BPO sector. Between 2000 and 2017 it boomed in the country. Today it employs nearly 300,000 people, more than three times the number of jobs in the Polish coal-mining industry, and over 100,000 jobs more than in the Polish automotive sector.

According to estimates from the Association of Business Service Leaders, the IT & technology segment of BPO alone, which for the last five years has been growing at a rate of 20% per year in terms of new job creation, will continue to grow, adding an estimated 20,000 jobs every year in Poland.

### Why such measures?

In light of these numbers, putting a limit on companies in Poland as of how much they can report as cost in transfer pricing transactions seems ironic.

The ABSL, which, just like AmCham, was monitoring the work on the new CIT regulations, sent a position paper regarding the proposed CIT regulations to the head of the Senate Commission for Public Finances and Budgetary Affairs, Grzegorz Bierecki. In the letter, the organization listed the dangers that such CIT solutions may impose on the BPO industry.

First, introducing new CIT law in January 2018, only a year after the law had been changed perviously, makes the Polish tax system, once again, unpredictable for investors. "The stability of the tax system is the key factor, often more important than other aspects which investors take into account when planing their investment projects" reads the letter. With it, the letter continues, Poland runs the risk of loosing its hard-earned reputation of a good and business friendly destination for foreign investment.

The letter makes it clear that while the ABSL supports necessary measures undertaken by the Polish government to tackle

the problem of tax avoidance, the organization would rather see the full implementation of the OECD recommendations regarding BEPS, instead of the sub-standard and arbitrary solutions that had been included in the draft of the new CIT law without proper consultations with the business sector and other stakeholders.

Commenting specifically on the provision in light of which there should be a limit on the amount of money which capital-related companies can declare as cost in transfer pricing transactions covering license fees, business services, and "similar services", as the draft of the CIT law stated, the ABSL argued that as a result of this provision shared services centers in Poland will generate higher costs of running their business. The organization also noted that the term "similar services" was ambiguous, which again, was a downside when it comes to how potential investors evaluate Poland as a place for their next investment project.

The ABSL also argued that the proposed regulation would harm capital groups which have established their operational business and shared services centers in Poland. These are roughly 300 businesses employing over 100,000 people utilizing such a business model in Poland. But as far as the hybrid model is concerned, (in which business services are provided to internal clients—companies from the same capital group—as well as external clients), the number of entities which would be affected by the new CIT provisions were estimated at over 500 (over 160,000 jobs). The organization explained that capital groups in Poland will be especially harmed by the proposed cap on tax-deductible amounts because in transactions between capital-related firms, the buying party will not be able to deduct from its tax obligation the entire cost of the transaction, while the selling party will have the income from that transaction taxed. The ABSL argued that there is little evidence to show that such regulations thwart dishonest transfer pricing deals between related companies at all.

### What to do?

There is a fine line between good intentions and recklessness, and it seems, that the case of introducing a new CIT law is a case in point. Eventually, the lawmakers caved in under growing pressure from the business community and dropped the limit on how much companies can declare as cost on certain types of transactions, including IT services and license fees. But many more types of transactions remained under the limit. As a result, Poland now is a country where it is cheaper for a company to buy certain types of business services

# American Chamber of Commerce in Poland

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# Cover story

## Corporate taxes



### Transfer pricing in Poland in brief

Transactions between related parties must be priced at arm's length. The arm's length principle (ALP) is the condition or the fact that the parties to a transaction are independent and on an equal footing. Such a transaction is known as an "arm's-length transaction".

It is used specifically in contract law to arrange an agreement that will stand up to legal scrutiny, even though the parties may have shared interests as is the case in the employer-employee relationship, or are too closely related to be seen as completely independent, when they have familial ties.

It is also one of the key elements in international taxation as it allows to an adequate allocation of profit taxation rights among countries that conclude double tax conventions, through transfer pricing, among each other. Transfer pricing and the arm's length principle was one of the focal

points of the Base Erosion and Profit Shifting (BEPS) project developed by the OECD and endorsed by the G20.

Parties are related, among others, where one party holds, directly or indirectly, at least 5 percent of shares in the share-capital of the other party, or the same persons are in governing bodies of those entities. If, as a result of such relations between parties, they agree conditions differing from those that would have been agreed by independent entities, and as a result a taxpayer does not show any income or shows income lower than would have been expected should those linkages not exist, taxable income or related costs may be reassessed and the tax settlement of that entity may be challenged by the tax authorities. In such a situation, the tax authorities determine the income according to the following methods:

- the comparable uncontrolled price method;
- the resale price method;
- the reasonable margin method;
- the transaction profit method.

The transactions with related entities require taxpayers to maintain relevant tax documentation describing, among other things, the functions of parties, anticipated costs of the transaction, the method and manner of calculating profits and pricing, a business strategy and factors defining the value of the transaction. Taxpayers must present the documentation within seven days of any request of the tax authorities.

The scope of a transfer pricing audit includes restructuring by related parties of their activities, where such restructuring is defined as a transfer between such parties of substantial economic functions, assets or risks.

Source: *The Inward Investment and International Taxation Review*

from a non-related company than from a company which belongs to the same capital group.

All tax advisors and experts that *American Investor* talked to said that as far as they could understand the problem, by putting the limits on how much related companies can report as cost in transactions between them, the government was driven by the need to raise more money through CIT rather than to crack down on dishonest taxpayers. It is no surprise, as this is exactly what the Ministry of Finance said in its press statement in 2016.

But tax experts underline that such measures will "deeply effect companies within same capital groups, as naturally there are a lot of business deals between them and they will find it difficult to find countermeasures," one tax expert told *American Investor*. The source added that it is too early now to talk about what companies can do, as with the complexity of transfer pricing they simply need more time to do the analysis.

One of the countermeasures that affected companies may resort to, however, is called Advance Pricing Arrangement (APA). It is an agreement that a taxpayer may enter into

with the tax authorities, in which both sides agree to the method of setting the price of a transfer pricing contract. The method looks like a real a win-win solution for both taxpayers and tax authorities: the former know that once the price method is accepted by the authorities, they will restrain themselves from auditing the company vis-a-vis the contract in question. In turn, the tax authorities have a good understanding of how much tax revenue they will get from the tax payer and all this well ahead of the time by which the tax is due.

But it seems, there is a problem with that method in Poland. While in the European Union APA is becoming a popular tool with which taxpayers reach agreements with tax authorities, apparently it is not so in Poland. Only little over forty such agreements were entered into within the last 10 years. But to enter such an agreement takes time for negotiations (8 months in 2015 on average), and requires lawyers, which adds costs. In addition, there is a price-tag attached to such agreements by the tax authorities, which, when involving transactions between taxpayers in Poland may reach as much as PLN 50,000, and up to PLN 100,000 when one of the taxpayers re-

sides in a foreign country. The government wants to encourage companies in Poland to make more extensive use of APA and it has announced plans to cut the negotiation time but time will tell whether or not it will work.

What is more than likely, tax experts say, is that following the introduction of the new CIT law, foreign investors will stop perceiving Poland as an investor-friendly country.

So, while it is clear that the tax authorities will see CIT revenue grow in a relatively short time, the long-term effect of the new CIT law on the economy may be controversial. Companies in the BPO sector will see a rise in the costs of running their business, and manufacturing firms will no longer be able to sell their products for competitive prices. "It is hard to say how companies will react," one tax expert told *American Investor*, "but the lawmakers in Poland have to bear in mind that today it is very easy to move a company to another location where investors enjoy stable tax regulations and lower business costs."

• Tom Cwiok



# For the most recent information about the AmCham Committees and upcoming events visit [amcham.pl](http://amcham.pl)

## Agri, Food & FMCG



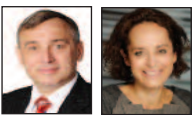
**Mission:** To provide a platform for discussing and overcoming issues and identifying opportunities related to operational activity for companies in the agricultural and food sectors in Poland by creating a basis for dialogue and expertise leveraged among producers, sector professionals, experts and decision-makers in the Polish government. **Co-Chairs:** Piotr Bonisławski, Eli Lilly Polska; Andrzej Pawelczak, Animex.

## Business Technology & Services



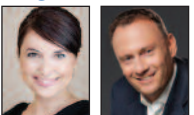
**Mission:** To provide a platform for discussing, identifying and addressing common SSC/BPO issues related to high-tech operations; to maintain contact with local authorities, educational and governmental institutions to present a unified business perspective and options for cooperation. **Co-Chairs:** Jacek Stryczyński, Lionbridge; Angelo Pressello, Direct Communication.

## Defense & Security



**Mission:** To discuss issues regarding the defense industry and exchange information, to create a networking forum for members, and to lobby and encourage decision-makers in government. **Co-Chairs:** Stan Prusiński, Boeing Europe; Marta Frackowiak, DLA Piper.

## Digital Economy



**Mission:** To provide a forum for innovative companies to support the digital economy in Poland as a key driver of sustainable growth. It aims to raise awareness about the importance of balanced investments in digital infrastructure, fully exploiting digital potential, and increasing competitiveness in the global environment. **Co-Chairs:** Patrycja Gotos, UPC; Igor Ostrowski, Dentons.

## Energy & Environment



**Mission:** To help members develop their energy and environmental business in Poland. By helping members work collectively to overcome any systemic difficulties encountered in their business the committee aims to increase the level and quality of investment and activity in these sectors. **Co-Chairs:** Michał Koczalski, CEC Government Relations; Mariusz Mielczarek.

## European Union Affairs



**Mission:** To provide a platform for discussing business-related issues coming out of the EU, including EU funds; to work with AmCham EU on mutual lobbying initiatives; and to represent member companies before the European Commission and the government of Poland. **Chair:** Jerzy Thieme.

## Health & Pharma



**Mission:** To represent the voice and opinions on various issues of the health sector, to discuss conditions, news and challenges of the sector; to provide expertise. **Co-Chairs:** Ernest Bartosik, Unipharm; Aldona Zygmunt, Pfizer.

## Human Resources Management



**Mission:** To create an information exchange forum of HR professionals to share, discuss and learn about the latest trends in HR management and influence local policy and decision-makers. **Co-Chairs:** Jolanta Jaworska, IBM Poland; Agata Dulnik, Accenture.

## Manufacturing



**Mission:** To provide a platform for discussing issues and problems related to the manufacturing sector in Poland and to provide networking opportunities; to discuss conditions, news and challenges in the manufacturing sector across Poland; to coordinate with AmCham's annual Manufacturers' Forum. **Co-Chairs:** Joanna Benz, Lockheed Martin International; Przemysław Paździorek, 3M Poland.

## Marketing & Communications



**Mission:** To provide a forum for member firms to share knowledge and exchange experiences in marketing, communications and PR, provide educational and networking opportunities for member firms interested in these areas, and serve as an advisory body for AmCham. **Co-Chairs:** Anya Baum, Łukasz Kowalski, MSLGroup.

## Sustainable Real Estate



**Mission:** To discuss issues regarding the complexities of the real estate market in Poland, and exchange information. To be an educational and networking forum for members and to lobby and influence legislative departments of the Polish government. **Co-Chairs:** Halina Więtkowska, K&L Gates; Magdalena Paviak-Chiaradia, ERM Polska.

## Tax & Financial Services



**Mission:** To provide a platform for identifying tax and financial issues and create an educational forum to keep AmCham members informed on current and upcoming legislation. **Co-Chairs:** Adam Soska, PwC Polska; Marcin Matyka, Andersen Tax.

## Travel & Tourism



**Mission:** To provide a platform for discussing issues and problems related to travel, leisure and the hospitality industry and to provide networking opportunities and to discuss trends and standards in the industry that will allow members to fully benefit from AmCham. **Co-Chairs:** Tim Hyland, FCM Travel Solutions; Frank Wagner, Lufthansa Group.

## THOUGHT LEADERS

Individuals who are point people and experts for specific areas of interest for AmCham that do not require a formal committee structure or activity level.



**SME & Entrepreneurship**  
Alain Bobet



**Innovation**  
Bogusława Skowrońska

# Monthly Meeting

November

## Where do we go from here?

Poland's economy has been growing year-on-year, but is the growth sustainable?

The challenges which companies have in growing their businesses as they have successfully increased their investment, were on the agenda of the AmCham Monthly Meeting with speakers Paweł Panczyj, Managing Director, of the Association of Business Service Leaders (ABSL), Marcin Petrykowski, Managing Director for CEE at S&P Global Ratings, and Anna Wicha, Country Manager at Adecco Poland. The discussion was moderated by Nathaniel Espino, Partner at Aldgate Strategy Group.

### The upsides

According to Marcin Petrykowski, the Polish economy has been doing exceptionally well. The low unemployment rate, coupled with growing capital expenditures are strong drivers of economic growth. Add to it the growing expenditures in the public sector—as the government has started to execute new EU aid programs the EU funds flow into the Polish economy and make a difference.

Petrykowski explained that the EU funds

play a significant role in fuelling the economic growth, which was at 3.5% of GDP last year. “Without the EU funds, the average nominal GDP growth per year of the Polish economy would have amounted 1.5-2%,” Petrykowski said.

In addition, the government has embarked on such policies as Family 500 Plus which assigns bonuses to families with two children and more, and as a result there has been a raise in internal consumption on one hand, and, on the other hand, the drainage of the financial resources of social aid programs.

When it comes to the private sector, exporters enjoy a boom as the European economy has recovered. Most significantly, Poland's largest trading partner, Germany, once again has become the powerhouse of the EU economy and is driving Poland's exports.

Atop of that, Petrykowski noted, the interest rate is historically low, which, again, is beneficial for the economy. “The positive spin for the Polish economy is the effect of combination of all those factors,” Petry-

kowski said.

But the success of the Polish economy would not have materialized had it not been for the “external conditions”, such as the end of the economic crisis in Western Europe, and, most significantly, the super-powerful performance of Germany. Without those external factors, Petrykowski noted, Poland's economic performance would have been “a flat growth” at best.

Those “extremely favorable” conditions are going to continue for at least a few years to come. This is why the rating of Poland is strong as compared to other countries in the EU, especially Spain and Italy. “This is because of the diversity and flexibility of the Polish economy, coupled with its continuous growth,” Petrykowski explained. “In fact, the growth in Poland has been higher than in Spain and Italy, and currently it seems that our rating for Poland will stay unchanged at BBB+”, he continued. “The rating perspective for Poland as compared to other countries looks quite well—it is a strong rating and a strong indication of a strong economy.”

### MEET THE SPEAKERS



**Paweł Panczyj**, Managing Director of ABSL since 2012, graduated from the University of Wrocław in 1989. He is a certified Local Government Clerk and author of publications on offshoring and BPO investments. Between 2002 to 2007 he worked for the Wrocław municipality on a number of international investment projects in the city and the region. Between 2008 and 2012 he worked as manager in the Business Advisory Services department of Ernst & Young. Between 2008-2015 he was member of the Supervisory Board of R.E.C. sp. z o.o. Panczyj has extensive experience in negotiations with investors when choosing the location of projects, investor's support in early stages of investment, supervising legislative procedures related to registration and central/local support, advisory services experience in the field of local grants, incentives, construction procedures, support in application process for special economic zone benefits.



**Marcin Petrykowski**, Managing Director for CEE at S&P Global Ratings, joined the rating agency in 2014 and was pivotal in building the agency's structures in Poland, developing and executing the strategy, and managing clients in the region of Central and Eastern Europe. Prior to this Petrykowski worked for J.P. Morgan Corporate and Investment Bank as managing director of investor services in Central and Eastern Europe, Russia and the former Soviet republics, and Israel. Before he joined J.P. Morgan in London in 2007, Petrykowski worked for Citi Corporate and Investment Banking and was responsible for developing client base in Poland and CEE. Petrykowski graduated from the Leon Koźmiński University in Warsaw where he studied business administration, School of Economics and Management in Lund, Sweden, where he studied international finances, and the Warsaw University where he took a post-graduate program for CFOs. Petrykowski is a certified FCA-approved investment advisor.



**Anna Wicha**, General Manager of Adecco Poland, and Chairman of the Polish Chapter of HR Forum, is one of the most senior HR professionals in Poland with over 16 year-long experience. She began her career in 1997 when she joined Masterlink Express with sales management responsibilities. With Adecco Poland since 2000, Wicha was pivotal in executing a range of projects, and in 2007 was named the company's General Manager. Between 2010 to 2011 and in 2014 Wicha was responsible for strategy development and execution of Adecco Romania. She is also member of the board of directors of World Employment Confederation (formerly CIETT), which represents the interests of employment companies worldwide. Wicha graduated from the University of Economics in Katowice in 1991. She undertook post-graduate studies in international management at the university in 2002, and a post-graduate studies at IMD University of Lozanna, Switzerland, between 2005 to 2007.

### The downsides

Poland's rating, however, is not the highest among the countries of Central and Eastern Europe. The top-rated country is the Czech Republic with "A+", followed by Slovakia and Slovenia ("A"), and Montenegro and Serbia ("BB"). Meanwhile Poland is rated at "BBB+".

What makes the difference, however, is another indicator: GDP per capita. The indicator does not only reflect the wealth of society but also it does show the functional savings in the economy in the private sector. Germany, the US, Switzerland are all countries with the highest GDP per capita in the world which means that "their societies have huge savings," which, in turn, means that they are flexible in the time of an economic crisis.

"Our forecast is that currently the Polish GDP per capita is at USD 15,000," Petrykowski said. "The Czech Republic's GDP per capita is at USD 22,000 an in Slovenia at USD 21,000, and at 20,000 in Slovakia. It is quite a difference."

It is clear to see, therefore, that Poland lacks behind the key players in Europe. One explanation may be that Poland is a much bigger economy than the Czech Republic and the other countries, and it is easier for small countries to attain high GDP per capita.

Regardless of how easy it is for small economies to grow their GDP per capita, the downside of the Polish economy is that while the government is talking about extra inflows of money into the state budget (following the tightening of the VAT and CIT payment supervision), there is no policy in place for converting these inflows into long term savings. In addition, the government centers its policies around increasing expenditures, which does not bid well for future. "There is a risk down the road," Petrykowski noted.

Another issue for Poland is that that the

country has a huge demographic problem ahead to deal with. The Polish working population will decrease by 10%, roughly 3 million people in the next 15 years, Petrykowski quoted a study from the European Commission.

To make matters worse, the government has lowered the retirement age, which is in contradiction to the EU trends, as most of EU member states have increased the retirement age to tackle aging population problems.

Another problem that looms on the horizon is the growing cost of labor across all the sectors of economy. According to Anna Wicha, in the last five years wages grew in Poland by 20% and only 8% in the EU in the same time. "The advantage of Poland from the perspective of the cost of labor is decreasing fast," Wicha said.

Foreign investors compare labor costs in Poland with that in other EU countries. Poland used to be in the same league with Romania, Slovenia, Slovakia, Hungary and the Czech Republic, but is fast becoming a much more expensive market.

### So far, so good

But every cloud has a silver lining. According to Wicha, Ukrainian workers subsidize for the lack of workforce in Poland. Ukrainians have a strong presence in a number of sectors today, including fast-food restaurants, the hospitality industry, and others.

The "official" numbers of Ukrainians employed in Poland are at 1-1.5 million.

The reason why so many Ukrainians work in Poland and do not relocate to Western Europe—a market which they now can enter without visa—is that, unlike Poles, Ukrainians are not familiar with the Western culture, including the style of working and living.

So far, "Ukrainians, it seems, will see Poland as the target country for work for much longer than we estimated earlier,"

Wicha said.

Another speaker, Pawel Panczyj, spoke with optimism about the positive impact of the BPO sector on the country's economy. He said that while pioneering investors, who came to Poland as early as 1995, eyed exclusively big business centers, such as Warsaw, Kraków, Łódź, Wrocław and Gdańsk, now expand to the so-called tertiary cities. The boom in the BPO sector was so rapid that between 2000 to 2017, the sector created 300,000 jobs, including in that number 270,000 for people who speak foreign languages. To compare, the Polish coal-mining industry supports nearly 90,000 jobs today, while the Polish automotive sector 180,000 jobs.

According to Panczyj, the BPO sector will continue to grow in Poland, because new investors are coming.

Jobs in the BPO sector are also not going as they did in the early 2000s, either transferred to India, or automatized. "What we have in Poland are quite complex processes which can not be automatized or robotized," Panczyj said.

Among them are jobs related to IT and technology. At present, such types of jobs amount to 30% of all jobs in the BPO sector. Panczyj noted that the IT/technology segment of BPO has been growing at the rate of 20% annually for the last five years, and "according to different prognosis it will continue to grow strong adding some 20,000 jobs every year.

Panczyj added that every year Poland produces 400,000 graduates in IT and technology, and although it is difficult to find the right people who would work with new and sophisticated business processes, investors manage to learn quickly how to use the human resources available in the country, which is why, the BPO sector in Poland continues to grow.

• Tom Cwiok

# Putting things in perspective

## The Poland-US economic potential is huge

Every year in December, AmCham members meet at the annual general meeting to discuss what the chamber accomplished in the passing year and what challenges as well as opportunities are visible on the horizon.

Last December, in his summary speech, AmCham Chairman Tony Housh said that AmCham was very active in 2017 with an objective to have a positive impact on the investment ecosystem in Poland. "AmCham met with many members of the government, Parliament, thought leaders and other Polish

business organizations and international investors," Housh said. "What we look to do is to tell the story of how to US investments contribute to the development of the Polish economy and society."

Chairman Housh added that AmCham members cooperate with their partners in Washington D.C., and Warsaw. "We talk to the widest possible group of stake holders, government, the opposition, business leaders and thought leaders, so we can understand what's the best way forward for Poland," he said, adding that the efforts cre-

ate grounds for "mature relationship to discuss challenges and issues within a framework of long-term partnership and shared responsibility and security, and shared ideas of where our respective countries want to go."

### American perspective

US Ambassador Paul W. Jones echoed this view by saying that during his speech in Warsaw, in Summer, US President Donald Trump confirmed the US commitment to Poland and this region, "both in security but

# Focus

## Annual General Meeting

also in economic and business ties.”

Ambassador Jones also said that in June Poland saw the first delivery of LNG from the US. “We build relationship in understanding the opportunities of US-Poland cooperation in the energy sector,” he said, adding that the US side wants to broaden the cooperation not only in LNG deliveries, but also “in developing LNG technologies, including energy infrastructure, collaboration in clean coal technology, and nuclear power.”

There are promising opportunities in Poland but also challenges of which the US side talks with US and Polish officials. “We exchange our views between Polish state-owned enterprises and government officials in order to raise the level of fluency and sophistication in understanding where the challenges are and how they can be ad-

ressed going forward. We will continue to do that and are looking forward to your ideas how we should do that,” the Ambassador said.

This, and other economic and business issues will be on the agenda in the spring this year in Warsaw, during the US-Poland Business Summit.

