

AmCham.Pl QUARTERLY

The official magazine of the American Chamber of Commerce
in Poland



SUMMER 2018 VOL I, No. 1

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POLAND**

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It's your AmCham...



It's your debate...

We do worry about the deteriorating relationship between the US and the EU because, as a part of the EU, we have been always supporting transatlantic relations.

**JACEK CZAPUTOWICZ, FOREIGN AFFAIRS MINISTER,
P. 24**

While Poland is a good country to invest in, there are some challenges. There are a few categories of those issues, such as laws and regulations that were not consulted with the business community, and surprised investors as they changed the business environment and predictability.

**US AMBASSADOR PAUL W. JONES
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AmCham.pl Quarterly 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.

The 2008 crisis was 10 years ago, and today the world is a different place and this is why, in the long-term the Polish economy will be much safer being in the eurozone.

**MICHAŁ H. MROŻEK, CHAIRMAN OF THE BOARD OF DIRECTORS,
HSBC BANK POLAND
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Foreign investors who have been in Poland for years are very happy. Now the question is how to attract new investors to the country.

**JACEK CZERNIAK, GLOBAL SUBSIDIARIES GROUP HEAD,
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P. 16**

It is not excluded that the rotational presence of US troops in Poland will shift to becoming permanently present. The Polish government has rolled out a campaign to achieve that. There is a long road ahead but the prospects to achieve that are good.

**IAN BRZEZINSKI, FOREIGN POLICY AND MILITARY AFFAIRS EXPERT
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YOUR AMCHAM

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ul. Twarda 18,
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+48 (22) 520-5999
office@amcham.pl

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ADVOCACY OF AMCHAM POLAND

AmCham Poland supports the collective interests of its members by working to affect changes that improve the business environment in Poland through:

- close monitoring of Polish and EU regulations;
- position papers, policy statements and advocacy letters;
- direct and frequent interaction with policy-makers;
- active participation in the rule-making process.

All AmCham Poland position papers are available at <http://amcham.pl/advocacy>.

Our top issues include:

PUBLIC PROCUREMENT LAW

The Ministry of Entrepreneurship and Technology has presented the proposals for a new Public Procurement Law. The new law will be drafted by the Ministry based on these proposals and is planned to come into force by the end of 2019. This concept is aimed at creating a better quality of public procurement, raising its competitiveness and innovativeness.

Specific changes include,

- digitalization and simplification of procedures,
- increasing accessibility of public procurement for SMEs through reserved contracts for SMEs as well as a better access to appeals,
- changes to the public procurement inspection system,
- supporting innovative solutions in particular through new “innovative partnership” denouement (eliminating the joint liability of contractors in that mode).

TRANSFER PRICING CHANGES

The new CIT and PIT regulations draft introduces changes to transfer pricing regulations. It aims to reduce the administrative burden on taxpayers, but on the other hand introduces completely new elements

to transfer pricing. The date of entry into force of the regulations is January 1, 2019. Key changes to the regulation of transfer pricing include,

- introduction of new documentation thresholds for local documentation,
- defining the obligation to prepare group documentation in a new way,
- introduction of new deadlines for the preparation of documentation,
- increasing the deductibility limits for licensing and intra-group services with 5 to 10 percent EBITDA. The date of entry into force of the regulations is January 1, 2019.

EMPLOYEE CAPITAL PLANS

Employee Capital Plans (in Polish *Pracownicze Plany Kapitałowe*—PPK) is a new system of long-term saving for retirement that will enter into force in 2019. It affects all sizes of companies and all employees regardless of employment status.

PPK will be based on the obligation for employers to create a special system in which the employee will be able to pay retirement contributions and the employer will also have to contribute to the employee's program.

The minimal contribution (paid by employer and employee together) will be 3.5 percent and the maximum will be 8 percent, counted from the ZUS base rate.

The funds allocated in PPK accounts may be paid out on request when the employee reaches 60 years of age.

Contact:

Marta Pawlak

Legal Counsel

marta.pawlak@amcham.pl

t: +(48)-22-520-5996



LETTER FROM THE CHAIRMAN

DEAR AMCHAM
MEMBERS AND FRIENDS,

2018 is a year of extremely high activity in the American Chamber of Commerce. With the success of the US-Poland Business Summit, AmCham again demonstrated its important role as the voice of investors and as a partner for Poland, its economy and government institutions. The discussion and ideas generated at the Summit continue to serve as a driver for our ambitious agenda for the remainder of the year.

In this edition of *AmCham.pl Quarterly*, you can discover our new look and learn about how AmCham stimulated thought leadership and discussion at the AmCham Diner at the European Economic Congress. Talking about our common goals and challenges, within the membership and in the market, are critical to continuing to build an optimal business environment which allows new ideas, technologies and jobs to be realized in Poland.

This summer we said farewell to Amb. Paul Jones. I know all of AmCham joins me in thanking him for his unceasing service, support and friendship during his tour in Poland. In May, Amb. Jones hosted AmCham members at the Residence for our monthly meeting where he had an opportunity to talk about accomplishments as well as the road ahead. I would also like to express AmCham's appreciation to Deputy Chief of Mission John Law and Office of Defense Cooperation head Col. Warren Barlow for their outstanding support of the American Business Community.

As with each farewell, there is a welcome to follow. It is a great pleasure to welcome Amb. Georgette Mosbacher to Warsaw. She brings a wealth of experience in business to the role and our first meetings with her make it clear we will continue the great tradition of close cooperation with the US Embassy teams from State, Commerce, Defence and beyond. We also extend a warm welcome to Eric Green, the Deputy Chief of Mission, who made time

at the beginning of his tour to meet AmCham for a business briefing and to chart a road map of issues to address in the coming months. We are pleased to have them here in Poland and look forward to our members getting to know them.

The US-Poland relationship is strong, our business, investment and security ties continue to strengthen and grow. While we work to continually improve our common business space, AmCham is also engaging on a regular basis with the government to solve ongoing challenges in key sectors. Dialogue is crucial to a truly successful partnership and that is at the heart of what AmCham does day in and day out for our membership and the wider business community.

As you attend the various events—monthly meetings, forums, committee gatherings, business mixers and special events—I encourage you to let all of the AmCham staff in Warsaw and our branches in Krakow, Wroclaw and Tri-Cities know how we appreciate all the hard work, planning and execution that goes into making our organization the leading voice of investors in Poland. It all happens because of their dedication and effort.

The remainder of 2018 will be busy. We appreciate your support. I hope to see all of you along the way.

With best regards,



TONY HOUSH
AMCHAM CHAIRMAN

NEWSLINE

NEWS FROM AMCHGAM AND ITS MEMBERS

AmCham Poland

AmCham is launching an American Investor Desk to advise American companies about investing in Poland. In this project the organization will utilize its rich resources of information, contacts, and insight into the Polish market. Readers interested in the project should contact Zosia Hecht, project assistant, at zosia.hecht@amcham.pl.

CMS Legal

CMS advised Phillips Industries, a US-based manufacturer and supplier of parts for the automotive industry, on the purchase of Fortech, a Polish manufacturer of high-quality electrical connections for trucks and cars. The acquisition of Fortech is the US company's first investment in Central and Eastern Europe. The newly formed company will be known as Phillips-Fortech Poland. CMS's work on this transaction included a due diligence investigation, negotiations towards an investment agreement and the preparation of M&A documentation. The transaction was led by Julita Mazurkiewicz, advocate and senior associate at CMS Warsaw, supported by Patrycja Maliszewska, lawyer. Partner supervision was provided by Błażej Zagórski.

Cresa Polska

Tenant-only specialist Cresa Polska represented ECM Group Polska in negotiations over the extension of the lease of 450 square meters of office space on the 36th floor of Rondo One, the upmar-

ket office complex in Warsaw.

ECM Group Polska has been present in Poland since 2002. It is a project management company specializing in civil engineering as well as industrial and infrastructure construction projects. Rondo One is an office complex comprising two buildings by Aleja Jana Pawła and Świętokrzyska streets. The buildings are certified with LEED Gold i LEED Platinum.

Dentons

Law firm Dentons published the 2018 edition of its *Investing in Renewable Energy Projects in Europe* guide. The edition highlights key regulatory developments and gives snapshots on the prospects of renewable energy projects in 20 jurisdictions across Europe and Central Asia, including Belgium, France, Germany, Italy, the Netherlands, Poland, Romania, Spain, Turkey, UK and Ukraine. The guide is available in English and Chinese.

The guide was produced in cooperation with Recharge, a global source for renewable energy news and intelligence.

The guide is available for downloading from Dentons website at dentons.com.

JLL

Commercial real estate advisory JLL advised EPP, an owner of retail real estate in Poland, on the EUR 91.1 million purchase of the King Cross Marcelin shopping centre in Poznań.

King Cross Marcelin is the nineteenth project in Poland acquired for EPP's Polish portfolio and its



first asset in Poznań. It offers 45,353 square meters of leasable space, occupied by such tenants such as Auchan, Media Markt, H&M, Reserved, New Yorker, Intersport, House, Mohito, CCC, Empik and McDonald's.

EPP was advised and supported by a JLL advisory team at all stages of the acquisition process, from due diligence to the finalization of the transaction.

Johnson & Johnson

Johnson & Johnson Poland, part of Johnson & Johnson Family of consumer companies, opened its Consumer Biomedical Information Centre (CoBIC) in Warsaw. The center will be the first-ever global R&D centre of excellence within the company's consumer sector, focused on accelerating and improving innovation cycles by processing, analyzing and reporting information required for the development of its products. The center is home to a team of business, science, and data experts and will focus on the development, registration and launch of new

MEMBERS ON THE MOVE



Katarzyna Dębińska-Pietrzyk has become a Partner at **CMS Cameron McKenna Nabarro Olswang Pośniak i Sawicki**. Dębińska-Pietrzyk is a transactional lawyer with over 16 years of experience in managing and supervising real estate projects for Polish and foreign investment funds and institutional clients. She advises on real estate purchase and sale transactions in each market sector. Her specialisation also includes advising on investments in shopping centers, office buildings and other commercial properties, as well as developing investment structures. She is an advocate and a member of the District Bar Association in Warsaw.



Paweł Stykowski has joined **Wierzbowski Eversheds Sutherland** as Head of the Regulatory Risk and Compliance Team. Stykowski specializes in financial services law, particularly insurance law and the law of financial instruments. He also handles consumer protection and compliance issues. Stykowski has 11 years of experience providing legal advice to the insurance and banking industry. He is an honors graduate of the Faculty of Law and Administration at the University of Warsaw, where he completed a one-year course in US law at the American Law Center in conjunction with the University of Florida.



Błażej Zagórski, has become a Partner at **CMS Cameron McKenna Nabarro Olswang Pośniak i Sawicki**. Zagórski has 14 years of experience in advising clients in industry, energy, FMCG, TMT and the medical sector on mergers and acquisitions, private equity/venture capital transactions and restructuring projects. Zagórski has broad experience in advising on corporate governance. As a fluent German speaker he will be developing services for German-speaking clients interested in acquisitions in Poland and for Polish companies that are planning to expand into the German market.

Johnson & Johnson personal and consumer healthcare products worldwide.

KPMG

The June edition of *Frontiers in Tax*, a cyclical publication on taxation issues from KPMG, highlighted updated acts and regulations governing the taxation of income in Poland. In addition, the issue presented a discussion on selected issues arising from the application of amended provisions of the Income Tax Act, including *inter alia* the regulations regarding insufficient capitalization, contributions to companies or issues related to transfer pricing. The publication is available in Polish and English.

Lufthansa

Lufthansa was elected the "Best Airline in Europe" and the "Best Western European Airline" by market research institute Skytrax, which specializes in the aviation industry and surveyed about 20 million passengers from more than 160 countries worldwide. Passengers were asked to assess the on-board hospitality and the quality of the airlines' services at airports. Skytrax has been conducting this survey on an annual basis since 1999. The detailed results of the World Airlines Awards can be found at www.worldairlineawards.com.

Manpower

"Siri, Find Me a New Job" is a new report from Manpower, an HR specialist, which presents the latest trends in the application of mobile devices by jobseekers.

The global talent shortage is at a 12-year high, with 45 percent of employers globally reporting difficulties in finding the skills they need. Qualified candidates are harder than ever to find, and many employers are addressing this challenge by investing in a range of technology tools designed to help them find, screen and engage candidates. The reports also highlights the growing importance of social sites in communicating new job openings to potential candidates. In Poland, 32 percent of jobseekers find new employers through advertising on social media, while 22 percent of jobseekers use mobile phones to search social sites for new job openings, while 21 percent got new jobs through message exchanges with employers. When it comes to job fairs, only 12 percent of new hires found their jobs by participating in such events.

Globally, the most popular method of looking for new jobs is through advertising posted on social media, with 31 percent of jobseekers using it. At the same time, the report reveals that candidates place a great importance on human interaction during the recruitment process as 26 percent of jobseekers indicated person-to-person interviews as their preferred method of interfacing with perspective employers.

McDonald's Polska

The employer branding campaign from McDonald's Polska, entitled "Welcome to McDonald's", which was executed across the internet this year, won the top prize at the HR Dream team competition.

The competition was run by a portal dedicated to HR and employer branding issues, hrwyzwania.pl.

The campaign also won honorary mentions in the category of Employer Branding Strategy and Internet Campaign, at the Employer Branding Excellence Awards held during the Employer Branding Summit in June in Warsaw, a trade event organized by the HRM Institute.



McDonald's issued a set of "coins" to mark the 50th anniversary of the launch of its flagship product, the Big Mac.

The "coins" come in five designs, each representing a different decade in the history of the Big Mac. Each "coin" may be swapped for a Big Mac at McDonald's restaurants. Those interested in obtaining the coins in Poland should activate the @mamsmakanamaka channel on Instagram.

Prologis

Logistics real estate specialist Prologis began the development of a Small Business Unit facility totalling 13,000 square meters at its new Prologis Park Poznań III. The building is 14 percent pre-leased to Euro-net, the owner of RTV EURO AGD, a nationwide retail chain. Completion is scheduled for the fourth quarter of 2018.

The units available in the park start at 1,600 to 1,800 square meters and are designed to appeal to customers that need small but high-quality and flexible office and distribution space within the city limits. Prologis already owns two logistics parks in the Poznań region totalling over 163,800 square meters. Prologis Park Poznań III is located within Poznań city limits, in the Western district of Juników, 6 kilometers from the city center and near the A2 motorway that connects Berlin with Warsaw.

With a portfolio of 2.3 million square meters of logistics space, as of June 30, Prologis is the leading provider of distribution facilities in Poland.

PwC

The accumulated value of all initial public offerings (IPOs) on stock exchanges in Europe reached EUR 9.3 billion in Q2, which marked a 43 percent drop as compared to the Q2 2017 numbers (EUR 16.2 billion), revealed PwC in its cyclic report IPO Watch Europe. The Warsaw Stock Exchange was home to 10 IPOs totalling EUR 43 million.

The current edition of *IPO Watch Europe*, and archived reports dating back to 2004, are available at www.pwc.pl/ipowatch.

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about the **AmCham Committees**
and upcoming events visit **AMCHAM.PL**

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SPA Zone is a place for relaxation. It comprises of a saunarium and massage rooms. Beauty treatments and hydrotherapy are in the offer.



Fitness room is a place for active people who want to take care of their physical shape under the supervision of personal trainers. In a modern gym you can exercise individually or make use of the knowledge and experience of personal trainers. A fitness room with a rich offering of sports dishes is also available. Next to the gym, there is a salt water pool which was modernized in 2017, where you can regenerate yourself after intensive exercises or take part in aqua aerobics classes.



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AGENDA

INTELLIGENCE FROM AMCHAM COMMITTEES

BUSINESS TECHNOLOGY & SERVICES

Prof. Andrzej Zybertowicz, Security Policy Advisor to President Andrzej Duda, met the AmCham Business Technology and Services Committee in April to discuss new security threats that have emerged with the development of digital online tools.

The professor said that the automatization of tasks which are preformed by humans is a normal process of technological advancement known to have taken place throughout the entire history of humankind. However, before the emergence of the WWW, the efficiency which human-made tools were used was limited by the skills and knowledge of the user. The paradigm has changed with the emergence of the internet, as the efficiency of digital interconnected tools is enhanced with their ability to tap into the sources of accumulated knowledge and skills available online. As a result, the efficiency of a digital tool connected to the internet surpasses all knowledge and experience that an individual can accumulate in his/her lifespan.

With such an "artificially enhanced" efficiency of digital tools, it is of paramount importance that their users share common values. One bad guy can do a lot of damage online to an organization. A group of bag guys can do a lot of damage to a country. Such was the case with the US presidential campaign when a group of Russia-backed internet users influenced public opinion in the US by spreading fake news through social media, targeting individuals who had not decided which candidate they would vote for. "Those people who did it were not for freedom, truth and democracy," Prof. Zybertowicz said.

He noted that there are tools available to track people's conversations online, track what topics are trending and how they influence public opinion. What is more, those topics can be tracked along with the physical local of the individuals who took part in them. Such functions are used by some governments—the Chinese government track people's conversations in China to predict the geographic location of big gatherings of people.

The professor noted that with a further development of the internet of things, the relationship between users and their tools is being reversed. While in the past users were "the masters of their tools" today, more often, users have to adjust the way they behave to the requirements set by technology. The best example of this is the Smart City idea—a model for the management of city functions through the

use of real-time data processing on a number of indicators such as air pollution, traffic congestion, pedestrian traffic, weather and air temperature, and time of day—in which humans are just a part of the big picture and have to adhere to the technical, procedural and legal requirements set forth by the big-data mining computer infrastructure.

Prof. Zybertowicz noted that the advancement of network technologies will pave the way for automatic governments to take over. The process is already there as the algorithms which are utilized by "smart technologies" are not transparent, and often developed by people who are not the proponents of "freedom and truth". This, in turn, has led to social media sites being turned into platforms that exchange "quasi information", or, as the professor put it "disinformation".

In June, the committee met with Tom Winter, Head of Business Development at Devskiller, a company that has specializes in work with technical recruiters and software developers, to discuss efficient ways to recruit software developers as the pool of available talent is drying up for various reasons.

Winter presented some key insights into the world of software developers. They are the second-hardest group of professionals to recruit, after craftsmen (electricians, plumbers) because over 97 percent of them are already employed, and those who are not employed, are idle of their own choosing and are not looking for a job. What is more, 33 percent of those who have jobs are happy where they are, and do not actively seek new professional opportunities.

Winter said that software developers hate the traditional recruitment process because they do not speak the same language as the HR people who interview them.

Furthermore, Winter discussed the best tools to streamline the IT recruitment process and the biggest mistakes companies make when hiring IT developers.

DEFENSE & SECURITY

In May, the AmCham Defense and Security Committee held a meeting with speakers from the Romanian Embassy in Poland: Ovidiu Dranda, Ambassador, Colonel Romeo Tabirca, Defense Attaché, and Mr. Botond Kovessi, Economic Counsellor. The guests talked about security challenges in Central and Eastern Europe and highlighted many parallels in a number of national defense issues between Poland and Romania. The discussion also covered the role of Romania on the so-called eastern flank of NATO, and

the European Union, but also energy security in the Black Sea region and multi-national defense partnerships.

EU AFFAIRS

In May, the European Union Affairs committee held a meeting with Michał Mrożek, President of the Management Board of HSBC Bank Poland. On the agenda were Brexit-related financial issues, such as the stability of the world financial markets and which country may replace London's City in the traditional role of Europe's financial hub.

HUMAN RESOURCES MANAGEMENT

Being a good manager is a challenging task requiring a variety of competences like effective team management, social skills, and leadership. In April, the AmCham Employee and Labor Relations Committee hosted Magdalena Giryń, Country Manager of Assessment Systems, who discussed the characteristics of Polish managers based on a research by Assessment Systems Polska. The discussion covered the attitudes and behaviors of Polish managers, their work potential, motivating factors, a company's culture engagement, decision-making skills and career derailers.

In June, the committee hosted two speakers from EY Polska: Karol Razniewski, Associate Partner, and Emilia Piechota, Manager. The topic of their presentation was the optimization of social security burdens following the amendment of Poland's social security laws, and immigration issues for employers in light of the upcoming amendment of Poland's immigration regulations.

