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COVER STORY

AMERICAN COMPANIES MOVED SMOOTHLY INTO THE WORK-FROM-HOME MODE AND, EXCEPT FOR THOSE IN INDUSTRIES THAT WERE BADLY HURT BY THE ECONOMIC SHUTDOWN, HAVE CONTINUED TO ADAPT TO THE CHANGING SITUATION AND LEARN THEIR LESSONS. HOW STRONG THE ECONOMY WILL BE IN A FEW MONTHS' TIME, HOWEVER, IS A SOURCE OF CONCERN

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AMERICAN CHAMBER OF COMMERCE IN POLAND

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This crisis demonstrated that everything is possible in terms of changes that companies can introduce to their operational aspects, and it is only a matter of being well organized to do those things.

**FABIO POMMELLA, MANAGING DIRECTOR,
WHIRLPOOL POLAND, p. 11**

There is a possibility that after the crisis we will have become different people, with a different focus on life, reshuffled priorities and new needs.

ANETA PODYMA-MILCZAREK, CEO, UNUM ŻYCIE TUIR S.A., p. 15

The stronger the economic ties between Poland and the US become the stronger the political alliance of the two countries will be.

MAREK ZAGÓRSKI, MINISTER OF DIGITAL AFFAIRS, p. 22

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.

This crisis will spark permanent changes in both business practices and societal expectations. Organizations and individuals will need to adopt new approaches to navigate this new reality.

**JAROSŁAW SZYMCZUK, GENERAL MANAGER,
IBM POLAND AND BALTICS, p. 12**

The home office mode is an irreversible technological and organizational change and it will fuel the economy for years to come!

**PAWEŁ SUJECKI, CHAIRMAN OF THE BOARD,
PROSERVICE FINTECO, p. 16**

I founded Lynka in Kraków 28 years ago, and early on we established our values about treating our employees, focusing on quality, customer relationships, and integrity," Lynch said. "I could see that our values are absolutely one of the most important strategic weapons to have during the crisis.

JOHN LYNCH, FOUNDER AND CEO OF LYNKA, p. 13

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AGENDA

INTELLIGENCE FROM AMCHAM COMMITTEES

EVER SINCE ITS INCEPTION 30 YEARS AGO, ONE OF THE MOST FUNDAMENTAL FUNCTIONS OF AMCHAM HAS BEEN TO MAINTAIN **PLATFORMS FOR SHARING PROFESSIONAL KNOWLEDGE AND EXPERIENCE BETWEEN ITS MEMBERS**. THE AMCHAM COMMITTEES ARE ONE OF SUCH PLATFORMS. WHILE THEIR MEETINGS HAVE BEEN SUSPENDED DUE TO EPIDEMIOLOGICAL REGULATIONS THE COMMITTEES HAVE STARTED USING WEBINARS. IN APRIL THEY HELD FIVE ONLINE MEETINGS. IN THIS DISPATCH WE REPORT ON THOSE MEETINGS WITH SPECIAL EMPHASIS ON PANDEMIC-RELATED INFORMATION.

AGRI & FOOD FMCG COMMITTEE

On April 28 the AmCham Agri Food & FCMG Committee held an online meeting to discuss issues that the agri-food industry is facing during the economic lockdown and to prepare an action plan for the Chamber with which it will offer help and assistance to the member companies from the sector.

HR COMMITTEE

On April 22 the AmCham HR Committee held an online meeting on how to efficiently manage teams from a distance. The speaker, Wiesław Grabowski, Trainer, Executive & Team Coach, Mentor, talked about managing work online with individual employees and the entire team, presented potential problems that arise from managing employees remotely, and talked about internal and external drivers for employee motivation and engagement and how to have

the workers deliver results remotely instead of through direct supervision.

HR, MANUFACTURING COMMITTEES

On April 30, the AmCham HR Committee and the AmCham Manufacturing Committee held a joint online meeting about how different companies are facing challenges to maintain business continuity during the COVID-19 pandemic. The speakers were Gabriel Buchała, Kraków Site Director of Aptiv, a car safety technology and user experience designing company which employs some 3,000 people in Poland; and Krzysztof Hurkacz, General Director of DaVita, a provider of healthcare services for patients with kidney diseases, and Magdalena Okułowska, President of the Board of ARAW, the Wrocław Agglomeration Development Agency. Buchała said that Aptiv was made aware of the pandemic in January because it

has production facilities in China. At that point the company issued health and safety instructions and put overseas business trips on hold. This instructions also affected the company's operations in Kraków which in January purchased protective face masks for its personnel paying a much lower price than if it had bought the products in February or March. In February, Aptiv limited workers' contacts with external guests and visitors to its sites in Poland. When the Polish economy was put into shutdown Aptiv put most of its workers into the home office mode yet those who worked in company's labs could not work from home. For them the company developed internal safety measures, including a zoning system which prohibited them going from their labs to other company buildings. The company also divided its staff into "working platoons" using a two-color

code: with the “blue” platoon working at the office for a week members of the “red” platoon worked from home. Also, members of the two platoons were prohibited from interacting with the members of the other “platoon” without prior consent and taking protective measures.

As the company continues production, although in a slower mode than before the pandemic, the most critical aspect for a successful economic recovery is to make sure the staff remain committed to safety measures. At the same time the company also focused on boosting operational efficiency, minimizing costs and preserving cash.

Another speaker, Krzysztof Hurkacz, said that the DaVita network of 69 kidney clinics in Poland, was under severe stress in the first phase of the pandemic because the staff of 1,600 as well as patients had safety concerns. DaVita set up a crisis management team which used distance communications to manage the situation, including supply chains for each DaVita clinic in Poland. In addition, the team had to steer through the crisis a network of 19 additional clinics, which had been acquired by DaVita in early 2020. It was a huge challenge for company's top managers because the staff of the new DaVita network had not been acquainted with the company's corporate culture.

Along with managing the network, DaVita had to manage external service providers—transportation companies, which bring dialysis patients to the clinics. They had to meet the DaVita safety standards as well because it was vital for safeguarding the safety of the entire network, including its personnel and patients.

According to Hurkacz, to maintain such a strict safety regime and to keep the morale of its personnel high DaVita used intensive communications with its staff. An intranet IT platform was set up for daily info updates. With this DaVita managed to keep its staff in the old and new clinic networks focused on the task, which was critically important when the national healthcare system was sending signals that it was being overworked. The safety of the workers and patients was absolutely the top priority for DaVita, Hurkacz said. As a result only 11 members of DaVita personnel got infected by coronavirus, which was very few given the entire staff is 1,600. When it comes to DaVita patients, the infection rate was below 1 percent.

DaVita also put a lot of emphasis on the HR aspect of communication policies to

help the staff deal with high stress levels. It published guidelines on how to solve stressful situations, how to talk to family members so they are not getting paranoid about the pandemic, and even how to manage personal finances. Those of the company's staff who were not on the company's payroll delivering their services as subcontractors, and who were quarantined, received financial aid from the company through a fund financed by DaVita's parent company in the US. For those doctors and nurses who found it difficult to work under extreme stress the company hired psychotherapists.

The third speaker, ARAW's Magdalena Okułowska talked about the challenges facing business-support organizations, such as ARAW, during the pandemic. The speaker said that one of the main challenges was to provide in-depth information about the coronavirus pandemic in the region. ARAW used its general information website, wroclaw.pl, which included an info section for entrepreneurs and companies about support instruments, which they could use, offered at a national level (the government-sponsored Anti-Crisis Shield) and regional level. The information was presented in a regional context and in a simple way. ARAW also set up a crisis management center which processed information about the needs of individual companies in the region. As a result ARAW developed three aid programs. One of them matched the surplus manpower in companies with reduced production with the demand for extra workers signalled by companies with extra business to process or those whose workers were on sick leave. ARAW set up an online center for matchmaking and the agency, as the center's operator and manager, safeguards its credibility. The platform is available only to ARAW-certified firms. Another program initiated by ARAW was undertaken by ARAW-affiliated IT companies which, on an ARAW online platform offer their services for companies free of charge. They have delivered significant help to many companies in the region who had to adopt distance working solutions and did not have enough experience to do it on their own. The third ARAW-sponsored program aimed at helping tourism-related vendors, such as bars, restaurants and others, who were hit the hardest by the pandemic. ARAW created an online platform where they could offer their produce as a take-away. Some 500 producers joined the platform along with a number of delivery companies. ARAW also marketed their

services vis-a-vis their potential clients—companies in the region.

Okułowska said that the three ARAW programs were welcomed by the business community in the region. Thanks to this support and the willingness of the private sector to integrate during the pandemic and help one another all the programs have kept growing and have become a major BtoB platform which may be in business long after the pandemic is over.

INDUSTRY & ENERGY COMMITTEE

On April 15, Wojciech Więclawik, Board Member of CMC Polska, met the Am-Cham Industry and Energy Committee through the Webex webinar platform to discuss best practices and guidelines for industrial plants operating during COVID-19 pandemic in Poland. Więclawik talked about how to ensure the safety of workers of industrial plants and how to avoid contagion of workers from vendors and customers. He also explained the best ways to reduce the amount of contact on the premises of the plant and how to maintain the operation and employment in industrial plants and ensure the supply chain.

The standards that the speaker presented had been developed by the steel industry to ensure the continuity of its operations during the pandemic.

Więclawik said that there is a big gap in how a company functions during the pandemic between those companies which could adopt to the home office mode, and those who could not do it. Manufacturing companies, utility providers, and heavy industry are unable to go down the home office road and thus, they need to apply strict safety standards and procedures to keep going. What is more, even if some jobs can be done through distance working, it is not advisable to do so with people who can adapt to working from home, and those that could not. If this is done the morale of the latter group of employees may deteriorate very quickly.

Więclawik noted that there are two reasons why safety standards have been introduced by the steel industry. The first is obvious—to prevent workers from getting the virus from each other or from people who are not employed by the company, such as clients and contractors. With this comes social distancing, downsizing teams and keeping the teams apart. Those are very important aspects not only to keep the virus away from the workers, but also necessary, when a covid-positive case is detected and individuals who may have been in

contact with the infected person need to be traced and put into quarantine.

Another reason why strict safety standards are a must is to create a sense of security across the company. It is hard to build but very easy to destroy, the speaker noted, especially after someone has rung a false alarm bell. Companies need to do their best to avoid such situations.

When it comes to preventing the spread of the virus across the company in the initial phase of the pandemic, the industry standards included the use of disinfectants and protective gloves, although they were difficult to obtain at that time. Workers were taught effective hand-washing, as ordinary soap and other cleaning products were also used at the time. The next safety measure was the obligation to wear face masks on company buildings and its premises, and maintaining a distance of at least 1.5 meters at all times. The obligation to wear face masks also covered visitors, such as subcontractors and drivers from transportation companies which entered the company's premises. For those visitors who did not have face masks the company provided them. Also, companies started to take body temperature of visitors on a selective basis. In case someone whose body temperature was above normal was identified, the person was asked to leave the company's premises immediately, which is a procedure recommended by the General Sanitary Inspectorate.

Another way to contain the virus was through keeping people far away from one another in such places where people have a natural tendency to keep close, such as rooms where people eat lunch. The best way to achieve good results was to offer only a limited number of chairs and monitor whether the desirable distance is kept, and act in the case it is not. Companies which run canteens for their workers had to close them down during the pandemic.

Talking about the application of the home office mode, Więclawik noted that, obviously office workers were sent home to work, and that included sales and client service departments. However, in the case of personnel who supervise production processes, even though a significant number of them could have worked from home they were not sent home because their presence at the factory has a positive impact on the morale of those workers who have to work at the company anyway.

While there are people who can not be sent home and whose presence at the

factory is indispensable, what needs to be done is to keep them dispersed as much as possible. This is why work teams were divided into small work groups and shorter shifts were introduced. Members from different teams never meet, which is important not only to prevent the spread of the disease but also, again, in the case someone is covid-positive, only a relatively small group have to go into quarantine.

To prevent the spread of the virus effectively companies had to limit the numbers of people using locker rooms and showers. Some workers were asked to come to work with their work uniforms already on, but such requirements were not applicable to all people. Again, companies developed safety rules for using locker rooms and showers in small groups with its employees as far apart as possible.

Disinfecting spaces used by many people every day is another important safety measure. These can be entrances, corridors, washing rooms and locker rooms. Companies purchased disinfectant sprays and selected volunteers in each work group to perform the duty.

In the case a member of the staff being covid-positive, the people who need to undergo the obligatory quarantine are those individuals who for at least 15 minutes were in the same room and not further away than 1.5 meters from the covid-positive person.

Steel works, power stations and other utility companies can not shut down and this is why Więclawik also talked about contingency plans in case a company has to be quarantined in its entirety. In such a case, the company enters the so-called mode of the barrack of volunteers (fashioned on military barracks), whereby a group of volunteers stays in the company 24/7 for as long as it is required to keep the critical infrastructure going. In such a case, the company is obliged to turn the office and conference rooms into sleeping quarters for the volunteers. They work short shifts in small groups so they can take rest frequently to withstand the physical and psychological strains.

TAX & FINANCIAL SERVICES

Tax support measures, cash flow improvements and available cash grants for entrepreneurs struggling with the economic shutdown were on the agenda of the AmCham Tax and Financial Services Committee, which met online on April 21 through the Webex webinar platform. The speaker was Tomasz Rolewicz, Associate Partner in EY Tax Department.

The speaker said that the government Anti-Crisis Shield aims foremost to help companies to maintain their cash flow and financial liquidity but also has some provisions good for big companies, which are not short on cash because of the economic shutdown at present.