Ambassador Jones also said that he was happy to have seen an uptake in the number of Poles travelling to the US as tourists. It is not a surprise, as the economy in Poland is growing and the US is an exciting destination for Poles. And here the Embassy wants to help. “We try to ramp that up in a few different ways: one is to get out the word that it is quicker and easier than ever to get a visa. We do very close metrics on the process and, on average, it takes 19 minutes between walking into the consulate and walking out

with your 10-year-long visa,” the Ambassador said.

Another perspective on the rise of the Polish tourism to the US is that Poland is 1.5% away from being admitted to the Visa Waver Program. Ambassador Jones said that with a growing number of good applicants who apply for US visas the number of rejections will come down and Poland will be admitted to the US Visa Waver Program.

Closing his speech Ambassador Jones prized AmCham for its role in facilitating US-Poland business relations. “In my experience of 30 years in US diplomatic service I’ve never seen a better or more functional AmCham and a better and more collaborative relationship.”

### Poland's perspective

Another speaker, Jerzy Kwieciński, Secretary of State at the Ministry of Development, echoed the last remark from the US ambassador by thanking AmCham for its work in Poland. “We would like to see all chambers being so active as you are here,” he remarked.

Secretary Kwieciński went on to say that the economic policies of the government reflect the Strategy of Responsible Development—a pro-business and pro-economy plan which aims to make Poland a country which is friendly for business and in which it pays off to be entrepreneurial,” he said. “The focal interest of this strategy is a legislation, called Business Constitution, which step by step, will amend all business-critical laws. “One piece of law has been already adopted,” Secretary Kwieciński said, “and it is the law on the changes of the management of the EU funds in Poland.”

The speaker also said that the government introduced many institutional changes that aim to spur the development of innovative economy. Among them is the National Development Fund—which works as a promotional bank for Poland. “It is a fully-fledged financial institution, which integrates the most important institutions for the Polish business,” the Secretary said. The NDF has on its disposal some financial instruments that companies, including US companies in Poland, may use to develop innovations.

Secretary Kwieciński also noted that the number of Polish companies which eye the US as a place for investment is on the rise. There is room for improvement in this department, he said, as Polish investment in the US accounts for almost USD 1 billion, which is “not very impressive as compared to the US investment in Poland—USD 5 billion,” Secretary Kwieciński concluded.

• Tom Ćwiok

## MEET THE SPEAKERS



**Jerzy Kwieciński**, Secretary of State in the Ministry of Economic Development, is responsible for development strategies and plans and programming of socioeconomic development, and issues concerning Polish membership in the European Union, including the coordination of the decision-making process in the EU. Between 2005 to 2008 Kwieciński served as Deputy Minister of Regional Development, responsible for coordinating the national development policy and the cohesion policy for the period of 2007-2015, and for negotiations with the European Commission. In 2008 Kwieciński was named President of the Management Board of the European Center for Enterprise Foundation and the Deputy President of the Management Board of the European Center for Enterprise, a limited liability company. He worked as an expert of the Business Center Club in the area of regional development and structural funds and provided consulting assistance the World Bank. Kwieciński graduated from the Faculty of Material Sciences at the Warsaw University of Technology, where he also earned his PhD degree. In 1996, he completed an MBA program. He has also completed the Postgraduate Management Studies for Executives at the Warsaw School of Economics. Kwieciński worked as a university teacher and researcher at the Faculty of Materials Science at the Warsaw University of Technology, and in this time also carried out R&D projects. In 1993-2004, he worked in the European Commission Representation in Poland. In 2015, Jerzy Kwieciński became a member of the National Development Council appointed by the President of the Republic of Poland.



**Paul W. Jones**, US Ambassador to the Republic of Poland since August 2015, sworn in by Secretary John Kerry in September 2015. Ambassador Jones has a wide-ranging background in Europe. As Principal Deputy Assistant Secretary of State for European and Eurasian Affairs from 2013-15, he was responsible for all aspects of US policy and operations in Europe, particularly Russia and Ukraine. He was Deputy Chief of Mission at the US Mission to the Organization for Security and Cooperation in Europe (OSCE), Vienna, Austria (2004-05) and also at the US Embassy in Skopje, Republic of Macedonia (1996-99). Jones served at the OSCE Mission in Sarajevo, Bosnia and Herzegovina in 1995, implementing the Dayton Peace Accords, as well as at the US Embassy in Moscow, Russia (1992-94). In Washington, he was Director of the Office for South Central Europe and, previously, Desk Officer for the Netherlands, Belgium, and Luxembourg. He served twice on the staff of the Secretary of State, as Director of the Secretariat Staff and in the 24-hour Operations Center. Ambassador Jones' service in Asia and South Asia between 2005-2013 has complemented his European focus. Early in his career, he served in Bogota, Colombia. Ambassador Jones is a career member of the State Department's Senior Foreign Service. His awards include the Presidential Meritorious Service Award, the Robert C. Fraure Memorial Award for peace building, and several Superior Honor Awards. He speaks Spanish, Russian, and some Polish. He graduated from Cornell University and received master's degrees from the University of Virginia and the Naval War College.



# Coming full circle

A forgotten document is back for all to see

When it comes to expressing admiration and friendliness one nation has for another nation, the Statue of Liberty—a gift from the French people to the American people produced in France and assembled on an island in the New York Harbor in 1886—stands out as an unrivaled example, both in terms of its glorious artistic expression and the enormous amount of engineering it required to complete.

Yet, when it comes to the scope of personal engagement on the part of the nation which expressed its warm feelings to another nation, nothing comes close, arguably, to the Polish Declarations of Admiration and Friendship for the United States, which was presented to the President Calvin Coolidge in commemoration of the 150<sup>th</sup> anniversary of US independence, and to acknowledge the US political support for the creation of a sovereign Poland after WWI and the humanitarian aid that America rendered for Poland in the years following the end of the war.

The collection of 111 volumes, consists of 30,000 pages which carry over 5.5 million signatures representing nearly 20% of the Polish population in 1926.

The effort to collect signatures was coordinated by the Central Committee for the Commemoration of the 150th Anniversary of the Independence of the United States of America. Its head, Leopold Kotnowski, who was also Chairman of the American-Polish Chamber of Commerce and Trade, could boast about the huge success of the initiative—more so as the 5.5 million signatures were collected between April and September, a period of political upheaval in Poland topped with a *coup d'etat* carried out by Marshall Józef Piłsudski (who, by the way, also put his signature on the Declaration).

## A new lease of life

For decades the Declaration was confined in the vaults of the Library of Congress and could be accessed only by researchers and historians. In the digital age, the library made high resolution scans of the sheets in volumes 1-13, which contain the signatures of dignitaries, government members and other distinguished citizens of Poland, as well as the signatures of the faculty and students of higher education institutions.

Volumes 14-110 contain signature sheets from some 20,000 elementary schools representing 235 school districts. Volume 110

is a portfolio of unbound sheets of various sizes, including standard forms for elementary school signatures, broadsheets with signatures and stamps of local and regional officials, posters with elaborate ornamentation, and photographs of school buildings and classes. In turn, Volume 111, in artistic calligraphy, is a general description of the Declaration.

In December 2015, the Polish Library in Washington partnered with the Library of Congress to digitize Volumes 14 to 111. Once the signatures of millions of ordinary Polish citizens were available in digital form, they attracted the interest of some American researchers as well as the Polish Genealogical Association.

## Bringing it back home

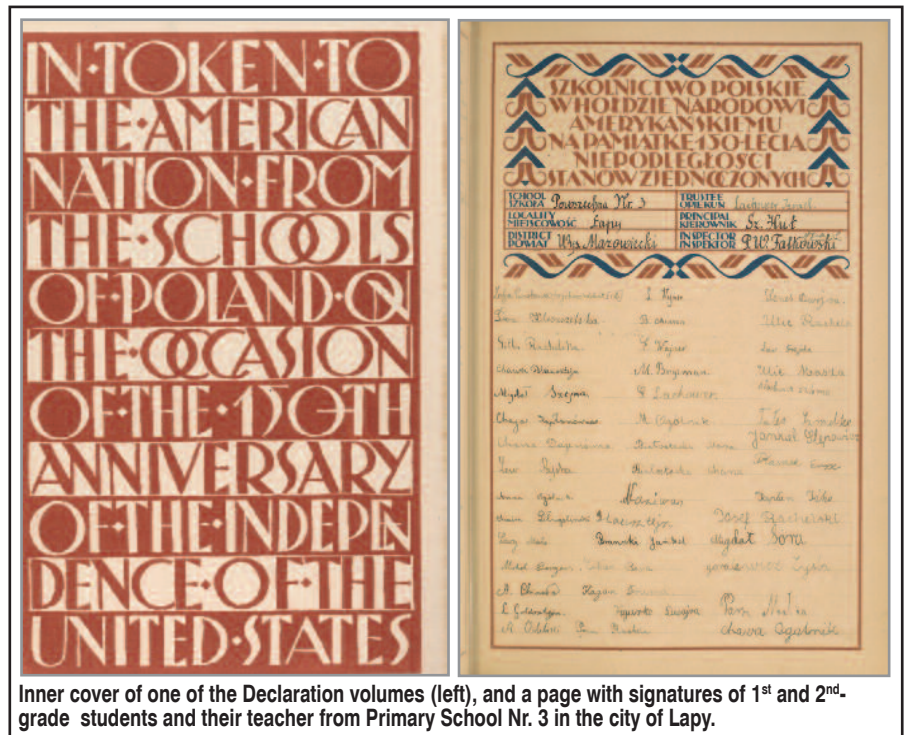
Last year, inspired by former Polish ambassador to the US, Ryszard Schnepf, the NGO KARTA Center, signed an agreement with the Polish Library in Washington under which it would make the Declaration open to the Polish people through a unique online project. “We created a website where users can search the Declaration for people’s names, but also cities and schools in which the signatures were collected,” said Alicja Wancierz-Gluza, ‘History at Hand’ project coordinator at the KARTA Center.

“With this, they can find the signatures of their grandparents and other family members who signed the declaration when they were students.”

But along the website, the NGO embarked on a much grander scheme. It plans to decipher all the signatures and index them so they can be searched for online. In addition, once deciphered, each signature will become an archive entry. Users, who recognize their family members will be encouraged to contact the center and supply additional information about their ancestors, together with any historical evidence (photographs, letters and other documents) that they possess.

Only a portion of the Declaration has been indexed so far. The center is doing its best to raise the money needed to accomplish this ambitious project. When it is done, the Declaration will become the base of the largest historical archive of Polish citizens from 1926. The effort of the creators of the Declaration, and all of those ordinary people (the youngest, at the time of signing, were 1st grade students aged seven, thus born in 1918 when Poland regained its national sovereignty) who contributed to it in 1926 is now about to come full circle and live on as the largest archive of material evidence, depicting the lives and personal histories of a few generations of Polish citizens who lived in their country through some of the most dramatic events in history.

• Tom Cwiok



Inner cover of one of the Declaration volumes (left), and a page with signatures of 1<sup>st</sup> and 2<sup>nd</sup>-grade students and their teacher from Primary School Nr. 3 in the city of Lapy.

# Stop searching, start flying!

American Investor's Tom Ćwiok talks with Rafał Milczarski, CEO of LOT Polish Airlines, about the growth strategy of Poland's flagship carrier

**In 2012 LOT was the first commercial airline to introduce the Boeing Dreamliner to its fleet. Last year your company received its eighth Dreamliner. How does this type of aircraft fits PLL LOT business strategy globally?**

In 2017 we received two new state-of-the-art B787-8 Dreamliners that enhanced our long-haul fleet. So now we currently have eight Dreamliner aircraft at our disposal. Each of them offers 252 seats on board in three cabin classes. That is just the beginning though. Delivery of six of the larger Dreamliner 787-9s is expected to commence in spring 2018. Each of them will be capable of carrying as many as 294 passengers on board and for the first time ever, up to 24 seat in the most comfortable business class.

The Dreamliner is currently considered to be the most technologically advanced wide-body commercial aircraft in the world. This flagship jet is the core of our long-haul fleet development and long-haul network success. By 2020 the number of LOT Dreamliners will be increased further from 8 to 16 aircraft. We are planning to use these to increase the number of flights to North America and Far East Asia, with many attractive connections to come in the subsequent years.

**In December LOT received two Boeing 737s MAX 8, and four are on order. The Boeing 737 MAX 8 is a new mid-range aircraft and these will be the first of the model in commercial service in Central and Eastern Europe. How does this model fit into the LOT business strategy in Europe?**

Introducing the B737 MAX 8 to our fleet is a continuation of what LOT started by becoming the first European airline to fly Dreamliners. Now LOT is one of the first in the world to receive the B737 MAX 8, equally technologically advanced aircraft but specialized in serving short and medium haul routes, such as London, Paris, Amsterdam or Madrid and soon also Tel Aviv, Vienna and Barcelona. Introducing the Dreamliner has transpired to be a far-sighted move that has been paying dividends ever since. I am sure that B737 MAX 8 will enjoy a similar story of success in our fleet, as we really make every effort to offer the greatest comfort and be perceived as one of the most modern airlines flying.



**The consular section of the US Embassy in Warsaw has cut the time that applicants need to get through the visa interview to below 20 minutes. At the same time your company announced new flights to destinations in the US. How important is transatlantic passenger traffic in the company's growth strategy?**

Transatlantic flights are the key element in LOT's profitable growth strategy. Currently, North America is the main passenger long-haul market for us. At the same time a potential to grow even further in terms of the cultural, economic and tourist exchange is practically unlimited. The only ever-present obstacle is obtaining a US Visa. We work very close with the US Embassy in Warsaw to present our numbers and potential for further development of direct connections between Poland and the US and we appreciate every effort made by the Embassy to simplify the visa process to encourage more and more people to visit US on a business or leisure trip. This should currently this should be a goal of all companies associated in the American

Chamber of Commerce in Poland.

LOT does its best to facilitate travel between Poland and the US. We operate 9 long-haul routes from Europe to the USA and Canada: from Warsaw to New York JFK, Newark, Chicago, Los Angeles and Toronto and from Krakow to Chicago. In April 2018, LOT's Dreamliners will start flying from Rzeszów to Newark. In addition to that, as of May we are going to connect Budapest to New York and Chicago for the first time since 2012.

**What would happen if Poland entered the Visa Waiver Program and Poles are allowed to travel to the US without a visa?**

Joining the VWP would be a powerful boost to the economy, enhancing bilateral relations and tourism and business travel. What is significant is that most of the countries neighboring Poland are already there. That means that Czechs, Slovaks, Hungarians and Lithuanians amongst others are able to travel freely to the US without visa requirement, whilst Poles still need to visit the Embassy to get a sticker in their passport. We should definitely address that. How do we do it? The rules are clear as the sky on a sunny day. The American entry requirement is for the refusal rate for non-immigrant B1/B2 visa applications to be less than 3 per cent during the fiscal year. The rate for Poland reached nearly 5.9 per cent last year, which is the reason why we have not been admitted to the VWP yet. Overall, the refusal rate has been steadily declining over the past years, but the pace is not sufficient. We came up with an idea. If all of us could join forces in a common campaign to promote travel to the US and at the same time give an honest and deep insight into the basic rules of the visa process, I am sure we could make a difference and even in this fiscal year bring the refusal rate down to below 3%.

I am convinced Poland needs a powerful education campaign to encourage people who meet the criteria, but who do not apply because they fear that the procedure is too complicated and too time-consuming, to apply for a visa. Similar campaigns were conducted successfully in the Czech Republic and South Korea in the past.

Getting Poland into the VWP should become our common goal and a significant part of our upcoming marketing

## AmCham Charity Drive

campaigns. We should try to inspire a great social movement, which at the end of the day we will all benefit from. The stronger the relationship with the US is, the more quality business we will have.

### What are the PLL LOT plans for 2018 and beyond?

I am proud to say that in terms of network development LOT is the fastest-growing airline in Europe with 46 connections launched since the beginning of 2016. In 2017, we carried almost seven million passengers on board which is one million more year than the previous year.

LOT has now reached a turning point. We are taking advantage of the potential

for economic development with the significant growth in air traffic observed for the CEE region.

From the restructuring and compensation program that resulted in reducing the network of connections in 2013-2015, LOT has now leapt onto a path of constant, profitable growth. LOT no longer needs external financing from the State Treasury. After the 'swim or sink' stage we have now reached the stage that can be described as 'how to achieve smart and fast growth'.

According to LOT's estimations, the number of passengers choosing the flag Polish carrier each year is expected to exceed 10 million by 2020. In turn, according to LOT's 2016-2020 profitable

growth strategy, the company will double in size in terms of number of passengers carried, the size of the long-haul fleet and operations and the number of employees. Our goal is to maintain LOT as a financially stable and profitable airline, financially independent and able to self-fund its operations and development. Our aim is to remain the leader for air transport in the entire Central and Eastern Europe. By achieving this, potentially Poland can become a major gateway for all passengers traveling between CEE and the US. But first we need to make a first step: promote the USA as a destination, demystify the visa process and become part of the VWP as soon as the end of 2018.

# The wheels are turning

The AmCham Charity Drive extends its aid, engages member companies

For the 22<sup>nd</sup> consecutive year AmCham held its Christmas Charity Drive to help children from eight orphanages across the country and a Single Mother's Shelter in Słomczyn. Our member companies donated products and provided Christmas presents for children in need while individual members donated food, clothing, toys, and cosmetics. This year AmCham is extremely grateful to Colgate Palmolive Poland and Procter & Gamble for donating large amounts of laundry detergent, toothpaste and other personal care items. Children in all the orphanages and the Słomczyn shelter were in desperate need of such items.

The donation from Colgate Palmolive



Members of the AmCham staff in the chamber's office during the peak of the 2017 Charity Drive

Poland was so generous—nearly 750 kilograms—that AmCham decided to share it with other charity organizations, including Caritas and the Salvation Army.

In addition, Colgate Palmolive Poland and Procter & Gamble prepared individual Christmas gifts for the children from orphanages in Bochnia that the AmCham Charity Drive has been helping for years.

Among other large donors was the Mattel company. It delivered plenty of toys and kid's gadgets.

Another company which deserves high recognition is Pegasystems. It delivered food and other articles which were necessary for the children in need.

In turn, David DeBenedetti and Monika Grzybowska, delivered furniture and bedding for the children at the Bochnia orphanage.

X-Press Couriers and Sky Net Worldwide delivered gift packages from AmCham to destinations of all over the country. Universal Express provided boxes for the AmCham Charity Drive and delivered pieces of furniture to the Children's Home in Bochnia.

In 2017 the AmCham Foundation donated the proceeds from its 4th of July raffle to the Ronald McDonald Foundation to cover the cost of aiding the Ronald McDonald House in Kraków, and to the Project Management Kids Camp to help children from orphanages and low-income families to finance their summer boot camp Serock. The AmCham Foundation also financed a summer camp for children from the Bochnia orphanage.

The AmCham Charity Drive is also proud to have supported financially the Breast Cancer Campaign run by Estee Lauder Companies. Last year the initiative marked

its 25<sup>th</sup> anniversary with a gala in October.

The participants of the AmCham mentoring program 30 Under 30 gave their contribution to the AmCham Drive 2017 as well. In December, they volunteered to sort out 8,000 kilograms of food products and prepared packages for the Warsaw Food Bank SOS Foundation ([www.bzsos.pl](http://www.bzsos.pl)). The goods were distributed before Christmas through the network of over 100 aid organizations to over 26,000 individuals in need.

The Food Bank people who worked for the bank's charity were very impressed by dedication of the 30 Under 30 program participants, and said that they had never seen such a level of engagement from aid workers before.

• *Anita Kowalska*



A group of volunteers from the 30 Under 30 Program at the Warsaw Food Bank

# Charisma is poison

Dr. Robert Hogan speaks in Warsaw

Outspoken and direct, often expressing controversial opinions, and always science-based, Robert Hogan, the creator of a system for identifying individuals with high potential to positively influence organizations in which they seek employment and work, visited Warsaw in October. As always, his presentation drew in crowds of HR professionals.

### The threat of free riders

In an ideal world, an individual seeking employment in a particular organization would be someone with genuine personal dedication to work in this very organization and, through her/his line of employment, help it grow and prosper, regardless of how intelligent and capable the individual is.

But we are not living in an ideal world. Individuals, whose sole purpose of working for an organization is to take advantage of it for themselves, and give nothing in return, are the majority. Research shows that 10% of the workforce will solve 90% of the problems that the organization faces, while 90% of the workforce will contribute to solving only 10% of the problems. "This is a paradox but it is a law," Hogan said, adding that organizations "need to have an objective system to identify those 10% and manage them properly because you will lose the high potential people unless they are exposed to good leadership.

Free riding is a common phenomenon, be it man-made organizations or social structure made by animals. "In every organization there will be a group of people who will take advantage of the resources of the organization, and will give nothing back to it," Hogan said. "This is true across the entire species of biology because in any social organization, free riders will always emerge. They grow to such a mass that they will endanger the very existence of the organization."

Hogan explained that it is for biological purposes that people will be always both selfish and cooperative and the attitudes will vary depending on circumstances. "When times are good and the economy is working well people tend to be selfish. When there is external threat and competition and threat to survival, leadership evolves into persuading selfish people into working together for the common cause. Leadership is about getting the group to work together because when there is ex-

ternal competition leadership has to deal with that external competition."

### Spotting effective leaders

In fact, the whole issue of business management boils down to effective leadership. And effective leadership, Hogan argued, is about return on investment. Good, effective leaders, work in such a way that enable their teams to crank out better financial results. According to Hogan, the personality of the CEO accounts more for good performance of the company than any other factor except the industrial sector in which the company is in.

In leadership research there are two critical criteria variables: emergence and effectiveness. Emergence is the quality of an individual to stand out and be noticed. In



Dr. Robert Hogan in Warsaw in October

turn, effectiveness concerns building a high-performing team and high-performing organization. So, emergence is about standing out and effectiveness is about being effective as a leader.

A study of managers, which lasted for four years, identified two groups of high performers: the first group were people who advanced quickly, got quick promotions, quick pay raises and zoomed to management positions. Another group were managers whose teams performed well. The research found that there was only 10% overlap between these two groups. "The individuals who were getting quick promotions were not the individuals whose teams were performing well," Hogan concluded.

In fact, what transpired in the research was that the first group spent most of their time involved in politics—at meetings, talking on the phone. The second group

were managers who spent their time working on their teams.

Another piece of research that concerns effectiveness was conducted on the Fortune 1000 companies. The research identified companies with 15 years of sustained performance significantly above the average for the industry. Eleven companies had the right profile. They stood out from the rest because the CEOs were individuals with the potential to turn around their companies. What the research underlined was that the CEOs of high-performing companies were all very humble, soft spoken and understated. "If you walked in the room you could not tell who the CEO was. They were relentlessly ambitious and none of them were high-emerging individuals," Hogan said.