The speakers noted that citizens from many countries outside of the EU can enter Poland without a visa but their stay in the country is limited to 90 days. Thus, before the period expires they need to travel outside of Poland to obtain a permit for the next 90 days on reentry.

However, Poland is also a part of the EU and when entering Poland they also enter the EU. They can stay in the EU for no longer than 180 days and need to travel to a country outside of the EU to obtain a permit to stay in the EU for the next 180 days.

The speakers talked also about the Intra Company Transfer (ICT) directive, which the EU introduced to facilitate the work of non-EU citizens across different EU countries. In light of the directive, non-EU citizens employed in one of the EU countries may be delegated to work in another EU country for their employer and will undergo a more liberal process

regarding their work permit.

But the new regulation works only between the two countries which have the ICT directive implemented in their national immigration systems. At the time of the meeting Romania and the Netherlands were the only countries who had implemented the EU regulation at a national level. The more countries implement it the more popular the ICT mechanism will be.

SUSTAINABLE REAL ESTATE

The AmCham Sustainable Real Estate Committee held a meeting in June devoted to the Polish warehouse and logistics sector. The speakers were Magda Pavlak-Chiaradia, Managing Director of ERM Polska and Tom Listowski, Partner, and Krzysztof Czekalski, Director of CRESA.

The speakers said that Poland has been through "a golden era" for investors in logistics and warehouse and as a result in terms of total space leased and under development, the country is the second-largest market in Europe after Germany.

The speakers agreed that industrial property in Poland, which is ultra-modern and economic, is one of the best asset classes for investors as Poland's significance on the industrial map of Europe is gaining momentum.

FINANCIAL & TAX SERVICES

In May the AmCham Tax and Financial Services Committee hosted Marcin Zawadzki, Senior Manager of PwC, who talked about the most recent trends in tax transparency.

Zawadzki said that tax transparency is a spreading phenomenon in the EU and it is a two-way process. With the growing openness of tax payers, who reveal their taxes to the public and explain how they interpret certain tax regulations, the tax authorities become more liberal in the ways they approach taxpayers.

In Poland, Zawadzki said, tax transparency is getting to the next level and is becoming a critical factor in the management of relations with the administration and investors. The new law governing corporate income tax made it obligatory for the Ministry of Finance to reveal to the public the taxes paid by companies which are classified as "key taxpayers" for the Polish economy—all capital groups and indi-

vidual companies with annual turnover exceeding EUR 50 million. The first batch of information regarding the tax payments of "key taxpayers" for 2012-16 had been published in the website of the Ministry of Finance. In July, the ministry published the 2017 data.

With this the ministry hopes that any irregularities will be spotted by the public—independent tax experts—who will start discussions and thus notify the tax authorities about suspected cases. "Citizen control" over the taxes of the largest taxpayers is something that the tax authorities are looking forward to seeing in Poland, because in a way, with this the society takes upon itself the role of a tax controller, which in turn, helps the authorities economize on the audits they have to do on their own.

Zawadzki said that this new method of supervising taxpayers is becoming very popular globally and there are reasons to believe that it will also become an "industry standard" in Poland.

TRAVEL & TOURISM

In May, the AmCham Travel & Tourism Committee hosted Gavin Teale, Managing Director Eastern Europe of Travelport, who talked about how mobile technologies have changed the industry, based on a Travelpor 2017 polling of 11,000 travellers in 90 countries.

Teale said that currently 33 percent of travellers book their travel directly from their mobile device, not desktop or laptop computers. He said that by 2019 an estimated USD 94 billion of travel related bookings will be made from mobile phones. The report also revealed that nearly half (47 percent) of travellers use voice search tools on their mobile phones when doing research for their travel. The numbers differ from country to country with China being the top country where voice-activated tools are preferred by travellers (80 percent).

When choosing their hotels, over 60 percent of travellers avoid hotels with premium charges for access to the internet.

When at their destination, over 50 percent of travellers use mobile "conierge" services on their phones, booking taxis, restaurant tables, tickets to museums and others. They also use local applications for checking on the weather, transport services, currency exchange and banking services.

The polling also revealed that over 80 percent of travellers still rely on "old style" recommendations when picking their holiday destinations, such as peer-to-peer recommendations, restaurant reviews, trip advisors and others.

In June the committee held a meeting with Artur Brandysiewicz, Deputy Director of Strategy & Marketing at Polish Tourism Organization, who talked about the ways in which the organization promotes Poland a tourist destination across different geographical markets. The speaker talked about planned promotional campaigns, the main challenges, trends and potential cooperation projects with business.

OFF-COMMITTEE SESSIONS

The second meeting of the Digital Marketing Trends series took place in May with Piotr Podgajny, Social Media Manager at Deloitte Digital Center Eastern Europe, talking about the rise of marketing technologies targeting mobile phones, technology which track "online conversations" in many languages that organizations use to manage their PR, and the rise of subscription-based online streaming services offering video material, which give clients an unparalleled user experience regarding quality and the lack of advertising.

Podgajny concluded his presentation by saying that digital markets with a potential for investors include social sites, online video, virtual reality, and marketing utilizing artificial intelligence.

Private Enforcement Claims—a New Source of Income was the topic of a meeting for AmCham members with speakers from Dentons law firm, Agnieszka Stefanowicz-Barańska, Partner, and Anna Gulińska, Counsel, who talked about how companies may be targeted based on illegal practices claims, how such claims may be identified, and what strategies should be applied against private enforcement claims targeting companies.

According to EU statistics, illegal collusion costs businesses USD 43 billion each year in damages.

Private claims may cause damage to any business and since the introduction of the the Damages Directive in Poland, claimants find it easier to obtain compensation, while companies are at a greater risk of civil liability for collusion.

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COVER STORY

AmCham Diner at EEC in Katowice

LEADING THE DEBATE

AMCHAM STARTS A DIALOGUE ON HOW TO MAKE
POLAND'S IMPRESSIVE ECONOMIC BOOM
SUSTAINABLE

True to its tradition of facilitating dialogue between stakeholders in the Polish economic and business environment, AmCham took part in the 10th European Economic Congress, which was held in Katowice in May and attracted 11,500 participants, including 900 speakers, among whom were EU commissioners, Polish government representatives, the mayors of the main Polish cities, scientists and business leaders.

As before, AmCham delivered its AmCham Diner—an innovative concept, which offered congress participants an area where they could meet in an informal atmosphere over refreshments, but at the same time become part of a live audience of high-profile interviews held at the AmCham Media Corner by TVN, an independent television station.

ECONOMIC SITUATION

All speakers agreed that the Polish economy had entered a period of stable economic growth. According to Marcin Petrykowski, Managing Director for CEE at S&P Global Ratings, Poland is benefiting from the global economic revival, and especially from the economic revival of eurozone countries such as Germany—Poland's largest trading partner. "If we take into account only macro-economic data, the world is now at the epicenter of economic development which is driven by a number of engines, one being the revival in global trade, which benefits everybody," Petrykowski said. "If there is no major crisis somewhere in the economic ecosystem, the fundamentals of the growth of the Polish economy will be solid." He noted that according to a S&P forecast, this

Money to share

Poland's GDP per capita, in USD



Source: Statista.com

year Poland's economy will grow by 4.5% GDP, and will continue to expand at the rate of 3.2%-3.5% between 2019-2022, which, although slower than before, will "not be a steep decline."

According to Jerzy Buzek, a member of the European Parliament, and former Polish prime minister and president of the EU Parliament, Poland's expanding economy is testimony to the talents of the country's entrepreneurs who have taken advantage of the global economic revival. He said, however, that the free-market economy goes in cycles, and after a growth period there will be a decline—something that needs to be expected sooner or later.

While there are no immediate risks to the global economy, there are some risk factors. According to

Petrykowski, one is the high prices of shares globally, and especially those of corporate bonds in the US and the EU, which could cause problems. Another risk is the significant drop in the value of the dollar against the euro. "With the euro getting stronger, exports from the EU may become less competitive, which may turn into an economic crisis," Petrykowski said.

In turn, looking at Poland, Buzek criticized the government for its extensive budgetary expenditures. He argued that while such policies are always welcome in any society, it is the role of the government to curb expenditures in good economic times in order to beef up budgetary reserves for the time when the economy stagnates, which it will, with the only question being when.

THE CHANGING LABOR MARKET

One issue that demands some efficient government policies concerns Poland's labor market. With estimates putting the number of Poles of working age living in other EU states at over a million, and the relatively steady inflow of investment, including from American corporations, the pool of available workers in the country shrank and now Poland is seeing a record-low unemployment rate. With this, consequently, comes a growth in wages. These two trends, in the aggregate, make the Polish economy less competitive.

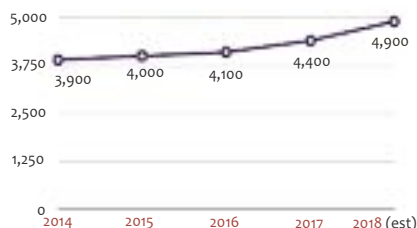
To address the issue of labor shortages, Poland needs to encourage foreign workers to come. "Poland should be more open to immigrants who could find employment in the country," Petrykowski said.

Despite the worsening situation on the labor market for employers, many companies continue to invest in the country. According to Jacek Czerniak, Global Subsidiaries Group Head at Citi Handlowy, investors are driven by the relatively high level of education of Polish workers. He gave an example of Citi, which found it easier in Poland than in Ireland to recruit workers with the command of foreign languages needed for a new shared services center the bank was opening.

Another way investors in shared services centers benefit from well educated Polish employees is when they move from simple processes to complex ones. Michał H. Mrozek, Chairman of the Board of Directors at HSBC Bank Poland, said that an example of this took place at the banks' shared

Growing wages

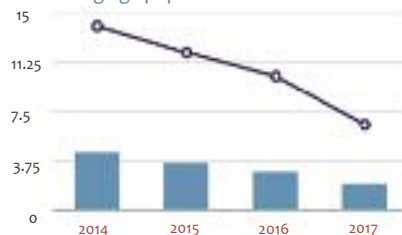
Average monthly salary, in PLN



Source: Tradingeconomics.com

Unemployment rate in Poland and Warsaw

Black—Unemployment in Poland, % of working-age population; Green—Unemployment in Warsaw, % of working-age population



Source: Tradingeconomics.com, Warsaw Statistical Office

services center in Kraków, which successfully evolved from serving as a back office to processing critical data for the company. "We are moving some services which are critical to security," Mrozek said, "and with this the Poland center will be one of the three such operations that we have globally. So, certain decisions will be taken in Poland."

According to Czerniak, Citi Handlowy plans to increase its employment in its shared services centers in Poland in the years to come. "Poland's demographics is a challenge and a risk factor," Czerniak said, "but the Polish society is still relatively young while Polish workers are still valued high by foreign investors."

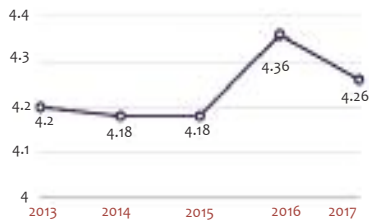
THE EURO DILEMMA

While American investors maintain a strongly positive perception of the Polish workforce their perception of the Polish national currency, the zloty is not so good. According to Dorota Dąbrowska-Winterscheid, AmCham Managing Director, member companies who export to eurozone countries complain about the zloty/euro exchange risk. "The euro is a popular and secure currency," she said, adding, that after Poland joins the eurozone, it will have a significant and positive impact on the country's economy much like the one resulting from "when Poland joined the European Union, the inflow of foreign direct investment grew almost overnight because of the growing investors' confidence." For HSBC's Mrozek, Poland's adoption of the euro is not only a question of exchange rate risks but foremost of long-term economic stability. He said that those in Poland who oppose the euro argue that the country is more competitive with its own currency, which, in the times of crisis, such as that of 2008, can be devaluated thus making the economy more competitive from the perspective of exports. "But the 2008 crisis was 10 years ago," Mrozek said, "and today the world is a different place and this is why, in the long-term the Polish economy will be much safer being in the eurozone."

When Poland joined the EU in 2004, it committed itself to adopting the EU currency, the euro, "when the country is ready". In order to be viewed as "ready" a country needs to meet certain economic criteria set out by the European Bank, and must adhere to a number of monetary policy principles. It

Exchange risk

EUR to PLN annual average exchange rate from 2013 to 2017



Source: Statista.com

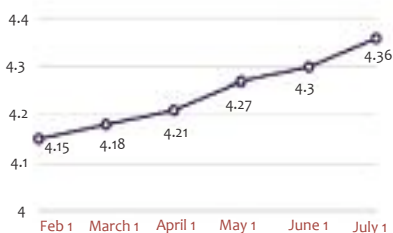
is up to the government to initiate the proces but, economists say, the process is best-achievable when the economy is strong. Since the Polish economy has been strong for a few years now, many economic experts and business organizations have appealed to the government to start the euro adoption process, but to no avail.

According to Jerzy Buzek, the government is a long way from adopting the euro, as it would mean further integration into the the core-EU countries, such as Germany and France, and the leading EU institutions such as the European Bank. Meanwhile, for various reasons, the government is not inclined to let Poland integrate into the EU further in such areas, preferring to rally small states together around regional "integration" projects it views as an alternative to those masterminded by Brussels. This policy, however, is short sighted, Buzek argued. The European Commission has taken steps to focus the process of EU governance on the eurozone to step up the integration process. Among the small EU member states which Poland wants to rally against the commission are countries which already adopted euro, such as Slovakia, as well as countries which intend to adopt it as soon as they are able to, including Bulgaria, Romania and Croatia. "The opposition to euro adoption is melting slowly in Hungary," Buzek said, "so when Hungary adopts the euro, and the Czech Republic adopts the euro, whom will we work with on those regional integration?"

This is why it is essential for Poland to start preparing its institutions for euro adoption, so when the EU governance process is adjusted primarily to meet the needs and expectations of the eurozone countries, Poland may become one of those countries as soon as possible instead of being left out in the cold.

From month to month

EUR to PLN exchange rate on the first day of Feb, March, April, May, June and July 2018.



Source: Exchangerates.org.uk

ENERGY

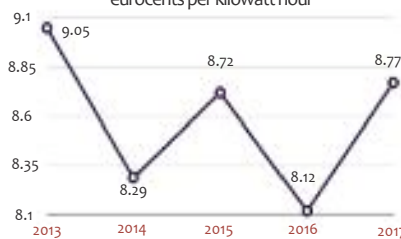
The growing price of electricity is another problem for the economy, especially for energy-intensive companies, including a number of US investors.

The prices are growing just as new EU regulations on fees for the emission of carbon dioxide become law in Poland. Over 70 percent of electricity is produced by coal powered power plants.

International Paper, the largest producer of paper globally, has its main paper mill in Kwidzyski, where it employs over 2,000 people, and a further 1,000 in other companies in Poland. Having developed in Poland from scratch, the company now is eyeing its future with concern, wondering how long it will be able to maintain the present profit margins , and how to plan its investment policies if the economy begins to splutter. "The paper industry is capital intensive and energy intensive," said Aneta Muskała, Financial Director, International Paper Kwidzyski. "We need to plan long-term in order to make our success last for the next 20 years. With the growing prices of electricity the company finds it difficult to maintain its competitive advantage in Poland over other locations in the EU and

Heavy Fuel

Prices of electricity for industrial consumers in Poland in eurocents per kilowatt hour



Source: Statista

outside of the union. "So far we were coping with the growing prices by increasing our operational excellency," Muskała said.

But with new price hikes expected owing to regulations on carbon emissions in the EU this may not be enough. "We expect that the government will come up with a policy which will help energy-intensive industries cope with the growing challenges. Energy-intensive industries generate some 10% of Poland's GDP, and we hope that we can work with the government side by side so we maintain this 10% margin, and hopefully, increase it," Muskała said, adding that without a such policy soon it will become clear that no investors in energy-intensive industries will choose Poland as the country will not offer enough competitive environment for their kind of business.

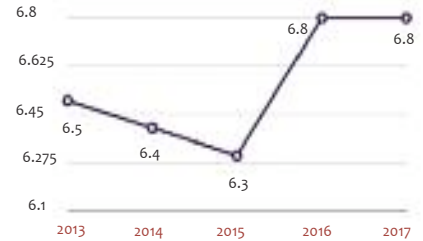
HEALTHCARE

Healthcare is yet another area where a proper government policy would help better utilize new technology, drugs and therapies that foreign investors have brought to the country.

According to Karol Poznański, Health Policy Director at MSD Poland, the median expected age of the Polish population grew since 1990 by eight

Unsteady growth

Total expenditure on health as a percentage of gross domestic product in Poland in 2013-2017



Source: Statista.com, TheNews.pl

years in both gender categories. However, the factors that have had the largest contribution to this were non-medical: Poles have grown health-conscious and live more healthy lives than before. Also, the median life expectancy grew because the sanitary situation in the country has improved. Poland has also improved its medical services and can boast about one of the lower infant mortality rates and one of the best the best cardiac clinics in Europe. Where the system lags behind other systems in the EU is the post-clinic treatment of patients, including patients with chronic diseases. One of the reasons why the statistics are far below that in other developed countries is the lack of proper financing.

"A proper social policy and a proper approach to public health is key," said Poznański. "And healthcare is one of the underinvested areas in Poland, with approximately 4.6% of GDP while other OECD countries spend double that percentage."

Poznański said that the government had introduced a number of pro-social reforms, including lowering the retirement age. But he noted that it is irrelevant if male workers will retire at 65 or 67 years of age, if, on average, Polish male workers lose their ability to work due to poor health at 59, and instead of contributing to the economy are using the health service. This is why the proper financing of the healthcare system is necessary so the system works well for all stakeholders.

SUSTAINABLE BUSINESS

As they improve their lifestyles Poles become part of a young and vibrant society which enthusiastically embraces change, which in turn, creates opportunities for investors. One such example is that of McDonald's, which has seen its restaurant chain grow on average by 20 outlets a year, and which uses the local market to test new foods and service solutions, which it then exports to other markets. The company also uses local talent to develop new software it uses in its increasingly interactive restaurants. But along with business, the company has managed to launch a wide-ranging CSR system aiming at early cancer diagnosis. McDonald's most recent strategy, Scale for Good, aims to make its packaging from recycled and renewable materials by 2025. A part of the project is to enable McDonald's diners to sort the waste on the spot in the restaurants. While this is only available in 10% of McDonald's restaurants globally, as many as 90%



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1. Paweł Gruza, Undersecretary of State, the Ministry of Finance. 2. Jerzy Kwieciński, Minister of Investment and Economic Development. 3. Artur Soboń, Secretary of State, the Ministry of Investment and Economic Development. 4. Tony Housh, AmCham Chairman. 5. Jerzy Buzek, Member of the European Parliament. 6. Dorota Dąbrowska-Winterscheid, AmCham Managing Director. 7. Wojciech Kuśpiak, Chariman of PTWP Group, Founder of EEC in Katowice. 8. Karol Poznański, Associate Director, Policy & Communications Lead, MSD Polska. 9. Marcin Petrykowski, AmCham Board Member, (S&P Global Ratings). 10. Jacek Czerniak, Global Subsidiaries Group Head, Citi Handlowy. 11. Mateusz Walczak, TVN24 BiŚ; Michał H. Mrożek, President of the Management Board, HSBC Bank Polska S.A. 12. Anna Borys-Karwacka, Corporate Relations Director, McDonald's Polska. 13. Aneta Muskała, President of the Board, CFO, International Paper Kwiędzyń. 14. The speakers at the panel, "The 100th anniversary of co-operation between Poland and the USA. A debate on the future": Ian Brzezinski, Foreign Policy and Military Affairs Expert; Jacek Czerniak; Tony Housh; Krzysztof Krawczyk, Partner, CCVC Capital Partners; Ellen Tauscher, former Under Secretary of State for Arms Control and International Security and former Member of Congress; Michał Kobosko, panel moderator, Senior Advisor, Atlantic Council.

restaurants in Poland already have it. "Poland is the leader in this respect," said Anna Borys-Karwacka, Corporate Affairs Director at McDonald's Polska. "We test new solutions in Poland, such as the recycling of our boiling oil as an environment-friendly fuel, and other solutions, such as waste processing."