Legally speaking, the new legislation was introduced in parts, starting with the Act of March 2, 2020, on extraordinary measures aimed at preventing, countering and combating Coronavirus Disease 2019 (Covid-19), other communicable diseases and crisis situations. This act is known as the Anti-Crisis Shield. This part of legislation was followed by the Act of March 28, 2020, on amendments to the Anti-Crisis Shield Act, known as the Anti-Crisis Shield 1.0. More regulations were issued in the Act of April 16, 2020, known as the Anti-Crisis Shield 2.0.

When it comes to pay subsidies, this type of aid has been available since April 1, 2020. Some companies which applied early have already received the money, Rolewicz said. The money is sourced from the Fund for Guaranteed Employee Benefit. The applicants have to submit information explaining that because of the lockdown their turnover has dropped. There are specific provisions for this regarding the calculation of the decrease in turnover.

Companies which suffered downtime as well as those that reduced working time for their employees can also apply. This aid solution is available to all types of companies, regardless whether they are micro companies or big corporations. In other words, any company can apply for having their workers' salaries covered by the Shield as long as the company has its workers in Poland. The applicant, however, has to cover at least 50 percent of the employee wages it registered to get covered by the Anti-Crisis Shield.

While pay subsidies are the most straightforward tool for aiding companies in the economic lockdown, the speaker said that there are other aid provisions in the Anti-Crisis Shield regarding taxes which may offer significant help, especially when it comes to paying social security fees for employees. He also noted that the Tax Law itself offers some relief solutions which are worth using in the time of the economic crisis.

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For the most recent information about
the AmCham Committees and upcoming events visit
AMCHAM.PL

COVER STORY

AS THE SPREAD OF THE PANDEMIC LED TO THE SHUTDOWN OF THE ECONOMY IN POLAND IN MID-MARCH *AMCHAM QUARTERLY* CONTACTED TOP MANAGERS OF 12 MEMBER COMPANIES TO LEARN ABOUT HOW THEIR ORGANIZATIONS WERE FARING DURING THE LOCKDOWN.

VOICES FROM THE LOCKDOWN

AMERICAN COMPANIES MOVED SMOOTHLY INTO THE WORK-FROM-HOME MODE AND, EXCEPT FOR THOSE IN INDUSTRIES THAT WERE BADLY HURT BY THE ECONOMIC SHUTDOWN, HAVE CONTINUED TO ADAPT TO THE CHANGING SITUATION AND LEARN THEIR LESSONS. HOW STRONG THE ECONOMY WILL BE IN A FEW MONTHS' TIME, HOWEVER, IS A SOURCE OF CONCERN.



TIM HYLAND, PRESIDENT OF FCM TRAVEL SOLUTIONS, A BUSINESS TRAVEL AGENCY, SHARES HIS THOUGHTS ABOUT THE IMPACT THE SHUTDOWN HAS HAD ON HIS COMPANY AND THE TRAVEL INDUSTRY, AND WHEN, IN HIS VIEW, TOURISM AND TRAVEL WILL TAKE OFF AGAIN.



FABIO POMMELLA, MANAGING DIRECTOR OF WHIRLPOOL POLAND, PRODUCER OF HIGH-TECH HOME APPLIANCES, TALKS ABOUT HOW THE COMPANY REACTED TO THE ECONOMIC SHUTDOWN AND SHARES HIS THOUGHTS ON THE POSSIBLE LONG-TERM EFFECTS THE PANDEMIC MAY HAVE ON THE ECONOMY.



JAROSŁAW SZYMCHUK, GENERAL MANAGER OF IBM POLAND AND THE BALTICS, TALKS ABOUT THE ROLE THE GLOBAL IT COMPANY PLAYS IN FIGHTING THE NEGATIVE EFFECTS OF THE PANDEMIC AND HOW IT IS LEADING SCIENTIFIC EFFORTS TO FIND THE CURE FOR THE DISEASE.



JOHN LYNCH, FOUNDER & CEO OF LYNKA, A PRODUCER OF DIFFERENT TYPES OF CLOTHING, INCLUDING PROMOTIONAL WEAR, SCHOOL WEAR, SPORTSWEAR AS WELL AS WORKWEAR AND ACCESSORIES SUCH AS CAPS AND BAGS, TALKS ABOUT HOW THE PANDEMIC IMPACTED HIS COMPANY AND HOW HE MANAGED TO TURN THE TABLES ON THE SITUATION AND USED IT AS A BUSINESS OPPORTUNITY.



ARTUR ŁAKOMIEC, CEO OF GEMINI POLSKA, THE LARGEST FRANCHISE CHAIN OF PHARMACIES IN POLAND, SHARES HIS THOUGHTS ON THE IMPACT THE SHUTDOWN HAS HAD ON HIS COMPANY AND THE ECONOMIC SHORTCOMINGS WHICH THE PANDEMIC HAS REVEALED.



ANETA PODYMA-MILCZAREK, CEO OF UNUM ŻYCIE TUIR S.A., INSURANCE CORPORATION, TALKS ABOUT HOW THE COMPANY REACTED TO THE CHALLENGE POSED BY THE EPIDEMIC AND SHARES HER THOUGHTS ON THE EFFECTS OF THE CRISIS ON THE INSURANCE INDUSTRY.



PAWEŁ SUJECKI, CHAIRMAN OF THE BOARD OF PROSERVICE FINTECO, A PROVIDER OF COMPREHENSIVE OPERATIONAL SUPPORT SERVICES FOR FINANCIAL INSTITUTIONS, TALKS ABOUT HOW THE PANDEMIC IMPACTED THE DAILY OPERATIONS OF HIS COMPANY AND SHARES HIS THOUGHTS ON HOW THE CRISIS HAS REFINED THE USE OF IT TECHNOLOGY TO KEEP BUSINESS GOING.



PRZEMYSŁAW OLEKSY, MANAGING DIRECTOR OF ASB GROUP POLAND, A BUSINESS CONSULTANCY, SHARES HIS THOUGHTS ON THE IMPACT THAT THE SHUTDOWN HAS HAD ON HIS COMPANY AND HOW, IN HIS VIEW, THE PANDEMIC MAY CHANGE THE CORPORATE WORLD.



MARCIN MINCER, COO OF SWING DEVELOPMENT, A PROVIDER OF IT SOLUTIONS, TALKS ABOUT HOW THE IMPACT HAD AFFECTED HIS COMPANY AND SHARES HIS THOUGHTS ON HOW IT MAY CHANGE THE BUSINESS LANDSCAPE IN THE YEARS TO COME.



JAN MAŁOLEPSZY, VICE PRESIDENT OF ENGINEERING AT THE POLISH BRANCH OF PEGASYSTEMS, A DEVELOPER OF CLIENT RELATIONSHIP MANAGEMENT SOFTWARE, TALKS ABOUT HOW THE COMPANY HAS BEEN DEALING WITH WORKING FROM HOME AND SHARES HIS REFLECTIONS ON HOW THE PANDEMIC MAY CHANGE THE WAY WE USE IT COMMUNICATION TOOLS.



PRZEMYSŁAW ŁOJEK, MANAGING DIRECTOR OF GARMIN POLSKA, A PRODUCER OF ELECTRONIC WEARABLES FOR SPORT AND FITNESS, AND NAVIGATION GEAR FOR MARINE VESSELS AND AIRCRAFT, SHARES HIS THOUGHTS ABOUT THE IMPACT THE SHUTDOWN HAS HAD ON HIS COMPANY AND THE ECONOMIC SHORTCOMINGS WHICH THE PANDEMIC HAS REVEALED.



ANGELO PRESSELLO, CEO OF DIRECTPL, A PROVIDER OF IT SOLUTIONS, SHARES HIS THOUGHTS ABOUT THE IMPACT THE SHUTDOWN HAS HAD ON HIS COMPANY.



For **Tim Hyland, President of FCM Travel Solutions**, the road to economic shutdown was a busy time. First his company brought back from Bali, Indonesia, a group of 55 people who had been making a TV program on the island, and who all safely arrived to Warsaw on a LOT charter flight just before Poland's borders closed. Had FCM not arranged the flight for them, they would have had to sit in Bali and wait the lockdown out. Given the costs involved, it would have been a very unwelcome situation for the TV production company, not to mention the people themselves. At around that time there were more people calling FCM asking for help in repatriating individual people from Europe to the US before the closure of the border. The requests covered not only Poland but other EU countries. Someone asked to help bring a student studying in a place near Vienna to Los Angeles; somebody else wanted to bring a spouse from Berlin to San Francisco. Thanks to FCM's contacts with airlines, transport companies and hotels in those countries, the company was able to organize the trips. The people returned home safe and secure. "We provided the VIP emergency service and it turned out we could do it thanks to our contacts in the travel industry," Hyland said, adding that FCM plans to extend its offer of the VIP emergency service so companies can use it any time, not only in a crisis situation. So FCM will add this type of service to its offering when the crisis is over and the company is still around.

EVERYBODY KNOWS

Hyland, like anybody in the travel business, is fully aware that the current economic lockdown is do or die for many companies in the industry. Travel companies have been suffering badly and FCM is no exception. "Staff wages are 75 percent of our running costs," Hyland said. "It is a difficult situation because we only have costs and no income. The only thing we can do now is to reduce costs where possible to protect our cash-flow in order to wait out this period and hopefully by the end of the year return some sense of profitability." When the

shutdown started FCM moved to the work-from-home mode. The company cut working hours and salaries under the government aid program, the so-called Anti-Crisis Shield, and Hyland hopes that come September-October the company will be back in business. "I'm concerned and our staff are concerned," Hyland said. Companies in the travel business have limited ways to react. Of course, they can cut salaries and jobs. But in this industry qualified operational staff is a must have. "You should be careful about releasing staff, above all your operational people as they are very important when your business returns," Hyland said. But again, staff costs make up some 70-80 percent of any travel related business. Other costs, such as rent, utilities, fleet cars, telecommunications, are different because companies can negotiate with suppliers to postpone paying the bill. "I have been quite pleased to see numerous suppliers who have been very understanding, sometimes foregoing costs or accepting lengthy delays in payments," Hyland said.

STEP BY STEP

In corporate travel there are two main sources of transactions: airlines and hotels. Hyland expects that airlines will not start flying earlier than late May early June, and it all depends on the levels of coronavirus outbreaks in Europe. "Until there is a 100-percent certainty that these countries are safe again it would be very difficult to expect that airlines begin to start flying in any large numbers," Hyland explained. "There will be certain flights but the traffic will be very limited to very specific destinations." In time airlines will have to adapt to the new reality. Planes will have to be certified for Covid-19 safety, so they will not go back to the 100 percent capacity because for safety reasons they will not be filled up to the full. "If there is no business travel or tourism travel to Poland, most hotels have no reason to open their doors," Hyland said. "So until flights to Poland begin again, most hotels, especially large ones, will remain closed."

Airlines and hotels are critical for the economy so eventually there will be support for them. But they are only the tip of the iceberg when it comes to the industry food chain. Cleaning companies, utility providers, bars and restaurants all depend on hotels and hotels depend on airlines. Many of those companies, theoretically, can resort to the Anti-Crisis Shield. But, Hyland noted, the application process is not clear. Indeed, on April 25, the Wrocław Labor Office said that all applications submitted to it by small companies asking for having their labor cost covered by the Shield contained er-

rors. It is not clear what happens if applications have errors and when, if at all, the applicants will receive the money. "For any company that has salaries to pay, it is very important to know when the support comes because they have to plan their cash-flow and financing," Hyland said. In his view, the Anti-Crisis Shield is not a straightforward response to the needs of the private sector. "There is no clarity right now when payments will be made. And when you make even a small mistake in your application, the government can simply reject your application," Hyland said, adding that the authorities do not seem to trust the management of companies in Poland. "The government is afraid that many companies will try to take inappropriate advantage of the Anti-Crisis Shield program, which is very unfortunate," Hyland said, adding that "the longer the government waits the more bankruptcies will be filed."

NEW NORMAL

Companies which are fighting for their lives will have to keep on fighting for a long time. Industry experts say that if flights begin in June, around August or September the situation may be returning to normal, but slowly. Business travel may go up to approximately 40-50 percent of its normal traffic by December then Christmas comes and that is it. "It will be a very difficult year financially for business travel companies," Hyland said adding that "If we could see 60 percent of the volume we had in 2019, we would be very happy."

LESSONS LEARNED

According to Hyland, for the travel industry, a lesson learned from the lockdown is that more people can work remotely and the company can still function. Obviously, it does not work for hotels. And it does not work for his company either. "You want to have influence over the quality of service your company provides. And if your entire staff works remotely from home you do not have this influence," Hyland said.

In his view there is something lost if the people are not in the same room. "We have many different services and options, and it is critical that people learn from their colleagues who are with them in the office. These lessons are very important and you obtain them easiest by being in the same room and hearing the conversations of your colleagues and learning of different ways to resolve different situations," Hyland said, adding that "sharing experience is very important for us to maintain our high level of service which we provide to our customers."



Fabio Pommella, Managing Director, Whirlpool Poland, learned about the COVID-19 virus in January as it spread across China where the company has its manufacturing facilities. Because it was not the first major epidemic outbreak in China, Whirlpool had developed a security protocol to maintain social distancing, the use of protective clothing and avoiding meetings with several people in them. The firm began to implement it across its factories in Poland. While the work-from-home part was easy, there were some technological challenges on the production lines. Whirlpool in Poland went into a 10-day-long production shutdown to apply those measures in full, once the staff understood it was necessary the company resumed production. "Psychologically the situation is something completely new for people in Poland and we decided to shut down the production in Poland and EMEA for 10 days," Pommella said, "to give time to people to understand that the safety measures were not something extraordinary but a new reality with which we will all have to cope with."