### Narcissistic CEOs

Effective organizations are effective because of the CEO's qualities. And individuals with such qualities, research shows, are people who are humble. On the opposite side are leaders who are "charismatic" and "charisma is another word for narcissism," Hogan noted.

"If you believe in data there is research which shows that charisma is poison. Persistence and humility are better personal qualities in effective leadership in business than charisma," Hogan said.

He added that narcissistic CEOs ruin their companies, but the good thing about them is that they are easy to notice. "You can find narcissistic CEOs by looking at the annual report—look at the size of the picture for the CEO, and who else is there. If it is just the CEO and nobody else than you see. Look at the size of the picture of the CEO compared to the pictures of the rest of the board. Compare the size of the CEO salary and the rest of the team. Look at the statement from the CEO and count how many times there is 'I' in it."

### Leaders to survive with

Hogan concluded his presentation by saying that emergence is about individual success while effectiveness is about organizational success. Naturally, free riders are more into emergence than effectiveness. They make a good impression during the interview and every time they need to advance for their own end they instinctively know how to make a good impression on the decision-makers. They excel at how to sell themselves to advance their position. "We recommend prioritizing effectiveness over emergence. Pay more attention to effectiveness than emergence," Hogan said, because in his view, effectiveness concerns building a high-performing team—a team which can beat the competition. "That's what it is ultimately about—that's organizational survival." • Tom Ćwiok

# Company profile

Saab Technologies Poland



## Driven to cooperate with Poland

American Investor's Tom Ćwiok talks with Jyrki Kujansuu, Vice President for Poland and the Baltic States at Saab about the company's answers to Poland's defense needs

### What is the history of your company in Poland?

Saab is a Swedish-owned defense and security company, which offers a wide portfolio of solutions to the global market. We serve customers' needs in more than 100 countries including the US where we have recently received a contract for additional deliveries of Sea Giraffe AMB naval radars for the US Navy's Littoral Combat Ships.

Our engagement in Poland began in the early 1990s with deliveries of our Carl-Gustaf recoilless rifles to the Polish Armed Forces. We're proud of the fact that the current generation of Polish Special Forces continues to use our weapons. Polish officers from the officers' school in Wrocław use Saab's laser simulators for their combat training. The Polish Navy uses Saab's Sea Giraffe radars and RBS15 missiles on its Orkan Fast Attack Craft and its newest vessel, the ORP Kormoran minehunter, carries Saab's remotely operated underwater vehicle, the Double Eagle. Moreover, Saab and the Polish Naval Academy have recently signed a cooperation agreement on academia and industrial practice. Additionally, Saab has selected the Polish shipyard, Nauta, to produce the platform for the Swedish Navy's new special purpose ship. We are participating in a number of defense procurements which aim to modernize the Polish armed forces, including the plan to buy new submarines for the Polish Navy. Saab is currently building the next generation submarine – the A26 – for the Swedish Navy and has recently chosen a Polish partner to build the steel enclosures which will house the chief engine modules.

With its successful record of delivering a range of high technology defense equipment to Poland, Saab is experienced in working with Polish companies. It has a genuine drive to cooperate with Polish industry and this is why Saab can in the true sense talk of 'partnering with Poland'. Saab has demonstrated that it can skillfully engage with local industry to make the most of their expertise, and can also share its extensive international know-how and experience with local partners, to everyone's mutual advantage.

### What is the range of defense equipment that Saab can supply to Poland?

As I've already explained, Saab is successful in supplying solutions for many different requirements. This means it is capable of ful-



Photo courtesy of Saab Technologies Poland

filling many of the modernization needs of the Polish armed forces in the land, naval and air domains. Some of the specific solutions on the list that Saab can deliver to Poland are additional recoilless rifles for improved anti-tank capability, modern training and simulation solutions, high technology surveillance aircraft, electronic warfare and Naval solutions. What Saab can offer Poland are the best defense solutions coupled with an approach which focuses on maximizing the benefits to Polish stakeholders. We are talking to Polish officials and industry and have signed an MoU with the national defense champion Polish Armaments Group to cooperate on various defence programs. Our approach in Poland emphasizes the concept of 'partnering with Poland' and seeking mutual benefits for Saab and its Polish partners.

### Can you elaborate on that?

Focusing specifically on the Polish submarine procurement program, Polish industry may be involved in the production of Sweden's own A26 submarines on a bigger scale than currently. Saab is already working with a Polish partner on the Swedish A26 project and seeks to cooperate with a larger group of suppliers. Overall this means we can initially work on a total of five-six submarines—three or four for Poland, two for Sweden—not forgetting potential future exports as

well. The A26 submarine is specifically designed for distributed production which means different parts of it could be built in various locations. Poland and Sweden's shipyards lie in close geographical proximity – this makes cooperation logical.

### How do you view Saab's potential for the Polish defense market?

Poland is engaged in a very ambitious, long-term defense modernization program and wants to buy, replace or upgrade a large amount of equipment and systems used by all branches of its armed forces. Saab has a very strong position in ongoing Polish defense tenders. And we want to build on our position to increase deliveries to the Polish military. It makes sense for Poland to cooperate with Sweden. We share the same security concerns and are close neighbors, which makes cooperation easier.

### What can you tell me about the corporate culture of the company?

Saab constantly develops, adopts and improves new technology to meet changing customer needs. Saab serves the global market of governments, authorities and corporations with products, services and solutions ranging from military defense to civil security. Since Saab was established, we have strived to keep the society and people safe. It is a basic human need to feel safe and, as we see it, a human right. Through systems and solutions that increase security, we can make this possible. Our mission describes how we work to achieve our vision. By improving and updating technological systems and solutions, we increase security in society, for its citizens and for those whose job it is to maintain security. We also contribute insight into how threats to our security change and develop innovative new solutions that make society secure. At Saab, we share values which are inherited from generation to generation and reflect the company's soul. We are global citizens, honest and reliable and we keep our promises.

### What are the plans in Poland?

We aim to win more defense contracts in Poland and to continue to grow our industrial partnerships on the Polish market. We'd like to broaden our local footprint and supply the best defense solutions available in the world to the Polish armed forces.

# Company profile

Garmin Polska

## Surfing the waves of change

American Investor's Tom Ćwiok talks with Przemysław Łojek, Managing Director of Garmin Polska, about how lifestyle changes and technological innovations drive the market of GPS consumer equipment

### What is the history of Garmin, in the US and Poland?

Garmin was established in 1989 in Olathe, Kansas, by two engineers, Garry Burrell and Min Kao, hence the name. It specialized in aeronavigation and its first product was called ProNav. By today's standards it was a very simple navigation tool, but back then it was true high-tech and the US Army was among its first contractors. In US President Bill Clinton signed a bill which made the GPS signal available to individual people thus opening up a new market for GPS consumer electronics. So, the system itself owes its existence to the US government, but its service is free to all. With this, the business was only bound to grow. In 2000 Garmin floated its shares on the NASDAQ. In Poland Garmin equipment has been available since the 1990s, first through an authorized distributor. Our sales branch was established in Warsaw in 2010.

### What is the product range?

We specialize in satellite navigation electronics and have a range of products in different categories such as car navigation, marine navigation, aeronavigation, and, since recently, outdoor—fitness products which use GPS technologies.

### Which is the fastest-growing market segment in Poland?

Fitness. We offer a range of wearable tools, such as watches, smart-watches, and fitness bands. Our clients are people with active lifestyles, such as those who go jogging, run, hike, bike, and engage in extreme sports, as well as professionals.

This market segment has been growing very dynamically in Poland, and what we have seen amounts to a revolution. Consumers are taking up more and more outdoor activities, from going out for a BBQ to biking, hiking, and others. There has been a boom in organized runs. Almost every week there is a run held some place in Poland. It's been like that for five years. Now biking is trending with more and more bike races held across the country. It is a kind of a renaissance of biking because for a long time bikes have been used more for commuting than for fun. It all boils down to the fact that



Photo courtesy of Garmin

consumers in Poland are becoming increasingly health conscious and want to plan their physical activities in the most effective ways, hence their interest in our devices.

### How about other segments such as marine and aeronavigation?

The marine segment is also very important for us. Poland is the second-largest producer of yachts and motor boats in Europe, with some 90% of the production being sold abroad. A huge number of those boats are equipped with our GPS instruments.

The aeronavigation segment, which is where the company started from and in which it has been a leader through since those years, is not that strong in Poland, however, but we have a fair share of the market as well.

But along with those segments we also go into niche markets, such as hobby fishing. In fact, when you look at all outdoor activities, fishing has the largest number of practitioners among all. While fishing for most people is about sitting on the edge of a lake

with a fishing rod, this is changing fast. Sonars are becoming trendy and this is a whole new game. Also, there is a growing number of dog owners in Poland buying GPS collars. This market is worth tens of millions of PLN, and this is no joke when you look at dog breed prices. Often those dogs are not only expensive but their owners spend small fortunes training them. No wonder why they do their utmost to ensure they are safe.

So to sum up the situation, when I look at sales growths in other countries Poland is one of the leaders. It is because the society is getting more affluent and also because of fashion trends. There are marathons and sport events every week in Poland and it is reflected in the sales of our fitness products.

### Over the years, Garmin has evolved from a technology startup to a corporation. What is the company spirit like?

Garmin is a relatively young company but one that has indeed has grown into a proper corporation. But we keep our young and dynamic spirit. We love to take our customers by surprise when it comes to new and innovative products.

With such an approach we keep our products fresh. We do not shy away from entering new markets and market niches, and we are capable of reacting fast to the changing trends and needs of our customers. This is what makes us different from our competition, especially those big companies, because our products are real GPS tools and not just gadgets.

On the other hand, as a corporation, we have accomplished some very successful acquisitions. For instance, thanks to our acquisition of DeLorme we gained access to the two-way communications based on the Iridium satellite network, which is a part of the GPS/Glonass technology. This is a new quality in GPS instruments because with this, you can not only receive GPS data, but send your own data, for instance, when you are in need of assistance or have an emergency.

On the corporate side, we are a technology company which not only develops our technology but also has its own production and manufacturing facilities, in Taiwan.



With this we are not dependent on the production capacities of the companies which manufacture electronics to order from brand owners. In other words, we are free to launch new products according to our own schedule.

When it comes to software development we have a center in the US, Taiwan, and Romania. Software development is obviously very important for us. Suffice to say, the cost of software is a significant portion of the entire cost of a smartwatch.

**Many companies complain about the lack of proper people to hire. Do you have this problem?**

No. In Poland, we have a relatively small team so we do not have problems recruiting. It is a very efficient team of highly dedicated professionals who cover 100% of the market in Poland.

**How does your website support sales?**

We cooperate with all popular retail chains as well as specialist deal networks which are present throughout Poland. When it comes to professional products, such as aeronavigation, you have to buy from specialized dealerships because such products require professional assistance to configure them.

When it comes to our website, it is an important communication channel with our clients. When you buy a Garmin product, you need to register it on our website. We need your email address and the product serial number. When we have the two pa-

rameters we are able to let you know when we have updates for your product. It is important because, for instance, some of our products come with lifetime updates. Consider roadmaps: new updates are available every quarter, so if you have our GPS device you will get email from us every time a new update is available for your device.

**What are your plans for beyond 2018?**

As I said, Poland is our fastest growing market and we focus on following the development. We look at niche markets, for instance, such as scuba diving. We are expanding our offer for this market, which now includes diver's smart-watches and other specialized equipment.

Marketing is an important element of our strategy in Poland. We communicate the benefits of active lifestyles to people of all ages. Garmin has created sporting events for people who want to take challenges in different areas. They are the Garmin Iron Triathlon, the Garmin MTB Series, the Garmin Ultra Race, the Castle Triathlon by Garmin, the Garmin Triminators, and the Garmin Fishing Series. Those are weekend events, dedicated to families, with tasks organized for different age. Some people take part in our events because they are achievers and want to take up new challenges.

Others are beginners and want to start an active lifestyle around a discipline. Each of our events has a part dedicated to children—our intention is to help entire families go to the mountains or the sea, have op-

portunities to achieve something and have a good time. So we will develop our marketing efforts in all those areas and perhaps in new niche markets too.

**Do you see any legal or technical problems which could hinder your development in Poland?**

As I said, since the GPS signal has been made available to private individuals, there are no legal constraints dwarfing the development of the market for GPS consumer products. But what we see as a problem particularly in Poland is the worsening conditions of the so-called business environment. There have been many reforms undertaken recently in tax and other areas, such as personal data protection, which increased the amount of red tape companies have to deal with. No one doubts that those reforms are necessary and no one condones VAT evasion and improper personal data handling. But the fact that those reforms come almost at the same time creates a huge problem for some companies. Many of them are our business partners. For instance, when you look at retailers, there is a lot of uncertainty about their business because of the proposed regulations which would ban trading on Sundays. So with all that you see a less than optimistic business outlook from many companies who wish all those changes and reforms had not taken place in such a short time.

## Boost your company's exposure by sponsoring AmCham events

We offer an opportunity to increase your company's visibility through sponsorship of AmCham events, by promoting your company to the business and diplomatic community and receiving media coverage. AmCham events in Warsaw include business mixers, high-level discussion panels at CEO Forums, as well as our big annual events, the 4th of July Picnic and the AmCham Diner at the Krynica Economic Forum and the European Economic Congress in Katowice, which attract hundreds of guests. In addition to AmCham's Warsaw events, companies can sponsor events in Kraków, Katowice, Wrocław, and Gdańsk. Events include business mixers, conferences, and more.

For more information on events, please contact us at:

[anita.kowalska@amcham.pl](mailto:anita.kowalska@amcham.pl)

# Company profile

Bell Helicopter

## Flying higher and higher

American Investor's Tom Ćwiok talks with Joel Best, Bell Helicopter Military Programs Director Europe, about the company's profile and how it links with Poland

### Historically, what is the relationship of Bell Helicopter with Poland?

Bell Helicopter has a longstanding relationship with Poland. Bell has used the Polish aerospace industry as suppliers for many years, and Polish pilots have been flying Bell aircraft for decades. Our helicopters have served the Polish people well by providing humanitarian assistance and protection from external threats.

### What is the significance of the Polish market for you company?

For us, Poland is an important market. Bell sees Poland as the key to Central and Eastern Europe. The CEE is comprised of nations with unique security needs that Bell, more than any other aircraft manufacturer, is best situated to serve. That's why Bell has made it a priority to strengthen its relationship with the Polish government and industry.

For example, Bell and the Polish Armament Group signed an agreement to provide a transition study for a robust industrial package in conjunction with a sale of helicopters to Poland. The agreement of a Joint Transition Study was signed on September 6, 2017, during the 25th International Defense Industry Exhibition in Kielce.

The agreement enables PGZ to collaborate with Bell Helicopter on a more detailed level. The goal of this co-operation is not only to provide the Polish Armed Forces with state-of-the-art equipment, but also to engage the Polish defense industry in this project to the maximum degree possible.

### What can you tell me about Bell's product range?

Bell has the most extensive product line for commercial and military use. With forward thinking in advanced concepts, we invented the attack and utility helicopters and further advancing the vertical lift with our tiltrotor aircraft. These unique aircraft lift like a helicopter, then fly like an airplane with twice the speed, three times the payload and five times the range of traditional helicopters. With this type of technology, aerospace and aircraft will never be the same. The most in-demand aircraft with the United States Marine Corps is the world's first production tiltrotor aircraft, the Bell Boeing V-22 Osprey. Currently, Bell Helicopter is assembling our newest tiltrotor aircraft, the Bell V-280 Valor which, many experts agree, will further revolutionize military operations.



Photo courtesy of Bell Helicopter

### How about the commercial sector?

In addition to our military aircraft, Bell Helicopter also offers best-in-class commercial helicopters. The Bell 505 Jet Ranger X provides optimal safety, efficiency, and reliability through advanced avionics technology. The Bell 525 features the ARC Horizon flight deck system which provides unparalleled crew situational awareness, resulting in enhanced safety levels and operational capabilities.

### How do you shape your position in the global marketplace?

To maintain our status as an industry leader in aircraft manufacturing, it is no longer enough to focus on the North American market. Successful companies need to cultivate foreign customers. That's why Bell has made it a priority to build relationships with both foreign governments and industries.

Bell has been nurturing its relationship with countries like Poland for the last several years. This strategy has borne fruit for Bell Helicopter; just this year, Bell held roll-out ceremonies for its first foreign military sale of an AH-1Z and V-22. Bell Helicopter is dedicated to maintaining its role as a leader in military aircraft production, and that means it will maintain its focus and deepening its relationship with foreign customers.

### Are there any regulatory issues that negatively impact business growth of your company?

Bell Helicopter invents and produces some of the most advanced aerospace technologies available today. As such Bell is subject to the most stringent of US export regulations. The good news is that Poland is a member of the EU, and one of our strongest NATO partners. All of our commercial products are available in Poland, and our military products are available through the government-to-government FMS process.

### What can you tell me about the corporate culture of the company?

Our corporate culture promotes innovation. Bell has always been at the leading edge of technology and innovation. Examples include P59 which was the first US jet fighter, and X-1, which was the first supersonic aircraft. When it comes to helicopters, our innovation chain includes Model-30, which was the first practical helicopter; Model-47, the first commercial helicopter; Model-206, the first civil turbine powered helicopter; Model-209 AH-1, which was the first purpose built attack helicopter; V-22, which is the first and only production tiltrotor; and Bell 525, which is the first fly-by-wire commercially certified helicopter in the world. The Bell 525 is the safest and most technologically advanced commercial helicopter in its class.

But that is not the end. Bell V-280 is bringing new capabilities to the warfighter with twice the speed and twice the range of today's helicopters. In turn, Bell V-280 Valor is an aircraft that will provide unmatched speed, range, payload, agility, survivability and endurance, all at an affordable cost. Last but not least, Bell-247, is a helicopter which offers game-changing tiltrotor range and speed to unmanned missions.

### What are the company's plans for 2018 and beyond?

At Bell Helicopter, we have innovation teams continuously working to bring new ideas to life in order to solve the hard challenges that limit the capabilities of rotorcraft. If an aircraft manufacturer fails to innovate, they will fall prey to the wake of disruption caused by new ideas.



# Help yourself!

**With the opening of AmCham Gdańsk, the re-launch of AmCham Kraków & Katowice, and the continuously strong presence of AmCham Wrocław, the American Chamber of Commerce in Poland has never been more active in the regions. *American Investor's* Tom Ćwiok talks with AmCham regional directors about how they see the chamber's role in their regions**

Monika Ciesielska-Mróż, AmCham Wrocław Director (PM Group), talks about how the chamber caters to the needs of its members in the region of Lower Silesia

**How would you characterize American investors in the region and their impact on the economy?**

We are proud to host many American companies in Wrocław and Lower Silesia which represent different sectors of the economy, but all are among the largest and most valued employers. For instance, 3M, in its production hub in Wrocław supports nearly 3,000 jobs. UTC Aerospace Systems, having acquired the former Hydral factory, not only maintained the existing jobs but added new ones. In turn, Amazon has created several thousands jobs in its logistic center near Wrocław.

American companies in the region represent not only industrial production and logistics but also a wide variety of business services. Companies such as Google, HP, and IBM have a strong presence in Wrocław. It is fair to say that the city is the location of choice for many American companies in the business services sector. Even those companies which set up here their production facilities, expand their operations by adding shared services centers, research labs and R&D centers. I've already mentioned 3M, but there are others, such as Whirlpool and Mondelez International with its R&D center established next to the company's production facility in spring last year.

American investors are present in the automotive industry, aerospace, food production, chemicals, pharmaceuticals, electronics, and the business services sectors, including IT, research and development, business process off-shoring and shared services centers. They have created a huge number of jobs in the region. What's driving them here to Wrocław and Lower Silesia is the availability of a highly qualified workforce at every level, which delivers quality work. It is thanks to this paradigm that, in economic terms, Wrocław and



Lower Silesia are among the fastest growing cities and regions in Poland.

**How do you think AmCham Wrocław is perceived by member companies in the region?**

Beyond any doubt, our member companies trust AmCham Wrocław in what we do and how we do it. We have worked hard to win their trust over the years. We work to meet their needs, and in doing so we collaborate extensively with the US Consulate General in Kraków. We act as a facilitator for our members' businesses with the consulate when it comes to many pressing issues which arise, for instance, when our member companies send their people to the US on business.

AmCham Wrocław is also a platform for business contacts exchange and a natural meeting point for the American business community in the region where they can socialize but also forge business relations.

**What can you tell me about your schedule of events this year?**

We hold events for our members in Wrocław, such as business breakfasts, devoted to discussions on current topics. Usually, we discuss issues that are important to all companies regardless of the type of industry they are in. Those are HR issues, employment, taxes and other regulations which are pivotal to business. We hold business breakfasts every quarter but when a need arises, we do them more often than that. We act as an integrator for the US business community in the region and because of that we have good knowledge of the issues and problems that business is facing at any particular moment.

AmCham Wrocław also participates in bigger events held in the city by the local administration and other business organizations. For instance AmCham will be the honorary patron of the aerospace trade fair Civil & Military Aeromixer co-organized by the Italian Chamber of Commerce in Wrocław in March.

Our meeting schedule for this year will also include discussions with representatives of the US Embassy and US Consulate General in Wrocław, when time permits.

In December AmCham will co-partner with the British Polish Chamber of Commerce, and the German Chamber of Industry for the annual International Christmas Meeting. So this year we will continue with our flagship events, and partner with other organizations to be present at events that are important for the American business community in the region.

# Company profile

AmCham Poland in Gdańsk

## We are all in this together

Joanna Bojarska-Buchcic, AmCham Gdańsk Director (HR Solutions Group), talks about the US business community and its needs in the region

### How would you characterize the American business community in the region of Pomerania and the Tricity?

The economy of the region is anchored in the services sector, shipbuilding, construction and civil engineering. American companies, such as electronics producer Flextronics International Poland, paper producer International Paper Kwidzyń, and electronics producer Kabil support several thousand jobs each.

When it comes to the business services sector, Gdańsk is its regional center. It is home to over 120 companies which employ over 21,000 people. The bulk part of those centers specialize in IT, information technology offshoring, financial processes, software development, data centers, client service, accounting services, HR services, telemarketing, and information management. The Tricity has also a strong R&D presence. In the third quarter of 2017 there were 2,600 people working in R&D centers in the city.

New investors in the region follow the world trends and build parts of their global business services. Among them are Swarovski, Thomson Reuters, First Data, State Street, Intel Technology, Sony Pictures, Amazon, Jeppesen, Synopsys, Manpower Group, Staples, Airhelp, Acxiom, and Quad Graphics.

Companies specializing in logistics and supply chain are also developing rapidly in the region. Among them is seaport DCT SA, an American company, which two years ago opened its second cargo terminal, by which it doubled its processing capacity.

In the Tricity you can also find such American companies as Jappesen, which is a part of Boeing, EPAM, Crossover, Cushman & Wakefield, Dentons, Aon, Quad Graphics, and Eaton.