Along with eco-friendly solutions, McDonald's has been quite successful in developing new forms of employment which are attractive to different age-groups including senior citizens and foreign student. "We used to be perceived as a place for young people, but we have opened up to new groups of employees," Borys-Karwacka said, adding that along with attractive salaries the company offers stable jobs and career development opportunities. "We work to make McDonald's a better place with quality food and a nice atmosphere. This is not a revolutionary change, but an evolution."

CHALLENGES

Having earned a reputation as a great place to invest Poland needs to improve in a few areas to maintain its hard-earned standing among other

countries which also top the rankings of FDI destinations. "One area that needs improvement is the stability and predictability of legal regulations, said AmCham's Dąbrowska-Winterscheid. "Global companies have a wide outlook and if something goes wrong in Poland the country disappears from the shortlist of destinations for the next investment project."

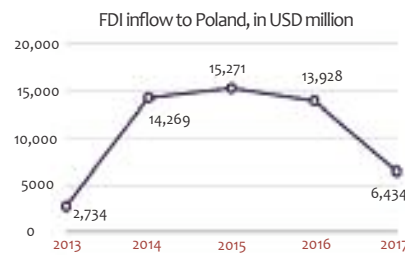
This view was confirmed by Citi Handlowy's Jacek Czeniak, who added that today the government faces the challenge to come up with new tools and

methods with which to attract foreign investors. "All types of incentives for investors, and the proper communication of those incentives to the target group is the key to the success of new investment projects in Poland," he said.

"Proper Public Relations is very important," noted Dąbrowska-Winterscheid. "It is pivotal for the country's economy that Poland should maintain a position within the top ranks of best investment destinations globally in the years to come."

This last piece of advice maybe of paramount importance for the country's governing elite. According to the numbers from United Nations Conference on Trade and Development, FDI inflow to Poland picked in 2015, but since then has been declining rather sharply. Time can only tell whether the drop in FDI inflow is a short-term phenomenon or something much more chronic.

A fading beauty?



Source: UN Conference of Trade and Development

COVER STORY

US-Poland bilateral relations

BEWARE OF DARKNESS

POLITICAL CONTROVERSIES MUST NOT BLIND AMERICAN INVESTORS TO THE POTENTIAL OF INVESTING IN POLAND

It is hardly conceivable that there may be anybody in Poland who is not interested, at least to some degree, in US-Poland bilateral relations, joked Michał Kobosko, Senior Advisor to the Atlantic Council, a think-tank specializing in foreign affairs, as he opened a panel discussion devoted to the US-Poland bilateral relations at the 2018 10th European Economic Congress in Katowice.

But if there are people who do not pay any attention to the relations between the two countries, it may be so because, when it comes to politics, they

are strong and stable.

According to Jan Brzezinski, Foreign Policy and Military Affairs Expert, the relations between the two countries are strong because they are anchored in mutual security and defense cooperation. "Poland is a US ally standing shoulder to shoulder with US soldiers in the Balkans to bring peace over there," Brzezinski said. "Polish soldiers were in Iraq with US soldiers. Today, there are Polish soldiers in Afghanistan, and Polish soldiers contribute to counter terrorism operations, working side by side

with US soldiers."

This is why the US-Poland defense relationship is deepening. "We have 4,000 US troops in Poland and today the US Congress supports it and it shows how deeply committed the US is to Polish security."

Brzezinski noted that the cooperation is not only about defending Poland but also enabling Poland to defend the US in addressing out-of-area challenges.

With this comes economic cooperation. Soon after



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15. AmCham Diner in business. 16. Jerzy Buzek, MEP; Marzena Drela, AmCham Deputy Director. 17. Artur Soboń, Secretary of State, the Ministry of Investment and Economic Development; Marzena Drela. 18. Minister Jerzy Kwieciński; Marzena Drela. 19. Wojciech Kuśpik; Mateusz Walczak. 20. Tadeusz Kościński, Undersecretary of State, the Ministry of Entrepreneurship and Technology; Marzena Drela, Marcin Petrykowski. 21. Marzena Drela; Paweł Gruza. 22. Scott Solberg, Michał Mrożek, HSBC Bank Poland; Marzena Drela; Krzysztof Woźniak, Sebastian Szaudel, HSBC Bank Polska. 23. Robert Zapotoczny, PFR TFI S.A.; Dorota Dąbrowska-Winterscheid, AmCham Managing Director, Paweł Wojciechowski, ZUS. 24. Marta Pawlak, AmCham Legal Counsel; Agata Staniewska, CEC Government Relations, Aneta Muskała, International Paper. 25. Katarzyna Giedrojć, Jacek Czerniak, Citi Handlowy; Marzena Drela; Mateusz Walczak, TVN. 26. Anna Jaros, US Embassy; Dorota Dąbrowska-Winterscheid, Marta Pawlak; Jerzy Kozicz, CMC Poland. 27. Krzysztof Pawiński, Maspex; Tony Housh. 28. Dorota Dąbrowska-Winterscheid; John Armstrong, US Embassy.

Poland became a NATO member, in April 2003 it signed a deal to purchase 36 F16 fighters and 12 F16 fighter and training aircraft. Today the fighters are the core of Poland's airforce and enable Polish pilots to take part in NATO training exercises, such as the Red Flag, Alaska, a realistic, 10-day air combat United States Air Force training exercise.

This year, Poland and the US signed a contract for the provision of a Patriot anti-missile system, worth approximately USD 10 billion. "It will be an important pillar of our relationship," Brzezinski said, "just as the F16s, and maybe even more so, as there will be a Polish dimension to the Patriot system—more Polish input to the system designed for Poland."

Brzezinski said that the defense cooperation may deepen even further as the Polish government expressed an interest in buying Homar, a rocket artillery system, which offers military as well as industrial prospects for US-Poland cooperation. (In July, the Polish Ministry of National Defense announced it had signed a contract with the US for the provision of Homar.)

Brzezinski said that with such deep ties between Poland and the US, it is not excluded that the rotational presence of US troops in Poland will shift to becoming permanently present. "The Polish government has rolled out a campaign to achieve that," Brzezinski noted, adding that "there is a long road ahead but the prospects to achieve that are good."

BEYOND DEFENSE

Another panelist, Ellen Tauscher, former Under Secretary of State for Arms Control and International Security, and a former Member of Congress, confirmed this view by saying that in the European Union, especially with Brexit on the horizon, "the US has no finer ally than Poland."

When it comes to the economy, Poland's continuous economic growth, since 1990 is "very impressive to watch from the US," which is why "we are very proud of the investment that we have made in Poland and the cooperation that we have."

Tauscher noted that when it comes to economic growth "US and Polish governments are aligned".

Another panelist, Krzysztof Krawczyk, Partner at CVC Capital Partners, noted that because of geopolitics, Poland and the US, apart from the defense sector have a range of economic areas to utilize such as IT, cybersecurity and energy.

But there are also other areas, including industries based on intellectual property and consumer goods.

This view was shared by Jacek Czerniak, Global Subsidiaries Group Head at Citi Handlowy, who said that some 70% of Poland's exports are generated by companies with foreign investment. "Foreign investors who have been in Poland for years are very happy," Czerniak said. "Now the question is how to attract new investors to the country."

All speakers agreed that Poland needs to maintain a good image which is friendly to investors in order to be on the radar of potential new investors from the US and other places.

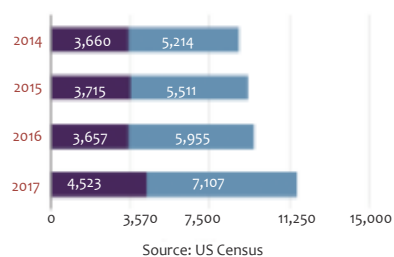
Meanwhile, it may look like the country has lost some of its magic following the change of government in 2016 and the regulatory changes and reforms introduced by the new government which were not properly communicated to stakeholders.

"The change was probably too abrupt and not adequately communicated," said Krawczyk. "There was no proper dialogue with the stakeholders on the part of the lawmakers, but there were changes. It was extremely difficult for us to try to explain to our investors what was going on in Poland."

To make things worse, the government launched a

US-Poland Bilateral Trade

Dark Red—US export to Poland, in USD million
Green—Poland's export to the US, in USD million



set of reforms, which effected business when labor shortages stimulated the growth of wages. "It was a double whammy for business," Krawczyk said, adding that the government should have been more flexible with its reforms, and should have had a more proper timetable of their introduction. Tauscher noted that governments need to develop a strategic narrative for its reforms, and such a narrative "has to give people, including investors, the confidence that the country is a good place to invest in."

She mentioned Article 7, a disciplinary measure introduced by the European Union against Poland for its reforms of the judicial system which placed the system "under the political control of the ruling majority," as the European Commission said in a statement.

Article 7, often dubbed the "nuclear option", is the EU's punishment clause, allowing it to discipline member states when there is a "clear risk of a serious breach" of the bloc's core principles.

It had never been used before until the case with Poland.

Tauscher noted that governments have to get ahead of things and make it very clear what they really intend to do, "whether it is judicial reforms, freedom of the press and others. If this is not met, you are going to be in trouble. The longer you allow those things to fester or be unsettled, the tougher it is for people or directors to say, this is a reasonable thing for me to do, this is a good market for me to put my money into. Business people need to understand what countries do and what the political leadership does."

Brzezinski echoed this view by saying that "There is an increase of concern in Washington over what the Polish government is doing on judicial independence, press freedom, and the management of

the Holocaust issues. These issues, if not properly addressed, are potential storm clouds. So there are the potential dynamics that can push our relations in the wrong direction."

But Tony Housh, AmCham Chairman, who has lived in Poland for over two decades and who has seen many a political tidal wave sweep across the country, said that governments come and go while business opportunities remain. "American investors perceive well the potential of the Polish economy, with its impressive GDP growth and a good atmosphere for investing for the biggest companies. Not everything is ideal but there are good opportunities."

American investors perceive well the potential of the Polish economy, with its impressive GDP growth and a good atmosphere for investing for the biggest companies. Not everything is ideal but there are good opportunities.

He backed his view by saying that nearly half of US investments comes as reinvestment, "which is good advertising for Poland in the US."

Chairman Housh noted that investors should think long term, and when it comes to where the Polish economy is going to be in 10 to 20 years from now, it seems it will be in a very good spot.

This view was echoed by Krawczyk who said that Poland has a strong entrepreneurship culture that attracts young and creative people who prefer to take risks and establish their own companies instead of going to work for corporations. They try out their business ideas and build them in Poland in order to enter other markets. Many of those entrepreneurs are looking at opportunities in the US and want to forge business links between their startups and big corporations, including American companies present in Poland in the hope those companies will help them enter the American market.

Krawczyk noted that Polish entrepreneurs are creative and up-to-date with the leading trends in business and technology. "There are many firms in Poland which produce solutions in such area as artificial intelligence and machine learning, which are implemented globally," Krawczyk said.

This entrepreneurial spirit of the Poles is somehow confirmed by the numbers on US-Poland bilateral trade. While it has been growing for then last few years, the increasing Polish exports to the US have been fuelling the growth in a much more significant way than US exports to Poland.



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29. Michał Kurtyka, Undersecretary of State, Ministry of Energy, Marzena Drela. 30. Anna Czywczyńska, Enterprise Investors; Marzena Drela; Michał Koczalski, CEC Government Relations. 31. Ewa Mróz, Pyxera Global; Anita Kowalska, AmCham; Marcin Nowak, CapGemini; Jolanta Jaworska, AmCham Board (IBM). 32. AmCham Diner on the second day of the congress. 33. Marzena Drela; Michał Szczerba, MEP, Civic Platform. 34. Leszek Cieśla, Adam Siekerski, Philip Morris. 35. Mateusz Walczak; Marzena Drela; Dariusz Szczygiel, Tomasz Myszk, TVN. 36. Tony Housh; Marzena Drela; Anita Kowalska; Dorota Dąbrowska-Winterscheid. 37. Wawrzyniec Smoczyński, Polityka Insight; Jacek Siwicki, Enterprise Investors. 38. Marzena Drela; Urszula Augustyńska, McDonald's. 39. Karol Poznański; Marzena Drela. 40. Dorota Dąbrowska-Winterscheid; Jacek Drabik, AmCham Kraków & Katowice Director (Motorola Solutions), Anna Charuba, AmCham Kraków & Katowice.



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41. AmCham Diner draws in the crowd. 42. Marek Matraszek, CEC Government Relations; Tony Housh. 43. Marzena Drela; John Lynch, AmCham Board Member (Lynka). 44. The AmCham and HSBC Bank Poland Meeting. 45. Mateusz Walczak; Tony Housh. 46. Arkadiusz Krasnodębski, Dentons; Dorota Dąbrowska-Winterscheid. 47. Marzena Drela; Maciej Maciejowski, TVN; Dorota Dąbrowska-Winterscheid; Anita Kowalska; Marta Pawlak. 48. A quite moment at AmCham Diner. 49. AmCham Diner guests getting serviced by McCafe.

The European Economic Congress
in Katowice, May 14-16, 2018

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MONTHLY MEETING MAY

LET'S WORK TOGETHER

POLAND AND THE US CAN DO MORE BUSINESS TOGETHER

The Monthly Meeting in May took place at the US Ambassador's residence, where Ambassador Paul W. Jones hosted AmCham members to brief them on the current state of Poland-US affairs.

In his opening remarks the ambassador said that Poland-US relations today are in line with their historical dimension. "The US-Poland relations keep on developing well, which is the standard when you look at the history of the relations between the two countries, which spans now 100 years."

The ambassador alluded to the 100th anniversary of Polish independence that the country will celebrate on November 11. Poland reemergence on the map of Europe after WW1 had received strong political backing from the US even before the war had ended. After the war the US provided a steady stream of humanitarian aid which continued into the 1920s.

In that time leading American companies came to Poland as well. In 1926 New York based companies, Anaconda Copper Mining Company and Brown Brothers Harriman & Co, acquired shares in Giesche SA, a coal mine in Upper Silesia, and by the start of WW2 made their acquisition the single largest foreign direct investment project in Poland.

"We are very proud of the role the US played then and the US plays now in Poland," the ambassador said, adding that the US Embassy will join in the celebrations with its own campaign entitled 100 Years Together, which highlights the strong links that the two nations have forged on many levels, including political, business and people-to-people. The campaign includes US diplomats visiting 100 cities across Poland where they will meet with local communities.

Moving on to the political agenda, Ambassador Jones said that the governments of both countries are in alignment on many issues, of which defense and security are of strategic importance to the both governments.

US troops started to deploy to Poland last year as part of rotational deployment that exemplifies US commitments to the region. The US troops exercise and train together with Polish forces "So there is a lot going on which is not so visible to us," the ambassador said.

He also praised Poland for the purchase of the Patriot missile defense system. After a long negotiation process, of which the first phase was concluded this year, the Polish and US governments agreed for the provision of the system in a deal worth USD 4.75 bil-

lion, which is the largest arms procurement deal in Poland's history.

The system puts Poland "where it should be as a NATO member with top defensive capability," Ambassador Jones said, adding that "the deal with play out for many years, as the second phase of the purchase is being negotiated now."

The US government is strongly committed to the security of Poland and the so-called Eastern NATO flank—the countries which comprise the eastern border of the NATO alliance. US President Donald Trump confirmed this commitment to security and defense during his Warsaw visit last year and the new Secretary of State Michael Pompeo talked about it in his meetings with NATO officials right after he took office.

Another dimension of Poland-US bilateral relations are the commercial and economic aspects, which, the ambassador underlined, have an impact "on the prosperity of our peoples and the security and confidence of our nations."

The ambassador said that the US-Poland Business Summit opened the door to new opportunities for US companies. "President Andrzej Duda opened the summit, Prime Minister Mateusz Morawiecki closed it, and there were some really worthwhile breakout sessions, as well as plenary sessions, and we saw examples of companies, both on the Polish and American side, working together, tapping into each others markets and developing commercial relationships," Ambassador Jones said.

While Poland is a good country to invest in, there are some challenges. "There are a few categories of those issues, such as laws and regulations that were not consulted with the business community, and surprised investors as they changed the business environment and predictability," the ambassador said adding that some of the new tax regulations were "particularly directed at international business."

The ambassador said that companies which experienced problems in Poland, especially problems concerning the level-playing field, should contact the embassy and apply for the advocacy of the US government. "We advocate for a level playing field and a fair and positive business climate. We have a lot of conversations on all levels with government and business on all these issues. It is a vibrant and wide-ranging dialogue," Ambassador Jones said.

He also noted that the embassy is involved in promoting Polish investment in the US as part of the general worldwide policy executed through the Select USA program. Polish participants in the program take part in sessions with US authorities where they learn the ropes about investing in the US, and go to conferences in the US, where they meet with representatives of all US states who help them to find the best opportunities to invest in their states. "We encourage Polish companies to go global, and one of the best markets that is developing is in the US," Ambassador Jones said.



AMBASSADOR PAUL W. JONES

Paul W. Jones assumed the post of United States Ambassador to Poland in 2015. Prior to that, as Principal Deputy Assistant Secretary of State for European and Eurasian Affairs in 2013–2015, 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 in Vienna (2004–2005) and at the US Embassy in Skopje, Macedonia (1996–1999). Jones served at the OSCE Mission in Sarajevo in 1995, implementing the Dayton Peace Ac-

cords, as well as at the US Embassy in Moscow (1992–1994). In Washington, he was director of the Office for South Central Europe and, previously, desk officer for the Benelux countries. He served twice on the staff of the Secretary of State, as director of the Secretariat Staff and in the 24-hour Operations Center. Jones also served in US diplomatic missions in Asia and, early in his career, in Bogota, Colombia. Jones is a career diplomat. He graduated from Cornell University and received master's degrees from the University of Virginia and the Naval War College.

MATCH MAKING

Choosing an International School

By Jon P. Zurfluh

Whether parents are selecting a school for short term assignments, or as a long-term alternative to a public domestic education, the challenge is the same: finding a match.

I mean that parents should line up their criteria for a good school and select and screen potential schools on the basis of being a match for these criteria. For each family and situation, colored by historical experience and cultural nuances, families and children select schools for a wide range of reasons. These reasons change with age, so it is appropriate to give some hints at some of the criteria you should consider for each age range.

Early Childhood (Age 3 to 8)

At the early childhood, the questions are all about environment and nurturing teachers. So, picking a school that has the right balance between protecting and providing opportunities to take risks is the most difficult challenge. At this age, exploring in diverse environments is most critical, so look at play spaces and classrooms for plenty of hands on opportunities for making sense of the world. Look for music and dance and color. Look for teachers that can manage a complex environment with many activities going on around them. Think of yourself as a child and ask if the environment will inspire wonder and curiosity.



Elementary (Age 9 to 11)

These ages are all about academics. You'll have many questions to ask here about curriculum and method of delivery. Most research is pointing to the power of strong standards coupled with an inquiry-based model of delivery which inspires students working hard to make sense of their learning. But, as parents, you may have grown up with something more rote and methodical, so test your sensibilities on what you can accept in terms of new approaches and be sure that you can accept something that might be radically different from what you remember. Research has demonstrated the need for balance at this age level, assuring continued roots in the early childhood precepts above of play and exploration, while

introducing more academic pursuits through reading and writing. Be sure that you look for a school that embraces the attitudes towards content that are healthy and encouraging.

Young Adolescent (Age 11 to 15)

Middle years children need vibrant environments with plenty of choices. With the fundamentals of Elemen-



tary mastered, there is more depth and breadth in the middle years where foundations of future studies emerge. Brain growth slows here before the next spurt and students need lots of opportunities to develop both socially and emotionally. There is a reason why bullying emerges in these ages, as children experiment with boundaries and focus more on social acceptance rather than family connections. It's a territory of tremendous challenge and one where emotional distress is prevalent. For adolescence, the key is looking to the student mix. Strong diversity provides for unique opportunities to learn resilience and tolerance. Look for schools that encourage lots of interaction, a laboratory of testing our social competencies. Most parents ask me about sports and after school options. These are critical to this age and most often requested. Look for schools that have a robust social

calendar with fun activities. Look for an advisory program where small groups of students can talk about their experiences and form bonds of friendship that may last for decades or longer. Finding a match here requires a visit to the cafeteria and the gym to see how kids interact and engage in a robust environment of mutual trust.