KEEPING JOBS

Whirlpool employs over 6,000 people in Poland but it is not a local company but a global one with production facilities in many different locations around the world. While in other countries, where it has production facilities, the company could rely on government aid to get through the shutdown without a need to restructure, that is cut jobs, in Poland Whirlpool is concerned with the government's response to the economic lockdown, seeing it as lukewarm and inefficient. "We operate in several countries, such as Italy, France, the UK, and in all those countries governments help big companies share the financial burden of the lockdown and cover workers' salaries to some extent," Pommella said. "The two parts of the Anti-Crisis Shield that the gov-

ernment offered are not sufficient for big companies like ours."

While in April, when Pommella talked to *AmCham Quarterly*, and it was too early for him to see negative effects of the shutdown for Whirlpool, he made it clear that if the situation continued it would be difficult for Whirlpool in Poland not to restructure and adjust to the market situation as any other company.

"We do not expect the government to cover those costs forever but the situation is so expectational that governments understand that they need to support the efforts of big companies to get through the pandemic preserving their production capacity which means keeping jobs," he said. "As a company we shoulder many other costs but when it comes to the salaries of blue collar workers the government could help here a lot."

Pommella explained that while the two parts of the Anti-Crisis shield focus on postponing deadlines for paying taxes by companies, they aim at helping firms maintain cashflow for the time being. But big companies are not low on cashflow if they have been out of business for month or two. They always look at such problems in a structural way and have to redesign their operations to meet market demands. "Today, if they do not get help, they will reduce their production capacity and cut jobs. That how it works with every big production company," Pommella said.

LEARNING CURVE

Looking at the experience companies have gathered through the pandemic, Pommella noted that it pressured many of them into applying IT tools that allow workers to work remotely. "Before the pandemic IT applications used to be a taboo for many companies," Pommella said. "Now, those companies, who for some reason were slow in adopting those IT tools, will reconsider their policies in a very consistent way because the right IT infrastructure is something that is a must-have to continue to work."

Another lesson is that many companies realized that they need to be agile and adaptable to the changing market conditions. This means that they will redesign their supply base. "Most companies' supply base is in China," Pommella said. "But companies are rethinking this model looking at the cost of labor on the one hand, but also on the threats stemming from keeping all our supply bases in one geographic locations. Many companies are redesigning their supply base now so it is closer to their core markets."

The pandemic will also change the perspective of companies on how to effectively use

their office space. "Companies will redesign their operations keeping in mind that several people can do their work from home rather than the office," Pommella noted.

"While in the past big companies were looking for big office spaces, now they will see they can redesign their processes using IT solutions, so a part of their workforce can work from home, and as a result, the companies may use less office space."

Also, Pommella noted, people will rethink the commuting part of their daily work routine. "Workers will want to live closer to their offices so they do not need to use public transportation to commute to work. They may still prefer to use cars but cars are not ecological and there are traffic problems all along the way. This means that companies may need to organize some facilities for their employees such as nurseries because a parent who walks to work needs to have a nursery for their children close to the office."

Another lesson for Pommella is that crisis has changed reality and that means that there are also opportunities. "This crisis demonstrated that everything is possible in terms of changes that companies can introduce to their operational aspects, and it is only a matter of being well organized to do those things."

LIFE MUST GO ON

According to Whirlpool's internal forecasts the crisis will continue for at least six months starting in March with markets starting to recover in September or October. The question now is whether the government will be able to help the economy keep jobs or not. If companies start cutting jobs the economic and social situation will worsen. "If people keep their jobs consumer confidence is higher and consumption is higher," Pommella said. "This is good for the economy, and when things are back to normal it is easier for the economy to move onto the path to recovery if people have had jobs throughout the crisis."

In late April, Pommella was not sure if the government could cope with the scale of the problem. And this put an additional strain on his shoulders. "A period like this is always tough for the managers and it is a big lesson for them," Pommella said. "This situation creates several things that normally you thought would never take place. So this is a test for managers and companies' corporate culture. For me the lesson was that you need always to look further beyond tomorrow. Because the better you are prepared for the worst case scenario in a longer time perspective, the higher your chances of being a winner facing the present situation."



When the pandemic struck, **Jarosław Szymczuk, General Manager, IBM Poland and Baltics**, realized that the top of the agenda would be the safety of the workers and how they can deliver to the company's clients—among them scientific centers, academic institutions, health agencies and national governments. The pandemic meant more business. To help lift the burden from call centers and speed up the flow of information, the Ministry of Health and IBM Poland worked to set up a virtual assistant (pacjent.gov.pl, and gov.pl/koronawirus) to help citizens get answers to the most frequently-asked questions about the pandemic. The information is fed into the system by the Ministry of Health, the Chief Sanitary Inspectorate and the National Health Fund. The system is answering thousands of questions daily. To help facilitate distance learning IBM has extended its online education resources including IBM Skills, Open P-TECH and IBM AI Education for teachers with a special focus on providing online credentials to under-served populations. "These free programs and courses give its users the tools they need to explore new ideas, careers, and courses, anytime, anywhere," said Szymczuk. IBM also works with Cisco to help students and educators continue learning and teaching remotely. "The aim is not only to connect teachers and students through interactive online classes, but to also help them use the technology more effectively," Szymczuk noted.

BATTLING COVID-19

At the global level IBM is leading a consortium of national labs and IT leaders to pool more than 330 petaflops of computing power to help researchers everywhere better understand COVID-19, its treatments and potential cures. IBM's Summit has already enabled researchers to screen 8,000

compounds to find those that are most likely to bind to the main "spike" protein of the coronavirus, rendering it unable to infect host cells.

In turn, IBM's World Community Grid has launched a new, crowdsourcing project designed by Scripps Research to tap into the spare computing power on personal computers to screen compounds that might be utilized to treat COVID-19. To help Scripps conduct virtual experiments, which require the processing of an immense amount of data, anyone with a computer or laptop can download a World Community Grid app and "donate" surplus computing power when the devices are idle. "We have an unprecedented level of information and insight at our fingertips about the COVID-19," Szymczuk said. "We can track in real-time the number and spread of reported cases around the world through apps on our phones like The Weather Channel." With this capacity healthcare professionals can model what is going to happen next based on various public health scenarios and differing levels of response. "We can forecast the demand on health services over time and adjust the public health policy accordingly," Szymczuk noted. "This is vital for decision making across government, business and the society."

PLANNING BUSINESS

The mindset requirements of this new business environment may be as daunting as the medical challenge posed by COVID-19. According to Szymczuk, "to optimize outcomes amid disruptive change, we need to embrace ambiguity in new ways. We need simultaneously to make stark, difficult decisions—whether it is closing schools or re-vamping supply chains—while continuing to revisit and question, refine, and upgrade those decisions."

For Szymczuk, by breaking things down in a new way, we aim to simplify answers to complex questions and help provide a simple framework for action. "There is one critically important factor to layer into this equation: adaptability," Szymczuk said. "We believe that this crisis will spark permanent changes in both business practices and societal expectations. Organizations and individuals will need to adopt new approaches to navigate this new reality. Its elements are illness and distress about health, financial wellbeing and other disruptions affecting many employees. In business, customers and partners are focused on securing the essentials and are seeking reassurance about company policies.

All companies are facing shifts in product demand and supply chain interruptions and unprecedented volatility in cash and

profit and loss positions."

REMOTE WORK CULTURE

An environment that fosters innovation yet keeps innovators physically apart takes time and effort to build. "Translating a pre-virus, in-person culture into a fully remote one is not just a copy-paste exercise with a few additional conference calls and screen-sharing moments," Szymczuk said. "It requires thoughtful consideration of what it really means for everyone to be in different locations, still collaborate effectively, and create business and user outcomes."

The process requires people to have the right principles on which to grow the new culture of remote collaboration. IBM has infused its culture with three principles from Enterprise Design Thinking: a focus on user outcomes, restless reinvention, and diverse, empowered teams. "Each of these principles was selected for a specific reason because of how it helps us build a culture of innovation," Szymczuk said. "These principles might be a place for your own organization to start with, or you might evolve a set of your own principles in order to drive an innovative culture."

IBM FREE SERVICE OFFERS

To help companies, especially small and medium-sized enterprises, maintain business continuity, IBM is offering free services in various areas over a period of three months.

- IBM Video Streaming and IBM Enterprise Video Streaming (Watson Media) solutions are offered for free, 90-day access to video streaming for new customers to stream events to public audiences for up to 20,000 viewer hours or to stream to up to 20,000 authenticated users for one event per week during the specified period.
- IBM Sterling is offering free, 90-day access to solutions to help navigate the challenges stemming from supply chain disruptions, such as managing medical supplies, COVID-19 testing kits, and migrating retailers to BOPIS (Buy Online Pick-up in Store) strategy.
- IBM Blueworks Live is offering free, 90-day access to help clients facilitate remote collaboration with stakeholders and distribute new or changing processes to their workforce.
- IBM Cloud Event Management is offering free, 90-day access to help teams cut through events to prioritize, diagnose, assign and resolve incidents from a single service.
- IBM Garage is using its expertise and the IBM Garage Methodology to remotely help clients address their emerging business requirements during this time. Businesses can get started with a free IBM Garage Business Framing session.



For Lynka, one of the leading European manufacturers of work wear and promotional apparel, January 2020 started quite good with orders coming in as always at that time of year. Yet, in February, **John Lynch, Lynka Founder & CEO**, received a call from a strategic supplier who sourced baseball caps in China, who told him they might suffer some delays due to the coronavirus troubles in China. At that point, with the exception of industry publications, no one was talking about supply chain problems with China. In March the company realized the problem was starting to impact Europe. Poland would soon go into a lockdown. Lynch sent out his first pandemic-related communications to his team in mid-March and by March 20, the company was in full-fledged crisis mode. "Early on, we focused on making sure our employees were safe," Lynch said. "We moved 90 percent of our people to home office in about three days." The company kept operating its production but supplied face masks and gloves for its employees, and enforced social distancing.

TRANSPARENT LEADERSHIP

As the company saw its orders drop dramatically, and the situation worsen in many countries that Lynka supplied, the management decided to be transparent in its communications on the situation with its employees. "We had updates on WhatsApp and our Intranet to let people know what was going on with business as well as regarding safety," Lynch said. "I'd say we even over-communicated with people, which I now see was a very good move. I was coming to work every day wearing a face mask and walking through the production department showing everybody that I was not afraid to be there and as long as we kept our distance, we all were going to make it through this." As a medium-sized company Lynka decided to apply for gov-

ernment aid through the Anti-Crisis Shield, which offered financing of 50 percent of workers' salaries throughout the lockdown. At the time of this interview, Lynch confirmed that Lynka had been awarded funds which "will play an important part of the company's plans to make it through the storm," Lynch admitted.

BUSINESS OPPORTUNITIES

Lynka specializes in promotional wear, school wear, sportswear as well as work-wear and accessories such as caps and bags. The Kraków factory sources apparel from Poland and abroad, and then prints or embroiders the client's logo or image on the garment. Face masks were never in the product portfolio but when Lynch realized that there would be a desperate need for these items in Poland and Europe, the company rapidly responded to the market and now produces reusable filtered, fabric face masks 24/7. "This is an opportunity for us," Lynch noted. "We also print on them so we can print logos or colorful designs for young people to wear. What some people don't realize is that there has been a massive shortage of safety masks for the medical profession, with almost no supply left over for businesses and consumers. Then countries like Poland introduced laws requiring the use of face masks in public. We are just filling a different need than say, our American friends at 3M who specialize in N95 medical masks. When the economy does open up, all service and retail employees are going to need reusable, washable face masks, and we will be there to manufacture those for them!"

HUMAN MANAGEMENT

While the company's office workers worked from home, Lynch did his best to keep their spirits up. Keeping people's morale high, is not only the right thing to do, it also translates into higher productivity. "We have instructed all of my managers to organize weekly team huddle phone calls on Zoom or Microsoft Teams, so the people know they are still a part of the company," Lynch said. "In addition, we have a little project that I'm working on called Home Office Warriors. People confined to their homes are fighting on their own and we need to remember to support them, to make sure they are okay and remain emotionally connected to our company."

For Lynch, the lockdown had more than just a crisis-management dimension. It was an opportunity to do things the company has never thought of doing before. Lynch explained that in normal circumstances, to put together a face mask production line would take a few weeks or

months to accomplish. In fact, it took six days from the conception of the idea to the first product rolling off the production line. "We see our strength in getting things done in an entrepreneurial, non-bureaucratic way during the crisis," Lynch said. "We have about 250 employees, so it generally does take time to do things. During the pandemic we are seeing that we can do things a lot faster, if we just clear the way."

While talking about how his company was faring during the lockdown Lynch did not hide his pride in his company's achievements. "I founded Lynka in Kraków 28 years ago, and early on we established our values about treating our employees, focusing on quality, customer relationships, and integrity," Lynch said. "I could see that our values are absolutely one of the most important strategic weapons to have during the crisis."

LOOKING TO THE FUTURE

In Lynch's view, it will not be until June or even much later before the market settles and finally bounces back to some reasonable sales levels. Meanwhile, some things will change significantly. "People may travel less in business because now they realize they a lot of client meetings can be done online. Online meetings are effective so I think the technology will make us think twice if a meeting is absolutely necessary," Lynch said.

However, he does not expect a revolution in this respect, because for him meeting business partners in real life is also important. "I like getting out to visit our clients," Lynch said. "A phone call, a Zoom call or whatever can be 30-minutes or an hour. If I travel to visit customers, we sometimes spend the whole day together. It is more than just checking a conversation off the list. So, I will still believe in business travel."

FOR THE RECORD



John Lynch wears a prototype of an American Flag face mask. Lynka has begun to donate thousands of face masks to charity: University Children's Hospital in Kraków and Friends of Children's Hospitals in Warsaw. Lynka also donated 100 face masks to AmCham.