US companies in the region are important parts of the local economy. They have created over 20,000 jobs. One in five foreign investors in the region is a US company.

### What can you tell us about the reaction of member companies to the AmCham Gdańsk offer last year?

American companies represent very advanced business and are keen on exchanging knowledge and experience within the AmCham Gdańsk framework. The framework is designed to support knowledge and experience exchange in a range of areas such as legal issues and the labor market, but also to build personal and business rela-

tions.

Our activities have been met with great interest from our members. More and more of them come to our meetings and depending on what is on the agenda, we see a growing number of different professionals from same member companies attending: HR directors when we talk about HR issues, financial directors when we talk about financial issues, and sales directors when we discuss sales strategies. Each such meeting



is not only a workshop but a networking event. Our speakers get feedback from the members and so do I. This helps us plan the agenda of future meetings so we are in the loop when it comes to what is essential for our members. The broad range of topics that we cover inspires different professionals from our member companies to participate in our activities, and it is beneficial to us, the American business community and to each and every individual member of our organization.

To facilitate our meeting program, last year we partnered office building owners

Olivia Business Center, and Torus, which own the Alchemia office building. They are important partners because our meetings are attended by relatively large groups—up to 70 individuals at each event—and we do our best to provide them with the right venue to network and socialize.

My role as the leader of the AmCham Gdańsk Chapter is to understand the needs of our members in the region and to cater to those needs by creating meetings, seminars, networking events and others that meet those needs. This first year in this position was a very interesting challenge for me and I'm sure that 2018 will be full of interesting events and activities for our members.

### What are the chamber's plans for 2018?

There is huge demand for the transfer of knowledge and experience among the members of the American business community in such areas as HR because HR processes become digitized, and this is why we will continue with our meeting cycle entitled Strategic HR. We will cover such issues as leadership building in organizations, and the changing roles of leadership, the issues surrounding succession processes in organizations. We will also work to create a platform engaging the local authorities and players in discussing labor market issues and education in the region. We will work with our partners Aon Hewitt, Kinnarps and Human Power.

We will also discuss the challenges for business that stem from the application of new information technologies. This month it is cyber security and the new personal data protection regime—two big topics that we cover in partnership with Torus, Lufthansa Systems, and Crowe Horwath. In turn, with the Scandinavian Chamber of Commerce, we will work on a seminar at which we will discuss different new technologies and how they impact business.

In the fall we will have a conference on the space market. We will also discuss robotics and the digitization of business processes. We will also organize a tour of the production facilities of one of our member companies—too early to say which one.

I believe that our program for 2018 will meet our member's needs. Most of the events will be breakfast meetings or evening mixers. We welcome all the members from the Tricity and the Pomerania region and I'm looking forward to seeing them at our events.

# A tale of two cities

Jacek Drabik, AmCham Kraków & Katowice Director (Motorola Solutions), talks about his vision of how to serve the US business community in the two regions

**Kraków and Katowice are among Poland's most important economic centers with a strong presence of the US business community in both. How would you characterize the two cities and what makes them attractive for US investors?**

Kraków and Katowice are very important economic centers of Poland indeed. They are both rapidly growing cities. The Kraków population is nearly 1 million strong, while Katowice is the capital city of the so-called Silesia conurbation with over 3 million inhabitants. In the aggregate, almost 8 million people live in just two Małopolska and Silesia regions. These figures mean that the regions make big internal markets that are excellent for US companies and their investments.

Both Kraków and Katowice are important academic, cultural and economic centers, which offer excellent conditions

**Planning our events, we will not forget about fostering human relations between members of the American business community, which is also about having fun together!**

for living and studying. There are over 20 public and private universities and academic institutions, almost 300,000 students, and over 50,000 graduates per year in the wide range of disciplines.

The regions also have modern telecommunication capacity with the use of top modern landline and wireless technologies.

Both cities have their own international airports with growing networks of worldwide destinations. The road network is also improving which makes the regions an excellent base for supply-chain operators.

Also, both regions have seen the

growth of small and medium enterprises and technology incubators. There are also a number of business angels and the community of innovative startups.

The area is the location of choice for many US expats. The regions' local population is very open to the American culture and appreciates the ways in which US companies drive business forward.

All these elements create a complex business ecosystem that is highly innova-



tive and brings bigger return on investment for American investors year-on-year. Kraków, as well as the Katowice agglomeration, are perfect destinations in which investors may develop R&D locations, business process outsourcing centers, shared service centers as well as high-value manufacturing and production sites.

**What are the needs of the US business community in Kraków and Katowice as you see them?**

American investors in the region need to continue to build and expand relations within their community as well as with

local governments, organizations and academic institutions. It is about sharing relevant business information, facts, expertise and experience.

Another important aspect of building relations is about getting access to the right talent in computer science, telecommunication, finance and the economy, mechanical engineering, electronics, robotics, mechatronics and other disciplines.

Also, law in Poland has been changing fast in recent years and American investors—and not only American investors but virtually all business leaders—require access to information that is critical to dealing with government institutions and agencies.

And we always remember that our ultimate goal is building a strong, common voice of the American business community in the region. By working together we can achieve much more than just each company working alone.

**When it comes to the events that you plan to hold in 2018, what are the plans?**

We are building our program around topics which are related to important and upcoming changes in Polish legislation, and such that will impact businesses in various ways, and among other ways, may have an effect on their return on investment. We will resort to our community of business partners that AmCham has created over the years to deliver knowledge and advisory that each investor may use in the way that is suitable for their particular line of business. Our plan includes meetings with local and state government representatives, education organizations and the US Embassy and Consulate personnel. Our system of two-way-feedback sharing will play a vital role in the proposed agenda.

We are also thinking about strengthening relations with the existing AmCham branches in other Polish cities through activities organized together.

Planning our events, we will not forget about fostering human relations between members of the American business community, which is also about having fun together!

## Always on the run

*American Investor's* Tom Ćwiok talks with Dorota Dabrowski, AmCham Managing Director, about how the chamber is evolving to embrace the growing needs of the US business community

**In terms of the value of their accumulated investment in Poland and the number of jobs American investors created directly and indirectly, AmCham Poland is the largest foreign chamber. How would you characterize US investors today?**

American investors began coming to Poland in large numbers in the early 1990s. They were the first wave of foreign investment after Poland's political and economic transformation. They were pioneers who brought into the country new products, services, and a new business culture and knowhow. Big US brands set up their manufacturing operations in the country as they sought to economize on Poland's large labor market and contribute to the development of consumer markets. In time, with the emergence of the digital economy business evolved and today US investors continue to rank among the largest providers of high-tech and value-added services to the country's economy. What is also significant, US companies in Poland are among the top investors who reinvest in the country the profits that they make here. Reinvestments are in fact a fast growing part of the accumulated inflow of foreign direct investment. It is a win-win situation for both the investors and the country as a whole, because it creates a sustainable economy for all the stakeholders to benefit from.

**Last year was a milestone year for AmCham with the relaunch of AmCham Gdańsk and AmCham Kraków & Katowice. And add to it the busy schedule of AmCham Wrocław. What's the role of the regional operations of AmCham and how do they fit in with the very busy event schedule of AmCham in Warsaw?**

Poland is a big country so our regional branches are very important to us because they help us reach a lot of members that do not find Warsaw to be on their way. They also help us stay in touch with the "real" Poland and priorities outside the capital city. Virtually all of our 150 factories are outside of Warsaw; they represent a key factor of American investment in Poland so we need to be close to them. Activities in the branches lets us stay in touch and reflects the interests and priorities of each region.



**Last year we saw the expansion of the AmCham Diner format. Along with its presence at the Economic Forum in Krynica and the European Economic Congress in Katowice, we saw it at the ABSL Conference in Łódź in summer 2017. How does this format serve the needs of member companies at such events?**

Besides providing a popular meeting place, we bring American culture to these events and make a statement about the significance of American investment in Poland. Although our member companies are largely Polish-run and very localized, at the end of the day, the capital and decisions to invest come from the US. So with the Diner, we provide our members and their guests not only with a great cup of coffee and something to eat, but more importantly, with valuable conversation and a chance to get associated with the role US investors play in Poland.

**AmCham has its vast committee network which offers business advice and experience-sharing between members in selected business areas.**

**How do you evaluate its work vis-à-vis the increasing activities of lawmakers in Poland which impact the business environment in the country?**

Above all, our committees provide a structure that allows members to be closer to AmCham and our staff. The interactions coming from committee meetings turn into valuable relationships that provide synergies when there is work to be done.

**With this comes the question of advocacy for US companies in Poland. What can you tell me about this area of AmCham activity?**

We have two very able policy staff at AmCham and they work in tandem with AmCham members on legislative issues. Indeed, this year has been hectic for them with many key laws initiated at a very quick pace. Thankfully, the network and relationships with members lets us respond quickly and comprehensively. At AmCham, we make the most of the fact that together we are stronger. That is why it is so important for us to have all American investors in Poland associated with us as members.

**What are the AmCham plans for 2018?**

2018 will be a special year in Poland with the 100<sup>th</sup> anniversary of independence being celebrated. The US had a big hand in this with US President Woodrow Wilson putting Poland's independence as a condition for peace in his famous 14 Point Speech. At AmCham, we will also commemorate this important event for Poland throughout the year. Specifically, we are supporting the digitalization of a "thank-you card" with over 5 million Polish signatures from 1926 given to the US in admiration and thanks. These names speak volumes about pre-war Poland and have a historical significance for many families. Closer to home, we are planning another US-Poland Business Summit as the face of bilateral relations has changed since the last Summit in 2012. Today, for example, there is a wave of Polish investment in the US which was not considered before. Also, the start-up scene brings a new angle to US-Polish business relations, along with the traditional types of investment in goods and services that continue to be strong. We look forward to setting the pace for future relations. ●

# AmCham Membership Directory



Alphabetical list of AmCham corporate members, as of December 31, 2017.

No	Company Name	Person in charge	Position	Company website
1.	3M POLAND Sp. z o.o.	Simmonet Alain	Managing Director	3m.pl
<b>A</b>				
2.	ABBOTT LABORATORIES POLAND Sp. z o.o.	Kurysz Marek	General Director	abbott.pl
3.	ABBVIE POLSKA	Mazurkiewicz Jacek	General Manager	abbvie.pl
4.	ABTREX INTERNATIONAL Sp. z o.o.	Byars Keith	President	abtrex.com
5.	AC NIELSEN POLSKA Sp. z o.o.	Mordasiewicz Szymon	Managing Director	nielsen.com/pl
6.	ACCENTURE Sp. z o.o.	Kroc Jaroslaw	Chairman of the Board	accenture.pl
7.	ADECCO POLAND Sp. z o.o.	Wicha Anna	Country Manager	adecco.pl
8.	ADM DIRECT POLSKA Sp. z o.o.	Stasiuk Radoslaw	General Manager Poland	adm.com
9.	ADORIA VINEYARDS - WHITNEY ADAMS Sp. z o.o.	Whitney Mike	Managing Director	adoriavineyards.com
10.	ADP POLSKA Sp. z o.o.	Ponaczewny Michal	Associate Sales Manager	adp.pl
11.	ADVENT INTERNATIONAL Sp. z o.o.	Huep Ralf	Managing Partner	adventinternational.pl
12.	AECOM Sp. z o.o.	de Boom Jan	Managing Director	aecom.com
13.	AGRI PLUS S.A. GROUP	Dackiewicz Miroslaw	Vice President	agriplus.pl
14.	AGS WARSAW	Tavernier Cedric	Branch Manager	agsmovers.com
15.	AIG EUROPE LIMITED Sp. z o.o.	Holnicki Zsulc Pawel	Head of Specialty Lines	aig.com.pl
16.	AIR FRANCE KLM DELTA	Siling Frantisek	General Director	airfrance.pl
17.	AIR PRODUCTS Sp. z o.o.	Wieczorek Piotr	Member of the Board	airproducts.com.pl
18.	ALVAREZ & MARSAL POLAND Sp. z o.o.	Bartczak Boguslaw	Managing Director	alvarezandmarsal.com
19.	AMAZON	Mielczarek Mariusz	Public Policy Director	amazon.com
20.	AMERICAN EXPRESS	Zolnierz Tomasz	Head of Account Management	americanexpress.pl
21.	AMERICAN HEART OF POLAND	Buszman Pawel	Chairman of the Board	klunikserca.pl
22.	AMERICAN INSTITUTE FOR FOREIGN STUDY	Pagowski Michal	Director	aifs.com
23.	AMERICAN SCHOOL OF WARSAW	Zurfluh Jon Paul	Director	asw.waw.pl
24.	AMGEN Sp. z o.o.	Kingdom Samantha	General Manager	amgen.com
25.	AMREST Sp. z o.o.	Chandler Mark	Chief Financial Officer	amrest.eu
26.	AMWAY BUSINESS CENTRE-EUROPE Sp. z o.o.	Karpiński Wojciech	Director	amway.com
27.	AMWAY POLSKA	Pietrzak Anna	General Director Poland	amway.pl
28.	ANDERSEN TAX Sp. z o.o.	O'Shaughnessy Matthew	Partner	andersentax.pl
29.	ANIMEX FOODS Sp. z o.o. sp.k.	Pawelczak Andrzej	PR Director	animex.pl
30.	APCO WORLDWIDE Sp. z o.o.	Housh Tony	Senior Counselor	apcoworldwide.com
31.	APOLLO-RIDA POLAND Sp. z o.o.	Nowicki Rafał	Vice President	apolorida.com.pl
32.	ARCADIS	Klammer Marcin	CEO	arcadis.pl
33.	ARRIS POLAND Sp. z o.o.	Zawada Arek	Regional Sales Director	arris.com
34.	ARUP	Skuse Matthew	Group Leader	arup.com
35.	ASSESSMENT SYSTEMS POLAND Sp. z o.o.	Giryń Magdalena	Country Manager	asystems.as
36.	ASTRAZENECA PHARMA POLAND Sp. z o.o.	Oleszczuk Jarek	General Manager	astrazeneca.pl
37.	AVIS POLSKA	Gutknecht Radoslaw	Board Member	avis.pl
<b>B</b>				
38.	BAE SYSTEMS (POLAND) Sp. z o.o.	LaCrosse Martha	Director	baesystems.com
39.	BAIN & COMPANY POLAND Sp. z o.o.	Poświęta Jacek	Managing Director	bain.com/warsaw/
40.	BAMA EUROPA Sp. z o.o.	Siewruk Marlina	Finance Manager	bama.com
41.	BANK BPH S.A.	Jurczyk Grzegorz	CEO	bph.pl
42.	BANK HANDLOWY W WARSZAWIE S.A.	Sikora Sławomir	President, CEO	ctihandlowy.pl
43.	BANK POLSKA KASA OPIEKI S.A.	Kaczmarek Andrzej	Director Large Corporate Department	pekao.com.pl
44.	BASELL ORLEN POLYOLEFINS Sp. z o.o.	Tanner Joseph	CEO & General Director	basellorlen.pl
45.	BAXTER POLAND Sp. z o.o.	Cytrowska Magdalena	General Manager CEE	baxter.com
46.	BECTON DICKINSON POLSKA Sp. z o.o.	Korybalski Łukasz	Country General Manager CEE	BD.com/pl
47.	BELL HELICOPTER	Best Joel	Director Europe	bellhelicopter.com
48.	BGŻBNP PARIBAS	Wancer Joseph	President of the Management Board	bgzbnpparibas.pl
49.	BIOGEN POLAND Sp. z o.o.	Dębski Piotr	Country Director	biogen-poland.pl
50.	BOEING INTERNATIONAL CORPORATION S.A. Poland	Prusinski Stanley Joseph	Director, Boeing Defense	boeing.com
51.	BOSTON CONSULTING GROUP	Hutten-Czapski Franciszek	Senior Partner	bcg.com.pl
52.	BOSTON SCIENTIFIC POLSKA Sp. z o.o.	Knap Mariusz	Trade Director	bsci.com
53.	BOYDEN	Plaza Zbigniew	Managing Director	boyden.com
54.	BP POLSKA Sp. z o.o. Oddział w Krakowie	Pyrych Piotr	CEO	bp.pl
55.	BRISTOL HOTEL	Henning Andrew	Managing Director	luxurycollection.com
56.	BRISTOL-MYERS SQUIBB POLSKA Sp. z o.o.	Żarski Antoni	General Director	b-ms.pl
57.	BRITISH AMERICAN TOBACCO POLSKA TRADING	Bekefi Antal	General Manager	bat.com.pl
58.	BROWAR NAMYSŁÓW Sp. z o.o.	Szczepaniak Czesław	CEO	browarnamyslow.com.pl
59.	BROWN BROTHERS HARRIMAN (POLAND) Sp. z o.o.	McDonald Michael	Country Manager	bbh.com
60.	BROWN-FORMAN POLSKA Sp. z o.o.	Janota Andrzej	Managing Director	brown-forman.com
<b>C</b>				
61.	C.H. ROBINSON POLAND Sp. z o.o.	Glinka Arkadiusz	European Director	chrobinson.com
62.	CAN PACK S.A.	Impink Philip	President	canpack.eu
63.	CARGILL POLAND Sp. z o.o.	Byczyńska Joanna	Board Member	cargill.com.pl
64.	CASINOS POLAND LTD.	Strohriegel Nikolaus	Company Director	cnty.com
65.	CATERPILLAR FINANCIAL SERVICES POLAND	Myszkowski Jaroslaw	Country Manager	cat.com
66.	CBRE Sp. z o.o.	Bienias Daniel	Managing Director	cbre.pl
67.	CDM SMITH	Zabierzewski Jan	President of the Management Board	cdmsmith.com
68.	CEC GOVERNMENT RELATIONS Sp. z o.o.	Matraszek Marek	Director and Founding Partner	cecr.com
69.	CENTURYLINK POLAND Sp. z o.o.	Oldenburg Tim	Operations Director Poland	centurylinktechnology.com
70.	CH2M	Billings Jonathan	Global GDC Director	ch2m.com
71.	CHWMEG INC.	Mott Randy	Director for Europe, Middle East & Africa	chwmeq.org
72.	CIMA	Bejnarowicz Jakub	Associate Director	cimaglobal.com
73.	CISCO SYSTEMS POLAND Sp. z o.o.	Kania Przemyslaw	General Director	cisco.pl
74.	CMC POLAND Sp. z o.o.	Kozicz Jerzy	Chairman of the Management Board	cmc.com
75.	CMS	Dulewicz Katarzyna	Partner	cmslegal.com
76.	COCA-COLA POLAND SERVICES Sp. z o.o.	Ivanov Stoyan	General Director	cocacola.com.pl
77.	COIMPEX Sp. z o.o.	Brodersen David	COO	coimpex.pl

# AmCham Membership Directory

Alphabetical list of AmCham corporate members, as of December 31, 2017.