Young Adults (Age 15 to 19)

At this age, academic challenge is most important. Parents here look for rigor and competence of program. With various kinds of exams looming, teachers must be both competent and able to inspire. But, you also need to assess your child's willingness to commit to the program, so their voice is important at this stage. Faculty,

no matter how talented, have less control over outcomes at this stage. Students take greater responsibility for their own accomplishments at this age and you need to find a school that inspires that level of willingness. Students must find a match for the level of challenge they feel is right for them and their own sensibilities of what they think is important in life. Parents at this stage must look to their children more to guide them in finding the match that will yield the best outcomes after the preparatory environment.

It is also important here to be planning what comes after the last year of education. Planning early for matriculation to college is the most important aspect of match after age 14.

Finding a match school is no easy task. But, by mediating your concerns and priorities based on the age of your child, you can start to assure that your school of choice is best positioned to address your unique sensibilities and assure that you feel confident in your selection.



Jon P. Zurfluh is the director of the American School of Warsaw located in Konstancin-Jeziorna. His two children both attended international schools.

MONTHLY MEETING

JUNE

BALANCING INTERESTS

POLAND AND THE US MEET IN MANY POLITICAL AREAS

Geopolitics were on the agenda of the Monthly Meeting in June with keynote speaker Jacek Czaputowicz, Minister of Foreign Affairs, meeting AmCham members to explain Poland's position on a number of key issues, including the importance of foreign direct investment for Poland and the economic and political significance of American investment.

Minister Czaputowicz said that American investors, ever since they began coming to Poland in the early 1990s, have been viewed as valuable contributors to the development of the Polish economy because, along with their money, they have brought new technologies, unique business acumen and knowhow, as well as access to other markets the world over, over which have helped make Polish economy a global economy. "Since 1990s US investors have had a significant influence on the Polish economy and they have improved the image of Poland among international investors," the minister said. "We estimate that the accumulated value of US investment in Poland has reached USD 41 billion, which translates into over 200,000 jobs."

Today, US-Poland economic relations are diverse and embrace such areas as defense, counter terrorism, energy and trade. "We are close partners and allies in many of those areas," Minister Czaputowicz

said.

He noted that US investment in Poland, and in the European Union, has a strategic interest as it is a force which stabilizes and secures transatlantic relations at a time when "the international order is challenged by adversaries, terrorists, cyber crime, and others of a hybrid nature."

This is why security and defense cooperation is also important in areas such as economy, trade and energy security. "We want to create ties with the US in all those fields," the minister said.

ENERGY SECURITY

One of the top priority issues regarding security and stability is energy security. The minister said that the US and Poland are working together to diversify energy sources for the country and the region. "It is highly desirable to explore the possibilities in this area, and increase the US presence in the energy diversification process with imports of US natural gas," the minister said. The first shipment of US LNG was delivered in the summer last year to the LNG terminal in Świnoujście. The minister noted that Poland's decision to import liquid natural gas from the US was mutually beneficial. What is more, it is clear now that the terminal can become a regional distribution hub for US

gas to the EU. "With our system of inter-connectors and gas pipes, the LNG from Poland can be delivered to our neighboring countries, and this will be beneficial for the entire region," the minister said. It is worth noting that the decision of the Polish government to import LNG from the US is in sync with a EU energy diversification policy agreed in July in Washington D.C. between President Donald Trump and President of the European Commission Jean-Claude Juncker.

Today the EU can process 150 billion cubic meters annually but the union plans to increase that by a further 15 billion cubic meters by 2021. Currently the EU is working on 14 infrastructure projects to achieve that goal, including new gas terminals in southern parts of the EU on the Adriatic Sea and the Mediterranean, but also in northern parts of the union, including the Świnoujście terminal on the Baltic.

The US has currently the capacity to liquify some 28 billion cubic meters of gas, and plans to expand that by a further 80 million cubic meters by 2023. One of the impediments to safeguarding a smooth provision of LNG to the EU is a regulation under which each contracted provision of LNG from the US has to be okayed by the Federal government. Despite that, however, since the first shipment of LNG from the US to the EU, in April 2016, over 40 single deliveries of LNG have taken place, which translates into 2.8 billion cubic meters. US exports of LNG to the EU amounted last year to over 10% of the total US exports of natural gas.

BEYOND ENERGY

Apart from the energy sector, Minister Czaputowicz said that the Polish government strongly supports the growth of bilateral relations aimed at boosting cooperation in innovative sectors of the economy in order to build mutually-beneficial partnerships. "We are delighted that such global players in this area use Polish engineers in Poland who work on projects with global scope and significance developing complex IT solutions," he said.

He added that in its drive to strengthen US-Poland economic links, the Polish government cooperates not only with the the Federal Government but with a number of state governments including Massachusetts, Washington, and California, and since last year, Nevada.



MINISTER JACEK CZAPUTOWICZ

Professor Jacek Czaputowicz, PhD, is a graduate of the Central School of Planning and Statistics in Warsaw, a doctor of political sciences (Institute of Political Studies at the Polish Academy of Sciences) and an associate professor of humanities (Faculty of Journalism and Political Science at the University of Warsaw). He completed post-graduate studies at foreign universities (i.a. at the University of Oxford). In the 1970s and 1980s, he was a democratic opposition activist. Due to his activity, he was interned on 13 December 1981 (released on 25 November 1982) and imprisoned in 1986 (he was amnestied 7 months later). In 1988–1990, he was a member of the Civic Committee of the President of NSZZ "Solidarność". In 1990, he started working in the Ministry of Foreign

Affairs – he was a Vice-Director, and later the Director of the Department of Consular Affairs and Emigrants (1990–1992). In 1998–2006, he was the Deputy Chief of the Civil Service. In 2006–2008, he held the position of the Director of the Department of Strategy and Foreign Policy Planning at the Ministry of Foreign Affairs. In 2008–2012, he was the Director of the National School of Public Administration. From January to September 2017, he headed the Diplomatic Academy of the Ministry of Foreign Affairs. He was the Undersecretary of State for Legal and Treaty Issues at the Ministry of Foreign Affairs as from September 2017.

The minister said that Poland is opening new consulate generals in the US, including in Houston Texas. "Our representation there will be focused on economic and energy diplomacy issues," the minister said.

THE THREE-SEAS INITIATIVE

Apart from working within the EU development frameworks, the Polish government has developed some regional policies independently of Brussels. Top priority has been given to the so-called Three Seas Initiative, which aims to integrate the transportation and energy systems of the 12 EU member countries which lie between the Baltic Sea, the Adriatic Sea, and the Black Sea—Austria, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. All, except Austria, are formerly communist countries.

"The countries share a common history and have similar goals concerning security, and are for a strong presence of US forces in the region as part of NATO and other bilateral agreements," the minister said. He explained that the rationale behind the Three Seas Initiative is that the countries also share a need for further development "for we are all less developed than the rich EU countries, and therefore we have a common interest in the EU,"

and also "when it comes to the financial framework of the EU".

In his words, the initiative is about "the integration and closer cooperation between the countries of the region" with the goal of building an infrastructure in the region which will create "major energy infrastructure connections and communication connections, including road and railroad."

To achieve that goal, the Three Seas countries hope to tap into the EU financing.

Minister Ciaputowicz added that the initiative, as seen from the US perspective, is about doing a project independently of the EU. This is why "it is important for us to institutionalize the idea so it moves from a political project to an economic project, and we are working on this," the minister said.

POLAND IN THE EU

While Poland tries to play some regional politics independently of Brussels it still remains a committed member of the union. This is why the Polish government supports the EU position on trade tariffs. "We do worry about the deteriorating relationship between the US and the EU because, as a part of the EU, we have been always supporting transatlantic relations," the minister said, adding that it is in Poland's vital interest to maintain good relations with the EU "because of our security."

The minister also said that the Polish government "has to support" the US sanctions imposed on Iran. "We understand that the US focuses on security issues with Iran, while the EU focus is on economic issues. The problem is that while companies withdraw from Iran now, they need to be somehow compensated for the loss of business, and reassured as of when they will be able to go back to Iran. It is a problematic issue because the sanctions are from the US."

The minister underlined that as part of the EU Poland will "always support good relations with the US and would like to bring the US to the table when discussing Iran."

THE IMPACT OF AMCHAM

The minister also praised AmCham for the organization's role in facilitating and helping the Polish government to adjust some of its policies and initiatives focused on developing US-Poland bilateral economic relations. "For us, AmCham is a key partner with which we consult every time we plan to open up new initiatives and projects. I thank you for your openness," the minister said.

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Company Profile Pegasystems

KEEPING AHEAD OF THE COMPETITION

AmCham.pl Quarterly editor Tom Ćwiok talks with **Jan Małolepszy**, Vice President, Engineering, and **Jarosław Maślanka**, Director of Business Operations at Polish Branch of Pegasystems about how the company stays competitive and how it deals with challenges in the increasingly competitive sector of business software development.

What can you tell me about the history of your company in Poland?

Jarosław Maślanka: Originally, the first office was set up in 2005 in Poland as part of a UK software company called Volantis, which provided mobile applications and content delivery to any mobile device. In 2011 Volantis was acquired by Antenna Software—a US based company specializing in mobile applications devel-

opment. Then, in 2013, Antenna was acquired by Pegasystems.

Over the last five years we have hired an additional 100 people and currently we have almost 250 employees in Poland.

Initially, the Kraków branch was focused on adding mobile functionality into the Pega platform. Since those early days, we have evolved the business & capabilities in the team and as



well as adding functionality into our mobile products. Our strong and thriving product development team is working across all aspects of the Pega platform. We also have over 40 people in our consulting organization and we are the European hub for customer support.

What are your flagship products and how do they differ from the competition?

Jan Małolepszy: Our flagship product is the next generation digital transformation software suite called Pega Infinity, which allows to build applications with no coding. What makes Pega Infinity differ from other products is the power of our artificial intelligence and our deployment choice, which is the capacity for implementing the product on our clients' servers or any cloud environment of our client's choice.

So, Pega leads the way in terms of delivering large-scale use of predictive analytics which make the best recommendations in a customer context. This is something that we call 'Next Best Action'.

We also believe that our cloud choice philosophy, whereby we can offer our own-managed and hosted service, and as an on-premise option, but also just as an easily accommodate other partner-delivered managed hosting choices, and this ability puts us ahead of the competition.

Our unified portfolio is fully focused on ensuring a great customer experience and optimizing the customer journey. We have built as much tech into our platform as we could. It is an interesting fact that major analytical firms have given us the leadership position as a provider of a

platform for large scale digital transformation initiatives. Truly, the thing that really excites our customers is that they can see our absolute commitment to the customer experience.

What are the critical aspects of today's software development market?

One is the speed of delivery across different platforms with different operating systems. And here we have one advantage which sets us apart from the rest: we can build apps very quickly and efficiently in the Pega Platform. Usually, an application will be built twice—once for the Android operating system and the second time for the the iOS. However, Pega can build one app and roll it out across both operating systems at once. Our cross-platform capability is one of our very strong competitive aspects.

Another major challenge for software developers is the off-line sync capabilities, which means, how to sync devices when they are not connected to the network.

For example, this is very important to the airline industry to know how many of the cabin crew have mobile devices that they use in flight. Up in the air those phones are not connected to the mobile network. So, we have worked with an airline and provided an off-line sync application to log everything that they would need to record on a flight, including such data as sales, accident reports, passenger information, which will all sync as soon as the phones are near a wi-fi network.

These are the types use cases and applications that are moving the mobile industry to the next level.

With many investors in the region, Kraków is a very competitive labor market when it comes to hiring software programmers. How do you cope?

The Pega operations in Poland have the second largest group of people in the EMEA region and this is for a very good reason. Poland is rapidly becoming Europe's new growth engine and is viewed as a fantastic country to hire software developers and people with technical skills. Poland is no longer 'the best kept secret' for investors, and many other tech companies have switched on to the huge pool of talent in the region. With this, we face a growing competition while we are hiring.

However, Pega is very competitive in the compensation and benefits it offers to its employees so, overall, the company is a great place to grow your career. People join us because they are excited about what we do professionally, including the career opportunities. Our people tend to stay for a long time, so we are in a very good position to attract people. But this is nothing new in the software industry. For us, the unemployment rate has been close to zero for years. Pega has been growing steadily since 2005 hiring 20-30 employees every year with low attrition rates. We offer our employees competitive salaries, great benefits, a fabulous culture and working environment and challenging projects. The employment market is constantly changing and as a company you need to stay current to make sure you stay competitive. At Pega we value diversity and experience just as highly as graduate talent. We're realistic about our hiring and have a strategy that allows us to find people that are excited to work here and want to build a long lasting career.

In search for new talent, do you cooperate with universities and other higher education institutions in Kraków, where you are headquartered in Poland. Do you run internship programs?

It's part of our strategy to build relationships with universities. Our Polish branch is in Kraków and in the city there is a number of universities that offer computer science courses. As a branch, we mainly co-operate with local universities such as Jagiellonian University and University of Science

and Technology, but globally we have established a special academic program to train students in business process management software. Internship programs are a very important part of our strategy. They allow us to spread the knowledge of what we do and how we work among students, who are potential employees in the future. Kraków alone, we host up to 16 interns every year. The internship typically takes 3 months, and they work as regular team members. This allows them to see how work gets done in commercial circumstances as opposed to theoretical, academic projects. As part of the internship program, selected individuals are offered an opportunity to join us in permanent roles, following a successful internship. We also run other activities such as hosting students' associations, organizing hackathons and giving lectures at the universities.

Do you hire people who are just excellent software developers or you take into account their understanding of commerce?

Pega is a unique company, and yes, we are looking for people with software development skills, but since our mission is to change the way the world builds software we also look for people who understand business processes and are able to model them. You don't have to be a developer to work with Pega Infinity and create software. Having top universities on our doorstep in Kraków is, of course, an advantage and we are very open to giving opportunities to graduates with great talent but less experience.

On the other hand, the presence of many software companies gives people opportunities to gain diverse experience, which benefit us all. The talent market in Kraków is competitive but thanks to new graduates and people that move here from other cities or even other countries, we can manage our growth needs.

What is PEGA's company culture like?

Jarosław Maślanka: It stems from our mission which is to change the way the world builds software to create unprecedented business outcomes in customer engagement and operational excellence. To achieve these goals, we look for talent who work with a sense of urgency, have informed opinion, are fo-

cused on client's successes and engage deeply with our own outcomes, and lead from the front. Our core values are client success, innovation, agility, courage, high performance and teamwork. We aim to create a work environment that is rewarding our teams and individuals.

At Pega, everyone's opinion matters, and we encourage open discussions and creativity. What I especially like about Pega is that we are working hard not to create any silos and break those which appear, but we operate as one global team regardless of geography. This is sometimes challenging as far as communication is concerned but it also promotes diversity and creativity. We are very proud of our company culture, which is also recognized by others. For example, in 2017 Pega was named 'Best Tech Work Culture' in Boston's Third Annual Timmy Awards.

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

In 2017, Pega decided to invest in Poland to secure space for its growth. We moved to a new, 5,000 square-meter-large office on four floors in the Bonarka 4 Business office complex. We invested time and effort to design a very convenient, modern, pleasant, and people-friendly work environment. We have more space that we need and we are ready to hire the next 150 employees in the coming years. It is so, because plan is to continue growing across different areas of the business, and strengthen our development teams, and add functions to our operations in Poland.

Our unified portfolio is fully focused on ensuring a great customer experience and optimizing the customer journey. We have built as much tech into into our platform as we could. It is an interesting fact that major analytical firms have given us the leadership position as a provider of a platform for large scale digital transformation initiatives.

Company Profile Forever Poland

A SELF-MADE SUCCESS

AmCham.pl Quarterly editor Tom Ćwiok talks with **Jacek Kandefer**, Director, Forever Poland, about the specifics of the multi-marketing business model and how the company is utilizing it in Poland.

How would you characterise Forever Living Products as a company?

Forever Living Products is the largest grower, manufacturer and distributor of aloe vera health and beauty products.

We are a multi-level-marketing company operating in more than 160 countries worldwide with our distributors, called Forever Business Owners, supplying millions of customers with aloe vera products.

The company was founded in 1978 in the US. Our International Headquarters are in Scottsdale, Arizona. So it happens that this year we are celebrating 40 years of continuous growth and excellence.

We offer a variety of products ranging from dietary supplements to bee products, to skin and personal care. However, there is a reason why we proudly consider ourselves The Aloe Vera Company—since the very beginning, the drinking Aloe Vera Gel has been our flagship product. As a matter of fact it was the first

ever product to receive the International Aloe Science Council certification for content and purity. And now we are in a very exciting moment with this product, as it has just underwent the most significant update in history: not only has it switched from the iconic yellow bottle to tetrapak packaging but it also allows us to increase the aloe content in the drink to 99,7 percent!

What were the milestones in the company's development in Poland?

Forever Living Products has just celebrated 40 years in business worldwide and Forever Poland will be celebrating 25 years in November, which makes the company one of the pioneering investors from the US in the country.

Establishing a Polish branch of the company in the early 1990s, basically just after the system transformation, was no mean feat, both in terms of setting up the business correctly, as well as going through demanding



product registration.

On the other hand, after living for years in strictly regulated socialist country, people were hungry for business opportunities, so we were growing back then quite rapidly and, in 1997, were ranked number 3 in sales in the Forever world. Since then the situation changed. But after a slowdown we started to grow steadily again. Currently we are in top 10 Forever markets in Europe, and with the 12% annual growth rate in sales value, we are on a growth path in the years to come.

The organization comprises three different operations: production including aloe farming and product development, distribution, and marketing and sales. How do they relate to one another?

We are a privately-owned, vertically-integrated company and pride ourselves in paying cash for all the assets. Owning each step of manufacturing process, from growing aloe on our plantations, to product research and development, to distribution centers and sales, it all allows us to control the distribution of our products and ensure quality every

step of the way. Product quality has always been our top priority as it is a crucial factor to business longevity and stability, especially in our industry. And we believe that there is no better way than doing it all by ourselves. As our tagline goes: from plant to product to you!

The company utilizes a business model known as multi-level marketing. How does it work in practice in Poland?

Going back 25 years when we started, multi-level marketing was a totally new business concept in Poland with very few companies present on the market. People knew very little about this model and there were a lot of misconceptions and negative stereotypes, so it was generally approached with suspicion. Since then, the public knowledge about MLM increased significantly. It's now perceived as a valid career option.

It may sound paradoxically but the financial crisis of 2008 that affected "traditional" businesses turned out to be quite beneficial to our industry. People saw that traditional jobs did not mean security anymore and be-

came more open to alternative income sources. So, there has been a stable growth in MLM industry for the last 10 years. What is great about multi-level marketing is that it is attracting more and more young people who are seeing the earning potential on the one hand, and on the other hand, the benefits of the work time flexibility that this business offers. This is why young people are increasingly willing to choose MLM as a career path.

Individuals who market and sell the products of the company, known as Forever Business Owners, are the sole sales force. I understand that they must be getting some significant support from the company...

The MLM industry is built on the power of word of mouth. The money that traditional companies spend on advertising, in the MLM model is paid out to distributors whose task is to promote and sell the products directly to end consumers. They are effectively our marketing and sales department, and their efforts are rewarded by our compensation plan. As they are independent entrepreneurs or business owners who are building the business for themselves, they have a lot more freedom in choosing the ways of promoting products that they feel will work for them. They can do it within the frames set by the Company Policy of our company.

But you are right! They are in the business for themselves but not by themselves. On the ground level, we take care of all the administration and logistics. We also provide them business and product trainings, seminars, retreats, marketing materials, personalized websites and the assistance of professional staff of our Warsaw Head Office and our Cracow product center.

Since our FBOs are independent and have no boss telling them what to do, they need a strong drive and self-discipline.

So the compensation plan itself—and it is the same compensation plan all over the world—is constructed in such a way as to not only reward them fairly according to their efforts, but also has generous incentives built into it to motivate our FBOs and help them stay focused. I must add that FBOs can qualify for the reimbursement of the cost of their car use, international travel, and receive extra bonuses.

We are a global company and our FBOs can build business in as many different countries as they wish. To make it easier for them and present the company in a unified way, we are striving to keep marketing materials fairly similar on all markets.

Utilizing the MLM model the company works with diverse range of individuals. What is the company's corporate culture, and what values does it promote with its business partners?