When the pandemic hit Italy in January, for **Artur Łakomiec, CEO Gemini Polska**, the writing was on the wall: soon the disease would spread to Poland. He set up a crisis management center to monitor the situation across the supply chain and the 170 Gemini pharmacies, the largest franchise chain of pharmacies in Poland employing over 3,000 people including 1,800 pharmacists.

Contagious diseases are an operational aspect for Gemini and proper safety standards had always been in place. For instance, the chain never used open counters, as ordinary stores do, and always stuck to the traditional safety measures preferring glass panels over the counters to keep pharmacists safe. "Our company is doing fine in the lockdown," Łakomiec said. "We have a coherent network of franchisees who are disciplined, keep themselves safe and make sure the products they sell are available to customers."

WORKING IN LOCKDOWN

The issue of supply and product availability for customers was pivotal when the lockdown began. Gemini has the highest rate of product availability when compared to other pharmacies. If you go to a Gemini drug store with your doctor's prescription there is an over 93 percent chance that you will get all the drugs prescribed by your doctor at the pharmacy. To achieve such a high product availability rate Gemini had developed a flexible supply chain which combines an IT system for product information sharing for the e-commerce part of the business.

In mid March, when the lockdown became a reality, demand for sanitizers, disinfectants, drugs and other products surged. At the peak of the patients wave the pharmacy recorded a 40-50 growth in sales at traditional points of sale, while online sales

skyrocketed by 100 percent when compared to the pre-pandemic numbers. "People stockpiled drugs in the initial phase of the pandemic in Poland and Gemini withstood the demand level," Łakomiec said, adding "We set up a management center for our network which monitors the situation of our nearly 170 pharmacies. We monitored the supply chain. Many ingredients, or the so called active substances, are manufactured in China and India."

As the lockdown continued, the availability of drugs became a critically important aspect for Gemini. When a healthcare system is overloaded with patients and struggles with the epidemic its other functions become weak. The availability of drugs becomes critical. Deprived of their drugs patients could end in hospital adding to the heavy burden the healthcare system already has to carry. "So far we using our reserves and they will last for three months," Łakomiec said adding that "the operational aspect is under control."

When it comes to managing people, the transition to the lockdown mode went smoothly because the company's culture, as Łakomiec pointed out, is a combination of ethos, knowledge and technology.

"Communication is always the key in such circumstance," Łakomiec said. "I explained to our people how the situation would develop and explained what emotional problems they may experience as time goes by. It was a major challenge to manage the communications with people because people have to have the right balance of information, and they need to be kept focused on maintaining safety."

LESSONS FOR THE FUTURE

Working in the critical four weeks of the lockdown Gemini was servicing over 200,000 patients through its brick-and-mortar pharmacies and over 15,000 via the e-commerce daily.

The IT aspect of Gemini's operations have become important for the company because of the e-prescription system which recently came into operation whereby doctors prescribe drugs to their patients electronically.

According to Łakomiec, there are many lessons from the pandemic on how healthcare and pharmacy can adapt to technology to work more efficiently. One such idea is tele-pharmacy. It can now get off the ground now after a bill setting the foundations for it had been debated in Parliament. One of the provisions of the bill says that pharmacists will be able to write prescriptions for drugs for chronically ill patients, to take the burden away from doctors. "Tele consulting, tele phar-

macy, and other technology-supported forms of issuing drug prescriptions for patients by pharmacies are what we need," said Łakomiec, adding that he hoped the pandemic would make the lawmakers step up their efforts to speed up such technological change for pharmacies.

BIG QUESTIONS

While the company was working under lockdown the big question for Łakomiec was how governments in many countries would manage the economic situation and minimize the negative effects of the lockdown on the economy. According to Łakomiec, the big and, in many cases, unproductive spending many governments initiated years ago in response to the 2008 financial crisis in Western Europe and generally in the West drained their countries' financial reserves. "The problem is that the economy is partially frozen in the West, but at the same time, many countries and companies have huge debts," Łakomiec said, adding that because of it governments do not have enough money to help companies survive the lockdown. With this comes the risk of economic implosion which may take place a few months from now if the economy stalls, consumers do not buy and huge parts the Western society, which had relied on social security, become increasingly dissatisfied with the economic situation. "This is an exceptionally huge economic crisis, unlike anything we know from the past," Łakomiec said, arguing that instead of increasing social security policies and increasing consumer spending, governments should focus on helping companies keep jobs. The aid system should be clear-cut, transparent and efficient, just like in Germany, a country, which, according to Łakomiec, has a good aid package for companies aimed at keeping jobs in the economy. "Companies may reduce payroll but not in a drastic way so the economy has its potential at 90 percent," Łakomiec said. "With this the economy is ready to take off when the pandemic is over and this is the best way for a sound economic recovery."

FOR THE RECORD Corporate Social Responsibility comes in different forms.

Since the beginning of the pandemic in Poland Gemini has donated in total 25,000 FFP3 masks for professionals to the Ministry of the Interior Hospital in Warsaw, the Lower Silesia Specialist Hospital in Wrocław, the Navy Hospital in Gdynia, and the University Hospital in Zielona Góra.



When **Aneta Podyma-Milczarek, CEO of Unum Życie TUIR S.A.** learned about the pandemic her initial thoughts were how to ensure business continuity and prepare the company to deal with what could be a complicated situation. "We identified and responded to the most urgent technology requirements to enable work from home and communication from a remote location," Podyma-Milczarek said. "Thinking of our employees, associates and customers, we have put safety first and switched to a work from home system overnight. All our meetings were hosted through a video application. On a weekly basis, the Management Board convened by electronic means to update and review the status, risks and scenarios for the future." In addition, department heads held e-meetings on a weekly basis, and in mid April, the Management Board held a webinar. The company did its best to keep its employees well informed. "We developed a Coronavirus Update service for all our employees and associates to keep them informed about the next steps, key priorities and strategic decisions taken by the Management Board," Podyma-Milczarek said. She added that before Poland's border was closed, Unum contacted its suppliers to secure service and product availability. Today, some orders may take a bit longer but this does not disrupt the company's day-to-day operations.

KEEPING THE SPIRITS UP

As the employees were sent home to

work, the company applied different methods to keep their morale up. First, everyone was invited to take a picture of their home office and share it with the others via a dedicated "U at home" application. A help center was also established. The Household Survival Kit is a weekly stream of advice and inspiration on how to manage work at home and personal obligations. "We know that it is not easy to reconcile family and business roles," Podyma-Milczarek said, adding that all company teams have had access to health and wellness seminars. In addition, the company has been tapping into its strong corporate social responsibility culture and during the pandemic the Unum Foundation distributed PLN 25,000. The money went to support local hospitals, senior citizens or families in dire straits. "Thanks to all those efforts our team spirit is as strong as ever," Podyma-Milczarek said. "Notwithstanding the challenges that come with isolation, we are still one big family. And we are confident that as soon as the crisis is over, we will come to back to the office with a new energy, strength and experience."

The company is adapting its insurance policies and offers to the changing reality of its clients. "The crisis has redefined our lifestyles and has made us look at things in perspective," Podyma-Milczarek said. "To overcome this unprecedented challenge, a company must be agile enough to keep up with the changing environment, and its corporate values must demonstrate to the customers and to the workforce that it is a truly caring provider."

LIFE AFTER PANDEMIC

As the company was in the fourth week of the work-from-home mode it was too early for Podyma-Milczarek to draw definite conclusions on how the pandemic will change the corporate world. "We have been coping quite well but not without extra effort," Podyma-Milczarek said, "especially when we think about our employees who must reconcile their job responsibilities with the home schooling of their children and other personal obligations."

With no meetings at the office and many events suspended, the company goes on in the work-from-home mode. Yet, as

“**There is a possibility that after the crisis we will have become different people, with a different focus on life, reshuffled priorities and new needs.**”

IMPACT ON THE INDUSTRY

As an insurance company Unum monitors the effects of the pandemic and how the market will address the customer base and support it in the current situation. "Within the industry, there have been intense efforts to develop solutions that will help customers while maintaining confidence and continuity in the future," Podyma-Milczarek said. "It is out of concern for those who have signed long-term contracts and who expect us to continue safeguarding their family's financial security five, 10 and 15 years in the future. The solidarity and co-operation of the entire insurance industry is what it takes to open customers' minds to insurance. And, quite frankly, the current situation is a serious test of insurers' flexibility, their technological acumen and aptitude to operate in a dynamic environment."

Podyma-Milczarek noted, the lives of people have changed dramatically at a personal level. "With interpersonal relations confined to the Internet and no direct interactions with others, all that takes its toll. There is a possibility that after the crisis we will have become different people, with a different focus on life, reshuffled priorities and new needs," Podyma-Milczarek concluded.



Paweł Sujecki, Chairman of the Board, ProService Finteco, a provider of comprehensive operational support services for financial institutions, heard the news of Covid-19 in early January from the media. The news covered China and it was hard at that time to think that the epidemic would spread beyond that country. After all, it was not the first virus epidemic in China, and it seemed that this one would also be contained. "Nobody could imagine at that time that it would develop into such a global crisis," Sujecki said.

GETTING READY

As the company's managers joined the dots, the picture became clear. Two weeks before the lockdown was announced in Poland ProService Finteco set up a crisis management center which comprised board members and key company managers. They decided to reorganize the work of the entire company, including the everyday routines of the employees, but also contacts with clients and subcontractors. "Safety measures were introduced based on recommendations from our owner, Oaktree Capital Management," Sujecki said, "which has the best solutions to help maintain business continuity."

Keeping people safe became a top priority but also keeping people informed about what was going on was important. "There was information chaos at the beginning of the pandemic, and people were confused. Some worried about the economic aspect of the pan-

demical and how it will impact their lives," Sujecki said.

KEEPING GOING

As work at distance was introduced across the company, it transpired that for a number of people working from home did not feel like a good solution. They felt excluded from the rest of the team. The company of 750 employees contracted a psychotherapist to help them cope with the situation. The psychotherapist was available on the phone.

But this problem was just one of many. "A company is people, revenue, costs, suppliers and so on," Sujecki said. So the financial aspect had to be taken care of along protecting jobs. "We saw the situation as temporary believing that an economic revival will have to take place sooner or later," Sujecki said, adding that his fear was that the negative consequences of the economic

LESSONS FOR THE FUTURE

There may be many lessons for companies during the pandemic. For Sujecki the most fundamental change that we will see will be the development of working from home and distance work. "It is a major revolution that is taking place now, and actually, at present we can hardly estimate its impact on the company, not only in its economic sense but also in the socio-technical and psychological senses," Sujecki said. "The idea of the workplace will evolve as something less connected with the physical office and more with the positive impact on business and the organization. We will reconsider how we engage our employees: how we organize their time and monitor the progress of their work across teams and projects. The work has to be more effective than it is now because of the lack of team integration when working from home,"

“When you look at our company of 750 people, it is hard to believe that we went into the home office mode nearly overnight! The home office mode is an irreversible technological and organizational change and it will fuel the economy for years to come!”

shutdown may be even worse for society than the pandemic itself. "It is pivotal to think of how we all can come back to work and keep the economy going in the new reality," Sujecki said. Luckily enough, the company offers software solutions for the financial sector, and software and IT solutions, especially those in artificial intelligence and relation management, and this is what more and more companies are looking forward to implementing during the pandemic and beyond.

A WIDER LOOK

But Sujecki looks beyond the IT sector. In his view if the shutdown lasts longer, the impact on the economy will be harder with the most vulnerable sectors being hotels, tourism, restaurants and manufacturing. "Those are important parts of the country's economy and if they are hurt, everybody will feel the heat. The economy is a whole and it can not last for too long if, say, 40 percent of the economy is doing fine and the rest, for instance the small business, is frozen," Sujecki said.

Sujecki added.

Technology will help achieve this and this is what is already happening, according to Sujecki. "Over the last few weeks companies made a giant leap forward when it comes to the application of distance work solutions," Sujecki said. "When you look at our company of 750 people, it is hard to believe that we went into the home office mode nearly overnight! The home office mode is an irreversible technological and organizational change and it will fuel the economy for years to come!"



Przemysław Oleksy, Managing Director of business consultancy ASB Group Poland, learned about the pandemic when travelling to New Zealand in February. He was surprised to see travellers from China being turned back at Auckland Airport. "When I returned to Poland in late February I knew the pandemic will have an effect on our company," Oleksy said. He made sure that ASB Group would be ready to apply distance working when the time came. "We had double-checked the networks for security, leased additional backup hardware—a couple of dozen laptops that we keep for emergency—so we felt confident we could migrate to home office no problem," Oleksy said. "We had used Microsoft Teams before so we did not have to train people in it, and we introduced a set of best practices for our people, who knew that they should switch on their computer cameras so they could be seen by others. So we did and a few days later the government introduced the stay-at-home policies and the economic shutdown began."

KEEPING THE DISTANCE

While it was technically easy to begin working from home, to manage the human aspect was a challenge. "We do our projects in teams and people were used to having their teammates sitting by the desk next to them and talking to with them whenever they want," Oleksy said, highlighting an aspect of human in-

teraction his employees really miss. Another problem is that many of the ASB Group Poland employees have families and when they stay at home they have to take care of their children. "It seems to be the biggest challenge to combine office and family duties," Oleksy said. "We are very grateful to all of our workers who have taken the challenge and keep on working at home despite having child-minding high on their agendas," he added. All those problems translate, for the company's management, into keeping work efficiency high. While all the best practices for distance work have been introduced, the question of work efficiency is still an issue. "Many people are looking forward to coming back to the office and having all the interactions that humans need to have when work-

clients did not get impacted in a negative way by the pandemic," Oleksy explained. "In fact, some of them, especially in logistics and warehousing, have increased their business because of the pandemic. What is more, tax regulations are changing now and our tax experts are working full time to deliver to our clients."