No	Company Name	Person in charge	Position	Company website
78.	COLGATE-PALMOLIVE POLAND Sp. z o.o.	Król Wojciech	General Manager	colgate.pl
79.	CORNING OPTICAL COMMUNICATIONS POLSKA	Bielawski Mariusz	Board Member	corning.com
80.	COURTYARD BY MARRIOTT WARSAW AIRPORT	Stepkowska Aneta	General Manager	courtyardwarsawairport.com
81.	CRESA	Kaszyński Piotr	Managing Partner	cresa.com
82.	CROSSOVER	Tornberg Markus	Country General Manager of Poland	crossover.com
83.	CUBIC	Kelly Mike	Managing Director	cubic.com
84.	CUSHMAN & WAKEFIELD POLSKA Sp. z o.o.	Taylor Charles	Managing Partner	cushmanwakefield.pl
85.	CVC CAPITAL PARTNERS (POLAND) Sp. z o.o.	Krawczyk Krzysztof	Partner	cvc.com
<b>D</b>				
86.	DCT GDAŃSK SA	Thorpe Cameron	President	dctgdansk.com
87.	DEBENEDETTI MAJEWSKI SZCZESNIAK	DeBenedetti David	Partner	dms.net.pl
88.	DELOITTE	Metrycki Marek	Managing Partner	deloitte.com/pl
89.	DELPHI POLAND S.A.	Miśniakiewicz Tomasz	CFO	delphi.com
90.	DENTONS	Ostrowski Igor	Partner	dentons.com
91.	DEUTSCHE LUFTHANSA S.A. Poland Chapter	Wagner Frank	Country Manager Poland	LH.com
92.	DEVSKILLER Sp. z o.o.	Winter Tom	Head of Sales & Marketing	devskiller.com
93.	DIRECTPL	Pressello Angelo	Managing Director	dir.com.pl
94.	DLA PIPER WIATER Sp.k	Wiater Krzysztof	Managing Partner	dlapiper.com
95.	DOUBLETREE BY HILTON WROCLAW	Herd Matthias	General Manager	wroclaw.doubletree.com
96.	DOW POLSKA Sp. z o.o.	Santoro Giuspeppe	Managing Director	dow.com
97.	DUPONT POLAND Sp. z o.o.	Palka Andrzej	Country Leader	dupont.com.pl
<b>E</b>				
98.	EDENRED POLSKA Sp. z o.o.	Varju Henrietta	Managing Director	edenred.pl
99.	EGON ZEHNDER INTERNATIONAL Sp. z o.o.	Bachowski Jaroslaw	Managing Partner	egonzehnder.com
100.	ELI LILLY POLSKA Sp. z o.o.	Wcisło Beata	Business Unit Director	lilly.pl
101.	EMERSON PROCESS MANAGEMENT Sp. z o.o.	Kosik Tomasz	General Manager	emersonprocess.pl
102.	EMITEL Sp. z o.o.	Kurczewski Przemyslaw	Chairman of the Board	emitel.pl
103.	ENERNOC POLSKA Sp. z o.o.	Misiejuk Jacek	Managing Director	enernoc.com/poland
104.	ENTERPRISE INVESTORS	Siwicki Jacek	President	ei.com.pl
105.	EPSTEIN Sp. z o.o.	Lichocki Janusz	President	epstein.com.pl
106.	ERM POLSKA Sp. z o.o.	Pavlak-Chiaradia Magdalena	Managing Director	erm.com
107.	ESTEE LAUDER POLAND Sp. z o.o.	Zboch Joanna	General Manager	esteelauder.com
108.	EURONET POLSKA Sp. z o.o.	Szafirski Marek	President	euronetworldwide.com
109.	EXPRESS MAP POLSKA Sp. z o.o.	Przeorek Janusz	President	e-map.pl
110.	EY POLSKA	Kędzior Jacek	Managing Partner	ey.com/pl
<b>F</b>				
111.	F5 NETWORKS POLAND	Wiśniewski Ireneusz	Country Leader	F5.com
112.	FACEBOOK POLAND	Bednarski Robert	Country Director CEE	facebook.com
113.	FCM TRAVEL EXPRESS Sp. z o.o.	Hyland Tim	Managing Director	travelexpress.pl
114.	FEDERAL EXPRESS POLAND Sp. z o.o.	Mik Mariusz	Vice President Eastern Europe	fedex.com/pl
115.	FIRESTONE INDUSTRIAL PRODUCTS POLAND	Gajda Pawel	Plant Manager	firestoneip.com
116.	FISERV POLSKA Sp. z o.o.	Gren Aleksandra	General Director	fiserv.com
117.	FLEX	Polojko Andrzej	General Director	flextronics.com
118.	FOCUS RESEARCH INTERNATIONAL	Zabiński Richard	President & CEO	focusmr.com
119.	FOREVER LIVING PRODUCTS POLAND Sp. z o.o.	Kandefer Jacek	Managing Director	flpp.com
120.	FRIITO-LAY POLAND Sp. z o.o.	Gurgul Pawel	General Director	fritolay.pl
<b>G</b>				
121.	GARMIN POLSKA Sp. z o.o.	Łojek Przemyslaw	Managing Director	garmin.pl
122.	GE INTERNATIONAL S.A. POLSKA	Agnieszka Jankowska	Member of the Supervisory Board	ge.com
123.	GILEAD SCIENCES POLAND Sp. z o.o.	Kaźmierski Michał	General Manager	gilead.com
124.	GLOBE TRADE CENTRE SA	Kurzmann Thomas	CEO	gtc.com.pl
125.	GOLUB GETHOUSE Sp. z o.o.	Jarząbek Czarek	President	golubgethouse.pl
126.	GOOGLE POLAND Sp. z o.o.	Waliszewski Artur	Country Manager	google.com/about
127.	GP STRATEGIES CORPORATION Sp. z o.o.	Kolendowicz Łukasz	Board Member	lorienengineering.com
128.	GREENBERG TRAURIG	Grzesiak Jaroslaw	Managing Partner	gtlaw.com
129.	GREMI Sp. z o.o.	Hajdarowicz Grzegorz	Owner	gremi.pl
130.	GROUPON Sp. z o.o.	Wnęk Krzysztof	Managing Director	groupon.com
131.	GTR HOLDING Sp. z o.o. - SEGWAY	Plewińska Ewa	Managing Director	segway.com.pl
132.	GUARDIAN CZĘSTOCHOWA Sp. z o.o.	Kuźnik Grzegorz	Plant Manager	guardian.com
133.	GUIDEWIRE SOFTWARE POLAND Sp. z o.o.	Brylka Matthew	Site Leader	guidewire.com
<b>H</b>				
134.	HBO POLSKA Sp. z o.o.	Kozicki Michał	President	hbo.pl
135.	HEIDRICK & STRUGGLES	Szymański Robert	Partner in Charge	heidrick.com
136.	HERMAN MILLER LIMITED	Karbownik Maciej	Owner K&R Design	hermanmiller.co.uk
137.	HEWLETT PACKARD ENTERPRISE POLSKA Sp. z o.o.	Zajączkowski Michał	Managing Director	hp.pl
138.	HILTON WARSAW HOTEL & CONVENTION CENTRE	Krygsmann Robert	General Manager	warsaw.hilton.com
139.	HINES POLSKA Sp. z o.o.	Godzisz Mieczysław	Managing Director	hines.pl
140.	HONEYWELL Sp. z o.o.	Krajewski Wojciech	Chairman	honeywell.com.pl
141.	HP GLOBAL BUSINESS CENTER Sp. z o.o.	Turkiewicz Katarzyna	Chairman	hp.com
142.	HP INC POLSKA Sp. z o.o.	Olszewski Marcin	Managing Director	hp.pl
143.	HR SOLUTIONS GRUP	Bojarska-Buchcic Joanna	Managing Partner	bb-hrsolutions.com
144.	HSBC BANK POLSKA S.A.	Mrozek Michał	President	hsbc.pl
145.	HUDSON GLOBAL RESOURCES	Samul-Kowalska Jolanta	Country Manager	hudson.com
<b>I</b>				
146.	IBM POLSKA Sp. z o.o.	Szymczuk Jaroslaw	General Manager IBM Polska & Baltics	ibm.com/pl
147.	IGT POLAND Sp. z o.o.	Włodarczyk Wojciech	Chairman of the Board	igtpoland.com
148.	INSTANT POLSKA Sp. z o.o.	Wachowiak Piotr	Board Member	instant.com.pl
149.	INTEGRAL SOLUTIONS Sp. z o.o.	Borkowski Pawel	Managing Director	integralsolutions.pl
150.	INTERCONTINENTAL HOTEL WARSZAWA	Schoenrock Marten	General Manager	warsawintercontinental.com
151.	INTERNATIONAL NEW YORK TIMES	Clayton Jim	Corporate Digital Sales Director, EMEA	globaltimes.com
152.	INTERNATIONAL PAPER KWIDZYN Sp. z o.o.	Muskala Aneta	President of the Board, CFO	ipaper.com.pl
153.	INTERNATIONAL PAPER POLSKA Sp. z o.o.	Berbeka Tomasz	President of the Board	ipaper.com.pl
154.	IQOR GLOBAL SERVICES POLAND Sp. z o.o.	Kardas Bogdan	Senior Site Director	iqor.com

No	Company Name	Person in charge	Position	Company website
155.	IQOR POLSKA Sp. z o.o.	Michalewicz Maciej	Chairman of the Board	iqor.com
156.	IRON MOUNTAIN POLSKA Sp. z o.o.	Kisiel Tomasz	CFO	emea.ironmountain.com
<b>J</b>				
157.	JANSSEN-CILAG POLSKA Sp. z o.o.	Lisiecka Magdalena	Country Director	janssen.com/poland
158.	JEPPESON POLAND Sp. z o.o.	Stepnowski Rafał	Vice President Boeing Digital Aviation	jeppeson.com
159.	JF LEGAL JAKUBASZEK & FOGO Sp.k.	Fogo Paul	Managing Partner	jflegal.pl
160.	JOHN DEERE POLSKA Sp. z o.o.	Leszczyński Mirosław	General Manager	deere.pl
161.	JOHNSON & JOHNSON POLAND Sp. z o.o.	Kulis Marzena	Managing Director	jinjpoland.pl
162.	JONES LANG LASALLE Sp. z o.o.	Trzósło Tomasz	Managing Director	jll.pl
<b>K</b>				
163.	K&L GATES	Jamka Maciej	Managing Partner	klgates.com
164.	KAJIMA POLAND Sp. z o.o.	Wróblewska Sandra	Senior Business Development Manager	kajima.pl
165.	KATO LABS Sp. z o.o.	Wolejko Janusz	President	kato.pl
166.	KELLY SERVICES POLAND Sp. z o.o.	Skok Robert	Branch Manager	kellyservices.pl
167.	KPMG Sp. z o.o.	Kay Peter	Partner	kpmg.pl
<b>L, Ł</b>				
168.	ŁASZCZUK I WSPÓLNICY sp.k.	Szpara Justyna	Managing Partner	laszczuk.pl
169.	LEADERSHIP & MANAGEMENT INSTITUTE Sp. z o.o.	Błatiak Andrew	Director	ilm.org.pl
170.	LEVI STRAUSS POLAND Sp. z o.o.	Gutkowska Dorota	General Manager Eastern Europe	eu.levi.com/pl
171.	LEXMARK INTERNATIONAL POLSKA Sp. z o.o.	Najda Grzegorz	Country General Manager	lexmark.pl
172.	LINDEN MEDICAL GROUP	Karasiński Sławomir	Legal Adviser	landk.com.pl/en
173.	LIONBRIDGE POLAND Sp. z o.o.	Strczyński Jacek	Country Manager	lionbridge.com
174.	LITTLE AMERICA	Goriacheva Natalia	Owner	littleamerica.eu
175.	LITTLE LEAGUE BASEBALL & SOFTBALL EMEA Region	Kaszuba Beata	EMEA Region Director	eteamz.com/llbeurope
176.	LOCKHEED MARTIN GLOBAL INC. S.A.	Benz Joanna	Director, Poland and Eastern Europe	lockheedmartin.com
177.	LSC COMMUNICATIONS EUROPE Sp. z o.o.	Przepióra Jan	Vice President	lsc.com.eu
178.	LUNCHERS Sp. z o.o.	Dziubowski Robert	Chairman of the Board	your.hr
179.	LYNKA PROMOTIONAL SOLUTIONS	Lynch John P.	CEO	lynka.com.pl
<b>M</b>				
180.	M+W CENTRAL EUROPE Sp. z o.o.	Feret Tomasz	Branch Poland Director	ce.mwgroup.net
181.	MAGELLAN S.A.	Kawalec Krzysztof	President of the Management Board	magellansa.pl
182.	MANPOWERGROUP Sp. z o.o.	Janas Iwona	Manpower Group General Director	manpowergroup.pl
183.	MARRIOTT WARSAW HOTEL	Grader Robert	General Manager	warsawmarriott.pl
184.	MARS POLSKA Sp. z o.o.	Ignaczak Marzena	Corporate Affairs Director	mars.pl
185.	MARY KAY COSMETICS POLAND Sp. z o.o.	Kudlińska-Pyrz Ewa	General Manager	marykay.pl
186.	MASSIVE DESIGN Sp. z o.o.	Stopa Przemysław	President	massivedesign.pl
187.	MASTERCARD EUROPE SPRL, Poland	Ciołkowski Bartosz	General Manager	mastercard.pl
188.	MATTEL POLAND Sp. z o.o.	Rozpondek Ryszard	EMEA Finance Director	mattel.com
189.	MAZOVIA CAPITAL	Simmons James	Partner	mazoviacapital.com
190.	MCCORMICK POLSKA SA	Touzalín Oliver	Chairman of the Board	kamis.pl
191.	McDONALD'S POLSKA Sp. z o.o.	Pieńkowski Adam	Managing Director	mcdonalds.pl
192.	MEDICOVER Sp. z o.o.	Łukasiewicz Marcin	Investment & Development Director	medicover.pl
193.	MEDTRONIC POLAND Sp. z o.o.	Jagoda Adam	General Director	medtronic.com
194.	METLIFE S.A.	Kalinowski Łukasz	CEO	metlife.pl
195.	MICROSOFT Sp. z o.o.	Binkofski Ronald	General Manager	microsoft.com/poland
196.	MILLER, CANFIELD, W.BABICKI, A.CHELCHOWSKI i WSPÓLNICY	Wawawender Richard	Senior Partner	millercanfield.pl
197.	MITSUBISHI CORPORATION	Takada Masaharu	General Director	mitsubishicorp.com
198.	MOËT HENNESSY POLSKA Sp. z o.o.	Kłaman Aleksandra	Country Manager	lvmh.com
199.	MONDELEZ POLSKA Sp. z o.o.	Idczak Janusz	Managing Director	mondelezinternational.com
200.	MONEYGRAM PAYMENT SYSTEMS POLAND	Wilk Andrzej	President	moneygram.com
201.	MOTOROLA SOLUTIONS	Drabik Jacek	General Manager	motorolasolutions.com
202.	MSD POLSKA Sp. z o.o.	Vujičić Denis	Managing Director	msd.pl
203.	MSLGROUP POLAND	Hejnowski Sebastian	CEO	mslgroup.pl
204.	MULTI POLAND Sp. z o.o.	Topolska Barbara	Managing Director	multi.eu/contact-us/poland
205.	MYLAN HEALTHCARE Sp. z o.o.	Buczek Tomasz	General Manager	mylan.com
<b>N</b>				
206.	NALCO POLSKA Sp. z o.o.	Rudolph Alexander	Country Manager	nalco.pl
207.	NCR POLSKA Sp. z o.o.	Śliwa Bartłomiej	President of the Board	ncr.com
208.	NIKE POLAND Sp. z o.o.	Runzheimer Tim	Country Manager	nike.com
209.	NORDSON POLSKA Sp. z o.o.	Rutkowski Jarosław	General Manager	nordson.com
210.	NORTHROP GRUMMAN	Legsai Wiame	Business Development Manager	northropgrumman.com
211.	NORTON ROSE FULBRIGHT PIOTR STRAWA I WSPÓLNICY	Strawa Piotr	Managing Partner	nortonrosefulbright.com
212.	NOVARTIS POLAND Sp. z o.o.	Arkel Van Paul	CPO Head and Country President	novartis.pl
<b>O</b>				
213.	ODGERS BERNDTSON	Kałużyński Richard	Managing Partner	odgersberndtson.com
214.	OPTIMA S.A. (PART OF DOLLAR FINANCIAL GROUP)	Wielinski Dominik	President & CEO	optima.pl
215.	ORANGE POLSKA S.A.	Drózd Witold	Executive Director	orange.pl
216.	OTIS Sp. z o.o.	Kania Piotr	Managing Director	otis.com.pl
<b>P</b>				
217.	PEGASYSTEMS SOFTWARE LIMITED	Maślanka Jarosław	Director, Business Operations	pega.com
218.	PEPSI-COLA GENERAL BOTTLERS POLAND	Guille Christophe	General Manager	pepsi.pl
219.	PFIZER POLSKA Sp. z o.o.	Hryniewiecka-Firlej Dorota	Country Manager	pfizer.com.pl
220.	PHILIP MORRIS POLSKA DISTRIBUTION	Katilius Edvinas	Managing Director	philipmorris.pl
221.	PINKERTON	Pastuszka Bartosz	Managing Director	pinkerton.com
222.	PITTSBURGH GLASS WORKS (POLAND)	Modrzyk Andrzej	Plant Manager	pgwglass.com
223.	PKP ENERGETYKA S.A.	Orzech Wojciech	Chairman	pkpenergetyka.pl
224.	PLANTRONICS Sp. z o.o.	Wasiewicz Magdalena	Key Channel Account Manager Poland	plantronics.com/pl
225.	PM GROUP POLSKA Sp. z o.o.	Hamilton John	Managing Director	pmgroup-global.com
226.	POLAND-US OPERATIONS Sp. z o.o.	Farkas Ronald	President	plusops.com
227.	POLARIS POLAND Sp. z o.o.	Dawiec Bogusław	Chairman of the Board	polaris.com
228.	POLISH-US FULBRIGHT COMMISSION	Janiszewska Justyna	Executive Director	fulbright.edu.pl
229.	PPG INDUSTRIES POLAND Sp. z o.o.	Rusiniak Marcin	Managing Director	ppg.com
230.	PRAMERICA ZYCIE TU i R S.A.	Podyma Aneta	President of the Board	pramerica.pl
231.	PRATT & WHITNEY a United Technology Company	Gradowski Zbigniew	In-Country Program Manager	pratt-whitney.com
232.	PROCTER & GAMBLE OPERATIONS POLSKA S.A.	Huse Geraldine	CEO and Chairman of the Board	pg.com

# AmCham Membership Directory

Alphabetical list of AmCham members, as of December 31, 2017.

No	Company Name	Person in charge	Position	Company website
233.	PROLOGIS	Sapek Paweł	Country Manager	prologis.com
234.	PUNO CONSULTING	Pustelnik Adam	Proxy	punoconsulting.com
235.	PwC POLSKA Sp. z o.o.	Grygier-Siddons Olga	Managing Director	pwc.com/pl
236.	PZL MIELEC/ A SIKORSKY COMPANY	Katzen James	Vice President	pzmielec.com.pl
237.	QVC POLAND GLOBAL SERVICES Sp. z o.o.	Marciszewski Adrian	General Manager	qvc.com
<b>R, S</b>				
238.	RADZIKOWSKI, SZUBIELSKA I WSPÓLNICY sp.k.	Radzikowski Włodzimierz	Managing Partner	rslegal.pl
239.	RAIFFEISEN BANK POLSKA S.A.	Lubkiewicz Krzysztof	Head of International Desk	raiffeisen.pl
240.	RAMBOLL ENVIRON POLAND Sp. z o.o.	Trybuch Magdalena	Principal	ramboll-environ.com
241.	RAYTHEON INTERNATIONAL, INC	Schmieder William	President	raytheon.com
242.	REILLY FINANCIAL ADVISORS LLC	Watters Jason	Vice President Europe	expatadvisors.com
243.	ROCHE POLSKA Sp. z o.o.	Janicki Wiktor	General Manager	roche.pl
244.	ROCKFIN Sp. z o.o.	Krzykowski Marek	Business Development Manager	rockfin.com.pl
245.	ROCKWELL AUTOMATION Sp. z o.o.	Sieczka Maciej	General Manager	rockwellautomation.pl
246.	RUSSELL REYNOLDS ASSOCIATES Sp. z o.o.	Czarnota Dorota	Managing Partner	russellreynolds.com
247.	S&P GLOBAL RATINGS	Petrykowski Marcin	Managing Director	spratings.pl
248.	SAAB TECHNOLOGIES POLAND Sp. z o.o.	Kujansuu Jyrki	Acting VP and Country Manager	saab.com
249.	SABRE POLSKA Sp. z o.o.	Krzyżak Tomasz	Board Member	sabre.pl
250.	SANOFI-AVENTIS Sp. z o.o.	Kruszewska Magdalena	Chairman	sanofi-aventis.com.pl
251.	SAP POLSKA Sp. z o.o.	Piecuch Kinga	Chairman of the Board	sap.com
252.	SHERATON KRAKÓW HOTEL	Saliba Angela	General Manager	sheraton.com/krakow
253.	SHERATON WARSAW HOTEL	Zuri Erich	General Manager	sheraton.pl
254.	SIEMENS Sp. z o.o.	Należyty Grzegorz	General Director	siemens.pl
255.	SILGAN WHITE CAP POLSKA Sp. z o.o.	Rajca Marek	General Manager	silgan.com
256.	SITEL POLSKA Sp. z o.o.	Reznar Piotr	Managing Director	sitel.com/countries/poland-english
257.	SOFITEL WARSAW VICTORIA	Godard Philippe	Vice President Operations	sofitel.com
258.	SONY PICTURES GLOBAL BUSINESS SERVICES	Gryglewski Michał	Executive Director	spe.sony.com
259.	SPENCER STUART POLAND Sp. z o.o.	Maciejewski Andrzej	Managing Director	spencerstuart.com
260.	SQUIRE PATTON BOGGS ŚWIĘCICKI KRZEŚNIAK SPK.	Święcicki Peter	Partner	squirepattonboggs.com
261.	ST. JUDE MEDICAL Sp. z o.o.	Gołębicki Marcin	Proxy	sjm.com
262.	STEELCASE S.A. Przedstawicielstwo w Polsce	Kovacs Tamas	Regional Sales Manager	steelcase.eu
<b>T, U, V</b>				
263.	TAKENAKA EUROPE GmbH – Poland Branch	Takao Katsutoshi	General Manager	takenaka.eu
264.	TECHSOUP FOUNDATION	Szwarc Michał	Management Board Member	fundacjatechsoup.pl
265.	THE BRITISH SCHOOL Sp. z o.o.	Latkowski Jacek	Acting Principal	thebritishschool.pl
266.	THE NORTH HIGHLAND COMPANY POLAND	Graeber Rayner Reid	Director Business Development	northhighland.com
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271.	UBER POLAND Sp. z o.o.	Stakh Alexei	General Manager CEE	uber.com/pl
272.	UL INTERNATIONAL POLSKA Sp. z o.o.	Maliszewski Bogdan	Managing Director	ul.com
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276.	UNITED TECHNOLOGIES	Nicolle Darcy	Vice President	utc.com
277.	UNIVERSAL EXPRESS Sp. z o.o.	Hildt Stefan	Member of the Board	uer.pl
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280.	UPS POLSKA Sp. z o.o.	Adamovsky Pavel	Country Manager	ups.com
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283.	VISTRA CORPORATE SERVICES POLAND	de Lange Alwyn Jacobus	Managing Director CEE	vistra.com
<b>W, X</b>				
284.	WALT DISNEY COMPANY (POLSKA) Sp. z o.o.	Westermarck Katarzyna	Managing Director	disney.pl
285.	WARDYNSKI & PARTNERS	Wardynski Tomasz	CBE, Founding Partner	wardynski.com.pl
286.	WARNER BROS. ENTERTAINMENT POLSKA	Saniewski Waldemar	Managing Director	wbep.com
287.	WARSAW DESTINATION ALLIANCE, FOUNDATION	Kloszewski Alex	Chairman & Managing Director	destinationwarsaw.com
288.	WARSAW-ILLINOIS EXECUTIVE MBA	Ludwicki Tomasz	Managing Director	mcz.edu.pl
289.	WEIL, GOTSHAL & MANGES	Rewald Roman	Partner	weil.com
290.	WHIRLPOOL POLSKA Sp. z o.o.	Tuleja Andrzej	Managing Director	whirlpool.pl
291.	WHITE & CASE M. STUDNIAREK I WSPÓLNICY	Studniarek Marcin	Managing Partner	whitcase.com/warsaw
292.	WHITE STAR FOUNDATION	Zubkowska Iga	Foundation Development Specialist	whitestarfoundations.org/pl
293.	WHITE STAR REAL ESTATE	Patterson Brian	Managing Partner	residential.pl/aiglincoln_polska
294.	WIERZBOWSKI EVERSHEDES SUTHERLAND	Wierzbowski Krzysztof	Managing Partner	eversheds-sutherland.pl
295.	WINCOR NIXDORF Sp. z o.o.	Strzyckowski Michał	Retail Department Director	wincor-nixdorf.com
296.	WIND SERVICE II Sp. z o.o.	Stachowiak Krystian	President of the Management Board	windservice.pl
297.	WOLF THEISS	Given Ronald B.	Co-Managing Partner	wolftheiss.com
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299.	WRIGLEY POLAND	Wysocki Maciej	Chairman of the Board	wrigley.pl
300.	XEROX POLSKA Sp. z o.o.	Szczap Rafał	General Manager	xerox.com.pl
301.	XPO TRANSPORT SOLUTIONS POLSKA Sp. z o.o.	Bartczak Jarosław	General Manager	pl.xpo.com

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# Expert

## Tax law

# The payer's choice

## Split payment: A cure for the ills of the Polish VAT system?

According to figures from the Ministry of Finance, the receipts of the Polish state budget in 2016 were over PLN 323.6 billion, the greatest source being VAT of about PLN 126.6 billion. Despite the high amount of VAT paid into the state budget, specialists estimate that the figure could have been tens of billions of zloty higher if not for tax fraud, where VAT owed to the public coffers was pocketed by dishonest taxpayers. One of the many mechanisms recently introduced into the Polish regulations with the aim of combating tax fraud and increasing VAT proceeds is the “split payment” system.