That is the beauty of MLM—there is a place for everyone here, regardless of your age, gender, education, background or any other factor. It is a people business because more than anything else it is about building relations. We often say: help enough people achieve their goals and you will achieve yours. And it really does work this way! And thus, we have these three words written in our mission statement: integrity, empathy and fun. Integrity because you will not be successful if you do not sincerely believe in what you do. Empathy, because you really need to care for other people and honestly want to help them. And fun, because you should enjoy what you do.

Again, talking about values, I wonder how the company engages in community work and corporate social responsibility...

Several years ago the company established a charitable organization, Forever Giving. It is focused on helping children in the poorest areas of the world by providing funds, facilities, and education to help fight poverty, hunger, and the lack of medical services available for children. The foundation also supports relief efforts in response to natural disasters in the areas we operate and in our donor communities.

In 2015, Forever Giving partnered with Rise Against Hunger, an international hunger-relief organization that distributes food and life-changing aid to the world's most vulnerable. The organization mobilizes the necessary resources to end hunger by 2030. Our Forever Business Owners have been packing meals for RAH at every Forever global event ever since. We pledged to pack 5 million meals for this amazing organization in 2018-2019, and many Forever country offices organize food packing events locally to help reach this goal. Poland is no different. The Polish FBOs, staff

and Forever friends will be packing RAH meals on September 15th in Warsaw. Our aim is to pack 30 000 food items.

How about a local focus in your CSR?

Locally, Forever Poland is supporting the foundation “Blżej Człowieka” and Children's Village in Rajsko, the latter being a home to orphaned children. There is another very noble foundation called Pro Omnibus that we help too. The foundation gives an opportunity to musically talented disabled children and every summer holds a music festival in Ciecchocinek.

As the individual who has been instrumental in developing the company's business in Poland for over 16 years now, I wonder what your personal ambitions may be regarding your position in the company...

I feel really privileged working for this amazing company that is genuinely helping people all over world look better, feel better and live a wealthier life. The Polish FBOs are fantastic and I simply love spending time with them so I'm perfectly happy where I am and intend to keep on working on growing our business here.

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

As I said earlier, we are steadily growing and working on moving from being the 10th European market to much higher position in the Forever World! I would like Poland to be in the top three countries in Europe. There are, still, so many people who should hear about Forever opportunity for a healthier and wealthier life!

We are steadily growing and working on moving from being the 10th European market to a much higher position in the Forever World! I would like Poland to be in the top three countries in Europe. There are still so many people who should hear about Forever opportunity for a healthier and wealthier life!

Company Profile **Avis Poland**

WE DRIVE THE FUTURE OF MOBILITY

AmCham.pl Quarterly editor Tom Ćwiok talks with **Sascha Hümmerich**, General Manager, Avis Poland and Avis Czech Republic, about how the car rental industry is evolving to meet the growing demands of the ever-sophisticated clients.

What is the history of Avis in Poland?

The first Avis rental offices in Poland opened in 1991 in Warsaw, right next to the Marriott Hotel and Central Railway Station, and at the Warsaw Chopin Airport. Both in Poland and in other countries, we always open our offices in key destinations to make picking up cars as convenient as possible.

In 27 years, we have gone from offering only a few vehicles to having rental offices in every major Polish city. We run 72 Avis offices in 39 cities with up to 10,000 cars available in our fleet. We offer a wide range of vehicles to cater for a variety of customer needs. Our offer ranges from small and medium sized vehicles to SUVs, to passenger vans and lorries.

What can you tell me about the company's flagship services for the corporate sector?

We recognise that keeping businesses and its employees on the move is a priority and we offer a range of services dedicated to both large, mid-size and small businesses.

We understand how important flexibility is for our customers, so at Avis Poland, we offer rentals from one day up to four years. Short-term car hire is from 24 hours to 30 days, medium-term from one to 24 months and long-term car rental, called Avis-Lease, from 24 to 48. Customers also have access to additional features, including the hire of a personal driver. This service is called Avis Chauffeur Drive. One of our flagship services in Poland is Avis Flex, which provides a flexible car rental solution for businesses without a long-term commitment. For every type of car in our business fleet we offer roadside assistance, providing that extra layer of reassurance in the event of a breakdown.

Hiring vehicles, as opposed to owning them, is not a concept that is popular worldwide yet. However, this may be a model for the automotive sector in the years to come.

How do you see this playing out?

Today, from bike sharing, to hailing taxis, ride sharing and car sharing, consumers and also businesses are



beginning to rethink what car ownership means. The need and focus for consumers is very much on convenience, efficiency and having a great overall experience. For us we are examining the overall customer journey and this means adapting our services to ensure we are meeting our customer's needs. We are delivering on this through our mobile app, the introduction of connected cars and a host of other services.

What is driving the market forward today?

The industry and market in which we operate in is rapidly changing and in a world where connectivity is constantly evolving, we are already seeing improvements on our day-to-day lives. The significance and potential of technology and online platforms as a means of facilitating business and enhancing the consumer experience are endless, especially in the travel and mobility sectors. We are committed to offering the best possible service to all our customers and part of that is always looking at ways to help make the overall journey for the customer as easy and reliable as possible.

People in Poland increasingly look for on-demand services to get from point A to point B as fast and convenient as possible. They want to be mobile, to be able to use transportation anytime they want. This is a trend we are keeping up with by implementing new solutions.

What kind of solutions are those?

From our Avis app to our rapidly expanding connected fleet, and partnerships with companies like PSA Connected cars, we are actively positioning the business to meet the needs of our customers in Poland and across Europe.

One of the ways we help to make our customers lives easier is with our user-friendly mobile app that allows customers to manage their rental process from the beginning to the end with their mobile device. Users can filter their searches for the perfect vehicle and add any necessary extras, including equipping with ski racks, child seats, satellite navigation as well as opting for in car Wi-Fi access.

We have also implemented a Flight Arrival Notification tool, FAN. The FAN technology sends a text to customers upon arrival into the airport, giving them details of the best route to the rental location to pick up their car hire. It also ensures staff are on hand in case of a flight delay. Customers simply provide their flight number when booking their car rental so that their journey and landing time can be monitored.

Our Maintenance and Damage Management System is another mobility solution available in Poland. It enables our staff to digitally log 360-degree photographs before and after a rental, logging any vehicle damage electronically. For customers, this new procedure means absolute transparency, along with faster vehicle returns and shorter waiting times at the rental location.

Consumers today are increasingly sensitive to environmental issues.

How does this reflect in Avis policies?

As a mobility provider, we are committed to offering solutions to tackle environmental challenges the world faces today, and through our partnerships with vehicle manufacturers we are pursuing our objective of offering our customers a unique, comfortable and green way of driving. We provide a fleet of hybrid vehicles, which help to contribute towards preserving the environment and the air quality by reducing the vehicles carbon emissions.

We also offer mobility solutions to help reduce our carbon footprint across all our rental offices by providing digital contracts for E-signature. This means we save a lot of paper every year.

In recent years Poland has seen a record-low unemployment rate.

Do you find it challenging to get the right talent work for Avis?

We are proud to have longstanding and talented Avis employees that enjoy working for an international company, which offers flexible working and attractive training packages. As a customer-led and service-driven

organisation we encourage our employees to be proactive and innovative to keep us ahead of the competition. We believe in investing in and motivating our staff, which includes recognising and rewarding talent. We also have a system of work that makes sure our employees have a work-life-balance, even if our employees work night shifts or at the weekends.

What can you tell me about the company's CSR projects in Poland?

We are pleased to have been actively involved in CSR projects in Poland since 1997. Recently, we collaborated with the American Chamber of Commerce, where we contributed to their annual charity raffle at its 4th of July picnic. Together we raised over PLN 34,000, which will go towards helping children in need who are sadly suffering from critical illnesses.

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

Today, the road is literally shifting beneath our feet, as people increasingly look to on-demand services to get from point A to point B, including bikes, scooters, vans, cars they drive, cars driven by others, and someday,

cars that drive themselves.

We believe that mobility will very soon be completely connected, integrated, on-demand and will be delivered to both consumers and businesses as a service. We're completely engaged in this shift, and are innovating in many ways to ensure that we evolve our business to meet the present and future needs of our customers. We are investing heavily in reinventing the rental process, digitising our entire business, and developing new models for mobility. A key focus for us is to keep contributing to making Poles and people in other countries more mobile, to help improve their journeys end to end.

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The start of 2018 marks the final part of former **ENVIRON** brand migration. As **Ramboll's Environment & Health** global practice, we will continue our dedication to client service and responsiveness. Relationships and contacts with us remain the same and we look forward to continuing to work with all our clients.

As part of Ramboll, we also:

- offer expanded consultancy capabilities in the energy, oil & gas, water resources, sustainable development and climate change sectors
- provide assistance on larger, more challenging multidisciplinary projects requiring broader capabilities
- address important global issues such as the environmental and health implications of urbanisation, climate change and resource scarcity

Our legal name and address have changed to:

Ramboll Environ Poland Sp. z o.o., 02-366 Warszawa, ul. Bitwy Warszawskiej 1920 r. 7a

Our contact details remain the same. Our web address is now www.ramboll.com.

Company Profile Dow Polska

PIONEERING THE CIRCULAR ECONOMY

AmCham.pl Quarterly editor Tom Ćwiok talks with **Giuseppe Santoro**, Country Leader for Poland at Dow Polska, about how the company changes to embrace new market realities and faces the challenges of economic and environmental sustainability.

Dow has been in Poland for over 40 years when its first sales office opened in the country in 1973. What have been the milestones in the company's development in Poland?

Dow established its first legal entity in Poland on May 15th 1973, and it was one of the first international chemical companies to believe in the potential of this market and to start investing in it.

Over the past 45 years Dow has grown from a handful of employees to one of the largest chemical companies by sales in Poland with a highly professional commercial hub in Warsaw and a technical service center for our Polyurethane Systems business in Łazy.

Dow considers Poland as one of the most promising and rapidly growing markets in Europe, and the company will continue to invest in it.

Dow offers a broad portfolio of

products serving almost every industry. Where is Dow Poland's focus?

Dow is present in Poland with its full product range. Our focus is mainly on Polyurethane Systems, plastics and elastomeric products, as well as a wide range of specialty chemicals to meet the steadily growing demands of the Polish economy.

The company continues to capture opportunities in technologically advanced and sustainable solutions in high-growth market sectors such as construction, food packaging, home and personal care.

With this, Poland is the most important country in the Central Europe Region. In addition to the commercial hub in Warsaw, we are especially proud of having one of the competence centers for Polyurethanes Systems in Europe, in Łazy. The Technical Service Center in Łazy develops and provides customers with

tailor-made solutions based on fully formulated polyurethanes systems. The product range includes rigid foams for insulation, soft foams for car seats, microcellular foams for shoe soles, casting resins for electrical components and elastomers for coatings. These solutions are used in applications ranging from residential and commercial construction, infrastructure repair, to wind energy solutions, cold chain applications, to furniture, footwear to decorative molding.

All critical functions, such as sales, technical service, accounting, product development, production and logistics, are united under one roof. In this way customer requests can be met in the shortest possible time and with the highest quality.

Owing to its proximity to Western markets as well as to developing markets in the east, for many companies Poland is a strategic production hub which supports itself but also other markets. Does Dow pursues the same strategy when developing its operations and production facilities in Poland?

While Poland has become a manufacturing and service hub for Europe, Dow's product and production process require the proximity to ample quantities of cheap raw materials, such as natural and shale gas. As a result, our latest and biggest investment addressing the markets in Poland and CE is Sadara in the Kingdom of Saudi Arabia. It is one of the largest integrated chemical complexes worldwide. The site is strategically located close to competitive feedstocks and will fuel growth in such regions as Asia, the Middle East, India, Africa and Central and Eastern Europe. Our 26 integrated world-scale manufacturing plants will provide over 3 million metric tons of capacity year over year. The site is up and running and product is already delivered to our customers in Poland and Central and Eastern Europe. Poland is a country which Dow will certainly consider for additional investments. For example, we are thinking of acquiring new capabilities in adjacent markets to establish the local manufacturing of smaller scale specialty chemical products and solutions.



Can you provide some background information about the merger between Dow and DuPont which was completed last year?

The merger between Dow and DuPont has been, without a doubt, a key activity for our teams over the past three years and a game-changer not only for our company but for the whole chemical industry.

In December 2015, Dow and DuPont announced the merger of equals in one of the largest ever M&A transactions in the Chemical industry. The two Companies brought together two complementary portfolios announcing at the same time the intention to spin-off from the newly created DowDuPont three strong companies focusing on the Agriculture, Materials Science and Specialty Products industries.

The DowDuPont transaction closed on 1st of September 2017, allowing our team to work on the creation of the Materials Science Company, which will become future Dow; the Agriculture Company, which will be called Corteva Agriscience; and the Specialty Company, which will be the future DuPont. The first one is anticipated to separate from DowDuPont by April 2019 and the remaining two by June 2019.

Each independent company will have a focused portfolio, a strong balance sheet and the ability to direct resources where they can be most productive. This will position each company to successfully compete in the global marketplace, invest in R&D, and develop new products for customers.

At the moment, we have completed the merger creating the DowDuPont holding company and we are very busy preparing our assets, businesses, sites and people to spin-off. Looking at Dow in Poland after the

spin-off phase, the majority of the assets and employees will become part of the Materials Science Company—Future Dow. Poland will remain the most important country in the whole CE region focusing on Polyurethanes, Packaging and Specialty Plastics, and Industrial Chemicals. Our priority will continue to be on delighting our customers with our product, and innovative solutions.

Dow has been recognized as one of the best employers worldwide by the Top Employers Institute, and Dow's operations certified with this title are found in the US, South Africa, Kenya, Ghana, Poland, Russia, Belgium, the UK, China and Saudi Arabia. How would you characterize Dow's corporate culture—what are the main guidelines?

I am proud of the two pillars of our people strategy. First, our dedication to diversity. At Dow we are committed to building a powerful, dedicated and diverse workforce that brings different experiences, backgrounds to our company. Second, our extreme focus on safety. We never compromise on the safety of our employees whether they work in manufacturing, in our laboratories, in our offices, or in our cars. We always maintain the highest safety standards which are well beyond the baseline for our industry. No matter how stressful our work might be, our main goal is always for our employees to return home safely.

Poland has been experiencing a record-low unemployment rate. Do you find it difficult to hire new personnel in Poland?

Competition for talent is fierce and we put a significant effort in finding people with several years of experience and a proven track record in our target markets. However, Dow still prefers to hire promising talent straight from university through our flagship Commercial Development Program. The program aims at preparing young professionals for the role of account manager which is key to Dow's sustained commercial success in Europe, the Middle East and Africa. Actually, I started my career in Dow joining the Commercial Development Program in Italy. Once at Dow, we invest in our highly qualified people to keep them at the forefront of their respective fields. Our employee development is based

on a cycle of continuous learning embedded in everyday work, structured learning and leveraging, and sharing global best practices. The opportunities are many, including access to mentoring and active employee networks as well as participation in global cross-functional project teams, to name a few.

The chemical industry, and the plastic industry in particular, has revolutionized the world as we know it, having a positive impact on nearly every aspect of life, including agriculture, food, medicine, and others. However, in recent years we are increasingly aware of some of the negative impacts of plastic, especially plastic waste materials in the oceans. I wonder what your perspective may be on that?

I firmly believe that removing plastic waste from the environment and preventing it from reaching the seas in the first place will be a critical challenge for the whole chemical industry in the coming years. Dow is a strong proponent of a sustainable economy, and particularly the Circular Economy that allows consumers to reduce waste. As a result, advancing the Circular Economy is one of our top 2025 sustainability goals. A study published in the journal *Science* on 13 February 2015 suggests that the volume of plastic leaking into the sea is estimated at approximately 8 million metric tons a year. Over 80 percent of ocean plastic comes from land-based sources. Once plastic is discarded, it is not well managed, and thus leaks into the ocean. Over half of land-based plastic-waste leakage originates in just five countries: China, Indonesia, the Philippines, Thailand, and Vietnam. These countries' economies have grown rapidly in recent years, therefore consumer demand for safe and disposable products has grown much more quickly than local waste-management infrastructure. Of the leakage that comes from land-based sources, about 75 percent comes from uncollected waste, while the remaining 25 percent leaks from within the waste-management system itself. Dow is committed to supporting the development of waste management infrastructure in emerging economies by being a member of a global coalition led by the Ocean Conservancy and McKinsey to prevent waste from entering the seas.

This is a strategic partnership between industry leaders, ocean advocates, analytical advisors, donors and government.

Furthermore, plastic that has low residual value is more likely to leak into the ocean. At Dow we want our products and solutions to be an important part of the future Circular Economy. This starts with maximizing the value and use of our resources, by designing more efficient packing systems and packaging materials that allow turning what today is considered waste into valuable resources that consumer can use again and again. For this reason, we are partnering other industry leaders, NGOs and governments.

Let us not forget that we are facing a waste problem, not a plastics problem. It is clear, that at Dow we value our products and solutions too much to see them end up as waste on the street or, even worse, in the seas. Every consumer, as the final user of plastics, has a responsibility to reduce waste and to dispose of plastic products in a responsible way.

A more personal question: You were appointed as managing director for Poland at the end of 2017. I wonder what your ambitions may be in this position; where would you like to take the company while at its helm in Poland?

As Country Leader of Dow Poland I am responsible for leading Dow's operations across the country with a particular focus on employee, customer and stakeholder engagement. Working closely with the businesses, I will focus on accelerating new opportunities and drive business devel-

opment growth.

I bring to the role over 19 years of international experience with functional expertise in sales, marketing, product management, M&A, global strategy and new business development.

While leading Dow Poland I would like to see our business grow by delighting all our customers and to help our employees develop into new expanded roles.

Dow is committed to supporting the development of waste management infrastructure in emerging economies by being a member of a global coalition led by the Ocean Conservancy and McKinsey to prevent waste from entering the seas. This is a strategic partnership between industry leaders, ocean advocates, analytical advisors, donors and government.

EXPERT Small business regulations

GOING YOUR OWN WAY

Starting your own business will now pay off

Recently we have observed a trend in Poland of introducing new legal rules supporting the small business. The most important new acts for small firms include the Business Law, which entered into force on April 30, 2018, and the Proportional Social Insurance Act, planned to go into effect on January 1, 2019. They are both aimed at eliminating bureaucratic and financial burdens that have been a real barrier for new businesses. Below we discuss the key changes intended to support the growth of entrepreneurship in Poland.

UNREGISTERED ACTIVITY

The Business Law, like its predecessor the Business Freedom Act, regards as “economic activity” any organized gainful activity performed for one’s own account in a continuous manner. A new feature is excluding from the definition of “economic activity” activity by individuals (i) whose income from such activity does not exceed in any month 50% of the minimal wage (in 2018, PLN 2,100 per month) and (ii) who have not performed economic activity within the past 60 months. This is known as “unregistered activity.” The second of these conditions is further mitigated by the regulations introduced by the Business Law, under which the right to perform unregistered activity could be exercised by individuals who were not entered in the Central Registration and Information on Business (CEIDG) during the 12 months prior to entry into force of the Business Law or whose entry in

CEIDG was deleted more than 12 months before that date—even if they had in fact pursued economic activity within the previous 60 months.

Consequently, business conducted on a small scale by individuals meeting the above conditions no longer constitutes economic activity. This means that operating such business is freed from the burdensome legal obligations normally associated with conducting economic activity, such as the duty to maintain accounting records, registration obligations and the like. But persons operating unregistered activity will have to remember to pay income tax on their earnings in the tax year, as “income from other sources.”

Persons conducting unregistered activity can voluntarily apply for entry in CEIDG, and doing so will mean that their activity will be regarded as economic activity, with all the legal consequences. Moreover, an individual conducting unregistered activity will be required to apply for entry to CEIDG within seven days after the revenue from their activity exceeds the threshold of 50 percent of the minimum monthly wage.

RELIEF TO START

The Business Law provides that business entities that are natural persons who (i) take up economic activity for the first time or recommence it at least 60 months after suspending or ending their business and (ii) do not perform economic activity for a former employer, for whom, prior to the date of commencement of eco-



By **Karolina Jesionowska-Jagusiak**, *Advocate, Associate*, and **Katarzyna Trociuk**, *Advocate Trainee, Associate*, Łaszczuk & Partners

omic activity in the current or preceding calendar year, they performed activities falling within the scope of their economic activity pursuant to an employment relationship or cooperative employment relationship, are not subject to mandatory social insurance for the first six months from the start of their economic activity. However, they will still be required to pay health insurance.