LESSONS FOR THE FUTURE

According to Oleksy, the lockdown has introduced some significant changes to the ways the company operates and some of them will remain in place after the pandemic is over. The first is the use of electronic documents instead of paper ones. "We will continue to migrate from paper to electronic documents," Oleksy said. "We had been educating our clients about it for a long

“**Videoconferencing has become a standard thing. Now it is a norm that we meet online and everybody uses their cameras and so on. So maybe we used to travel too much for business in the past because it transpires that some business can be dealt well enough with via videoconferencing?**

ing with one another," Oleksy said, adding that as the lockdown continued the company was looking at options so that some people could work at the office, if they wanted to. "We are monitoring the psychological part of distance working in our company," Oleksy said. "We have anonymously polled our workers on how they felt about the lockdown and working from home. So far we have not diagnosed any major problems but we do not exclude that in the future we may resort to the services of a psychotherapist."

KEEPING THE BUSINESS

ASB Group Poland has clients in many countries worldwide including in the US. As the pandemic reached different levels in different countries many clients wanted to make sure the company will continue to deliver its services. "We had to tell them that we were all right and ready to work through the lockdown," Oleksy said. "As things stand, we can continue working like that for a long time. We use electronic documents and there are a lot of processes that we can do via a network. If need be we can go on like this for the next three to four months."

In fact, the company has hired more people because of the situation. "We are lucky because the majority of our

time and we are speeding up this process, and now it seems all companies have taken a milestone step towards electronic forms." Business travel is another issue. Oleksy said that after the pandemic globally business travel will subside. "Videoconferencing has become a standard thing," Oleksy said. "A few years back it was rather difficult to set up a conference call with a client for many reasons, mainly the technical incompatibilities of IT systems involved. Now it is a norm that we meet online and everybody uses their cameras and so on. So maybe we used to travel too much for business in the past because it transpires that some business can be dealt with via videoconferencing."



Marcin Mincer, COO of Swing Development, a provider of IT solutions, followed the news on the COVID-19 pandemic in January and noticed that venture capital experts on the US West Coast were deeply concerned about the spread of the disease and its novel, highly contagious capacity. Hand sanitizer was ordered for the Warsaw office in February, and by the second week of March the company had moved into work-from-home mode. "My first thoughts were about making sure we were doing everything possible to help everyone stay safe and healthy," Mincer said, adding, "I did not think much about the business impact."

But soon enough the impact was plain to see. "Because of the travel ban, our CEO had to stay in Warsaw and cancel his business trip to New York," Mincer said. The visit in the Big Apple was to include a workshop for venture capital experts on finding and managing remote teams, but because of the situation it had to be turned into a webinar. "It had exceptionally good turnout," Mincer said, "and we were able to share our experiences on making the transition from working in the office to fully distributed team in a rapid way."

HOME SWEET HOME

Although face-to-face meetings with clients are non-existent, the company did not find the work-from-home mode a major obstacle as all company people were used to collaborating remotely anyway. "We've been successfully using video conference software for the past eight years," Mincer said, adding that the company did its homework to implement best practices and processes ensuring a good work-life balance for its staff. "I have to say we are incredibly happy about how responsible our staff is in terms of following all the anti-epidemic measures," Mincer said. "Everyone is sheltering

at home and showing great understanding of why it is important to treat those restrictions very seriously. We regularly check-in with everyone and are happy to say that all team members are safe and healthy. We try to keep the spirits up by organizing scheduled time for fun remote activities together, like playing games, charades, or just plain-old happy-hour over Zoom.

BUSINESS AS (NEARLY) USUAL

"We haven't seen drastic changes in the software industry, or at least not yet," Mincer remarked about how the epidemic has impacted the company's business. "Of course, there are ripple effects because our clients rely on their clients who are in different industries, some of them badly affected. The market crash is not instilling confidence in investing in venture capital funds, which are fueling startups, and they are most of our clients. At the same time, thankfully, VC fund and startup investment rounds are usually around 9-12 months, so startups still have the cash they raised before, and VCs still operate funds they closed at the end of last year or beginning of 2020. If markets rebound within the next 3-5 months, we should not see any drastic changes in our sector," Mincer said, adding that everyone is trying to conserve cash right now, because "cash means freedom to choose how you want to move forward with your business and the luxury of waiting things out."

Yet, the contingency mode, as painful as it is for many, also has its upsides when it comes to how modern technology and IT solutions can be applied in innovative ways. Mincer points to food delivery applications as an example, through which bars and restaurants can reach their patrons and sustain business by offering take-away food.

GOVERNMENT AID

Talking about the "Anti-Crisis Shield", a government aid program designed to ease the financial situation of companies negatively impacted by the COVID-19 outbreak, Mincer said that while his team is analyzing it, one thing which strikes everybody is that the government offered delaying certain payments and taxes, but not annulling them nor pardoning, and how significantly difficult and bureaucratic the application process had been made. "Many people are comparing what is being offered by the Pol-

ish government with what, for example, the German government is offering: EUR 5,000 to -15,000 payouts for each job maintained, that are already arriving in people's bank accounts, while in Poland we are waiting for governmental offices to process all the documents that business owners had to fill in in recent days. Looking at this and other western European countries or the United States surely does not make the Polish anti-crisis bill look good," Mincer concluded.

LIFE MUST GO ON

For Mincer it is hard to say how life will change after the pandemic is over, because "exponential models are so sensitive to slightest changes in input variables and the outbreak of COVID-19 follows an exponential curve," he said. This is why he expects that the rest of 2020 will be "rocky for all business and the epidemic coming back in several waves like the 1918 Spanish Flu, yet, hopefully we will be ready in terms of procedures, medical equipment and public healthcare preparedness, especially effective treatment regimens," Mincer said, adding that he hoped a vaccine will eventually eradicate the disease.

While the pandemic will be contained there will be lessons to be learned from it.

"Plenty of companies will realize that employees at home-offices are more effective and can also be cheaper," Mincer said.

"People will not want to spend time commuting anymore. So, the work from home trend will be stronger."

Mincer noted that as people spend more time at home, new challenges will appear for a number of industries and many transitions will take place, just as we have seen, from NBA to e-sports, from movie theaters to streaming, from TV news to YouTube stars, college to ed-tech.

"How will the clothing business change when you no longer need your work attire?" Mincer said. "What about beauty products? Status signaling items like dress watches and luxury cars?"

While time can only provide answers to those questions Mincer is confident that the new normal will mark new business opportunities. "The coming years, for sure, will be a time when a lot of great companies will be created," Mincer said.

“The coming years, for sure, will be a time when a lot of great companies will be created.”



For Jan Małolepszy, Vice President of Engineering at the Polish branch of Pegasystems, a developer of client relationship management software, moving the company's team into work-from-home mode seemed like a normal endeavour. Having seen the news about the COVID-19 pandemic spreading to other countries, his organization encouraged all employees to work from home even before the official lockdown began in Poland. Given that the software company has been making extensive use of technology that supports remote collaboration, this feat was easier to achieve than it might have been for others in the same position.

Pega's product development teams in Kraków had worked with their peers in other locations in the US, the UK, and India, while the company's consulting teams had worked extensively with global clients online. As Pega's employees dispersed to their homes, everybody had their laptops with them, and additional computer screens were provided for those who needed them. The transition went smoothly. "We didn't have any problems, and people did their best as they found themselves adapting to the new situation," said Małolepszy. "The lack of face-to-face contact was replaced with a routine of social morning calls and we even had a 'night out' via videoconferencing. We simply emulate normal life routines while in the stay-at-home mode."

While nearly all of Pega's people in Kraków, some 300, went into the work-from-home mode, some of them didn't find conditions at home suitable for work. The company organized workstations at the office for those people and Pega applied global safety standards. "Pega has offices in many locations around the world, and the company has established safety standards based on the experience and best practices

developed in those countries, where the pandemic struck much earlier than in Poland," Małolepszy explained.

GOING ON AND ON

Pega develops software which supports internal business processes and manages customer engagement. It's purely software with no bricks and mortar additions. The lockdown has not impeded product distribution or client service. In fact, the company has recently posted a new application on its business applications platform which helps manage personal contacts during the pandemic. It is a free update meant to "help our clients in the new reality," Małolepszy said.

While Małolepszy is unable to say how long exactly the company will go on like this, he's positive that it will continue to function in the work-from-home mode for as long as the situation requires. "The question is the human factor and how long people can work being confined to their homes," Małolepszy said.

The global headquarters of the company in Cambridge, Massachusetts, does a good job of monitoring the human aspect of the lockdown. "The company's leadership team has intensified their communications with the employees and things are under control not only in Poland but globally," Małolepszy said, adding that the company employs a total of 5,500 people around the world.

LESSONS FROM THE LOCKDOWN

While it is too early to draw any far-reaching conclusions for the company from the lockdown experience, Małolepszy noted that the work-from-home mode has changed people's perspective on remote collaboration. While before the lockdown, three people in one room could be videoconferencing with two people in two separate locations, now each videoconference participant joins a videoconference from his or her location alone with no teammates by their side in the room. People in faraway locations and in nearby locations appear on the computer screen and all look the same. "Physical distance has diminished," Małolepszy noted. "Now everybody feels that everybody else is close." This, he says, puts a new perspective on how people perceive their colleagues in distant places. "I hope that after we all return to the office in Kraków we will still feel that our colleagues in the United Kingdom and other locations are as near to us as our colleagues in Kraków."

LONGING FOR THE OFFICE

According to Małolepszy, after the lockdown is over, companies will realize that

they need to make a better use of distance communication tools and learn how to use them in more efficient ways so collaboration on a global scale is more effective.

"Companies which were sceptical about using IT solutions before the pandemic will have second thoughts about them and will clear the obstacles they had before in implementing them across their company networks," Małolepszy says. With higher efficiency in using distance communications comes lower demand for business travel. Yet, while videoconferencing may reduce travel costs for companies it is not likely that the technology will replace the office, even in software development. "I can hardly imagine that the technology will replace contact with clients and other team members," Małolepszy said judging by his experience—he has had over 30 years of work as software developer under his belt. "We have a nice office in Kraków, and we are longing to be back there. But when we are at last, we surely will have to think if there is anything that we need to do in a different way than we used to do it before the lockdown," Małolepszy said. "But software development is easier when developers can interface with one another in one room and talk. Plus, working together in one physical location boosts the morale of the employees and preserves the company's integrity," Małolepszy concluded, adding that "Everybody needs integrity and the sense of belonging to the company they work for."

FOR THE RECORD

Corporate Social Responsibility comes in different forms.

When the lockdown began in Poland Pegasystems joined #WzywamyPosilki, a grassroots collaborative group which used technology to match demand for meals among medical personnel with food producers. Pegasystems redirected its fruit deliveries to a restaurant in Kraków that makes salads and smoothies, which are then delivered to healthcare personnel and patients of one of the hospitals in Kraków. Another initiative that Pegasystems has been part of is #TaxiDlaZdrowia. It matches medical personnel with free rides to and from work. The service is delivered by Free Now.

In addition, while confined to their homes during the lockdown, Pegasystems employees have been sewing protective masks and printing protective face shields for medical personnel on their private 3D printers.



Przemysław Łojek, Managing Director of Garmin Polska, first learned about the pandemic from the company's headquarters in January, as it began to raise concerns about the stability of the supply chain from its factories in Asia. The producer of electronic wearables for sport and fitness, and navigation gear for marine vessels and aircraft, was monitoring the outbreak of the pandemic in China wondering whether it would spread to Taiwan where the company has its factories. Luckily enough, this country did not have to close down its key production sites. Having witnessed the outbreaks of SARS in the region a few years earlier Garmin had developed safety procedures for its workers, and in late January it recommended them to its regional branches. "We followed the recommendations and went into the work-from-home mode well before the shutdown was introduced in Poland," said Łojek. "It was relatively easy in Poland because we have sales representative office and do not operate any production facilities, except for a storage facility." Łojek explained that the storage staff were divided into separate teams which do not meet physically when changing shifts. "If someone needs to be quarantined, other members of the team also have to do it, but the other team can continue to work. It is a simple solution," Łojek said.

POSITIVE THINKING

Łojek admits that the first days of the work-from-home mode were a challenge for the management. Although everybody understood the situation and why such safety measures had to take place, people had different emotions and company managers had to monitor the flow of information to make sure that nobody was afraid that the company would cut jobs. "We are a strong company and can go on like that for at least three months," Łojek said. In time it transpired, however, that al-

though Garmin produces wearable gear for outdoor activities, because of the lockdown many of its clients began using their Garmin watches and devices and the client service department had a lot of work. So did the sales department. "A huge number of our clients began exercising indoors during their confinement in anticipation of the summer season, hence the sudden demand for software updates and new gear," Łojek said, adding that the sales of Garmin bikes for indoor training picked up by 100 percent in March as compared to March 2019. Among other positive discoveries during the lockdown phase Łojek pointed to the fact that throughout the lockdown, as all business migrated to the internet, the network withhold the traffic all right. "The IT infrastructure held up well in Poland which is a nice surprise given an earlier pessimistic prognosis," Łojek said.