### How will it function?

Under the Act of November 9, 2017, Amending the VAT Act and Certain Other Acts, in the Polish legal system the split payment mechanism will involve payment of the gross amount due under each invoice in two parts: (i) the VAT due under the invoice, to be paid to a VAT account, and (ii) the net amount, to be paid to the seller's ordinary current account. But this does not mean that the purchaser of the goods and services will have to make two separate transfers for payment of a single invoice. The division will be made automatically upon submission of a note to the bank in which the buyer indicates (i) that the buyer wishes to use the split payment mechanism for the transfer, (ii) the amount of VAT due, which is to be transferred to the seller's VAT account, and (iii) the number of the invoice being paid. The buyer will be responsible for properly indicating the amount of VAT to be assigned to the VAT account, as the entity executing the payment (e.g. the bank) will not verify the data provided.

Under the amending act, a VAT account is an account created automatically by the bank or savings

and loan association for each VAT payer with a current account at the bank or S&L. As a rule, a VAT account will be created for each of the taxpayer's current accounts. As an exception, if the taxpayer has several current accounts at the same bank or S&L, only one VAT account will be created for the taxpayer at that institution. Under the amending act, no additional fees will be charged for maintaining the VAT account. Moreover, the funds in the account may bear interest, and the accrued interest will be assigned to the taxpayer's current account. The VAT account may be operated only in Polish zloty. The obligation to automatically create VAT accounts will apply only to Polish banks and S&Ls. Thus if the seller maintains a foreign bank account, it will not be subject to the split payment regime.

### Freedom of choice—really?

In theory, the split payment mechanism will be voluntary. Nonetheless, the act provides for a right to choose this scheme only for the buyer of goods or services. The seller will have no influence over the buyer's use of the split payment mechanism. From the point of view of sellers, this solution is disadvantageous, as they risk having a portion of their funds frozen in the VAT account, where previously they could freely use those funds for current purposes. Moreover, even if a contractual agreement shall obligate the buyer not to use the split payment mechanism, that shall not prevent the buyer from using the scheme, because the act vests that right in the buyer.

### Restrictions

The taxpayer will not be able to freely dispose of funds in its VAT account. The act provides an exhaustive list of the instances when the VAT account can be charged, generally involving VAT settle-

ments. Firstly, the taxpayer will be allowed to use funds in the VAT account (i) to pay output VAT to the tax office's account, (ii) to pay input VAT from its own purchase invoices to the supplier's VAT account, and (iii) to issue a VAT refund to the buyer's VAT account when a correcting invoice is issued. As an exception, the act provides for the possibility of paying out funds from the VAT account to the taxpayer's current account, but such payment is possible only at the taxpayer's request, after obtaining the approval of the head of the tax office, issued in the form of an order within 60 days after submission of the application. A decision on payment of funds from a VAT account is a discretionary decision. This means that the head of the tax office may issue a refusal in any instance as he or she sees fit. The act also indicates instances where the head of the tax office is required to deny the request, e.g. when the taxpayer is in arrears in payment of VAT.

In our view, these limitations will in practice spur a greater number of taxpayers to use the split payment mechanism. Given the choice of waiting for the uncertain approval of the head of the tax office to freely dispose of funds in their VAT account, taxpayers will prefer to use these funds to pay their own VAT obligations, whether in the form of input VAT owed to their suppliers or output VAT owed to the tax office—and this will be possible only if they opt to use the split payment mechanism.

### System of incentives

The amending act also provides for numerous incentives for businesses, intended to encourage taxpayers to use the split payment mechanism.

The most significant incentive is a simplified VAT refund if the refund at the taxpayer's request is

to be paid to the VAT account. The act provides that such refund is to be made within 25 days after filing of an application, with no need to meet additional requirements. Thus, use of a VAT account may prove tempting for taxpayers from industries where there is often a surplus of input VAT over output VAT.

Another group that may take advantage of the split payment mechanism is taxpayers from sectors at risk of VAT fraud, who could potentially be drawn into a VAT carousel. Thus the act provides that buyers using the split payment mechanism cannot be charged punitive VAT rates or punitive interest. Moreover, such buyers will not bear joint and several liability with the supplier of sensitive goods. An additional incentive is a “VAT rebate,” i.e. the possibility of reducing the output VAT based on a formula set forth in the amending act, in a situation where the taxpayer decides to pay VAT to the tax office using a VAT account and the payment is made before the due date for payment of the tax. The earlier the payment, the greater the rebate the taxpayer will be eligible for.

### Summary

The split payment mechanism should enter into force on April 1, 2018 but the Senate in its amendments extended the above term to July 1, 2018. Time will tell whether this solution generates the hoped-for results. In our view, this scheme does have huge potential. Undoubtedly it will be attractive for taxpayers operating in sensitive sectors, as well as those filing frequent requests for VAT refunds. There are doubts, however, whether the incentives provided for in the amendment will truly prove sufficient for this mechanism to be commonly used by VAT payers.

By Aleksandra Faderewska-Waszkiewicz, Advocate, Tax Adviser, Partner and Karolina Jesionowska, Associate, Łaszczuk & Partners



# Silence is golden

By Marcin Jakubaszek  
Counsellor at law, Partner  
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## The red tape cut shorter?

The basic statute which regulates administrative proceedings under the Polish law is the Code of Administrative Procedure. This act was adopted in 1960 and in recent years it has been subject to numerous changes, which re-defined the regulations contained therein and adjusted it to the present-day reality. Despite that, it seems that the bill is far from perfect, as one can hear numerous complaints about time-consuming administrative proceedings. In many cases, it takes so long for investors to fulfill all the pre-investment administrative requirements that they have no other solution but to postpone their investment projects until they do know when they will be able to get going with their investment projects.

### New instruments

As of June 1, 2017 new amendments to the Code of Administrative Proceedings were introduced. All of them are aimed at speeding up administrative proceedings to make them much more friendly to customers and all stakeholders.

The new legislation introduces a number of legal instruments, such as:

- right to resign from the right to appeal against a decision, which allows the addressee of the decision to achieve the stage of the final and non-appealable decision much quicker;
- additional complaints in the event of extensively long-lasting proceedings;
- mediation;
- simplified administrative proceedings;
- right to final resolution of the case by the second instance administrative body;
- waiver to the necessity to apply for re-considering of the

case before appealing to administrative court in case of decisions being issued in I instance by the central and top level administrative bodies.

### Silent resolution

Among the changes added by the lawmakers there is also one I do not list above. It is called silent resolution of the matter. It is meant to be an alternative to a case being resolved with a decision. In practice, it shall mean that in particular case, if the matter is not resolved by an administrative body within a statutory period of time, then,

**From the perspective of investors, the silent resolution mechanism seems to be very practical, but the question is, to what administrative proceedings it will be applied and to what degree its application will speed up the process of obtaining permits from the administration.**

the case is deemed to have been positively resolved in favour of the entity applying for resolving it. In light of this mechanism, silence means consent, and consent means that the applying party gets a positive resolution. It looks very friendly to investors, doesn't it?

### Where to use it?

But the existence of silent resolution is not all that is required for it to be applicable. It may be applicable to certain proceedings only when specific provisions regulating such proceedings will allow for the application of silent resolution. The Code of Administrative Procedure constitutes a framework regulation for all particular proceedings being in detail regulated elsewhere (such as the proceedings for issuing building permits, regulated in the Construction Law Act; or proceedings for the outline planning decision or zoning decision, which are defined in the Planning and Spatial Zoning Act). Now, the other acts must be amended in order to allow for the application of the said instrument to the particular proceedings.

So, the first step has been taken. Now it is high time further steps were taken and they have to include the revision of all the particular administrative proceedings, and deciding which of them allow for the application of the silent resolution.

### Where does it apply?

The silent resolution mechanism is not totally unknown to the Polish legal system right now. This solution is applicable in case of motions for individual tax rulings and in case of notifications on construction works (minor construction works) under the Construction Law.

But now a base for much broader application has been created. Obviously it will not be applicable to all administrative proceedings. Still, it may have quite a broad application if Parliament makes a decision to amend several legal acts.

### Written confirmation

The last but not the least: One may ask how I know and how I prove that a silent resolution has been applied to the matter I have submitted to an administrative body?

There is a way of knowing. Pursuant to the new legislation, the administrative body will be obliged to issue a certificate confirming the (silent) positive resolution of the particular matter upon the motion of the interested party. Such certificate shall be a substitute for the decision which would be otherwise issued and if not, the silent solution applies.

### Wait and see

Time will show whether the mechanism of silent resolution will speed up the administrative proceedings or not. Now, it is up to Parliament to start inserting this solution into concrete acts which regulate particular proceedings. Let us hope that it will happen sooner rather than later.

# Expert

## Foreign Direct Investment

# Some food for thought

By **Ben Creighton**,  
Food Sector Head  
for CEE,  
PM Group



## Foreign Direct Investment in Poland: An engineered approach

Poland is a very attractive location for Foreign Direct Investment (FDI) particularly for its stable economy, well educated workforce, central location, modern infrastructure, large market (the population of Poland is nearly 40 million) and business friendly environment. In the EY's Attractiveness Survey Europe 2016, Poland was again ranked as the most attractive country in Central and Eastern Europe (CEE) in which to invest in the coming years. According to the EY data, the CEE region saw a 34% growth in FDI in 2015.

Many investors eye Poland for its potential in agriculture. According to the National Bank of Poland, the food industry is one of the main sectors targeted by foreign investors in Poland. The food industry amounts to 14 billion USD or 19% of total manufacturing FDI into Poland to date.

This is why Poland is the biggest agricultural and food product manufacturer in CEE and the 7<sup>th</sup> biggest in Europe. Food processing in the country, including beverages and tobacco production, is the most developed compared to other CEE countries.

### Things to do

Companies considering an investment in a foreign market have a long "to do list" of things they need to consider. Starting with market research, it is important to know the size, maturity and local trends of the market in the country in which you propose to invest. It is also crucial to know who your main competitors are and what their market share is. Other key considerations are:

- Skills availability and labour cost;
- Logistics, communications Infrastructure;
- Human resources and recruitment;
- Legal and commercial advice;
- Finance, taxation, currency risks and insurance;
- Tax incentives and grants;
- Public relations and marketing;
- Political stability or risk.

For food facilities, from an engineering/architecture perspective, you need to begin with three key assessments:

- Site selection;
- Buildings and equipment design, permitting, procurement and installation;
- Utility applications, considering cost, quality & reliability.

Like any investment, there can be a number of pitfalls and in the particular case of site selection, buildings & equipment design, permitting, procurement and installation, the following are the key pre-investment considerations you need to make.

### Legal Entity Formation & Financial Plan

A legal entity is a mandatory requirement for land purchase in Poland and for application for environmental and building permits. Polish regulations allow domestic and foreign enterprises to operate under a wide variety of legal forms. The limited liability company is the most attractive legal vehicle for foreign investors to conduct business in Poland. A financial plan needs to take account of currency risk hedging and financial control processes for the project. Engaging specialist advisors with suitable compe-

tence in these areas is highly recommended as a first step prior to site selection.

### Site Selection & Due Diligence

When selecting a site, check the ownership status and if the seller holds an appropriate legal title and associated legal burden of proof.

Investigate the extent and quality of communications infrastructure, who your neighbors are and what local industries are present in the area. Is there potential for planning permission objections or possible cross contamination / odor from other activities?

Is there a local development plan in place for that region?

There are 14 special economic zones in Poland and they offer a range of support measures:

- Income tax exemption (CIT or PIT) from the income created in SEZ
- Land plot suitable for the investment at competitive prices
- Free support of formal processes concerning the investment.

A thorough investigation and assessment of ground conditions and stability is essential to determine whether a site is suitable for building on and this applies especially to such factors as soil conditions and water table.

The availability and lead time for utilities must be investigated and analyzed as part of the project schedule and also their availability during construction.

Your advisor should include the site's history, archaeological status and unexploded ordnance surveys as these can cause problems during construction.

### Site Master Planning & Building Concept Design

It is important to complete a Site Master Plan (SMP) and a Building Concept Design (CD) as this will allow you to plan for complete site utilization to "Future Proof" your proposed site. As part of this you will consider expansion of buildings and utilities. The CD becomes the baseline for the project budget, scope and schedule so it's critical that it considers all aspects of the project. A project's chances for success, therefore, are often determined by the quality of the concept design.

Even at this pre-investment stage of the project you need to consider constructibility and safety, internal and external traffic, people and material flows as you want to maximize efficiency and functionality from the start.

### Cost Plan, Cost Estimate & Budget

Project cost control is a continuous process, starting with project commencement and continued during the full project duration. The cost plan determines at what stages of the project the project costs are incurred and reported. It is also important to have a change management plan in place for the management of the project scope and requests for change.

The building and equipment cost estimate will be produced at the end of the CD. It is important that this estimate includes appropriate design and execution contingency and that allowances have been made for inflation and currency fluctuation. It should also include owners costs (legal, HR & staff, utility fees, insurances, etc.). Local Authority Fees can vary

depending on the region. Always remember that an estimate is not a budget!

### Schedule Control

As with all projects, effective schedule control is a must for project success. The aim is to have one integrated baseline schedule for the project covering all activities and to update this regularly to track actual progress. It should show all the

**According to the National Bank of Poland, the food industry is one of the main sectors targeted by foreign investors in Poland. The food industry amounts to 14 billion USD or 19% of total manufacturing FDI into Poland to date.**

key milestones. For these key dates it is worth considering using contractual incentives or penalties as a motivation to achieve them. Do include some schedule contingency or 'Float' strategically placed in the schedule. Remember a realistic schedule is the fastest schedule!

### Permitting

In Poland, when building a Greenfield facility, you are required to have an environmental decision and utility agreements before you apply for your building permit. The environmental permit is a one or two step process. The Environmental Information Card is a simple and fast process for low risk facili-

ties and is used to determine if a second step involving a full environmental impact study is required (this has a high level of detail, takes 5-6 months, involves public consultation and is for higher risk facilities).

Utility agreements are required and you have to obtain technical conditions of utilities connection for water, gas, power, effluent, rain disposal, waste disposal etc.

Additionally, a water law permit is required for borehole water extraction and rain water disposal to rivers. The Building Permit design is detailed (approx. 60% completed design) compared to other western European countries so possible abortive design costs and significant change cost and time could be incurred if significant design changes occur following building permit application.

### Execution Approach

When looking at the project execution approach complex projects have the best chance of success when a full service, locally based design and project management company is engaged to deliver the full project management and design scope of the project. Having a single point of contact with the industry specific expertise, scale and experience will significantly help to mitigate risk and ensure effective project delivery.

For less complex projects a traditional design and build approach may be suitable, however the following factors need to be considered to determine what is important to your specific project.

- Time vs Quality vs Cost;
- Cost Level & Early Cost Certainty;
- Schedule Speed & Early Schedule Certainty;
- Design Change Flexibility;
- Quality & Suitability of Design, Materials & Finishes;
- General Contractor vs Specialist Package Contracting.

### BIM and 3D

With the widespread adoption of Building Information Modeling (BIM) in the design and construction industry by clients, consultants, vendors and contractors it is even more

feasible to achieve effective and efficient project delivery. For the design of a complex food plant, BIM is a really important design tool that allows for the plant to be fully designed in 3D before it goes to the installation stage. BIM is being used to model all structures, equipment, piping, HVAC and electrical containment, integrating the process and packaging elements. This has significant design benefits including clash detection and is a very powerful co-ordination tool used to complete design reviews as well as facilitating client approvals, for early continuous constructability reviews and for assessing maintenance access during plant operation.

### Procurement

Following a structured procurement process has its advantages, such as using a known and vetted contractor short list, doing robust contractor pre-qualification and a detailed tender analysis (comparing "apples with apples"), technical and commercial "value engineering" and having full contractual support (using for example the FIDIC suite of contracts widely recognized in Poland or bespoke contracts if preferred).

Specialist support is also a benefit, especially if you are importing equipment, as there may be issues with CE certification, import duty or customs clearance. Pre-ordering of long lead items should be considered, particularly if they are on the projects critical path. Co-ordination is key when renovating and relocating equipment from multiple sites.

### Construction & Installation Management

The safe way is the right way! Safety should always be the number one priority. There are statutory construction control requirements in Poland i.e. statutory supervision (*inspektor nadzoru* services—discipline statutory inspectors, site manager and safety manager). During the construction phase of a project it is important to have tried and tested contract, cost, schedule, quality and change management systems. Project

success equals "scope, cost and quality, delivered on time...."

### Commissioning

Commissioning a plant can bring its own challenges. It may involve the start-up of specialist equipment. Depending on the product there may be regulatory or corporate qualification requirements (IQ/OQ/PQ) and GMP Audits. Many food retailers now have their own stringent standards and carry out customer audits.

### Certification

UDT, the Polish inspection and certification body can provide CE certification and the German TUV certification is also widely recognized. Such certification may be required before start-up. In Poland, building occupancy permits and production operational permits are a requirement. If the facility is designed to the latest green building standards for energy efficiency, then application can be made for LEED or BREEAM certifications which require energy modelling and seasonal commissioning. Where such certification is necessary it is highly advisable to include this objective in the CD phase of the project to ensure all aspects of the certification can be included from the outset.

# Expert

## Data Protection

# In the spirit of the time

Poland uses European Union regulations on the protection of personal data to modernize its laws

The introduction of the European Union General Data Protection Regulation sets a high bar for digital businesses operating across the European Union. Prompted by this regulation, the Polish Ministry of Digitalization has prepared a draft of the new Data Protection Act which aims to implement the GDPR in Poland. The act is being pushed through as the flagship regulation followed by a fleet of amendments to the existing laws including the Labour Code, the Telecommunication Law, the Insurance Law, the Banking Law, and a few more.

It is no secret that the business community perceives legislation proposed by the public authorities as troubling and unnecessary. In this case, however, there are reasons to believe that the Ministry of Digitization uses the GDPR to seize an opportunity to modernize Polish laws so they better reflect the capacity of modern IT and the ways through which it may serve all stakeholders when it comes to data protection in business.

At the time of writing this article, public consultations on the new drafts were still in progress and the package had yet to be voted upon in the parliament. That is why I'm focusing on the major ideas behind the reform. Yet, the reader has to bear in mind that the final shape of the proposed provisions may be different.

### Profiling without consent

The biggest winner of the proposed legislation is the financial industry, especially such institutions as banks or insurance companies, which apply the most modern digital technologies. Under the new rules, banks and insurance companies will be allowed to profile their customers based on the provi-

sions of law, without a need to secure any additional consent for the profiling from the individuals they profile. The appropriate sections were added to the Insurance Law and Banking Law.

The change reflects the reality of financial businesses which are nowadays deeply dependent on data analysis. On the other hand, there is a strong chance that FinTech or technology companies will recognize such treatment as a privilege in comparison to other sectors. Banks will also be allowed to collect more information on their employees, including criminal records or biometric data, for security reasons.

### Biometric identification

The Ministry of Digitization will also authorize employers to use biometric systems in relation to their employees, after obtaining their consent and under several other conditions. This is a chance for technology companies to enter the Polish market with biometric systems allowing for better identification than traditional measures.

More debatable are the draft provisions regarding the use of CCTV systems at the workplace which, according to the Ministry of Digitization should be used only if a system is not aimed at monitoring employees' work performance but for one of the three possible purposes: to provide security of confidential information, protection of assets, or protection of security of employees.

What would be particularly welcomed by the international businesses community in Poland is that for the first time Polish legislators have considered the collecting of electronic consent from candidates or employees as being of equal validity to traditional signatures written

in ink on paper. This change will be well received by all employers using paperless office solutions and will open the market for advanced e-signature solutions which are commonly used by the international companies.

### Age of consent

The GDPR gives room for maneuver allowing the EU member states to lower the age of consent to 13 years for data processing when using on-line services. The Polish legislator decided that when processing personal data of minors under the age of 13 the consent or confirmation or confirmation of the consent of their legal guardians must be required.

This concept follows a legal rule already established under the Polish Civil Code where minors over 13 years of age may enter into contracts regarding small matters occurring in everyday life. This provision, if accepted, will simplify the life of popular on-line services where teenagers constitute a significant proportion of their users. It will also mean that parents and legal guardians will need to discuss the privacy issues before a minor turns 13 years old.

### BCR-accredited companies

Companies which are based outside of the European Union and which receive and process personal data from companies within the EU, have to adjust to the Binding Corporate Rules—corporate practices which guarantee a level of personal data protection. The bad news is that those companies whose BCR has been accepted in Poland will need to undergo a revision of their BCR and have them approved by the regulator once again. They will have 12 months, following the date on which the new act comes into

force, to obtain an approval of their BCR from the Data Protection Authority.

### Fines

When it comes to fines, the new regulations seem to be quite neutral and no new solutions will be added in Poland, other than those already defined by the GDPR. In particular, there is no specific limit to the level of fines that can be imposed under Polish law, and the Polish act will refer directly to GDPR in this matter.

The final amount of administrative fines will be decided by the administrative court (upon filing a complaint). The court will have to take into account the criteria set out in the GDPR. Nevertheless the court will be able to award civil damages to a data subject whose rights have been infringed. The decision on the amount of the civil damages to be awarded remains in the hands of the civil court.

The administrative and civil paths will be independent, but the new legislation lays down specific procedures requiring the authorities to inform each other about initiated proceedings. The Data Protection Authority must inform the court about administrative proceedings and the court must inform the DPA about civil proceedings.

### Reduced criminal exposure

Another good idea coming from the Ministry of Digitization is the catalogue of criminal offenses established by the new act. This catalog will be much simpler than the one we currently have—only two criminal offenses, as compared to six in the current legislation. Under the act, anyone who hinders or prevents inspections shall be liable to a fine and its maximum

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amount may be EUR 1,250. Additionally, anyone who processes special categories of personal data (as specified in Article 9 of the GDPR) without having the right to do so shall be liable to a fine, and may face a restriction of his or her liberty, and even imprisonment of up to one year.

Those changes significantly relieve data controllers or data processors from exposure to criminal liability. Previously, one could be liable to criminal charges even for the unintentional disclosure of personal data.

#### **Powers of the new DPA**

The market watchdog, the Data Protection Authority, will have significant and definitive powers over companies found in breach of data protection laws.

First, DPA's decisions are intended to become effective immediately. Submitting a complaint against the DPA's decision will suspend the decision

**The exceptionally broad catalogue of DPA powers over companies, which can be executed without appropriate court control, may lead to unintended consequences, especially when dealing with innovative businesses that rely heavily on data processing.**

in regard of administrative fines only. Until the matter is reviewed by the administrative court to which one can appeal, the decision would force its addressee to follow it in full.

Second, during proceedings the DPA will have the authority to issue an interim order restricting the scope of data processing (e.g. the right to transfer data to the USA). The interim order may last until the end of the proceedings and cannot be appealed against before the administrative court reviews the whole matter.

Given the average time of review, which is 1.5 years, a company can be forced to stop its core data

processing activities for that time.

There are many other changes that give the DPA the authority to effectively enforce its views on how personal data should be processed. Therefore, companies will have to do their best to make sure that all controls are in place.