Business operators can decide to voluntarily sign up for social insurance before the end of this six-month period. Businesses will also still be allowed to pay lower social insurance for the first 24 months of operation following registration for social insurance.

PROPORTIONAL SOCIAL INSURANCE

The Proportional Social Insurance Act will adjust the level of the social insurance charges imposed on businesses to their financial capabilities. Until now, after new one-person businesses exhaust the 24-month period of paying preferential social insurance, they often decide to shut down, mainly because of the sudden increase in financial burdens. According to the Ministry of Finance, in 2014 nearly 23% of businesses with low revenues decided to cease trading. Probably some of them moved their business into the shadow economy, operating off the books.

From January 1, 2019, persons operating sole proprietorships whose revenue in the preceding calendar year did not exceed 30 times the monthly minimum wage will be able to pay social insurance contributions proportional to their actual revenue. In 2019 the estimated maximum monthly revenue allowing proportional social insurance contributions will be PLN 5,250. However, the changes do not affect health insurance payments.

The Proportional Social Insurance Act also provides restrictions on the exercise of this preference. First, it will apply only to persons operating a

business individually, and excludes partnerships. Second, for persons commencing, suspending or ending their activity during the course of the calendar year, the revenue limit will be calculated pro rata to the period of business operations. To take advantage of proportional contributions, it will be necessary to have conducted economic activity for at least 60 days in the preceding calendar year. This is designed to prevent abuse of the regulations by commencing or renewing activity near the end of the calendar year just to pay lower contributions in the next year.

Finally, a person operating a small business will be entitled to take advantage of the social insurance preference for only 36 months within a period of 60 months. This is intended to motivate entrepreneurs to grow their business and begin paying full contributions under the general rules.

SUMMARY

These are just a few of the new solutions which in our view will contribute to the growth of entrepreneurship in Poland. Economic stimulus is also provided for, among other things by encouraging greater professional initiative. Thanks to the changes in law, operating an individual business will clearly become more feasible and available to all. Eliminating financial barriers to market entry by new businesses, as well as addressing problems with maintaining a place on the market during the early years of operation, should lead to an increase in investment and sustainable growth by small businesses, particularly during the tough first few years. So for anyone who has an idea for their own business, now is a good time to start!

AmCham Advisory Council



The Advisory Council of the American Chamber of Commerce in Poland is engaged in shaping our advocacy for better investment, creating policies, and working with key policy-makers in order to address important and highly relevant issues. The crucial role of companies gathered in the Advisory Council is emphasized by the special client care we provide to these premium members and the opportunity they have to cooperate at the highest level, including business to government dialogue, special networking events, as well as priority at our events.

EXPERT Pension regulations

A NEW CONTRIBUTION

Employee Capital Pension Scheme will effect your business

As a part of a Sustainable Development Strategy, the Polish government has proposed an important reform of the current pension system. The reform which has been widely discussed over the last couple of months, is now taking its final shape. It envisages an introduction of an Employee Capital Pension Scheme (known in Polish as *Pracownicze Plany Kapitałowe—PPK*).

The ECPS would be a new scheme for collecting pension savings that will be mandatory for employers and voluntary for employees. The program is intended to improve the structure of Polish pension savings and will be complementary to the already existing but only voluntary Employee Pension Schemes (known as *Pracownicze Programy Emerytalne—PPE*). On July 17, 2018 the Government Legislation Center published an updated draft of the ECPS law, which was adopted by the Permanent Committee of the Council of Ministers. According to the draft, the new law will apply from 1 January 2019, however, the regulations would need to go through the legislative process in the parliament to become binding.

KEY ASSUMPTIONS

The participants in the new system will be all employees aged between 19 and 55, who will automatically be registered in the ECPS with the right to opt-out of the program. Employees over 55 will be able to join the program voluntarily.

The obligation to establish ECPS will be very broad. The system will be mandatory for all employers who hire employees, persons performing work on the basis of a contract of

agency, personal service contract or other contracts on performance of services within the meaning of the Civil Code, members of supervisory boards and some other groups. The obligation will also cover foreign entities with employees in Poland.

ECPS will be based on the co-operation between employers and employees in creating employees' long-term pension savings in a financial institution (investment funds, pension funds, insurance instructions). Both employers and employees will make contributions.

Under the planned regulations the obligation to implement ECPS will in the first stage (from July 1, 2019) cover all employers employing over 250 people. Employers who have earlier established the Employees Pension Scheme, which is a voluntary program, will not be obliged to create ECPS, provided that the employer's contribution to the existing scheme will not be lower than 3.5 percent of the employee's remuneration, and that at least 25 percent of the employees joined Employee Pension Schemes. Additionally, an employer who established ECPS, and later created Employee Pension Schemes (in line with the principles described above) may stop financing the contributions to ECPS (for employed persons who joined the Employee Pension Scheme). The exemption from the obligation to create a ECPS will also apply to persons who do not run a business activity. The exemption may also be used by micro-entrepreneurs if all employed persons submit a declaration of resignation from participation in ECPS.



By **Szymon Sokal**, Senior Manager in Tax Department, PwC, and **Eliza Wójcik**, Lawyer, Consultant in Tax Department, PwC

In addition, the financial institutions with which a contract for establishing of ECPS has been concluded are obliged to inform the employees about the terms of participation in ECPS, and about the obligations and rights of the employing entity and the contributors to ECPS.

CONTRIBUTIONS

The employee's contribution to the scheme will be 2% of the employee's remuneration (with a possibility of an additional voluntary contribution of 2 percent). The employer's contribution will be 1.5 percent of the employee's remuneration (with the possibility of the additional voluntary contribution of 2.5 percent).

The additional voluntary contribution paid by the employer can be differentiated depending on the period of employment or on the basis of the employer's rules of remuneration or the collective labor agreement.

The employee's contribution can be lower than 2 percent (but not less than 0.5 percent) for those employees whose income is lower than the equivalent of 1.2 of Polish minimum wage in a given month.

Financial institutions can not charge any fees to the ECPS participant on payments made to ECPS, withdrawals, refunds, transfers and annual payments.

Employers will be able to choose a financial institution (from all institutions authorised on the ECPS portal), which will be managing employees' pension savings. The savings will be private, assigned to a specific person and subject to inheritance.

SAVINGS

The savings accumulated on the ECPS account could be used by employees to cover their expenses related to a bank loan, and an acquisition or construction of a house or apartment. Also, up to 25 percent of the savings can be paid out in case of severe, chronic illness of the employee, a spouse or child. Participation in ECPS will be subject to certain fiscal incentives. The em-

ployer's contributions will be exempt from pension and disability contributions and may be treated as the employer's tax deductible costs. Also other expenses connected with the functioning of ECPS, which are incurred by the employer, can be deducted from the employer's income. The employee's contributions will be financed from the employee's net remuneration. There will also be co-financing from the Polish State of PLN 250 (i.e. a so-called welcome contribution) and the additional payment of PLN 240 (i.e. the annual premium). Both payments will be tax free. Disbursement of funds accumulated in ECPS will also be exempted from taxation in well-defined cases.

IMPACTS

In line with the draft of the new law, the obligation to create ECPS in the first stage (from July 1, 2019) will lay on all entrepreneurs employing at least 250 people. Employers employing between 50 to 249 people will need to create ECPS from January 1, 2020. From 1 July 2020 this will apply to employers hiring at least 20 persons, while from 1 January 2021 the requirement to introduce ECPS will apply to the remaining employers and public-sector employers. The introduction of ECPS seems to be inevitable and will involve many obligations and costs for entrepreneurs and that is why companies should start preparing for the implementation of the new pension program now.

The introduction of ECPS seems to be inevitable and will involve many obligations and costs for organizations.

EXPERT VAT

THE SPLIT PAYMENT DILEMMA

A new mechanism for paying invoices affects financing and factoring transactions

On July 1, 2018 the so-called "split payment" mechanism was introduced into the Polish legal system. The term refers to the splitting of invoice payments in business-to-business relations between a supplier's current bank account and a VAT account, which is automatically opened by banks as an account directly linked to current accounts. Funds constituting the VAT portion of an invoice payment are transferred to and from such VAT accounts.

The split payment mechanism in Poland is not obligatory. Purchasers of goods or services can decide whether they want to split their payments in two parts, with the net amount transferred to the supplier's current account and the VAT amount credited to the VAT account. The use of the funds on VAT accounts is restricted by law.

The introduction of split payment into Polish law has significant practical implications for financing, especially factoring and all secured transactions where an assignment of rights is used.

VAT ACCOUNTS

The new law required the banks to open VAT accounts automatically by June 30, 2018, as a separate account linked to current accounts held by business entities. Opening a VAT account does not require a separate agreement with the bank. The VAT accounts are free of any additional charges. As a rule, banks shall open one VAT account for a taxpayer, no matter how many current accounts are held by such taxpayer with the bank. VAT accounts may be interest bearing; the statutory provisions

leave the decision in this matter to the bank and the account holder. Of special importance to international business, the VAT accounts are accounts in the Polish currency, the zloty, and may be opened only in connection with a current account in Polish currency. This means that the split payment mechanism will only apply to transactions in zloty.

RESTRICTED USE

The funds deposited in VAT accounts may be used by the account holder only for specific purposes expressly specified by the new law. These purposes generally refer to VAT operations and a business entity can use funds on its VAT account to pay VAT to its suppliers' VAT accounts (thus splitting a payment to a supplier into a VAT payment and a payment of the net amount to the supplier's current account), or to pay VAT to the tax authority.

The most important restriction for business entities is that current account holders may transfer funds from such VAT accounts to current accounts only with consent granted by the tax authority.

PROS AND CONS

At least for the time being, the use of the split payment mechanism is not obligatory. The legislator left it for purchasers to decide each time they pay an invoice whether to use the split payment mechanism. Theoretically, suppliers do not have control over the use of such a mechanism. In practice, suppliers can try to limit the use of the split payment mechanism in their contracts or general terms, by prohibiting such a payment



By **Malgorzata Olech**,
Senior Associate, Squire
Patton Boggs Świącicki
Krześniak

method or by giving special incentives for purchasers (in the form of discounts or other means) not to use such method. While a general contractual prohibition of the use of the split payment mechanism may raise doubts as to its validity as a circumvention of law, the Polish Ministry of Finance in its non-binding declarations admits that the contractual provisions offering special bonuses to purchasers for not using the split payment mechanism are permissible within the boundaries of freedom of contracts.

On the other hand, however, the introduction of the split payment mechanism has to be seen in the more general context of the battle against VAT evasion, which the government started two years ago. With the new regulations suppliers and purchasers receive certain benefits for the use of split payment. Nevertheless, the most important advantage is that the new mechanism protects the purchaser against the negative consequences of getting entangled (without being even aware of it) in VAT criminal activities by dishonest firms and individuals. Thus, the intention of Polish legislators is to put the supplier under pressure, which means that any limitations on the acceptance of split payment should raise concerns with the customer over the grounds of such refusal. Once large businesses start using the split payment mechanism, others might be forced to do the same in order to properly manage their liquidity and make use of the funds they receive in their VAT accounts. Thus, the Ministry of Finance expects that the split payment mechanism, although not obligatory, soon will cause a snowball effect.

NO PLEDGE ON VAT ACCOUNTS

As far as secured transactions go, it is important that VAT accounts can not be encumbered by means of an *in rem* right. Thus, secured creditors will not be able to take out security over VAT accounts in the form of

commonly used financial or registered pledges over accounts. This means that VAT accounts will be added to the list of accounts that may not be used to secure lending transactions. So far on the list were only Employee Social Benefit Fund accounts.

LIABILITY

Under certain circumstances, factors and financiers receiving payments can face joint and severe liability for the VAT payable by their customers. If the factor or financier has a PLN current account in Poland, which automatically means that it has a VAT account, and it factors or finances a customer, and then receives direct payment of an invoice issued by the customer on the split payment basis so that the VAT portion of the invoice is credited to the VAT account of the factor or financier, such payment will result in joint and several liability of the factor or financier in favor of which the payment has been made, together with the supplier issuing the invoice.

The factor or financier is liable in respect to the VAT amount unsettled by such supplier. The taxpayer who is not named in the invoice but who received the payment is liable for VAT up to the VAT amount received by such taxpayer.

To release itself from such liability, such factor or financier who received a payment into its VAT account has to, once it has the knowledge of receiving such payment, transfer the VAT amount received without any delay to the VAT account of either the supplier named on the invoice or the purchaser from whom it received the payment.

EXPERT Artificial intelligence

OUR NEW LITTLE BROTHERS?

Legal personality and artificial intelligence

Last October, the humanoid robot Sophia, equipped with artificial intelligence (AI), obtained Saudi Arabian citizenship. In May, Google showcased the capabilities of its product Google Duplex, whose AI system can arrange an appointment at the hairdresser's or reserve a table at a restaurant, while avoiding misunderstandings on the phone and imitating the gap-filling hems and haws of human conversation. With robots now possessing such capabilities, a lawyer's mind naturally turns to the issue of whether, under what conditions, and to what degree AI can obtain a legal personality.

WHAT IS LEGAL PERSONALITY?

Legal personality, and the capacity to be the subject of rights and obligations and to determine one's own legal situation, is ascribed by the law to human beings, known in legal parlance as natural persons.

A natural person has self-awareness, intelligence, free will, and feelings. Some natural persons, in light of their immaturity (children) or intellectual disability, have partially or completely limited capacity to autonomously acquire rights and assume obligations, and thus the responsibility for them is borne by legal guardians.

The notion of legal personality in the sense of the capacity to be the subject of rights and obligations, and to establish one's own legal situation has been expanded to cover entities of individuals sharing common interests, such as states and commercial entities. They are "artificial" persons, known as "legal persons," created by

the humans standing behind them. The detachment of legal persons from the natural persons standing behind them (e.g. authorities and entrepreneurs) occurred over a long process, through the evolution of abstract legal concepts.

LEGAL PERSONS

Legal persons are the subject of rights and obligations and shape their legal environment through the persons managing them (as the legal persons' authorities). As long as we remain within the spectrum of rights and obligations which arise under civil law, the natural persons standing behind the actions of legal persons generally remain in the shadow. This changes in the case of criminal responsibility, however. Imagine, for example, a catastrophe blamed on a commercial entity; it cannot be sent to prison. In such case, under Polish law, the sentence of imprisonment is imposed on the natural persons responsible for the action of the legal entity.

ANIMALS

Apart from the abstract creatures of legal persons, we might also consider the legal personality of living creatures other than humans. Some animals have self-awareness and complex problem-solving skills, and also experience suffering, fear, pleasure and joy. For example, the issue of the legal personhood of chimpanzees was considered by a New York court in *Nonhuman Rights Project, Inc. v Stanley*, where a writ of habeas corpus was filed by an NGO seeking the release of two chimps confined in a lab at Stony Brook Uni-

versity.

In its judgment, the court refused to recognise the personhood of chimpanzees because they are not capable of bearing legal responsibility for their actions, and also are not capable of performing obligations. The court also pointed out that it is the capacity to assume rights and obligations, and not the physical resemblance to humans, that is decisive for recognising the legal personality of a being.

ROBOTS

Turning to the issue of legal personality of robots, I should point out that the reasoning applies to those equipped with artificial intelligence. AI refers to the following characteristics: the ability to communicate, knowledge of oneself, knowledge of the outside world, the ability to achieve identified aims, and a certain level of creativity. These characteristics and capabilities result from the code, written by humans, that programs or defines the action of AI. Undoubtedly, AI uses cognitive processes to achieve identified aims, but this does not seem sufficient reason to vest it legal personality, in light of the criterion of rights and obligations. In the context of a robot equipped with AI, it is hard to say that it has a free will which could lead to commission of prohibited acts with the aim of achieving its own ends. Thus it cannot be ascribed a degree of fault, such as negligence or recklessness. Nor is it possible to hold it liable for damages for its errors, for example as in the case of an accident caused by an autonomous car or malpractice by surgical robots. Thus, AI codes may ensure that AI complies with certain rules, but application of such rules is not the result of an act of will, and thus cannot give rise to responsibility.

SOME DIFFERENCES

Considering the level of self-awareness, autonomy and self-determination, we may seek an analogy

By **Agnieszka Kraińska**,
Legal Adviser, EU Law Practice, Wardynski & Partners



between robots and animals. But what makes people eager to provide legal protection to animals (and attempt to vest them with personhood) is not just the intelligence some of them display, but also their capacity to experience emotions, such as feel pain, joy or attachment, which AI lacks.

Consequently, what distinguishes human beings is their capacity for understanding the rules governing society, as well as the intention to comply with those rules, along with the ability to feel emotions. A human understands, interprets and applies legal rules in nuanced situations of daily life, which cannot be said of animals or robots. Thus the rights and obligations associated with possessing legal personality arise from who people are and how the social relations are organised among them. Notions like freedom of expression, moral losses and responsibility make little sense in the context of artificial intelligence. For this reason, I believe that as of now there is no justification for awarding legal personality to robots. Nor is there any justification to award robots the right of ownership or the right to conclude contracts on their own behalf. It is justified rather to treat robots as a product within the context of responsibility for injuries they cause.

THE FUTURE?

The debate over legal personality of robots equipped with AI is not absurd, however, when we hypothesise the development of androids like those appearing in *Blade Runner* or *Westworld*. But the debate is inseparable from considerations of the essence of humanity.

EXPERT Cyber security

BETTER SAFE THAN SORRY

No organization is safe from cyber attacks

In 2017 as many as 82% of Polish companies were victims of cyber attacks last year, according to KPMG's "Cyber Security Barometer" study. It seems, therefore, that it is only a matter of time before any company's secured information systems can be compromised. Boards and employees responsible for IT security do not face the question of whether or not their company will be targeted by cyber attack but rather when it will occur.

The question is no longer whether or not a cyber attack will take place, but when it will occur.

Companies polled by KPMG's "Cyber Security Barometer" study clearly indicated that there had been a significant rise in cyber crime. The highest concern covers malware, social engineering, as well as attacks exploiting the security vulnerabilities of applications. Polish companies stated that the most frequent source of cyber attacks was organized criminal groups (per 62% of respondents) and individual hackers (61%). Interestingly, a dissatisfied or bribed employee, a number one threat in previous studies, is no longer considered the highest risk.

As the understanding of cyber threats has been increasing companies in Poland have begun to recognize that it is impossible to protect against them, so being prepared to spot them early and then to take the proper responses is vital.

The KPMG study shows that the above issues were indicated as a top-priority area for investment. This is a very optimistic sign, because the average time between detecting a hacker's presence and the actual time a hacker needs to take control over the company's infrastructure is still over 6 months.

PRECAUTIONS AND PREPARATION

No organization can say it is perfectly prepared for a cyber attack. Each attack is different and there is no single method or procedure for defense. Many organisations feel they have created an informal procedure for responding to incidents, which, among other actions, results in assigning responsibility to IT security and the continuity of business procedures. Unfortunately, the practice shows that the lack of a previously developed, documented and tested procedure leads to a number of ineffective decisions in the event of an actual cyber attack.

A near-perfect response procedure to cyber attacks should take into account that it is very important to properly assign responsibility and authorise the team that handles the incident to take decisions without consulting management, as such consultations may introduce unacceptable delays. Erroneous decisions during a cyber attack can cost a company dearly, and sometimes even be crucial for its future.

A great deal of attention should be paid to implementing a proper security incident response procedure, especially in large enterprises.

The biggest challenge comes from

the fact that many departments—including IT, security, communication, legal, human resources—need to cooperate in order to achieve this goal. The implementation of an efficient process is a lengthy process which can take months. It is also practically impossible to achieve without the involvement and active support of top-level management.

EXTERNAL EXPERTISE

It is also advisable to establish cooperation with specialized external companies in many areas of the procedure. According to the KPMG study, the majority of Polish companies (71% of respondents) use outsourced security services. The most often outsourced service (in 49% of companies) is support in response to cyber attacks. Due to the fact that serious security breaches often occur during time periods of low employee availability (weekends, holidays), it is worthwhile ensuring the availability of an external partner with a contract that would guarantee this.

THINGS TO REMEMBER

The purpose of the security incident response process seems clear. However, it is worth considering at this stage whether we want to track down and "capture" the hacker, or if we are only interested in getting rid of him from the network as quickly and effectively as possible. Depending on the way we define our goal, our procedures may be different, for instance, in their scope of gathering evidence.