LESSONS TO LEARN

Łojek noted Garmin was not the only company for which the economic lockdown brought unexpected demand for their products. The sales of computers grew because people need them when confined to their homes, and so do their children who, like it or not, need laptops to participate in distance learning. They all need printers at home, and there is a growing demand for computer cameras because teachers need to see their students. Łojek is positive that many companies will draw lessons from the lockdown experience. While time will show the extent of the knowledge generated by the lockdown, there are some points that already seem obvious. For instance, many companies used distance work solutions before the pandemic but the extensive use of those solutions during the pandemic will make many firms use them permanently even after the pandemic is over. This will cover not only internal communications but also external. "We will resort to distance work solutions for training our sales partners," Łojek said. "It seems that such solutions are less costly and more effective for our purposes than meeting our sales partners in real life." Another lesson for corporations is that the internet matters for sales too. "Many companies will put more effort into growing their online sales channels," Łojek noted, adding that "Nobody can afford to neglect

internet sales any more."

Another lesson for the business sector is that companies need to generate cash reserves for a rainy day. "So far many companies in Poland depended on the cashflow for liquidity," Łojek noted. "With the COVID-19 pandemic the cashflow of many of them was disrupted and they went under."

SOME QUESTIONS

Among the problems that the economic lockdown brought to light for Łojek was one of an economic and political nature. Although in the EU accession treaty Poland declared that it would enter the eurozone, there has been little political support for the idea. As a result, Poland has been keeping its own national currency, the złoty, while the country's largest trading partners are countries which use the euro. When the złoty is weak against the euro it is good for exporters because their products are cheaper when sold in eurozone countries. Yet, a weaker złoty is not a good news for those companies who import goods to Poland. Łojek noted that the złoty lost 10 percent against the euro in three days after the economic lockdown began in Poland. "It calls for rethinking if Poland should remain outside of the eurozone and for how long," Łojek said.

With all his pragmatic approach to problem solving Łojek admits there are questions that only time has the answers to. One major question mark is whether or not consumers will stop buying as a consequence of their uncertainties about the economic situation. "Many people will lose their jobs and their spending power will diminish but so will the spending power of those who will keep their jobs but will think twice before spending another złoty," Łojek said. "This is a major threat which may not go away even when the restraints of the lockdown are taken away. Consumers may have that uncertainty until the end of 2020."

Yet, what seems certain that sooner or later, life will be back to normal. People in general will not tolerate being confined to their homes for too long. They are longing for the good old office, meetings and events. "Many of our workers are looking forward to running outdoors and exercising in the fresh air," Łojek said, hoping this will come rather sooner than later.

“ This is a major threat which may not go away even when the restraints of the lockdown are taken away. Consumers may have that uncertainty until the end of 2020. ”



As usual, **Angelo Pressello** was optimistic. The **CEO and owner of IT services company Directpl** had travelled to visit the company's newly opened office in Manila, in the Philippines, in early February. He observed the sensible precautions taken there and elsewhere in Asia—temperature checks, hand sanitizers, personnel in face-masks—and concluded Covid-19 would be contained like every other scary virus always had been.

Back in Warsaw, by late February Pressello had changed his mind. On February 28, he sent a company-wide email introducing new safety protocols—including precluding staff who had travelled abroad from returning to the office until they'd spent two weeks working from home, which seemed a bit extreme. At that time, it was generally understood that Covid-19 was dangerous only to older people. In his message Pressello asked the relatively young staff to consider they had coworkers who lived with elderly parents or immuno-compromised persons, and no one would want to be the one who helped deliver the deadly virus to a vulnerable person. "I received a few private messages from people thanking me for sending that message," Pressello said. "That's how I knew we were on the right track."

Now convinced Covid-19 would soon lead to the closure of international borders, but in March Pressello elected to travel to the company's Chicago office, plus a round of meetings in Toronto and New York. Pressello departed Warsaw on the morning of March 8 to the news that parts of northern Italy would be locked down. The closures were already starting. He entered the US without incident, surprised not to be asked if he'd recently been to Italy given his Italian last name. In Chicago, Pressello found the bars and restaurants full and himself sounding uncharacteristically negative as he warned everyone he met to prepare for

the coming pandemic. He was in Toronto on Wednesday, March 11 when the US announced it would soon close air traffic to Europe. He canceled his remaining meetings and jumped on the first flight home.

SHARING GOOD VIBES

As a technology company, Directpl moved into work-from-home mode smoothly. After all, it had a significant group of employees who worked from home at least one or two days a week. However, having the whole company essentially shut out of the office was another matter. Pressello and his team began to try to reimagine the social life of the company, almost completely online.

"It all starts with coffee," said Pressello. "Or at least, my day does." Directpl contacted their coffee supplier, then made arrangements to ship a bag of freshly roasted coffee—the same blend available in the office—to all interested employees. "This hits a number of buttons," Pressello explained. "They get a package from us, which is nice. The smell and taste of this particular roast triggers what I hope is a happy memory, and puts people in a productive, working frame of mind, just like in the office." This initiative proved to be a big hit with the team, with employees posting photos of their coffee packages in the company's internal messaging system and on social media, which led to another idea: photo contests.

"In the office, every Friday at two thirty we have a 'fika'—a company coffee break," said Pressello, explaining the concept is a Swedish tradition Directpl adopted from its Scandinavian clients. "We have an online fika now, and every week we have a new challenge," Pressello explained. One week, people sent in photos of their home office, complete with pets, plants and small children. The next week, people dressed up to pretend they were practicing a sport, the following week the theme was 'on vacation'.

"The fact is, we miss each other," said Pressello, who went on to describe the first attempted company-wide online fika as "a magnificent disaster" due to various technical struggles, including the meeting invitation containing two different conference links leading to two separate meetings. "In the middle of the chaos, someone asked if a particular person was on the call. This person has a very specific, loud laugh. There was a moment of silence, and then we all heard that laugh coming in clearly through the line. It was the most wonderful noise I had heard all week," said Pressello.

Directpl organizes a number of events to try and maintain the sense of camaraderie

that is so important for teamwork, including a virtual kitchen, a place where staff can log on just to share a meal with a coworker. There's also a games night and most recently, they've even created a music station. "We try and hire brilliant, capable, creative people who show a lot of initiative. The games and music came from the staff," said Pressello.

For Easter, the company ordered packages of chocolates and had them shipped to each employee based in Poland. "We keep organizing things to keep people together and keep sending packages because I want people to feel they are not on their own out there," Pressello said. "I'm generally a positive person but I worry about people who are not and who may be feeling trapped at home and stressed out. We are a technology company, so naturally we have a number of introverts among us who are perfectly fine with less in-person contact. At the same time, I worry about people starting to feel bad—it's harder to tell when we're never in the office together."

A NET PLUS SITUATION

The joke going around IT companies is that the ultimate impetus for companies' deciding to undergo a digital transformation will not come from the CEO or the CTO but the COVID. For Directpl, so far at least, demand has only grown since the start of the pandemic, and for those clients whose business has been negatively affected, Directpl has been able to provide extra support.

"I was reminded recently that when I bought Directpl and changed us into an IT services company, it was the end of 2012 and the start of the global financial crisis. We went out and grew by 300% over that next year," Pressello recalled. Directpl is currently hiring in response to the growing demand for its services. "It is a net plus for us," Pressello said. "We are going to have business as long as we keep demonstrating value. In the end I did not adjust the plan for the end of the year and I think we are going to meet our goals set for 2020 before the pandemic."

As usual, Angelo Pressello is optimistic.

FOR THE RECORD Corporate Social Responsibility comes in different forms.

As the lockdown began Directpl redirected its fruit deliveries, which arrived to the company twice a week, to a few hospitals in Warsaw. While the hospitals did not experience any problems with fruit provisions, the decision aimed to keep the grocery in business and help it survive the economic shutdown.

MONTHLY MEETING *JANUARY*

THE GREAT MIGRATION

THE GOVERNMENT PLANS TO MOVE STATE ADMINISTRATIONS TO CYBERSPACE AND BUILD A COUNTRYWIDE FAST BROADBAND INTERNET INFRASTRUCTURE BUT THAT REQUIRES KNOWLEDGE AND KNOWHOW FROM THE PRIVATE SECTOR.

In January, at the Monthly Meeting Marek Zagórski, Minister of Digital Affairs, outlined ambitious government plans for building 5G telephone networks as well as creating a nationwide cyber infrastructure for households and also local and state administrations in order to adjust the country's information network to the economic needs of the modern world.

THE NATIONWIDE NETWORK

One of the major infrastructure projects that the ministry is supervising today is the development of the fiberoptic network. It has been under construction for a few years now and has reached a relatively advanced stage, which will allow to wire up some 3 million households by the end of the year, and the remaining 2 million shortly after that.

Along with developing this project, the ministry plans to connect all schools in the country by the end of the year, with some 10,000 already online. "This is an important project," said Minister Zagórski, "because a good, modern school system produces well-educated individuals who are sought after by employers and contribute to the development of the entire economy."

E-GOVERNMENT

As part of the efforts aimed at increasing the efficiency of the internet infrastructure, the ministry is gradually adjusting the central administration so it can embrace

digital solutions. Two separate projects aim to move some of the functions into the cloud. There are two parts involved: a separate cloud platform for the central government and another separate cloud to service the public administration at a local level. Currently, the government is working on all necessary legal regulations which are needed to accomplish the two projects. Minister Zagórski said, he hoped that by the end of March the ministry would be opening first tenders in these two projects.

PUBLIC SERVICES

With the development of the network capacity the government is also gradually transforming many vital public sectors to electronic platforms. Most recently it successfully carried out such a transformation in the health sector, which is managed by the state in Poland. Starting this year, doctor's prescriptions are issued in electronic form. The program was accomplished in due time despite initial reservations from the medical community which, according to the minister, indicates the growing competence of the ministry to carry out major e-migration projects successfully. The minister noted that since the beginning of the year, nearly 8 million prescriptions were registered in the system, which accounted for 75 percent of all prescriptions issued in the first half of January by doctors nationwide.

Minister Zagórski added that in the years

to come the ministry plans to digitize not only certain public services but entire processes in the administration that citizens need to use in order to obtain certain administrative decisions. When this is accomplished all stakeholders will benefit, including the business sector. The minister added that in developing those e-processes the ministry hopes to get feedback from the American business community as well as to solve any problems in such a way that they meet the expectations of international investors.

DIGITAL COMPETENCES

Along with developing the fast broadband infrastructure the ministry is looking at the ways in which it can help citizens develop their digital competencies. Again, the ministry has divided this segment into two parts: consumer competencies and professional IT competencies. The first part focuses on helping citizens extend their use of online services in e-government and e-commerce. "E-solutions offer certain benefits for citizens, in case of e-commerce they help companies grow their markets and sales reach," Minister Zagórski noted.

The second part of the "e-competence" segment focuses on developing digital skills and competences for a range of professionals. There is a need to increase the quality of education in IT and e-commerce related areas across the entire spectrum of university graduation programs, as al-

ready there is not enough people with the right understanding of the digital world. The speaker said that for many years American companies in Poland have been engaged in developing programs for individuals to broaden their digital skills and competences. Many of those programs, such as those run by Cisco, IBM, Google and Microsoft, cater to the general public as well as to entrepreneurs. The ministry regards many of those programs as models to be applied within ministry-affiliated programs that aim to boost digital competencies. Already the ministry has started a number of such schemes, with the most popular being the Center for Developing IT Talents, the Informatics Excellence Centre, and the Academy of Innovative IT Applications.

5G NETWORK

One of the most strategically critical projects currently supervised by the Ministry of Digital Affairs is the creation of the 5G mobile phone network across the country. The ministry had already opened the first tenders for frequencies with the initial plan to have at least one 5G network operational in one large city in Poland by the end of the year.

Minister Zagórski noted that like anywhere in the world, there are security concerns in Poland regarding the application of the new technology. He said, however, that Polish network experts work closely with their colleagues in the US "to make sure that the right cybersecurity standards are in place".

LEGISLATIVE INITIATIVE

The broad and multifaceted approach of the ministry in moving the public sector into the digital realm is best exemplified by legislative initiatives that the ministry has initiated. One of them, called "Paperless", aims to develop digital equivalents

to all administrative procedures that still require old fashioned paperwork or the personal presence of the client in front of the administrative official who manages the process in question. "Our goal is to draft a major law which will overwrite all those old regulations and laws for the benefit of e-solutions," Minister Zagórski said. He added that business community is expected to play an important part in helping the government draft such regulations that will meet the expectations of the entire private sector in all sectors of the economy in Poland. Along with the "Paperless" the ministry is engaged in a number of other projects adjusting regulations in Poland to the EU legal requirements. Among them is the European Electronic Communications Code, which sets new standards for the Polish Telecommunications Act. Again, Minister Zagórski noted that he hoped the private sector will provide significant feedback to ministry experts working on the Polish version of this EU piece of legislation, and encouraged AmCham members to do so.

CYBERSECURITY ALLIANCE

According to the speaker, Poland and the US are working closely to safeguard adequate levels of cybersecurity, not only for the Polish administration but all stakeholders, including businesses. Such cooperation is critical, the minister noted, because cybersecurity is a broad issue which will define the ways in which IT technology is applied in the years to come. "The collaboration with the US in building cybersecurity partnerships has strategic importance for Poland," Minister Zagórski said. He praised US legislators' initiatives, who have reached out to Europe with ideas for a common a cybersecurity standard and

said that the Polish government has a good understanding of the problem, which is why Polish Prime Minister Mateusz Morawiecki and US Vice President Mike Pence signed an agreement to work together on security standards for 5G networks.

Minister Zagórski also said that AmCham-affiliated companies play an important role for the ministry in building cybersecurity partnerships as they can contribute their experience including best practices developed in Poland and other countries. Other cybersecurity standards that the ministry is looking at involve those developed by NATO and within the EU. It is so, because "when it comes to cybersecurity we need a new type of an alliance, along NATO and the EU—a cybersecurity alliance," the minister said.