#### **Summary**

Some experts have mixed feelings about the new proposals for personal data protection. On one hand, there are many promising new provisions which adjust the legal environment to adhere to the realities of business. On the other hand, however, the exceptionally broad catalogue of DPA's powers over companies, which can be executed without appropriate court control, may lead to unintended consequences, especially when dealing with innovative businesses that rely heavily on data processing and use different locations they operate from. ●

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# Expert

Legislative trends

By Maciej Szewczyk, Dariusz Wasylkowski, Izabela Zielińska-Barłózek, Wardyński & Partners.

## A never-ending story

Polish law keeps on changing

This may not necessarily be shocking news for many, yet some may actually find it somewhat surprising how "prolific" Polish lawmakers have recently become. Indeed, the country has had a long history of legislative inflation, often leading to over-regulation. And this phenomenon has certainly intensified in recent years. Below you will find a brief overview of some trends in changes to the law sketched out against a horizon that can impact future business operations in Poland.

### Protectionist/interventionist tendencies and increased regulatory pressures

For some time there has been an apparent reinforcement of calls for the adoption of legal instruments of a protectionist or interventionist nature. Although this is not a uniquely Polish phenomenon and these instruments vary, they all seem to share the common denominator of limiting the ability of foreign persons to invest in certain assets or entities while seeking to protect native, primarily small or micro enterprises, against confrontation with larger and, as proponents of some solutions argue, economically stronger foreign entities.

**Lawmakers in Poland are "prolific". Poland has had a long history of legislative inflation often leading to over-regulation.**

Recent examples include regulations imposing limitations on control of companies operating in sectors deemed of key importance for the state, as well as limitations on the sale of shares or significant assets of companies in which the State Treasury holds a stake. These have already been applied in practice when, in late 2016, a planned transaction, involving the sale of shares of the power company EDF Polska to IFM Investors and the Czech group EPH was blocked on this basis.

Presumably, the most notable legislative trend toward intensifying existing restrictions or introducing new instruments into Polish law is the one allowing state authorities to control trade in agricultural and forest land. The most important changes in this area concern trade in privately held agricultural land with an area exceeding 0.3 hectare. Acquisition of such properties has in practice been limited almost exclusively to individual farmers residing in a district where the land being sold is located. It is worth noting that these restrictions do affect the disposability of shares in companies owning agricultural land.

Although not a change in law per se, a noteworthy symptom of the protectionist trend involves recent changes in the banking sector in Poland and the "repolonization" of banks (involving the acquisition through the state-controlled insurer PZU of Alior Bank and Bank Pekao).

Protectionist trends are clearly accompanied by increased regulatory pressure. This is visible across various areas of administrative law and assumes different forms depending on the subject of legal protection.

### Harsher penalization of commerce

Although criminal law has inter-

vened in commercial relations for a long time and criminal regulations are found in hundreds of acts, not only in the Criminal Code or the Fiscal Criminal Code, greater penalization of commercial dealings has been observed recently. This appears to be another area of an observable trend toward toughening of regulations and stepped-up enforcement.

In practice, this relates to an expansion of the ability to seize business assets during criminal and fiscal criminal proceedings. This may impact the proper functioning of businesses and cause businesses to place greater emphasis on preventive measures, for example, greater scrutiny of their prospective business partners.

Meanwhile, given the evident pressure on law enforcement authorities to uncover and prosecute economic, financial and tax offenses, it can be anticipated that the unintended victims of these authorities will be honest businesses unfairly punished for becoming caught up in criminal schemes of third parties. This applies to individual business owners and large corporate entities.

It may be anticipated that the effect will be increased involvement in criminal and fiscal criminal proceedings of third parties who are not perpetrators of prohibited acts, but who will be forced to defend their financial interests and reputation during such proceedings.

### A new tax reality

The process of transformation of tax law and enforcement, which is consistent with the broader trends noted above in other areas of the law, has clearly accelerated in the last three years.

The initiative of lawmakers and the tax administration has

been catalyzed by growing fiscal needs of the state due to increased social spending (particularly, the Family 500+ child benefit program), a gaping shortfall in VAT receipts, and pressure from the international community to combat unfair tax avoidance.

This policy is being enacted through numerous actions: introduction of a tax on certain financial institutions and the thus far unsuccessful attempt to introduce a tax on retail sales (collection suspended pursuant to a decision of the European Commission), stepped-up controls on transfer pricing, review of selected currently functioning optimization schemes, introduction of a general anti-avoidance rule, harsher sanctions (under both tax and criminal law), and many others. Greater international cooperation and reform of the tax administration should also result in increased effectiveness of tax collection.

### Social measures

At the opposite spectrum of the trend toward tightening the tax system are the state's efforts at income redistribution.

The flagship of this trend, the government's Family 500+ program, consists of a monthly cash benefit of PLN 500 for the second child in each family and each child thereafter. Families are also supported by the tax system through pro-family tax relief.

Social motives also lie behind the recently enacted ban on trade at commercial locations on Sundays. The new legislation is intended to enter into force in March 2018 and aims at limiting trade on Sundays. It is starting with two trading Sundays in 2018, one in 2019 and none thereafter, except for certain listed exceptions.





# Don't trust — ask!

By Jason Watters,  
Vice President for  
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Can your financial professional answer these questions?

As 2018 has begun, many of us will look toward new changes in the beginning of the new year. As part of these changes, we will look to complete our 2017 taxes and look to review or renew existing investments and savings plans.

Unfortunately, the global financial industry has been littered with corruption and poor judgement by leadership in institutions, and many people have been taken advantage of as a result. Sometimes it can be hard to know who to trust when it comes to tax compliance and investing your money. This article will detail some main questions that you can and should ask your existing financial professional, or even a new professional you are interested in working with. Most financial professionals, whether they be experts in tax or investing, should have clear answers to these questions. If the professional you are considering cannot answer any of these questions, maybe you should look at different options.

## What experience do you have, especially with people in my circumstance?

Each financial professional usually has a few types of specialties that they can assist clients with. Taxes, investment portfolios, and retirement planning are just a few of these specialties. You want to ensure that the professional has worked with others that have a related type of situation to your own. A sole tax professional may not be able to give quality advice on investment portfolios, and investment professionals may not have the necessary knowledge to advise on taxes. Ensure the professional you are considering has experience in the field you need help with, and can provide you with proof of this.

## Where did you go to school? What is your recent employment history? What licenses or certificates do you hold?

These are crucial questions to ask when questioning a professional's qualifications. Remember that a lack of knowledge or a lack of proper licensing can result in subpar professional advice to you. You want to ensure they have a graduate or post-graduate degree, as well as making sure they have a steady job and have not "bounced around" different positions with different companies in previous years. If they have, it can show that they have difficulties adapting or are unable to hold a long-term position for various reasons. You do not want this type of uncertainty and volatility when working with a financial professional. If they are a Polish-based advisor, are they properly registered with the appropriate financial regulatory body? If you are looking at a US advisor, you want to ensure they're properly registered with the Securities and Exchange Commission (SEC), the financial regulatory body of the United States. The SEC has a website solely dedicated to advisor profiles so that clients can search for them, see their licenses and employment history, and ensure that they are properly and currently registered. If a US advisor, or even someone offering US investments, is not found when you search for them on the SEC website, you should not continue to work with them. Professional designations can also prove that the individual has a depth of knowledge on financial matters and has gone through rigorous testing. Some of these designations are CPA which stands for Certified Public Accountant, CFP — Certified Financial Planner, and CFA — Chartered Financial Analyst.

## How are you paid for your services? Hourly rate? Commission? Flat-fee?

If you ask how a financial professional is paid and he/she avoids the question or cannot give a very clear answer, there is cause for concern. This is not to say that one type of payment is better than another, but there are some things to be aware of. If a professional is paid on commission, it means they're paid for what they recommend you buy and they receive a portion of that amount. So, if a professional working at a bank recommends an investment fund that the bank offers, it can be very hard to tell if that recommendation is truly right for you or if they are recommending it because they will receive a commission from it. A flat fee is a good model for financial professionals as it eliminates the possible conflict of interest between the advisor and the client. If the advisor charges a flat fee, then you may question less if that investment is correct for you because the advisor is not paid for that recommendation. However, do be cautious as those who charge a flat fee may feel less incentive to work for you because their compensation is already paid. Make sure your professional is doing all the necessary work and meeting your needs if you are paying a flat fee for services.

## Have you ever been disciplined by any government regulator for unethical or improper conduct or been sued by an unhappy client?

Such professionals have a duty and obligation to tell you if they have ever been disciplined or investigated for any type of ethical or professional issue. If they have, you want to know in what area they were disciplined and what the result of it was. If a

possible professional you wish to work with answers "Yes" to this question, you certainly want to take extra precautions if you wish to work with them.

## Do you have a team of experts in place to help me reach my goals?

Having a team of experts helps ensure that there is more than enough financial expertise and experience to properly assist you. If they answer "no" and they work by themselves and for themselves, you really want to ensure they can adequately answer these other questions correctly. Having a "one-man shop" can pose difficulties if they lack the proper expertise, are difficult to contact, or have no other source of resource other than themselves.

## Conclusions

If a tax, investment, or other financial professional cannot adequately answer these questions for you when prompted, you want to walk away. If you are trusting a professional with your life savings or a large part of your future, you want to ensure you can properly trust them to do the job. It is your responsibility to ask these questions, and if any professional is unwilling or unhappy that you're asking them, there is a problem. A true financial professional will want to ensure that all clients and prospective clients they talk to are completely comfortable with them and their services. They should be willing to sit down with you and answer these questions and give you examples to further support these questions. There is a high level of trust required between a financial professional and their clients, make sure you work with a professional that will match your level of trust.

# Expert

## Infrastructure

# Welcome to a mega-project!

The government adopts an ambitious plan for the country's national transportation hub

Development plans for Poland's Central Communication Port (CCP), the largest infrastructure project contemplated for Central and Eastern Europe, continue to progress. The Council of Ministers recently approved an ambitious plan that contemplates implementation of the main investments over the next 10 years to the year 2027.

The key elements of the Central Communication Port are the following: when delivered to the market in Stanisławów, some 40 kilometers west of Warsaw by the Warsaw-Łódź highway, the CCP will be one of the largest airports in Europe. This "mega-airport" is to be a major hub airport capable of serving 45 million passengers annually in its initial phase, with potential to expand its capacity to serve up to 100 million passengers annually. The airport will also be a major cargo port operating 24 hours a day.

**The Central Communication Port project is as ambitious as the interwar development of the seaport in Gdynia, which until now remains one of the critical elements of the Polish economy.**

### Other major elements

But in terms of the scale of the project, the CCP part is only the tip of the iceberg. A new integrated high-speed rail network will be built, with its hub at the CCP and local terminals throughout Poland. The largest Polish cities will have connections of no more than 2 to 2.5 hours to the CCP, with connections from the CCP to Warsaw being only 15 minutes. Despite Poland's large number of metropolitan areas, the country's rail network remains among the most underdeveloped in Europe and a large number of medium-sized towns are not served by rail.

### Railroad connections

The CCP will be built close to the existing A2 motorway linking Warsaw with Berlin, but the motorway will be widened and expanded with a new interchange for the CCP.

Over the past 15 years, Poland has invested heavily in its motorway network and the CCP may be built with a minimum investment in 65 kilometers of roads, although up to 248 kilometers would be optimal. This existing investment in motorways contrasts with the underinvestment in railroads, and the latter will be now in the focus.

### A new city

The government plan in fact calls for the creation of a new city around the CCP. An airport the size of the CCP will require the construction of extensive residential, commercial and retail space to support it. The airport itself is expected to cover approximately 3,000 hectares. Also contemplated are business parks and an exhibition and congress center. The CCP will serve as a driver in the revitalization of Łódź and will lead to

the agglomeration of Warsaw and Łódź.

### The beginning

The next two years are a preparatory period, with the goal of concluding a design-build contract for construction of the first phase of the airport. The goal is to commence airport operation in 2027. The adoption of special legislation will be required in relation to the investment process, particularly as to environmental and location procedures and the creation of a new municipality.

The CCP scheme is spearheaded by government plenipotentiary Mikołaj Wild, Secretary of State in the Chancellery of the Prime Minister.

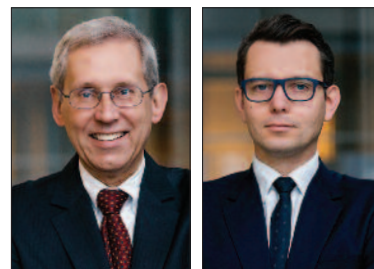
### The money

The main issue that needs to be resolved relates to the financing of the CCP. The projected investment cost is PLN 30-35 billion and the total includes approximately PLN 16-19 billion for the airport, PLN 8-9 billion for the rail component and PLN 1.75-6.87 billion for the road component. The financing plan will be developed in cooperation with the Polish Development Fund. In this respect, it is expected that significant EU funds will be available for the investment in the railroad as this plan conforms with EU objectives. In contrast, putting together the financing for the airport part of the project will be more complicated due to state aid restrictions on new airport investments.

### Will it deliver?

Experts agree that hub airports are drivers of GDP growth. Poles fly much less than the EU average and this is why passenger flights are forecast to continue to grow strongly in Poland. The CCP is expected to

By Peter Świącicki, Partner, and Igor Hanas, Senior Associate, Squire Patton Boggs



be a competitive hub for flights to the Far East and North America.

### The old airport

Once the CCP commences operations, the existing Chopin international airport, which lies in Warsaw's city limits, will be shut down, although it may continue to be used for charter flights. If completely shut down, a huge area for new investment within will be created. This is good news for investors in all types of real estate as, the extent of the space available will allow for a completely new "city" to be developed from scratch.

### Historical comparisons

After Poland regained its national sovereignty in 1918 the country undertook a number of major infrastructure projects, such as the construction of a railroad linking Poland's resources of coal in Upper Silesia in the south of the country with the country's seaports in the north. In the 1930s Poland also embarked on the creation of the Central Industrial Area—a network of highly industrialized cities in southern Poland, populated by nearly 6 million people living on the area of 60,000 square kilometers.

One of the most prominent investments was the construction of an entirely new port in the city of Gdynia, which was one of the outstanding achievements of Poland's interwar years and has remained a critical element of the Polish economy. The CCP is similarly ambitious and, if successful, will become a key element in the integration of Poland's road, railroad, and air transportation infrastructure.

# The rights of whistleblowers

By Adam Nierzwicki,  
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New rules on protection of whistleblowers are on their way

The Polish government has taken steps towards drafting comprehensive regulations of the issue of whistleblowers in Polish legislation. The first draft of the Act on Transparency of Public Affairs was published on October 23, 2017. Although the bill largely concerns public sector entities and their employees, it also includes regulations that could impact the daily business of the private sector, specifically in terms of protection of whistleblowers and anticorruption procedures. So far these issues have only been partially addressed by Polish law, and only with regard to the financial sector. The bill aims to change that by introducing a statutory standard of protection for whistleblowers regardless of the type of industry or business they are in.

## The status of a whistleblower

Under the bill, the status of a whistleblower could be granted by the prosecutor if credible information is disclosed indicating the possibility that a crime has been committed. The information would have to concern specific types of crimes such as bribery, organized crime, forgery of invoices, fraud, credit scams, securities fraud, money laundering, and others. Such status could be granted to employees, individuals hired under non-employment contracts, and self-employed individuals, but also employers and business operators who provide such information.

## Protection

Pursuant to the bill, an employer would not be able to dismiss a whistleblower employee without the consent of the prosecutor running the case. The employer would need to file a motion for consent explaining the reasons for the request. The same rule would apply to individuals working under other types of contracts

or self-employed. The entity hiring them would also need to obtain the consent of the prosecutor for termination of their contracts.

The bill extends this protection even further by providing for an obligation to obtain the prosecutor's consent to unilaterally change the conditions of contracts to the detriment of whistleblowers.

Whistleblowers would enjoy this protection during the entire period of the criminal proceedings and one year after termination of the proceedings. Depending on the circumstances, this could be a very long period, as criminal proceedings can last even four to six years.

## Damages

If the contract with a whistleblower is terminated without the prosecutor's consent, or the terms of cooperation detrimentally changed without the prosecutor's consent, the whistleblower will be entitled to damages. The damages will depend on the type of contract held by the whistleblower and may be equivalent to twice the annual salary of a whistleblower employee or the total amount payable to a non-employee whistleblower pursuant to the parties' contract from the date of termination of the contract through the end of the stated term of the contract.

The bill thus creates a financial deterrent against dismissing whistleblowers without the prosecutor's consent. However, the wording of the bill may trigger doubts as to how damages should be calculated. Usually, in employment cases, the damages provided for by law are calculated based on the employee's average compensation, including bonuses and other variable elements of the employee's compensation package. Here it is unclear if the same rule would be applicable.

With regard to individuals working under non-employment contracts, the literal wording of the bill suggests that in the case of fixed-term contracts, the damages should equal the contractual fee payable through the date of expiry envisaged in the contract. But in the case of indefinite-term contracts, it is unclear how the drafters intend the damages to be calculated.

Irrespective of the damages discussed above, a whistleblower employee dismissed without the prosecutor's approval would be able to pursue the regular claims he or she would be entitled to under the Labor Code in the event of wrongful termination, that is, damages of up to three months' salary or reinstatement. This conclusion can be drawn from the fact that the bill does not exclude a whistleblower's right to pursue claims and damages arising under the Labor Code.

## Prosecutor's decision

The prosecutor should decide whether to consent to a dismissal of a whistleblower within 30 days from receiving the employer's or principals' motion in this regard. However, this period is relatively long, and there could be cases in which the employer or principal needs to act quickly. Specifically, if there are circumstances justifying summary dismissal of an employee, the employer must act quickly and deliver the dismissal letter to the employee within one month from obtaining information about the circumstances justifying the dismissal. Therefore, if subsequent drafts of the bill are not amended in this respect, it may be very challenging in practice to summarily dismiss a whistleblower because of insufficient time for the employer to act.

## Absolute protection

The protection afforded by the bill to whistleblowers would in

practice be broader than the protection afforded by the Labor Law to some categories of employees who enjoy special protection, such as pregnant employees, employees exercising parental entitlements, or employees at pre-retirement age. In case of such employees (and in the absence of a labor union), the employer can always terminate their employment with immediate effect due to culpable gross violation of their basic obligations, regardless of statutory protection. This exception would not apply to whistleblowers.

Furthermore, under general rules of labor law, commencement of liquidation of the employer or declaration of its insolvency aimed at liquidation cancels any protection against termination. But the bill does not include similar provisions and the prosecutor can effectively hold off the liquidation of a company by refusing to agree to terminate a single whistleblower.

## Ethics and internal policies

The bill provides for an obligation for large and medium-sized enterprises to adopt internal anti-corruption policies, ethics codes and policies for dealing with whistleblowers or face a financial penalty of PLN 10,000 to PLN 10,000,000.

## Conclusions

The proposed Act on Transparency of Public Affairs represents a significant step forward to regulate whistleblower issues, but a number of issues still remain. The work on the bill is pending, with two rounds of public consultations already behind us. The second draft of the bill envisages that it will become law on January 1, 2018, but it remains to be seen if that deadline is met and what shape the final version of the bill will take.

# Expert

Tax law

## Some reasons to be glad

By **Bartosz Igielski**,  
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in Poland



### New tax reliefs on costs associated with R&D

Poland introduced a tax relief that companies can claim on the cost of research and development (R&D) in 2016. The relief is available to legal entities and taxpayers who pay personal income tax. The R&D tax replaced a tax relief which covered the costs of purchasing new technologies in order to increase corporate expenses. That old regulation was meant to stimulate the growth of innovation across companies and increase their competitiveness on the domestic and international market.

#### Innovation costs less

The tax relief on R&D costs enables companies to additionally deduct tax costs from the tax base apart from the regular deduction allowed by tax law. Until the end of 2017 the limit of deduction depends on the type of costs and the size of the enterprise.

The taxpayer can additionally deduct the cost of salaries paid to employees who perform R&D, and other costs, such as the cost of materials (including raw materials) external services, depreciation of R&D equipment and paid use of R&D equipment.

Here, however, SMEs can deduct up to 50 percent of the the costs, while companies which are larger than SMEs up to 30%.

In addition, SMEs can deduct up to 50 percent of the cost of patents and registered designs. Companies which are bigger than SMEs are not entitled to such deductions.

The current tax deductions means that for each PLN 100 spent on R&D the taxpayer saves up to PLN 9.5. The prerequisite for using tax relief is only running R&D works and the separate accounting of R&D costs. In contrast to cash grants

R&D tax relief is relatively uncomplicated to obtain as there are no criteria regarding innovativeness, implementation, resources and there is no evaluation process and no application rounds. The R&D tax relief is reported in the tax statement for the given year and there is no need to apply for it in advance.

**It is expected that expenditure on research and development projects will grow in Poland, which will be undoubtedly influenced by the R&D tax relief and changes in regulations introduced in 2018.**

#### More relief

What is important, from 2018 the additional deduction is to reach 100% for all taxpayers for all eligible costs, and for entrepreneurs with the status of a research and development center within the meaning of the Act on other forms of supporting innovative activity, up to 150%. Raising the deduction will be a very serious incentive to carry out R&D and to demonstrate their costs in tax returns, be-

cause the real benefit from unpaid tax will be 19% of eligible costs or 28.5% in the case of R&D centers.

Other changes that became law in January include changing the definition of remuneration costs, allowing the deduction of the costs of contracts of mandates and contracts for specific work concluded with natural persons, adding a cost category covering the purchase of laboratory equipment that is not a fixed asset. From the new year, the discount will also be available to entrepreneurs operating in Special Economic Zones on the basis of a permit for these costs, which are not included in the calculation of tax-exempt income on the basis of a SEZ permit.

In addition, entrepreneurs with the R&D center status will be able to benefit from the deduction of eligible costs extended by depreciation of buildings, structures and premises, and the costs of acquisition of expertise, opinions, consultancy and equivalent services, research, technical knowledge and patents or licenses for protected invention from entities other than scientific units.

#### So far so good

The amendment to the regulations on research and development centers is also important. Until now, R&D centers were not popular projects among entrepreneurs and as a result, at present, there are only 40 such centers in operation in the country. Due to the changes in the regulations, a large increase in the number of R&D centers may be expected; also due to the lowering of the turnover threshold from which such a status can be obtained.

It is expected that the number of companies which will

take advantage of the new tax reliefs will grow. Only 206 CIT taxpayers benefited from the discount in 2016 and they showed the amount of deductions to the tune of PLN 202 million, which is not a very impressive amount of money in the economy. It can be assumed that the low popularity of R&D relief was due to low knowledge about this instrument and a relatively low deduction amount which ranged between 10% to 30% of R&D costs.