The cyber attack response procedure can be divided into two basic stages—the analysis of the attack, aimed at understanding what happened, and the right response, i.e. stopping the attack, limiting its consequences and repairing the damage. The key dilemma here is how fast we should switch from the analysis phase to the active response. Practical experience teaches us that removing the hacker from the network



By **Michał Kurek**, Partner, Advisory, Head of Cybersecurity Team at KPMG in Poland, Leader of OWASP Poland chapter

is often done too quickly, before thoroughly understanding the scale and complexity of the attack. This can cause the intruder to change his style of operation, hide in the infrastructure and resume unauthorized activities after some time. On the other hand, procrastination and prolonging the analysis stage can lead to costly effects of a prolonged cyber attack.

LEGAL ASPECTS

Another issue that should be thoroughly analysed, also in terms of changes to regulations, is the obligation to notify the regulator about a cyber attack. In particular, if a personal data leak occurs, such notification will have to take place within 72 hours of attack detection. In various industries subject to specific regulations there may be additional requirements in this respect. A big dilemma is whether and when to inform law enforcement agencies. In the case of some incidents, reporting an attack is not an obligation, and many companies complain that after the police starts to handle an incident, the company loses control over it, which may result in lengthening its termination time and incurs additional costs on the company.

A cyber attack cannot be reduced to direct financial losses. It may also result in damage to a brand, which is difficult to estimate. Therefore, it should be obvious to include PR specialists in the cyber attack response team. There is enough evidence which shows that the best strategy when facing a cyber attack that breaches customer data confidentiality is full transparency and reliable communication as soon as possible. So, professional communication about the incident can help you regain the customer's trust that was damaged by a cyber attack.

EXPERT Implementation of EU legislation

A LONG AND WINDING ROAD

Implementation of EU law in Poland: Examples in the financial sector

The European Union strives to ensure that all member states adopt similar regulations concerning the financial sector. The Union uses directives as a tool to accomplish that. But unlike EU regulations, EU directives are not applicable directly in local jurisdictions. Instead, each member state has to transpose them into its own legal system. And this causes some difficulties.

DELAYS

Many member states can not keep up with the pace of the changes of the EU legislation. In Poland the longest delay was 4 years.

The adoption of the *Markets in Financial Instruments Directive*,

Soon, we will be facing the implementation of the 5th AML Directive and the Tax Avoidance Directive (Directive 2016/1164/EU), and these acts may have a significant impact on every business.

which was passed on April 21, 2004, was required to be transposed by local jurisdictions by January 31, 2007. To that end, Poland adopted 13 different legal acts. Most of them came into force on time, but the necessary amendments to the *Act on Trading in Financial Instruments* came into force as late as October 21, 2009. Two statutory instruments implementing MiFID came into force a month later, on November 20 and 23, 2009.

The delay in transposition of MiFID in Poland was caused, to some degree, by parliamentary elections in Poland, but the most important reason was that the Polish president decided to request that the Constitutional Tribunal review whether some the directive would not have infringed upon the Polish constitution. After ten months, the tribunal ruled that they did, and the act had to be amended.

DIFFERENCES

This example also shows that provisions transposing EU directives may vary between jurisdictions. Although the differences may be minor, you still need a local lawyer to check. For example, a research I did a few years back showed that each EU country had a different understanding of equal treatment in insurance. After the *Test-Achats* ruling of the European Court of Justice

in 2011 (in which the court decided that derogation from the principle of equal treatment between men and women in the field of insurance provided for in Art. 5(2) of Directive 2004/113/EC is unlawful), all EU member states had to amend their transposition of that directive. It turned out that in some countries, any reference to sex or maternity in insurance contracts was disallowed, while in others insurers such as insurers were still allowed to offer products targeted specifically to men or women. Again, even though EU law harmonizes local laws to a certain degree, you still need local legal advice.

ERRORS

Although EU directives are, exactly as their name suggests, just directives, local legislators tend to copy their provisions into draft legislation. Poland is no exception. Although copying is generally not a terrible idea, it may be devastating if you do it without understanding what you are copying. This happened in the case of anti money laundering legislation. Polish legislators copied Art. 14 of Directive 2005/60/EC, but did not copy or otherwise transpose Art. 16(1) or Art. 19 of the directive. The outcome was absurd, as the Polish act prohibited outsourcing of most anti money laundering activities, which was directly contrary to the directive the act was supposed to implement.

DATA PROTECTION

The General Data Protection Regulation (GDPR) came into force on May 25, 2018. However, Poland did not manage to change all the relevant provisions on time. The Parliament did adopt a new *Personal Data Protection Act*, but acts regulating particular sectors are yet to be amended. This applies in particular to the *Act on Insurance and Reinsurance Activity*. Until it is amended, we face a legal dilemma: Does the GDPR revoke the provisions on data protection contained in the act, or



By **Paweł Stykowski**,
Attorney at Law; Head of the
Regulatory Risk and Compliance
Team, Wierzbowski
Eversheds Sutherland.

do those provisions remain in force as *lex specialis*—a more detailed regulation?

FUTURE CHALLENGES

Recently two more crucial directives were transposed into the Polish legal system: *MiFID II* (Directive 2014/65/EU on financial instruments) and the *4th Anti Money Laundering Directive* (Directive 2015/849/EU). The new provisions are already in force. Although there are certain difficulties with their application (e.g. the definition of “politically exposed person” is very unfortunate), it seems that the legislators did a fairly good job.

I hope that transposition of further EU acts will be equally successful. Soon, we will be facing the implementation of the 5th AML Directive and the *Tax Avoidance Directive* (Directive 2016/1164/EU). These acts can have a significant impact on every business.

EXPERT Competition law

SUE YOU, SUE ME, PART 2

There are many different parties that can bring claims against companies abusing their market position

If a company's supplier, client or competitor abuses its dominant position or is a member of a cartel, its actions may inflict damage on other businesses since competition law infringements in most cases lead to increased prices. The Act on private antitrust enforcement claims has already been in force for over a year now, and this article focuses on one of its core provisions—the rule that the infringer is obliged to repair harm caused to anyone by the violation of competition law. The term *anyone* refers to the injured parties, such as persons that have suffered harm caused by an infringement of competition law.

The practical question here is who could bring claims stemming from competition law infringements? Would this only be the direct purchasers of the infringer or its suppliers, or is this term broader? Those are significant questions because the term “anyone” may really mean anyone.

DIRECT AND INDIRECT BUYERS

The most common example of a person injured by a competition law infringement is a direct purchaser of the infringer, for instance, a person who acquired, directly from an infringer, products or services that were the object of an infringement of competition law. If the direct purchaser passed on any part of the overcharge—which is the difference between the price actually paid and

the price that would otherwise have prevailed in the absence of an infringement of competition law—such indirect purchasers can also claim compensation directly from the infringer.

The definition of an indirect purchaser is quite broad in itself as it means any person who acquired, not directly from an infringer, but from a direct purchaser or a subsequent purchaser, products or services that were the object of an infringement of competition law, or products or services containing them or derived therefrom.

PRACTICAL MEANING

What does it mean in practice?

Let us assume that LCD TV producers-competers colluded in pricing TV sets and production volumes. The cartel led to the limitation of supply and higher prices resulting in purchasers being overcharged. The limited supply of TV sets could have also led to a limited demand for TV components resulting in volume effect. In this scenario, direct purchasers comprise, for instance, distributors of household consumer goods, wholesalers, retail chains, and other parties that have purchased goods directly from producers. Indirect purchasers would comprise both further purchasers of TV sets, such as retailers if they purchase goods from distributors or wholesalers, as well as end users, both consumers and businesses, who are at the end of the supply chain.



By Anna Gulińska, Counsel,
Competition practice,
Dentons

DIRECT, INDIRECT SUPPLIERS

A direct supplier is a potential claimant having a contractual relationship with an infringer.

Direct suppliers are any persons who supplied the infringer with products or services that were later the object of an infringement of competition law, or products or services used to produce products or services that were later the object of an infringement of competition law or components included in such products or services.

An indirect supplier (who supplied products or services to a direct supplier) could also raise claims. Referring back to the LCD TV set example, a direct supplier to the infringer would normally be a supplier of components necessary for the production of LCD TV sets, e.g. LCD screens, kinescopes. An indirect supplier to the infringers could supply materials necessary for production of TV components, e.g. glass for LCD screens, while a further indirect supplier could supply e.g. raw materials necessary for the production of glass (e.g. sodium carbonate).

THE UMBRELLA EFFECT

A direct or indirect position in the supply chain of products or services that were the object of competition law infringement is not a prerequisite for claiming damages. In certain situations companies that are not part of the infringement of competition law themselves may still raise their prices. If, as a consequence of a cartel's infringement market prices are higher, customers who purchase from non-infringers could also claim damages from infringers. The so-called umbrella effect entails the liability of members of a cartel for the price increases they have caused in the general market, i.e. to the purchasers of their competitors. The Court of Justice of the European Union (CJEU) ruled on general admissibility of such claims in Kone case (C-

557/12 Kone AG vs OBB Infrastruktur AG) which related to a price cartel on the market for elevators and escalators. The claimant—OBB Infrastruktur—sued the cartel members even though it purchased elevators and escalators from third party manufacturers not being party to the cartel.

WHERE IS THE LIMIT?

As can be seen from the above examples, the Polish Act on private antitrust enforcement claims excludes the general rule of limitation of liability to directly harmed persons. This raises a question of how broad could the circle of potential claimants get? Reading the term “anyone” literally, there should be no boundaries. The same elevators and escalators cartel will soon allow for answering the question on the reach of the notion of anti-trust harm. An Austrian court recently referred a question to the CJEU on whether infringers could be held liable for inflated costs associated with subsidized loans given by the federal state of Upper Austria to construction companies to buy elevators. It was reported that the state argues that since the cartel's conduct increased elevator prices, the loans were higher and so were the subsidies the state had to pay. The question referred for a preliminary ruling is whether EU law should allow damage claims by “persons who are not active on the relevant market as sellers or buyers but who offer loans at preferential conditions [...] to buyers of the products.” A positive answer to this question could open new possibilities for claimants but the question here is whether such a rule would not go beyond the purposes of EU competition law.

Note: For a general background on Polish rules applicable to private enforcement claims, please refer to Anna's article “Sue me, sue you”, published in the Fall 2016 issue of *American Investor*.

EXPERT Internal investigations

THE ART OF GOING BY THE BOOK

Conducting an effective internal investigation

Every organization can face a situation in which an internal investigation will need to be performed. It may be related to employee conduct, regulatory issues or a misconduct by the company that may have an impact on company's business operations.

The role of the internal investigation is crucial in making sure that the company is able to discover what has taken place inside the company in order to take full control of any risk associated with any identified problems.

An internal investigation, as any other process at a company, needs also to be handled effectively and efficiently. We see a number of internal investigations carried out without any plan, coordination, and with no legal assistance. As a consequence, in many cases, when things go really wrong, it is too late to recover data and present the accurate and relevant evidence required by the authorities.

We are not going to discuss the actions or sources of information that trigger the need for an investigation or elaborate on necessary steps that need to be taken by the company implementing the investigation. Instead, we will focus on issues which need to be considered if we want to run an effective internal investigation and make sure that the work and money involved is not wasted.

UNDERSTAND THE PROBLEM

The most important aspect of a successful investigation is understating the problem the company is facing.

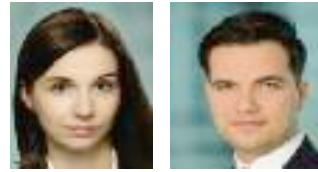
You need to know what will be investigated and in which direction you need to go. Before an investigation is launched, it is advised to retain external legal counsel for the purposes of maintaining legal privilege over communications about the investigations exchanged between counsel and the company, in particular, if the issue under investigation has the potential to involve criminal law violations.

Also, you need to make sure that when you run the investigation you abide by all applicable data protection regulations and privacy laws. If you get assistance from external companies for recovering IT data or processing your employees' emails or other documents, make sure that you sign all relevant data protection agreements protecting personal data administered by the company.

PLAN AND COORDINATE

Once a decision to launch an investigation is made it is advisable to create a team responsible for data and evidence gathering on the side of the company. If need be, you may involve your local IT department. But in this case, try to limit the number of people that know about the investigation and make sure that secrecy is applied as wide as possible.

Also, appoint a contact person in the company that will be communicating with the external counsel on issues relating to investigation. The person will be in charge of supervising the team responsible for data and evidence gathering on the company's behalf. Make sure that at the man-



By **Dominika Wolf-Jeziarska**, *Advocate*, and **Piotr Falarz**, *Advocate*, *DLA Piper*

agement board level there is one board member who is appointed to deal with the investigation. Other board members should be updated on investigation but do not necessarily need to be involved, unless they have data and information relevant to the investigation.

DOCUMENT ACTIONS

For the purposes of tracking the progress of your investigation, document actions that are completed with a short memorandum or a note summarizing what has been found out. This will help to keep track of performed actions and prevent work being duplicated. If you use an external legal counsel, ask for the supervision of the investigation. It is recommended to have no more than two people—one at the company and one with the legal counsel—to supervise the whole process. Obviously, if you face a complex investigation, you may want to add additional people to help you with the work.

PRESERVE EVIDENCE

All pieces of evidence gathered during any investigation must be duly secured. Make sure that all analyses and investigatory actions are recorded and all documents copied in order to avoid the loss or damage of the originals. A review of the company's mailboxes should be performed on the copies so that no changes to their initial shape and content are made. The same applies to checking the computers' hard drives. Do involve IT specialists to prepare copies of any data being worked on.

If an investigation involves interviewing employees, they must be conducted in a proper manner. First off, the employees must be aware of their rights. Taking all necessary precautions in this respect will allow you to use any information obtained for possible civil or criminal proceedings, and this eliminates the threat of evidence exclusion.

SUMMARIZE RESULTS

Findings made during any investigation should be summarized in the form of a memorandum which constitutes one complete document. Of course, any additional analysis, especially in the form of graphs or tables, can be attached to the memorandum. Such a document should cover all steps taken by investigators, including the scope of analysed documentation or data, and the conclusions. The final content of a document should be agreed within the company and approved by the management board, or even the headquarters, if necessary, as the report from the investigation is usually requested by prosecuting agencies during criminal proceedings locally. Remember that in the case of a serious misconduct or violation that you investigate, your investigation report may also be demanded by enforcement and investigation authorities in the US, such as the Securities and Exchange Commission and the Department of Justice.

REPORT MISCONDUCT

If any potential violation of criminal law is detected during the investigation, the notification of the prosecutor's office must be considered. The same applies in respect to the notification of a regulator in case of any breach of regulatory provisions. The recently planned amendments in Polish law, especially the Act on the Transparency in Public Life, as well as the Act on the Liability of Collective Entities for Indictable Offences, reward a proactive approach by companies. The notification made to relevant authorities about the possibility that crimes have been committed can be treated as an indication that the company has a transparency policy that is usually required by internal regulations of global organizations.

EXPERT Sustainable economy

WORKING IN CIRCLES

There is a solution to the world's resource depletion

The circular economy is a new paradigm that is beginning to permeate the European market. This concept aims to maximise the value extracted from resources and materials, therefore changing our consumption behaviour. The old linear model, where an item is produced through the use of natural resources, later consumed and finally disposed of is going to be replaced by the circular model where the material flow is almost endless. The intended effect of this change is a continuous decrease in the amount of generated waste and a more rational use of natural resources.

REGULATORY STIMULUS

One of the key triggers for utilizing the potential of the circular economy is regulatory change. In the case of the EU, the change began with the Circular Economy Package, which comprises six directives with clear targets and requirements on waste management. The discussion about this package started a few years ago and finally entered into force in the beginning of July 2018, following a long debate and trilogue process. The main considerations of the package include:

- introduction of environmental standards on recyclable materials in order to facilitate their identification and increase the potential for their use in the market;
- supporting action in the circular economy relating to recycling, product durability, biodegradability and reducing the presence of hazardous substances;
- taking action to reduce food waste, including a reduction in the production and supply chains, improved labelling expiration dates, and developing tools aimed at achieving sustainable development;
- Improvement of production

processes, including the reference guidelines on best practices in waste management and resource efficiency in the industry;

- actions for the secondary use of water, including a legislative proposal on minimum requirements for the secondary use of waste water;
- establishing minimum requirements for Extended Producer Responsibility;
- the provision of finance for circular economy activities through the European Structural and Investment Funds – primarily the European Regional Development Fund of EUR 5.5 bil. and an additional EUR 650 mil. through *Horizon 2020*.

OPPORTUNITIES AND CHALLENGES

It is key to understand that the circular economy should be seen by countries as an opportunity to gain economic benefits. Global trends and diffusion of solutions are triggering change at the national level. Increasingly scarce resources put pressure on national security and the competitiveness of national economies. In addition, population shifts, the growing needs of consumers and their shifting preferences, as well as international and pan-national regulation and standards, only accelerate those changes. The concept of the circular economy can help countries develop new sectors of the economy, and new employment opportunities in existing sectors, such as services, as this sector of the economy continues to grow with economies becoming more customer centric. In addition, it is a great opportunity for economies to reduce externalities by closing the material loop, and to reduce volumes of materials and associated emissions, water usage and biodiversity. Increased competitiveness from a decreased cost base and new innovative solutions also offer

significant opportunities for concept users.

The benefits of the circular economy will benefit countries, but also business organizations. Companies that will be able to use the new paradigm as a source of innovation can differentiate themselves from their competitors and gain a competitive advantage over traditional players. What is more, the bottom line and customer factors are shedding a promising light on the circular economy for business leaders. Companies can limit price volatility and supply risks by shifting down the cost curve for various substances. Implementing the circular economy can save substantial net material, especially in highly automated industries such as automotive or machinery. Elsewhere, the concept can help firms improve customer interaction and loyalty, all while giving them an innovation boost and opportunity to develop a competitive edge. It is also a good opportunity to cut day-to-day operation costs. The increasing implementation of the model in business areas should be mainly driven by regulatory changes, new environmental standards, shifting customer behaviours, increasing costs and risks due to the scarcity of materials. However, utilising the full economic potential of the circular economy will require efforts for both companies and country governments. For example, a lack of reliable data on material flows can prevent managers from making informed decisions.

For economies, it also requires a removal of subsidies on commodity prices and regulatory barriers. Furthermore, the concept also brings forth a significant change to companies' operations, which now will have to adopt new business models, and adapt or redesign their products to be more durable, adoptable and reusable. Businesses should also remember to gain specialised knowledge, for example, to redesign products, while also keeping in mind increased transaction costs and the costs of regulatory compliance.



By **Julia Patorska**, Senior Manager, Leader of Economic Analysis Team, Deloitte

GROWING AWARENESS

Consumer choices can be seen as a major catalyst for the reduction of a negative impact on the environment. Therefore, it is crucial to ensure that they have the necessary knowledge to make informed purchasing decisions. Governments and companies should work together on increasing social awareness of the environmental effects of the linear model of consumption, while also providing easier access to information about products and their lifecycles.

Certainly, consumer awareness of the circular economy is very important. A recent customer study conducted by Stena Recycling shows, however, that most of internet users in Poland (41%) have never even heard of the concept, while less than a third (29%) declared they have. When asked what they associate it with, 57% of respondents chose the option "opportunity to reduce waste and the size of landfills" and while 49% identified it as an opportunity to improve the environment.

The change towards the circular economy requires engagement from all three perspectives. A joint effort is key in creating well-aligned solutions. Obviously, waste is not the only aspect of the circular economy, but it is what the European Commission has started its regulation works with. It is, however, clear though that they will not be finalised by this, as before a product becomes a waste it is planned, created and consumed. Throughout all of those stages, key decisions are made that later determine the possibility of collecting market waste, as well as the technological conditions, recycling costs or preparations necessary for its reuse. Due to this, the European Commission has shown us tools with which we may decrease waste (i.e. extended producer responsibility), as well as mechanisms, such as eco design, that will enable materials to be manufactured in a way that will make recycling easier and less costly.

EXPERT Statutory pre-emption rights

NEW LIQUID DILEMMAS

New provisions governing the conditions under which the Treasury has the right to buy property before anybody else offer dilemmas for all sides concerned, and the time will only tell how they will be interpreted by courts of law.