A WAY FORWARD

The partnership Poland has with the US is economically important, Minister Zagórski noted, adding that "The stronger the economic ties between Poland and the US become the stronger the political alliance of the two countries will be."

In his view, the government encourages American companies to invest in Poland and is open to collaboration with investors to help them facilitate the process. "It is our goal to have deep cooperation with the US, and such which will include technology so our relations are strong and beneficial to the investors as well as to the Polish economy", Minister Zagórski told AmCham members. "Our goal is a strong Polish economy which combines advanced technologies and solutions including the standards of Industry 4.0 with social responsibility and the principles of sustainable economic development."

MAREK ZAGÓRSKI

Appointed Secretary of State at the Ministry of Digital Affairs in January 2018 to overlook the ministry on behalf of Prime Minister Mateusz Morawiecki. In April, Zagórski took over the ministry as its head minister. His earlier ministerial experience includes the years 2006-2007 when he served as Secretary of State at the Ministry of Agriculture and Rural Development, and 2015-2016 when he served as Secretary of State at the Ministry of Treasury before joining the Ministry of Digital Affairs. Between 2005-2006 and 2009-2015 Zagórski served as President of the board of the European Fund for Polish Rural Development. He also served as board member of a number of commercial and non-commercial organizations, including the Securities and Exchange Commission, the Council of the State Treasury Agricultural Property Agency, and the Export Credit Policy Committee. Zagórski graduated from the Faculty of Humanities of the University of Szczecin in 1993 and in 2001 finished postgraduate studies in banking and finance at the Warsaw University of Life Sciences.



MONTHLY MEETING

MARCH

CHALLENGING UNPREDICTABILITY

WITH NEW TAX LEGISLATION PENDING THE MINISTRY OF FINANCE WANTS TO IMPROVE COMMUNICATION WITH THE STAKEHOLDERS IN ORDER TO BECOME A FRIENDLIER PARTNER TO BUSINESS AND THE TAXPAYER

Tax issues are always sensitive for the private sector and even more so when markets go up and down and billions of dollars can disappear in stock value in a matter of days. Such was the overwhelming mood during the Monthly Meeting in March, with guest speaker Jan Sarnowski, Deputy Minister of Finance, who, accidentally, met AmCham members on the day—March 4—the first coronavirus case was identified in Poland.

AmCham advocates stability of regulations, predictability and dialogue with investors, so they know that taxes are addressed in proportion to the needs and do not hinder growth possibilities for businesses, especially those in new and evolving sectors. Also, the chamber is of the opinion that taxes should evolve in such a way that allow investors to plan ahead. Timing is important because companies make their budgets looking forward, and any short-term change in taxation can cause major cashflow problems for companies.

STEP BY STEP

In his address to AmCham Minister Sarnowski highlighted the main policies of the Ministry of Finance. He said that tax regulations have been changing a lot recently because the ministry had to address the problem of tax evasion. “The ministry has become stricter about tax criminality regarding VAT and transferring money to tax havens,” the speaker said.

The ministry can boast about some considerable success because, thanks to the new measures it has applied, the VAT gap was narrowed from 20 percent to 9.5 percent year on year in 2018 and 2019. Also in the same period the ministry recorded in-

creased tax collection efficiency in PIT—nearly 10 percent—and almost a 16 percent increase when it comes to the efficiency with which CIT is collected.

At present, the Ministry of Finance is working on BtoB electronic invoicing as a measure to close the VAT gap in a similar fashion that was done in Italy. The ministry is currently at the preparatory level and has done internal analysis of the Italian model, which seems to be a very efficient model for business and tax revenue authorities. The ministry plans to introduce this solution no later than 2022.

However, there are many models of BtoB invoicing, and the ministry plans to consult the business sector about which model the private sector thinks would best suit its needs in Poland. Apart from the Italian model, there are also efficient solutions to close the VAT gap introduced in Spain and Portugal.

CHANGING ATTITUDES

While applying strict measures to tax collection, the ministry also plans to modify its approach to tax payers so individual tax payers as well as entrepreneurs and companies view the tax authorities as friendlier and more understanding. In this process the ministry finds it critically important “to engage in a constant dialog with businesses and entrepreneurs, to hear their opinions on regulations that the ministry comes up with, and also regulations that are proposed to become law in the coming years,” Deputy Minister Sarnowski said. With this new approach, the ministry hopes, all sides concerned will be more willing to accept tax regulations, both old and new.

An important part of this process is that

the communication between tax offices and tax payers should be efficient and fast. As the speaker said, there is a good understanding within the ministry that for business time is money, which is why it embarked on a “very ambitious” project which will “provide taxpayers with more functionality”. E-Tax Office is meant to hold personalized accounts which will serve as “communication platforms for the tax authorities to reach out on a timely basis to each taxpayer,” and in a more time-efficient fashion than registered letters. The ministry plans to introduce E-Tax Office by the end of the year and it will cover not only all firms in Poland but also certain professionals, such as notaries.

ENGAGING IN DIALOGUE

Another reason for engaging in a dialogue with taxpayers and businesses is to discuss certain tax issues individually at “thematic consulting panels” organized by the ministry. Already one such panel has been organized—the Transfer Price Forum—and it has proven to be an effective way to facilitate dialogue between the ministry and other stakeholders. The ministry plans to use the same formula for discussing new ideas for tax regulations, such as withholding tax.

The Ministry of Finance also plans to embark on yet another consulting project with the stakeholders, this time addressing the issue of to what degree new tax regulations can be suited to the expectations and specifics of businesses and investors. The project is in the initial phase and the ministry will announce more details when it is ready.

Yet another way in which the Ministry of Finance wants to engage the private sector

in helping it draft business-friendly tax legislation is through issuing to business ministerial explanations on tax regulations. This communication with business is meant to encourage companies to send feedback to the ministry regarding the “explanations”. Under Secretary Sarnowski said that so far the ministry has received many responses to a number of “explanations” and it has become clear that this way of consultation “is crucial for ministry experts to understand the point of view of business from the practical angle.”

SUGAR TAX

Engaging in a discussion with AmCham members Under Secretary Sarnowski explained the complexity underlying certain taxes. For instance, when it comes to the new “sugar tax”, which is meant to limit the consumption of sugary drinks, the Ministry of Finance played only a supplementary role in drafting the new legislation, focusing on the technical side of tax revenue generation. The bulk of the legislation was drafted by the Ministry of Economic Development, which among others, decided that some 96 percent of the sugar tax revenue will go to support the National Healthcare Fund, which will use the money to run public information campaigns about the dangers of obesity.

HELPING THE STOCK EXCHANGE

Because it is hard to deploy Polish capital to buy the stock of companies traded at the Warsaw Stock Exchange, the ministry carries internal debates as it plans to help the stock market become more accessible to Polish investors. Here, the ministry is open for debate with the private sector and would like to get feedback on the best

solutions that may be applied in the years to come.

ATTRACTING FOREIGN INVESTORS

When it comes to attracting foreign investors to Poland there are different tax incentives already in place, including for companies which deploy R&D, such as the incentive package called IP Box. Yet, more are being prepared by the Ministry of Economic Development, and they will include incentives for companies which use robots and artificial intelligence. In turn, the Ministry of Finance is working on new tax incentives on capital income tax through which it plans to create the so-called long-maintenance income tax, whereby tax obligations of companies, especially SMEs, can be reduced to the minimum, so the companies can be in business for as long as possible.

RETAIL TAX

Another tax currently being prepared by the Ministry of Finance is the so-called “retail tax”. The speaker excused himself from commenting on this tax explaining that currently it was under revision by the European Commission and he could not comment on it before the commission’s position is made public. This may take a while, the speaker added, as each tax law to be introduced in Poland must be first registered with the EU and accepted by the union and “this slows down the processes.”

WITHHOLDING TAX

What the guest could comment upon was the withholding tax, which the ministry suspended for 2020 but plans to re-introduce next year. Now the ministry needs time to prepare a new piece of legislation concern-

ing the tax. In spring or summer the ministry plans to discuss the program with the private sector.

DISPUTE RESOLUTION

The ministry also looks at opportunities to introduce dispute resolution as a method of settling differences between the Tax Administration and business. The law of mediation was introduced in Poland in 2017, and the new tax laws allow for conciliatory problem solving between the tax authorities and taxpayers, yet they are not a proper dispute resolution mechanism. Under Secretary Sarnowski explained that the ministry has to first analyze how mediation in tax administration is used in other countries before it can consider implementing such solutions in Poland.

BUDGETARY NEEDS

There is a gap of approximately PLN 30-40 billion in the 2021 budget which, many experts say, to close will require increasing taxes, which in turn is a big concern for businesses. Despite that concerns the Ministry of Finance is not working on any projects that would increase the existing tax levels.

ANTICIPATING THE PANDEMIC

At the time of the meeting the government is monitoring the economic situation in the EU and the rate of economic growth in Poland, as well as the potential negative impacts of the coronavirus pandemic. The under secretary said that it was hard to say if the taxes would remain at the existing level. “However,” the speaker said, “internally, the ministry is not intending to boost taxation in Poland this year.”



JAN SARNOWSKI

Appointed Undersecretary of State at the Ministry of Finance in November 2019, Sarnowski is an expert in Polish and German tax laws with professional experience in law and tax consultancy in Berlin and Warsaw. In October 2019 Sarnowski was appointed Plenipotentiary of the Minister of Finance, Investment and Development for international cooperation in the field of VAT. Between 2016-2018, he served as adviser to the Minister of Economic Development and Finance, and was responsible for coordinating the sealing process of the Polish tax system. From June 2018, he served as deputy director of the Income Tax Department and Head of the comparative law team at the Ministry of Finance. Sarnowski graduated from the Faculty of Law and Administration at Warsaw University of Cologne (LL.M.) and took postgraduate studies in tax law at Warsaw University, and the Common Law at WWU Münster and Thomas M. Cooley Law School.

MONTHLY MEETING

APRIL

STEP BY STEP

THE GOVERNMENT TRIES TO BE FLEXIBLE TO HELP FIRMS, BOTH SMALL AND LARGE, IN THE ECONOMIC LOCKDOWN

In April AmCham made history by holding its first Monthly Meeting online in response to the COVID-19 pandemic. The guest speaker was Krzysztof Mazur, Deputy Minister of Economic Development. He joined the meeting from the ministry's building accompanied by Aleksander Siemaszko, Deputy Director at the Department for International Cooperation and Trade at the Ministry of Economic Development. The meeting was moderated by AmCham Chairman Tony Housh. Introducing the topic under discussion—the government's response to the pandemic—Housh said that AmCham's priorities were protecting people from the disease and protecting jobs. Deputy Minister Mazur noted that from the government's perspective, fighting the pandemic is about protecting the foundations of Polish society and the economy. To meet the challenge successfully requires the solidarity of the public and private sectors in sharing the responsibilities.

The deputy minister added that the Monthly Meeting webinar organized by AmCham was a good example of the willingness of the government and private sector to cooperate and support each other in protecting the interest of the Polish society.

HELPING ALL

Explaining the government plan, which

had been introduced in April in stages, the speaker said that the government aims to shield all types of companies from the impacts of the economic lockdown. This is why the government has developed two versions of the anti-crisis legislation, known as Anti-Crisis Shield. The first version comprised new legislation aiming at helping micro and small companies, and offered co-financing of workers' salaries among other provisions, while the second version focused on offering relief to big companies—those employing 250 people or more. This part includes heavy-duty help for big companies, such as co-financing of workers' salaries to the tune of 50 percent of each workers' salary.

The speaker said that providing financial assistance to big companies is managed by the Polish Development Fund, which has earmarked PLN 25 billion for the purpose of helping big companies maintain financial liquidity during the shutdown. Deputy Minister Mazur noted that the government was still consulting with the private sector over the best ways to help companies. This is why the third part of the government aid program, which will be rolled out later and will include some PLN 75 billion designated for supporting the healthcare system, will also allow big companies to negotiate the type of aid they need with the Polish Investment Fund on an individual basis.

KEEPING JOBS

The speaker agreed that keeping jobs is one of the government's priorities as many employees are afraid of being fired, which is unwelcome news for the government. Those fears, combined with real jobs cuts may lead to increasing unemployment levels giving rise to economic and social insecurities and other problems that occur when unemployment is high.

This is why the speaker said that when it comes to ensuring flexible ways to maintain jobs there is a full understanding within the Ministry of Economic Development that "something has to be done at this level" to offer effective ways of protecting jobs. Especially so that massive job cuts may lead to negative impacts when it comes to consumer demand, while stable and relatively strong consumer demand is supposed to fuel an economic recovery when the pandemic is contained.

FOREIGN WORKERS

To help foreigners work in Poland the government extended the work permits of foreigners already working in Poland until the situation is resolved. When it comes to specialists, such as training experts and others, who need to get to Poland in the time of the pandemic the Ministry of the Interior has opened fast-track channels to issue all the necessary permits for such workers.

Talking about cross border workers, the deputy minister said it was too early to say when they would be able to return to work as the government and the epidemic authorities were still analysing the situation. In the meantime the border has to be closed. But Mazur did not exclude that some exceptions would be made for companies which are "significant contributors to value chains" and their cross border workers will soon be allowed to commute to work and back.

KRZYSZTOF MAZUR

Appointed Deputy Minister at the Ministry of Economic Development in 2019, Mazur served as president of the Jagiellonian Club, a think tank, and before that served as a board member of the National Centre for Research and Development. Since 2015, a member of National Development Council, an advisory body of the President of the Republic of Poland. Mazur earned his PhD in political science at the Jagiellonian university in 2012 and took post-graduate studies at the Notre Dame University in Indiana, USA.



Photo: gov.pl/web/rozwoj/krzysztof-mazur

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.