#### Conclusions

It is expected that expenditure on R&D will grow in Poland, which will be undoubtedly influenced by the R&D tax relief and changes in regulations in 2018. It should be emphasized that they are very beneficial for entrepreneurs planning to take advantage of R&D tax relief and respond to the majority of postulates submitted by companies in connection with the settlement for 2016. These changes will increase the group of enterprises that will be able to benefit from the discount, interest in this instrument will increase among companies that have not used it so far, including increasing the amount of the deduction, introducing the possibility of taking advantage of the relief by companies operating in SEZ and removing the requirement to employ employees "to conduct R & D activities" to be able to deduct their wages.

# It's time to share

Are companies ready for the changes in PIT taxation for employee incentive programs?

By **Joanna Narkiewicz-Tarłowska**, Tax Advisor, Director, PwC; and **Sylwia Bachmat**, Tax Advisor, Manager, PwC



Nowadays, incentive programs are an increasingly frequent form for non-wage remuneration of employees. As part of such a program, the employee most often receives, among others, shares in the employer (or its mother company) or a right to receive a cash payment, the amount of which is calculated based on derivative financial instruments, based on the company's results. Such forms of remuneration increase the relationship with the employer by strengthening the sense of responsibility for the results achieved by the organization, and, in the case of share programs, give a sense of joint ownership.

## What's new?

From January 1, there are several changes in the Personal Income Tax (PIT) for both individuals and employers. The new regulations include important changes in taxation on the income derived, *inter alia*, under employee incentive programs based on shares and derivative financial instruments.

The entry into force of the amended provisions should be of interest to companies in which incentive programs are already in operation, as well as those companies which are considering the implementation of any such incentive programs. In particular, the changes should interest Polish companies and their employees participating in various share programs organized by US companies.

## Share-based programs

The most important change in the PIT Act is the extension of favorable tax treatment (*i.e.* a possibility of deferring income received from the acquisition of shares to the moment of their sale) to shares issued by companies seated *e.g.* in the US, Switzerland, Republic of South

Africa and Japan.

From January 1, 2018 this preference will apply to taxpayers acquiring shares in companies whose registered office (headquarters) or management board is located in the territory of countries with which Poland has concluded a double tax treaty.

This is a major change as previously the preference was dedicated only to taxpayers acquiring shares in companies whose registered office was in the territory of the European Union or European Economic Area Member States. This means that, for example, US companies were not entitled to this benefit.

Tax deferral is still not applicable to limited liability companies.

Another novelty in the PIT Act is the introduction of a definition of an incentive program.

## Looking deeper

The other most important changes starting in 2018 include:

- The group of potential beneficiaries will be limited to employees or individuals who receive income from civil law contract from activities performed personally;
- The incentive program must be based on a resolution of the general meeting of shareholders (currently the shares, not the program, must be granted by a resolution);
- Tax deferral will be applicable to eligible persons who acquire the shares directly or as a result of exercising derivative financial instruments or other property rights;
- The preferences will be restricted to incentive programs organized directly by a joint-stock company (with which the participant has entered into a contract of employment or a civil law contract) or by a dominant joint-stock company.

Unfortunately, during the legislative work in the parliament the

legislator excluded from the preference taxpayers receiving shares in Polish companies. A comprehensive analysis of the amended regulations leads to the conclusion that such action was unintentional. The mistake should be eliminated as soon as possible by an appropriate change of the PIT provisions.

There are still no clear provisions related to the income classification and the rules for setting tax deductible costs related to the programs where the tax deferral cannot be applied.

Under new rules, the income from currently existing share-based incentive programs may be reclassified. The new classification, including a preferential tax treatment, would be applicable to the income earned from 2018.

## Derivative instruments

From January 1, 2018, the amended PIT Act regulations introduce a completely new provision, classifying revenues earned, among others, as part of programs based on derivative financial instruments.

In the past, the tax authorities generally agreed that the income obtained from such programs constituted income from capital gains subject to a 19% tax.

Starting from 2018, income from the exercise of rights in securities or derivative financial instruments obtained as a result of the acquisition of these rights as a benefit in kind or unpaid benefit, will be recognized as a source of income under which this benefit was obtained.

As a result, the new provisions related to programs based on derivatives may lead to progressive taxation (18% and 32%) instead of the 19% tax applicable to capital gains. In addition, in some cases, the companies may have fall under tax and social security remitter obligations.

In addition, the income recog-

nized at the moment of granting the above mentioned rights may be considered as a tax deductible cost at the moment of exercise of these rights, which prevent double taxation. So far, the provisions of the PIT Act excluded such possibility.

## What action should be taken?

The changes in the PIT Act offer a good opportunity to analyze the provisions of the current existing incentive programs in companies. Both Polish and foreign entities, which offer its employees part of variable remuneration in a form of shares or derivative financial instruments, should make tax and legal analysis of the income received under the new rules, *i.e.*:

- In the case of share programs – if it is possible to apply the tax preference of deferring income until the sale of shares.
- For programs based on derivative financial instruments – whether to continue the program on the current basis, or to change the current program into, for example, a share program.

This is also a good moment to consider the implementation of a new incentive program or change the existing one.

Particular attention should be paid to the possibility of applying preferential tax treatment in relation to the share programs organized by US companies. Taxpayers acquiring such shares, after meeting certain conditions, will pay 19% tax only once—when the shares are sold.

In some cases, the previously obtained tax rulings may lose their protective power. As a consequence, it may be necessary to apply for a tax ruling in order to confirm the correct classification of the income received from the old or new program and tax obligations for a taxpayer and/or for a company.

# Events

AmCham in Wrocław

## Looking for “hi-pot” employees

**M**agdalena Giryń, Country Manager Poland, Assessment Systems Poland, was the keynote speaker at the AmCham Breakfast Meeting in Wrocław, in November. Among other issues discussed were job performance predictions, the methods of identifying employee potential, and leadership development. The participants had a chance to win a free pass to take the Hogan Assessment test—a system of identifying individuals with a high potential to positively influence employer organization.



1. Magdalena Giryń, Assessment Systems Poland. 2. Joanna Srokowska, Signium; Jadwiga Miśtak, Hays Poland; Monika Ciesielska-Mróż, AmCham Wrocław Director (PM Group). 3. Krzysztof Jarzyna, Industrias Alegre. 4. Magdalena Ignasiak, Efficon. 5. Monika Ciesielska-Mróż. 6. Magdalena Kamińska, HPE Financial Services. 7. Iwona Jeszkie, BD. 8. Iwona Jeszkie; Joanna Srokowska. 9. Aneta Czarnocka, C.H. Robinson. 10. Magdalena Giryń; Kinga Marczak, Manpower. 11. Monika Ciesielska-Mróż; Ed Povinelli, JLL; Magdalena Giryń.

# Security first!

In October, the Overseas Security Advisory Council and AmCham Kraków & Katowice held a joint meeting on cybersecurity, personal security, data security, and security in recruitment, among others. The guest speakers were FBI Legal Attaché Justin L. Kolenbrander, Police Krakow Chief Commander, Rafał Leśniak, Kraków Border Guard Commander, Katarzyna Jurkowska, Katarzyna Nowak and Aneta Nowak from the Małopolska Provincial Office. The venue was the Sheraton Grand Hotel in Kraków.



1. Walter Braunholer, US Consul General in Kraków. 2. Jacek Drabik, AmCham Kraków & Katowice Director (Motorola Solutions). 3. Rafał Leśniak, Commander of Kraków City Police. 4. Katarzyna Nowak, Małopolska Provincial Office. 5. Justin L. Kolenbrander, FBI Legal Attache. 6. Dominik Kania, Woodward; Walter Braunholer; Jacek Drabik; Sławomir Kumka, IBM; Anna Charuba, AmCham Kraków & Katowice. 7. Jan Małolepszy, Jarosław Maślanka, Pageasystems; Jacek Drabik; Rafał Oprocha, JLL Jones Lang LaSalle. 8. Rafał Leśniak; Jacek Drabik; Anna Charuba; Lt. Col. BG Katarzyna Jurkowska, Regional Border Guard Commander. 9. David Rubel, FBI; Anthony D. Campagna (Regional Security Officer, US Consulate General Kraków); Jacek Drabik; Tomasz Jabłoński, Regional, Security Office, US Consulate General Kraków. 10. Rafał Leśniak, Grzegorz Brzoskowski, Sanofi. 11. Justin L. Kolenbrander; Anna Charuba; Anna Zemła (GE); Jacek Drabik; David Rubel.

# Events

AmCham in Gdańsk

## The human potential

Lisa Glassner, from Steelcase, and Dominika Kowalska from Cushman & Wakefield were the speakers in October at a Strategic HR meeting held by AmCham Gdańsk. They talked about how companies may meet their business objectives while serving the needs of their employees so they can unleash their creative potential. The venue was the Mondo di Vinegre restaurant in Gdynia.



1. Lisa Glassner, Steelcase; Joanna Bojarska-Buchcic, Amcham; Dominika Kowalska, Cushman & Wakefield; Magdalena Piekarska, Steelcase. 2. Artur Piekarski, Pro Office; Joanna Bojarska-Buchcic. 3. Katarzyna Ciszewska, Cushman & Wakefield. 4. Tomasz Szymczak, Bank BPH. 5. Małgorzata Gwozdz, Olivia Business Center; Dagmara Łuczka, Projektowania Wizerunku. 6. Lisa Glassner; Tomasz Szymczak; Joanna Bojarska-Buchcic; Krzysztof Sas-Bojarski, Alior Bank. 7. Dominika Kowalska delivers her presentation. 8. Dariusz Bazeli, Geoban Poland. 9. Tomasz Szymczak; Eulalia Ośko, Aon Polska. 10. Joanna Bojarska-Buchcic; Renata Mojsa-Ossowska, Hotel Hilton.



# It's spooky time!

Raffle with vouchers, prizes for costume contests, delicious food and great Halloween drink specials were among the attractions of the Halloween Business Mixer in October, held at the Champions restaurant in partnership with Marriott Warsaw. Supporting sponsors were Barefoot Wine, Perla, Forever Living Products Poland, and Oriflame.



1. The winners of the Best Halloween Costumes Competition. 2. Dorota Dabrowski, AmCham Managing Director; Mariusz Paszkiel, Warsaw Marriott Hotel. 3. Marek Nitka, Ambassador of Barefoot Wine. 4. Marzena Dreła; AmCham; Gonçalo Duarte Silva, Sheraton Warsaw Hotel. 5. The Marriott Halloween Team. 6. Beata Pawłowska, Oriflame; Dorota Dabrowski. 7. Kathleen Engel; Richard Engel. 8. Dariusz Szulc, JLL; Aleksandra Krzesińska, Pegasystems Software; Wiktor Fido, Microsoft. 9. Magda Pavlak-Chiaradia, ERM; Alison Dilworth, US Embassy. 10. The party in full swing.

# Events

AmCham in Warsaw

## Looking into the crystal ball

The challenges companies are having in growing their businesses in Poland were on the agenda of the Monthly Meeting in November with guest speakers Anna Wicha, Country Manager, Adecco Poland; Paweł Panczyj, Managing Director, Association of Business Service Leaders, and Marcin Petrykowski, Managing Director, S&P Global.



1. Nathaniel Espino; Marcin Petrykowski; Anna Wicha, Paweł Panczyj. 2. Anna Wicha; Richard Kałużyński, Odges Berndtson. 3. Aleksandra Kazimierski, Hudson; Dorota Dabrowski. 4. Piotr Szajczyk, FCM Travel; Andrzej Sajkiewicz, E&Y. 5. Dorota Dabrowski; David Brodersen, Coimpex. 6. Angelo Pressello, Directpl; Richard Engel; David Debenedetti. 7. Nathaniel Espino; Marcin Petrykowski; Paweł Panczyj. 8. Krzysztof Wierzbowski, Wierzbowski Eversheds; Anya Margaret Baum. 9. Dorota Dabrowski, AmCham Managing Director; Włodzimierz Broński. 10. Marcin Petrykowski; Rick Lada (AmCham Secretary); Ewa Duszyńska, CBRE.

# Destination Poland

**A**mCham Poland, HSBC Bank Polska, Randstad Polska and Dentons Europe Dąbrowski i Wspólnicy, partnered for the exclusive business breakfast in November focused on Poland as the key location for Shared Service Centers in CEE. The discussion was led by Tony Housh, Chairman, AmCham, with participants from partner companies Aleksandra Minkowicz-Flanek, Scott Solberg, Jeroen Tiel, and Iwona Chojnowska-Haponik.



## Partners



1. Tony Housh, AmCham Chairman (Apco Worldwide) opens the meeting. 2. Aleksandra Minkowicz-Flanek, Dentons. 3. Iwona Chojnowska-Haponik, Polish Trade and Investment Agency. 4. Jeroen Tiel, Randstad. 5. Scott Solberg, HSBC. 6. Alexandra Schmidt, HSBC. 7. Adit Gadgil, HSBC. 8. Mateusz Perdek, HSBC. 9. Przemysław Olszewski, ACCA; Barbara Huss-Kaniewska. 10. Marcin Janiszewski, Elekta; Maciej Kulbat, Avon. 11. Krzysztof Woźniak, HSBC; Iwona Chojnowska-Haponik; Adit Gadgil. 12. Katarzyna Potruska, Randstad; Magdalena Celmer, Randstad.

# Events

AmCham in Warsaw

## Celebrating American traditions

AmCham and the Hilton Warsaw Hotel & Convention Center partnered to hold the Thanksgiving Business Mixer, a grand event with the raffle with vouchers, delicious food and great Thanksgiving specials.



1. Dorota Dabrowski, AmCham Managing Director; Robert Krygsman, Hilton Warsaw Hotel & Convention Centre. 2. The meeting in progress. 3. Robert Sikora, Citi Handlowy; Tony Housh, AmCham Chairman (APCO Worldwide). 4. Jacek Drabik, AmCham Kraków & Katowice Director (Motorola Solutions) Filip Opoka, DLA Piper; Anna Charuba, AmCham Kraków. 5. Tony Housh; Marek Szydłowski, TVN SA; Andrzej Pawelczak, Animex. 6. Eres Boniel, GTC; Joseph Wancer, BGŻ BNP Paribas. 7. Bartek Morzycki, Browary Polskie; Andrzej Pawelczak; Marta Pawlak, AmCham; Mariusz Wawer, 3M. 8. One of the Raffle lucky winners. 9. Zygmunt Łopalewski, Whirlpool; Paweł Panczyj, ABSL. 10. Tanya Podgoretska, Hilton Warsaw Hotel & Convention Centre; Magdalena Gyrn, Assessment Systems. 11. Robert Krygsman; Dorota Dabrowski.

# Taxes and crowdsourcing

New tax regulations impacting employers and employees and crowdsourcing were on the agenda of the AmCham Gdańsk business meeting in December with keynote speakers Eliza Skotnicka, Senior Manager at Persona Tax Department of EY, and Tomasz Socha, Associate Partner and Leader of the Tax Advisory at EY. The venue was Olivia Sky Club in Gdańsk.



1. Tomasz Socha EY, Eliza Skotnicka EY. 2. Artur Gronkiewicz, Sony Pictures; Monika Adrianowska, Thomson Reuters; Joanna Bojarska-Buchcic, Amcham Gdańsk (HR Solutions Group); Tomasz Socha, Eliza Skotnicka EY. 3. Monika Anioł, Sony Pictures; Małgorzata Gwozdz, Olivia Business Centre; Ewa Szabuniewicz, Best SA. 4. Artur Gronkiewicz, Tomasz Socha. 5. Joanna Bojarska-Buchcic; Małgorzata Gwozdz. 6. Piotr Andryszak, Philips; Marta Kucharska, Lotos. 7. Joanna Bojarska-Buchcic; Monika Adrianowska, Thomson Reuters. 8. Aleksandra Plewińska, Wipro; Jarosław Zdzitowiecki, Nuvalu. 9. Aleksandra Czerwińska DNV; Alina Gronek, Joanna Bojarska-Buchcic, HR Solutions Group.

# Events

## AmCham in Warsaw

### Once a year in December

A quorum of AmCham members approved the annual report at the AmCham Annual General Meeting in December. The highlights of the evening included an address by Ambassador Paul W. Jones, and by Jerzy Kwieciński, Secretary of State, Ministry of Development. The meeting was followed by a holiday reception and grand raffle.





1. The meeting in progress. 2. Tony Housh, AmCham Chairman (APCO Worldwide). 3. US Ambassador Paul W. Jones. 4. Jerzy Kwieciński, Secretary of State, Ministry of Development. 5. Jerzy Kwieciński; Tony Housh. 6. Marcin Petrykowski, AmCham Board Member (S&P Global). 7. Sławomir Sikora, Citi Handlowy; Jacek, Siwicki, Enterprise Investors. 8. Michał Fijot, LOT Polish Airlines, with a happy winner of a PLL LOT ticket to a destination of his choosing in the US. 9. Charles Ranado, US Commercial Service; Dorota Dabrowski, AmCham Managing Director. 10. Remigiusz Próchniewski, the winner of the AmCham Essay Contest; Andrzej Pawelczak, Animex. 11. John Armstrong, US Embassy; Joanna Bensch, AmCham Vice Chair (Lockheed Martin International). 12. Sławomir Sikora; Tony Housh. 13. Jerzy Kwieciński; Marzena Drela, AmCham; Tony Housh. 14. Marten Schoenrock; Interc-Continental Hotel Warsaw; Robert Krygsmann, Hilton Warsaw Hotel & Convention Centre; Michael Hopf, the Westin Warsaw; Robert Grader, Warsaw Marriott Hotel. 15. Paul W. Jones; Tony Housh; Dorota Dabrowski. 16. Anita Kowalska, AmCham; Magda Pavlak-Chiaradia, AmCham Board Member (ERM Polska); Nathaniel Espino. 17. Dorota Dabrowski; Paul W. Jones; Remigiusz Próchniewski. 18. Wiktor Janicki, Agnieszka Kosowska, Roche Polska. 19. Jacek Siwicki; Marzena Drela; Ryszard Kruk, Enterprise Investors. 20. Marcin Wyrastek and his band.

# Events

## AmCham in Wrocław

### All together now!

AmCham teamed up with the British-Polish Chamber of Commerce and the German-Polish Chamber of Commerce and

Industry to hold International Christmas Evening 2017. The flagship event of the international business community in Wrocław and the

Lower Silesia region drew in the crowds. The venue was the Sofitel Hotel Wrocław.



1. A lucky lottery winner with shakes hands with Ilona Chodorowska, Director of the BPCC office in Wrocław. 2. Monika Ciesielska-Mróż, AmCham Wrocław Director (PM Group); Carl Artmann, Sofitel Wrocław Old Town Hotel. 3. Katarzyna Trocewicz, Piec of K8 Concept Store; Monika Ciesielska-Mróż, Małgorzata Zuszek, Małgorzata Ordon, PM Group. 4. Iwona Makowiecka, AHK with Szczepan Kusibab, Adamietz. 5. Freewolni performing live. 6. The party in progress.

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# Events

AmCham in Kraków & Katowice

## Artificial intelligence and business

The December business meeting held by AmCham Kraków & Katowice focused on the risks and benefits of artificial intelligence. The speakers were Philippe De Brouwer, Honorary Consul of Belgium in Kraków, Agata Piekut, Healthy Culture Action Tank Foundation, Grzegorz J. Nalepa, AGH University of Science & Technology, Sławomir Kumka, IBM Polska and Przemysław Grzywa, G20 Young Entrepreneurs Alliance, revolve.pro. The discussion was moderated by Tomasz Gregorczyk from the Polish Public Radio. The venue was Kraków's Sheraton Grand Hotel.



1. Tomasz Gregorczyk, Polish Public Radio; Philippe De Brouwer, HSBC (Honorary Consul of Belgium in Kraków); Grzegorz J. Nalepa, AGH University of Science & Technology; Agata Piekut, Healthy Culture Action Tank Foundation; Sławomir Kumka, IBM; Przemysław Grzywa, G20 Young Entrepreneurs Alliance, revolve.pro. 2. Walter Braunohler, US Consul General in Krakow. 3. Jacek Drabik, AmCham Kraków Director (Motorola Solutions). 4. Marzena Dreła, AmCham; Janusz Mazur, Takenaka Europe. 5. Przemysław Roth, IAG GBS; Sławomir Kumka; Jacek Drabik. 6. Katarzyna Lynch; John Lynch, AmCham Treasurer (Lynka). 7. Michał Gawlik, Motorola Solutions; Jarosław Maślanka, Pegasystems; Tomasz Krzyżak, Sabre. 8. Jacek Drabik; Marzena Dreła; Walter Braunohler; Marta Pawlak, AmCham; Magdalena Maciejewska, Sheraton Hotel. 9. Philippe De Brouwer; Agata Piekut; Monika Lux-Huserik (Motorola Solutions); Joanna Węgrzycka, Alumni Association; Thomas Zia, US Consulate General Krakow; Przemysław Grzywa; Rafał Pieprzyk, Alumni Association; Anna Charuba, AmCham; Jacek Drabik.

# Moulding young talent

In December, the participants of the AmCham 30 Under 30 mentoring program received their diplomas at a celebration attended by Tony Housh, AmCham Chairman and Adam Davis, Deputy Economic Counselor at the US Embassy in Warsaw. The event was sponsored by Uber.



1. The graduates of the 2017 30 Under 30 Program with with mentors and AmCham staff. 2. Ania Jakubowski; Dorota Serafin, AmCham. 3. Adam Davis, Deputy Economic Counselor, US Embassy Warsaw. 4. Tony Housh, AmCham Chairman, (APCO Worldwide). 5. Barbara Pocialik, AmCham; Magdalena Giryń, Assessment Systems Poland. 6. Krzysztof Radoszewski, UberEATS. 7. Aleksandra Krzesińska, Pegasystems Software. 8. Agnieszka Lipka-Renans, Piotr Branicki, BPH Bank. 9. Justyna Dmowska, Iwona Krasucka, MoneyGram. 10. Łukasz Kustra, Marta Górecka-Mazgaj, Daniel Pyrka, Michał Węgrzecki, C.H. Robinson.

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# Events

AmCham in Gdańsk



## Sales and more

**S**ales excellence or how to sell and manage prices effectively, was the theme of the business meeting held by AmCham Gdańsk in November. The keynote speaker was revenue management and pricing expert Maciej Kraus, Director of Advisory Services at PwC. The venue was Haffner Hotel in Sopot.



1. Ewa Rojek, PwC; Michał Kościanek, WNS; Jolanta Łykowska Oceanic, Grzegorz Głowczyński, Hotel Hilton; Joanna Bojarska-Buchcic, Amcham; Maciej Kraus PwC; Agnieszka Lipka-Renans GE, Katarzyna Czerkies-Laskowska, Katarzyna Bogowska, PwC. 2. Grzegorz Głowczyński. 3. Maciej Kraus. 4. Piotr Kiszkiś, Staples; Katarzyna Czerkies-Laskowska. 5. Natalia Laskowska Airhelp. 6. Michał Kościanek; Małgorzata Zalewska, InvestGda. 7. Paweł Ożarówski, PwC.