Recently, many provisions relating to the statutory pre-emption right have been introduced into the Polish legislation. The legal significance and legal consequences of each such new statutory pre-emption right do not need to be broadly described. Suffice it to say, however, that the unconditional sale of a real property being subject to a statutory pre-emption right is void and null.

So, there is a lot at stake. Unfortunately, bearing in mind severe legal consequences of not applying the statutory pre-emption right, the Polish lawmakers failed to regulate all of those pre-emption rights in one fundamental act (e.g. in the Act on Real Property Managing; Polish: *Ustawa o gospodarce nieruchomościami*). As a result, the regulations governing the statutory pre-emption rights are spread across many different parts of the Polish legislation system, even though in case of many real estates, many various pre-emption rights may be potentially applicable to one transaction.

Due to the aforementioned severe legal consequences, each new statutory pre-emption right shall be broadly popularised in order to eliminate or mitigate a risk that it remains unknown to anyone.

One new statutory pre-emption right was introduced with Article 217 section 13 of the Water Law Act dated 20 July 2017, which entered into force on 1 January 2018. Pursuant to it, the State Treasury shall have the pre-emption right in the event of sale of land covered (being under) still inland waters. The right is exercised by the county governor (Polish: *starosta*) in an agreement with the minister competent for the waters management.

One may ask what is the reason why such new statutory pre-emption rights should have been introduced to the legal system. Certainly, it will lead to some state control over selling and buying a lake property as and land covered with still inland waters.

WHY SUCH PROVISION?

The primary reason could have been for the regulator to gain control over management of inland still waters. One may also say, jokingly, that it is an instrument with which the State Treasury may become the sole owner of the Grand Lake District—the picturesque region in north-east Poland. But looking at the substance of the new provisions, we may say, rather seriously, that despite its the simple



By Marcin Jakubaszek,
Counsellor at Law, Partner,
JF Legal Jakubaszek & Fogo

wording of the provision introducing the new statutory pre-emption right, from the very beginning the new regulation causes some doubts regarding its application. But that will pop up in the future.

Today, however, it is worth reaching out to some interpretations already issued by the Ministry of Environmental Protection. The opinions uploaded to the webpage of the said Ministry the Ministry attempt to explain some doubts.

First, the pre-emption rights shall only be applicable to a land covered with inland still waters and labelled as such with symbol „Ws” in the land register. This is a very important guidance for the parties intending to execute a sale transaction, but also to many other parties involved in such transactions. Based on this interpretation, the excerpt from the land register shall be the exclusive authority deciding if the pre-emption right should be applied or not to a pending transaction.

SWIMMING POOLS AND GARDEN PONDS

Secondly, in order to remove some doubts, the ministry explains that the inland still waters have been defined in article 23 of the newly adopted The Water Law Act. However, the ministry points out to the fact that some of the reservoirs do not constitute inland still waters. Those are swimming pools and artificial garden ponds. It is so because water has been collected as a result of human activities and therefore it may not be assigned the status of a natural water resource. Consequently, such water reservoirs can not be protected under the said act.

This should also remove some doubts of those who may wish to sell or buy in the future a house with a swimming pool. In this case the new pre-emption right will not be applicable.

Valuable guidance resulting from the opinion of the Ministry relates also to the following issues:

- the said pre-emption rights shall be

applicable to the land under the inland still water acquired from the State Treasury after January 1, 2018, and

- the said pre-emption right shall not apply to the right of perpetual usufruct.

SOME DIRECTIONS

Having mentioned those directions given by the ministry we shall make one important note. The law itself is not quite clear. Immediately upon adoption of the act there arose the necessity of the ministerial guidance regarding the interpretation of the act. But it is worth bearing in mind that the current interpretation from the ministry may change in time. It also may be supplemented with court adjudication and opinions of the legal doctrine in the future. Thus, we are at the beginning of the journey regarding the practical aspect of the introduction of the new article to the Water Law Act rather than seeing the port of our destination. But what is certain now, is that we have to be extremely careful whenever the excerpt from the land register qualifies the land we intend to buy or sell as „Ws”.

AmCham in Wrocław

THE MAGIC OF MATERIALS SCIENCE

In July, the 3M Innovation Center in Wrocław hosted a group of US teachers who came to Poland as part of Fulbright-Hays Seminars Abroad organized by American Ful-

bright Commission. As part of the program, Tomasz Duda, Head of R&D, showcased some of the 3M science and technology for the guests and discussed how 3M ad-

vanced technology can support sustainable development. The guests also learned about the role of US investors in Poland and their positive impact on the econ-

omy as well as successful cooperation with universities. The lecture was conducted by Monika Ciesielska-Mróż, AmCham Wrocław Director (PM Group).



1. The visit begins. 2. Monika Ciesielska-Mróż, AmCham Wrocław (PM Group) 3. Tomasz Duda, Head of R&D, 3M. 4. Checking the 3M Speedglas welding helmet. 5. Particular fun with the 3M Glass Bubbles. 6. The 3M Glass Bubbles again. 7. Putting fingers into the 3M Novec fire protection fluid. 8. Mariusz Wawer, 3M; Monika Ciesielska-Mróż, Tomasz Duda. 9. The farewell photograph.

AmCham in Warsaw

FACE TIME WITH THE US AMBASSADOR

In May, US Ambassador Paul W. Jones hosted the AmCham Monthly Meeting in his residence. He talked about the state of US-

Poland relations, including in strategic sectors, such as defense, energy, and cyber security. The meeting was also an opportu-

nity for members to address the Ambassador with specific issues that are critical for their business.



1. Paul W. Jones, US Ambassador. 2. Tony Housh, AmCham Chairman (Northrop Grumman). 3. Dorota Dąbrowska-Winterscheid, AmCham Managing Director; Miroślaw Dackiewicz, Agri Plus. 4. Arkadiusz Krasnodębski, Dentons; Marek Szydłowski, AmCham Board (TVN S.A.) 5. Dorota Dąbrowska-Winterscheid; Łukasz Kowalski, MSL; Stan Prusiński, Boeing; Charles Ranado, US Commercial Service. 6. Tony Housh; Tomasz Pisula, PAIH; Jolanta Jaworska, AmCham Board Member (IBM); Michał Mrożek, HSBC. 7. Zbigniew Piąza, Boyden; James Samples, TVN. 8. Michał Koczałski, CEC Government Relations; Marta Pawlak, AmCham; Andrzej Dziukała, Janssen-Cilag Polska. 9. AmCham Staff with U.S. Ambassador: Robert Kruszyna, Barbara Pocialik; Wojciech Kosmala; Anita Kowalska; Marta Pawlak; Dorota Dąbrowska-Winterscheid; Ambassador Paul W. Jones; Tony Housh; Santiago de la Presilla; Łukasz Dominiak; Marzena Dreła.

AmCham in Warsaw

POLISH FOREIGN MINISTER MEETS US BUSINESS

Jacek Czaputowicz, the Minister of Foreign Affairs, was the speaker at the AmCham Monthly Meeting in June. He met with Am-

Cham members to talk about diplomatic and commercial relations between the US and Poland, with a special emphasis on com-

mercial diplomacy and the role that AmCham and its members may play in the promotion of Polish business in the US.



1. Tony Housh, AmCham Chairman (Northrop Grumman); Jacek Czaputowicz, Minister of Foreign Affairs. 2. Adit Gadgil, HSBC; Tony Housh; Krzysztof Woźniak, HSBC. 3. Marek Matraszek, CEC Government Relations; Charles Ranado, US Commercial Service. 4. Rick Lada, AmCham Board Member; Rafał Stepnowski, Jeppesen Poland. 5. Robert Grader, Warsaw Marriott Hotel; Nathaniel Espino. 6. Anita Kowalska; Marek Szydłowski, AmCham Board Member (TVN S.A.) 7. Andrzej Pawelczak, Animex; Marta Pawlak, AmCham; Łukasz Dominiak, AmCham. 8. The meeting in progress.

AmCham in Warsaw

A WARM WELCOME TO A NEW HOTEL

In June, AmCham and the Renaissance Warsaw Airport Hotel joined forces to hold the Summer Business Mixer. The attractions of the event

included a tour of the hotel and a raffle. The Renaissance Warsaw Airport Hotel opened for business in April

this year. It is the first Renaissance-brand hotel in Central and Eastern Europe. The hotel is 11-stories high, with 225 guest rooms for 400

guests, five conference halls totaling 650 square meters, a swimming pool, a SPA, a fitness center and the Challenge'32 restaurant.



1. Dorota Dąbrowska-Winterscheid, AmCham Managing Director; Adriana Biernatowicz-Jadczak, Renaissance Warsaw Airport Hotel. 2. Karolina Kalinowska, Warsaw Marriott Hotel; Paweł Pytlakowski, Renaissance Warsaw Airport Hotel; Katarzyna Krasuska, Warsaw Marriott Hotel. 3. Kamil Orzeł, Fundacja Republikańska; Richard Żabiński, Focus Research International. 4. Dorota Dąbrowska-Winterscheid; Tony Housh, AmCham Chairman (Northrop Grumman); Anita Kowalska, AmCham. 5. Paweł Pytlakowski, Renaissance Warsaw Airport Hotel; Alain Bobet. 6. The cooks. 7. Marta Pawlak, Marzena Dreła, Anita Kowalska, AmCham. 8. The tour of the hotel's swimming pool.

AmCham in Gdańsk

THE CHALLENGES AHEAD OF HR DEPARTMENTS

Andrew Blatiak, Director of Leadership Management Institute, spoke at the Business Breakfast in April about the future of per-

sonnel management and how HR departments should prepare to embrace the changes in Poland's demographics and

new technologies that change the workplace. He also talked about the globalization of the economy and how the emer-

gence of new styles of work, such as crowdsourcing, change HR processes.



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1. Andrew Blatiak, Leadership Management Institute. 2. Witold Pilarczyk, Dziennik Bałtycki; Anna Flis, Training Designers; Joanna Bojarska-Buchcic AmCham Gdańsk Director (HR Solutions Group). 3. Alicja Gotowczyk, Forum Mentorów; Anna Flis; Joanna Bojarska-Buchcic. 4. Jowita Spychalska, Anna Flis, Training Designers; Joanna Bojarska-Buchcic; Małgorzata Gwozdz, Olivia Business Centre. 5. Jowita Spychalska; Andrew Blatiak; Anna Flis; Joanna Bojarska-Buchcic. 6. Agnieszka Grabarz, Vetrex; Daria Zagożdżon, Cushman & Wakefield; Małgorzata Zalewska, InvestGda.

AmCham in Wrocław

THE HIDDEN FACTORS IN MANAGERS' HEADS

In June, AmCham Wrocław devoted its Business Breakfast to the issue of the characteristics of Polish managers, with the

keynote speaker Magdalena Giryń, Country Manager, Assessment Systems Poland. The discussion focused on the attitudes and

behavioral patterns of Polish managers, including their potential, motivating factors, company's culture, engagement,

decisions-making skills, and career planning.



1. Magdalena Giryń, Assessment Systems Poland. 2. Monika Ciesielska-Mróż, AmCham Wrocław (PM Group). 3. Łukasz Bratek, Dolby. 4. Paulina Wilanowska, Martyna Grala, Marcin Grzyb, C. H. Robinson. 5. Michał Struś, IBM; Mateusz Celmer. 6. Barbara Kaśnikowska, WAMS Ryanair; Magdalena Giryń. 7. Matthias Herd, Double Tree by Hilton Wrocław; Monika Ciesielska-Mróż. 8. Paweł Goldsztejn, Anna Grygar, Arcadis. 9. Bartosz Plewa, Cushman & Wakefield; Magdalena Giryń; Michał Struś; Michał Grabikowski, Cresa.

AmCham in Kraków & Katowice

A WARM FAREWELL TO US CONSUL GENERAL

In May, AmCham Kraków & Katowice together with the Alumni Association, held a farewell party for US General Consul Walter

Braunohler. Consul Braunohler served in Kraków for three years and was pivotal in promoting US investment in southern Poland as

well as in forging US-Poland business links. The venue was the Sheraton Grand Hotel in Kraków.



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1. The “family” photo on the roof of Sheraton Grand Hotel. 2. Frank Steinmetz, APTIV, Walter Braunohler, US Consul General; Tomasz Miśniakiewicz, Gabriel Buchała, APTIV. 3. Jacek Drabik, AmCham Kraków & Katowice Director (Motorola Solutions); Walter Braunohler; Anna Charuba, AmCham Kraków & Katowice. 4. Walter Braunohler. 5. Robert Sims, International School of Kraków; Walter Braunohler. 6. Anna Zemła, GE Healthcare; Marcin Lassota, Lassota and Partners. 7. Monika Lux-Huserik, Motorola Solutions; Jacek Drabik; Philippe De Brouwer, Honorary Consul of Belgium.

AmCham in Kraków & Katowice

POLISH COMPANIES WELCOME TO INVEST IN THE US

The third American Day in Silesia, aiming at companies seeking business opportunities in the US, was held by the Chamber of Commerce and Industry in Katowice (CCIK), in

June. The speakers, among others, were Walter Braunohler, US Consul General in Kraków; Tadeusz Donocik, President of CCIK; Tomasz Zjawiony, Vice President CCIK; Thomas

Zia, Political & Economic Officer at the US Consulate General in Kraków; Mariusz Tomaka, President of the Board of the Polish-American Cooperation Council; Beata Drza-

zga, owner & President of the Board at BetaMed, and Jacek Drabik, Director of AmCham Kraków & Katowice and CEO of Motorola Solutions.



1. Walter Braunohler, US Consul General. 2. Tadeusz Donocik, Przemysław Grzywa, Chamber of Commerce and Industry in Katowice; Walter Braunohler; Tomasz Zjawiony, Chamber of Commerce and Industry in Katowice. 3. Mariusz Tomaka, US Polish Trade Council. 4. Maria Kowalska, Commercial Section, US Embassy; Beata Drzazga, BetaMed; Thomas Zia, US Consulate General Kraków. 5. Jacek Drabik, AmCham Kraków & Katowice, Motorola Solutions. 6. Tadeusz Donocik interviewed by TVN 24 news television. 7. Jacek Drabik, Dominik Frej, European Youth Parliament Poland. 8. Charles R. Ranado, Commercial Counselor, US Embassy; Grzegorz Grabiec; Nathaniel Espino.

AmCham in Kraków & Katowice

BEWARE OF FOUL PLAY

In May, AmCham Kraków&Katowice held its Business Breakfast Meeting devoted to the complex issues of managing a workforce in

such a way as to minimize foul play. On the agenda were business and legal tools which help minimize the risks of employee

poaching, as well as business espionage. The speakers were experts from DLA Piper; Piotr Falarz, Senior Associate,

and Michał Synowiec, Counsel. The venue was the Hilton Garden Inn Kraków.



1. Michał Synowiec, DLA Piper. 2. Jacek Drabik, AmCham Kraków & Katowice Director (Motorola Solutions). 3. Anna Zemła, GE Healthcare; Michał Synowiec, Piotr Falarz, DLA Piper; Martyna Kotecka, GE Healthcare. 4. Joanna Chwastek-Pluta, Hilton Garden Inn Kraków; Magdalena Żak-Cesarz, Holiday Inn City Center Kraków. 5. Jacek Kasz, Polska Press; Anna Charuba, AmCham Kraków & Katowice. 6. Jacek Drabik, Jarosław Maślanka, Pegasystems Software. 7. Anna Zemła, GE Healthcare; Jacek Drabik. 8. Jan Małolepszy, Pegasystems Software; Sławomir Kumka, IBM. 9. Anna Charuba; Michał Synowiec; Piotr Falarz; Jacek Drabik.

CELEBRATING FREEDOM WITH FRIENDS

OVER 1,000 AMCHAM MEMBERS ALONG WITH THEIR FAMILIES AND FRIENDS JOINED AMCHAM EXECUTIVES, GUESTS AND MEMBERS OF THE AMERICAN COMMUNITY, AT ŁAZIENKI PARK IN WARSAW TO CELEBRATE THE 242ND ANNIVERSARY OF US INDEPENDENCE. THE EVENT FEATURED LIVE MUSIC, ATTRACTIONS FOR CHILDREN AND A RAFFLE. THE FOOD WAS PROVIDED BY SHERATON AND MARRIOTT HOTELS, MC'DONALD'S, TVN DISCOVERY, THE ŻABKA RETAIL CHAIN, AND THE INTERCONTINENTAL WARSAW HOTEL. THE EVENT CULMINATED WITH FABULOUS FIREWORKS.



1. The AmCham Board of Directors. 2. Tony Housh, AmCham Chairman (Northrop Grumman). 3. Paul W Jones, US Ambassador. 4. Gabi Drzewiecka, TVN; Dorota Dąbrowska-Winterscheid, AmCham Managing Director. 5. Paul W. Jones; Matt Lynch; Tony Housh. 6. The balloon writing at the entry to the event. 7. US Marines bring in the Stars and Stripes.



8. The balloons take into the air. 9. Ronald McDonald welcomes the guests. 10. Paweł Gruza, the Ministry of Finance; Ambassador Paul W Jones. 11. Joanna Twardowska-Orłoś; Maciej Orłoś. 12. Olga Struk, Arthur Murray, Dance Studio Warsaw. 13. Marżena Drela; AmCham Deputy Director; Michał Szczerba, MP Civic Platform; Gabi Drzewiecka. 14. Jolanta Jaworska, AmCham Board Member (IBM); Marżena Drela; Paweł Gruza; Marta Pawlak, Piotr Dardziński, the Ministry of Science and Higher Education. 15. Matt Lynch; Tony Housh; Dorota Dąbrowska-Winterscheid. 16. Krystian Ochęcki, Mastercard; Marżena Drela ; Sylwia Ochęcka. 17. Adam Żołnowski, DCT Gdańsk S.A.; Dorota Dąbrowska-Winterscheid with daughter Dafne; Marc Winterscheid.



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18. Ryszard Kalisz with son Fryderyk. 19. Joseph Wancer, AmCham Board (BGŻ BNP Paribas) with his grandson. 20. Aleksandra Petrykowska; Tony Housh; Ambassador Paul W Jones; Marcin Petrykowski, AmCham Board Member (S&P Global). 21. At the Lufthansa zone. 22. Marzena Drela; Anna Borys-Karwacka, McDonald's; Marta Pawlak, AmCham. 23. The participants buy tickets for the raffle. 24. Gold search at the Lufthansa stand. 25. Anita Kowalska; Helena Deeds, TVN. 26. The crowds wait for the announcement of the raffle winners.



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27. The Warsaw University Choir performs live. 28. At the Żabka tent. 29. The Trace in action. 30. The Bayerlab stand. 31. The F16 flight simulator at the Lufthansa stand. 32. Anna Szewczak, Accor Group; Frank Wagner, Lufthansa. 33. McDoland's serves food for the guests.



34. Children having fun on the giant inflatable slide. 35. The Sheraton Catering tent. 36. The TVN stand. 37. Experiencing virtual reality. 38. Inside the Żabka tent. 39. The TVN food truck. 40. The Football table, sponsored by AGS. 41. Universal Express and Express Relocations sponsored the carousel. 42. Inside the Browar Namysłów zone.



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43. How can we help you? 44. The Masterchef at the TVN stand. 45. Anita Kowalska; Jarosław Kachnic, Barefoot; Gabi Drzewiecka; Marian Wiktorski, Barefoot. 46. At the Jack Daniel's stand. 47. The Pepsi stand. 48. Fireworks culminate the picnic.

AmCham in Kraków & Katowice

FULBRIGHT TEACHERS VISIT MOTOROLA LAB

In August, 16 teachers representing 16 American higher education institutions arrived in Poland to participate in the Fulbright-Hays Seminars Abroad Program. As part of their

stay in Poland they visited the Motorola Solutions' labs in Kraków. The meeting was led by Krystyna Pietrzykowska, Senior Manager for R&D. Their trip to Poland was or-

ganized by Polish-U.S. Fulbright Commission. Poland is one of only three countries, together with India, Ecuador, where the program is held this year.



1. The family photo. 2. Krystyna Pietrzykowska, Senior Manager for R&D, Motorola Solutions, guides the participants through the labs. 3. Ireneusz Bogucki, Manager SIT System Integration & Test, Motorola Solutions, guides the guests through the lab. 4, 5, 6. At the Motorola Solutions' lab.



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