FOCUS AMERICAN INVESTMENT DESK

DESTINATION AMERICA

POLISH FIRMS HAVE MADE THE MOST OF THE OPPORTUNITIES FOUND ON THE US MARKET AND DURING THE PAN-DEMIC SOME INCREASE BUSINESS ACROSS THE OCEAN.

After Poland joined the EU in 2004, Polish firms began to take the advantage of the EU single market and have successfully increased trade with all EU markets, which has also benefited the Polish economy. Measured by its GDP per capita, in 2019, Poland qualified as a developed country by the World Bank.

Another sign of the maturity of the Polish economy is that there is a growing number of Polish companies which trade on the large and challenging US market. Today, hundreds Polish firms export goods and services to the US. In 2018, the value of the total outbound trade in goods reached USD 7.3 billion which was nearly three times the export value of 2010. Quite impressive, even when a good portion of those trade statistics was generated by American companies which have invested in Poland to export to the US. Among them are the producers of aircraft engines and engine parts, medical equipment, automotive parts and furniture. The value of their exports in 2018 generated nearly 29 percent of all the value of Poland's exports to the US.

BRICK AND MORTAR

Some industries do particularly well in the US. A good example is the fast growing Polish furniture sector, which made Poland the second largest global furniture exporter, after China. The total value of furniture production sold in 2019 reached USD 13.2 billion, an increase of USD 1 billion compared to 2018. No wonder why Poland is the sixth largest supplier of furniture to the US, with sales reaching over USD 282 million in 2019.

Along with furniture, made-in-Poland video games have gained a good reputation over the Atlantic. Many fans of video games are familiar with such titles as The Witcher and Dying Light. Poland has become the leading exporter of video games worldwide surpassing the US and Germany with global exports at USD 1.5 billion and a handsome 6 percent of the global market.

SOFTWARE

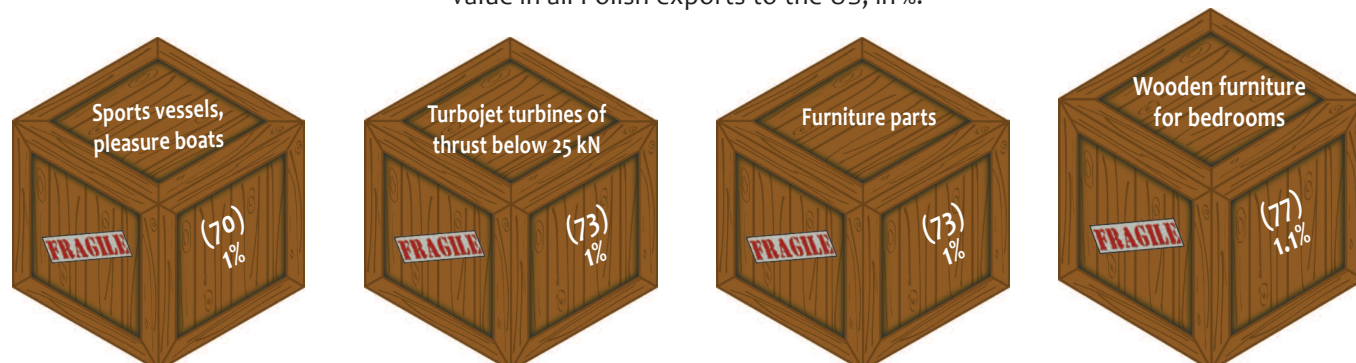
Services account for a significant part of the trade between Poland and the US. In 2018 the value of Polish services export

reached USD 4.5 billion, which translated into a 14 percent year-on-year increase since 2010. Some 70 percent of the trade is generated by knowledge-intensive business services, such as ICT, engineering, and R&D services.

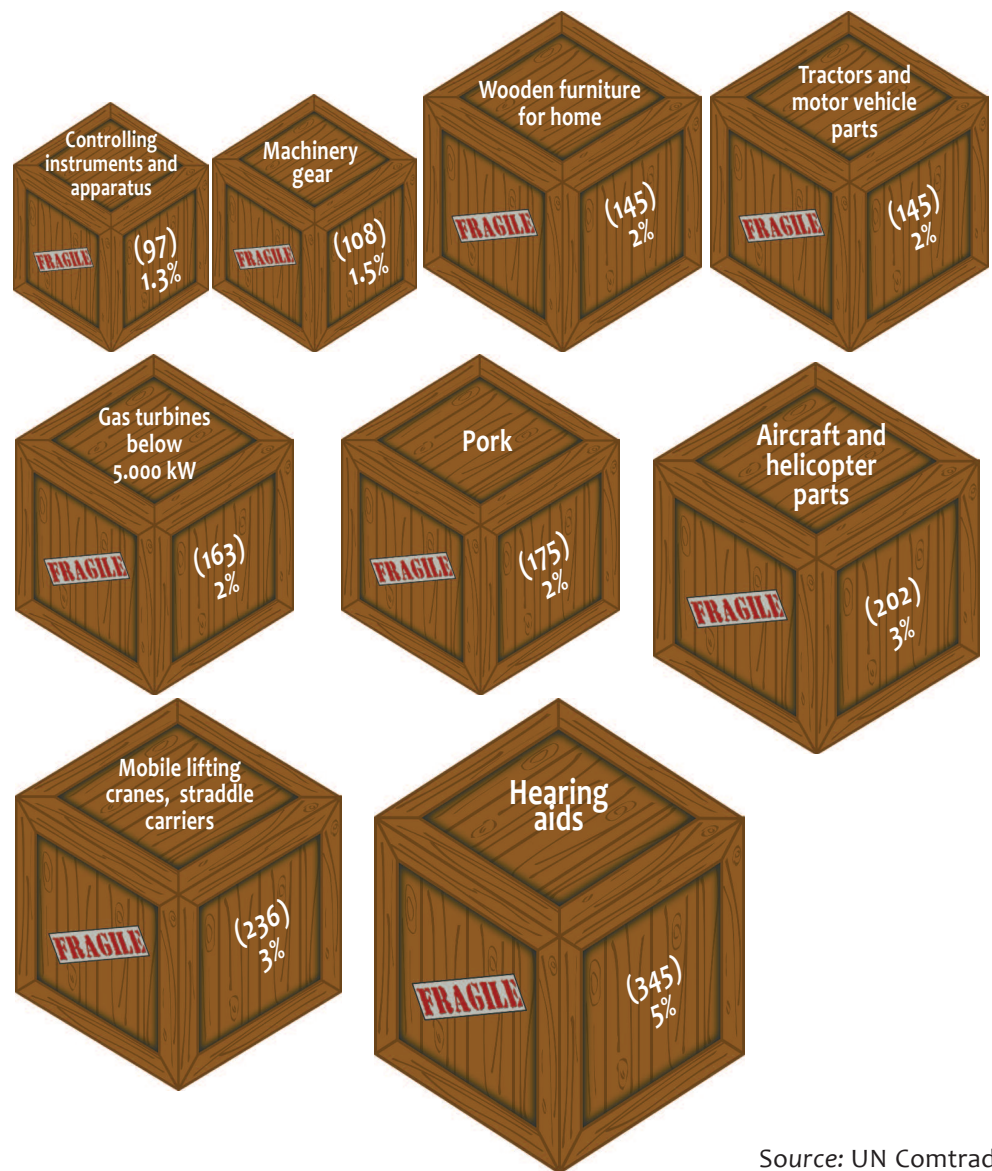
From small software houses to big IT companies, hundreds of Polish technology firms are winning more and more clients in America and this trend is indicated by the numbers on the exports of IT services to the US. Since 2016, sales in this sector have grown rapidly, at approximately 25 percent year-on-year, and currently they amount to one third of the total value of exported services. Many Polish firms feel so confident about the sales of their services in the US that they have established sales offices in America while the production and development teams remain in Poland. Among them are DataWalk, which offers analytical platforms, Immersion with their original virtual reality solutions, and also Euvic, Iteo and many more. They establish offices in the US to increase their sales forces on what is an exceedingly competitive market.

GAINING A FOOTHOLD

Polish exports to the US are becoming more diverse, which is best exemplified by the selected top 13 product categories by value (in USD million) exported from Poland to the US in 2018 with their approximation of proportional value in all Polish exports to the US, in %.



The single-largest product category among the Polish exports to the US in 2018 was turbojet parts and propellers. The value of the products delivered to the US from Poland in this category reached USD 952 million, which translated into 15 percent of all the value of Polish exports to the US that year. The value of other product categories taken jointly amounted to USD 4,292 which translated into 49 percent of the total value of Polish exports to the US. They were transportation vehicles, TV and digital cameras, helicopter equipment, chocolate and cocoa products, appliances for pipes, boiler shells, tanks, vats, gas turbine parts, undercarriage parts for aircrafts, overhead cranes, transporter cranes, solid-state data storage devices, power pumps for liquids, car seat parts, insulated electric conductors, distributors and electric ignition coils.



Source: UN Comtrade

A NEW LANDSCAPE

Polish exports and investments in the US had been steadily growing for over a decade. Today, with the outbreak of the coronavirus pandemic in February 2020 countries have been put under lockdown and industrial production has slumped. At this stage it is impossible to predict what impact the pandemic will have on the global as well as national economies. Suffice to say, however, that bilateral Polish-US trade and investment relations will inevitably be impacted. The US is facing a recession and it may be hard even for such a robust economy to bounce back quickly from the pandemic shock. Experts predict that the coronavirus crisis will cause massive job losses and bankruptcies in the US, and will reshape the trade and investment landscape. Some experts argue that it may lead to various systemic changes like significant reconfigurations in supply chains or the reshoring of manufacturing processes,

which had been relocated to distant countries.

NEW OPPORTUNITIES

Yet with the pandemic there is a massive demand for alternative solutions to allow organizations to work and do business, and maintain their other vital functions. For many IT and e-commerce companies, the pandemic has created new business opportunities. This includes opportunities for Polish IT companies to get new customers in the US. One of them is the VR specialist Immersion, which won international acclaim for its Apollo's Moon Shot application developed for NASA and the Smithsonian Institution. "These days we are working day and night to create and deliver dedicated solutions ordered by our American clients," said Piotr Baczyński, Immersion CEO. "Because of the pandemic we have much more work to do. One of our clients in the US needs a virtual reality

application for home fitness. It is so because the coronavirus has forced many Americans to stay at home so many of them rushed to buy VR goggles and the demand for VR apps in America is now booming."

Although due to the coronavirus pandemic no one can tell what the future of trade and investments relations between Poland and America will be. Nevertheless, the old adage "change creates new opportunities, but only for those who recognize and seize them" is very true today. In recent years, trade between Poland and the US recorded stable growth and this is why there are reasons to believe that it will continue after the US and EU economies recover from the Covid-19 pandemic.

By Ewa Mróz, AmCham AID Manager

EXPERT Leadership strategies

WANT TO LEAD?

A crisis puts leaders in the spotlight.

Being in a leadership role is challenging at the best of times, but in a time of crisis it becomes acute. It might make or break you as a leader. The coronavirus pandemic is forcing us all to step up and no doubt you are trying even harder to look after your people and your business. You may even be required to take a key role in communicating unpleasant messages. As the head of an organization, you will be setting the tone for the response. The past few weeks have made me reflect at length on what makes a good leader.

STYLES OF LEADERSHIP

In recent years, the view of what makes a “good” leader has broadened—the general leading an army is one of a whole portfolio of leadership styles, which means that top jobs can now accommodate a variety of personalities and personal qualities. And leadership is better for that diversity of approach. Further, the working environment is changing. Many organizations around the world are moving to a more agile way of working, challenging leadership norms while unshackling the business from unnecessary bureaucracy. Add to this more decision-making being delegated to teams and you can see why there are so many business books about leadership. What are the qualities you value in leaders? Determination? Certainty of purpose? Vision?

JOINING THE DOTS

For me, there are three quali-

ties that stand out in a good leader. First, an effective leader is someone who can “join the dots” between functions in their organization. This is a quality that is not as common as it ought to be, since it requires a broad mix of skills. You need to know your business inside out, including the people, what they do and their skills. To do this means communicating clearly and driving performance with the right key performance indicators.

This is good news for those of us in the finance function, as systems thinking is what we are good at. We do not just produce the annual accounts: we collect data, gather insights and offer analysis. We have a unique view of where the money goes—or does not go. We know what happens when it is added or removed. It helps us see where businesses can be improved, which is what leaders are meant to do. Career-wise, with this skillset you are in a great position to make the move to the C-suite.

This ability means we are well-placed to make a success of Integrated Reporting (IR). This is something we at the Association of International Certified Professional Accountants, the unified voice of The Chartered Institute of Management Accountants (CIMA) and the American Institute of CPAs (AICPA), have embraced fully because we strongly believe that being able to show the value a business—and communicating that in as complete a way as possible—represents the fu-



By Andrew Harding, FCMA, CGMA, Chief Executive, Management Accounting at the Association of International Certified Professional Accountants

ture of corporate reporting. IR is a good way of blending the skills of the finance function with the broader ambitions of the company. IR is also being used to show where the values of a company lie, and what is a leader if they are not the person who sets the tone for an organization and its values?

RIGHT TARGETS FOR THE RIGHT PEOPLE

Second, leadership is knowing what to measure to achieve success. Leaders need to be keenly-attuned to setting the right goals—set an ambitious target and pursue it relentlessly is my own mantra—and give those targets to the right people. If you can give employees the opportunity to properly use their strengths, and to excel, you will soon see the benefits. This is also a good way to help you retain capable staff.

FEELING EMOTIONS

Third, my view is that leaders should be allowed to feel emotions too. It is controversial, I know. For that, resilience is fundamental. It is a skill which, if you keep practicing it, will serve you well when you reach the top. The image of the leader impervious to setbacks or criticism is unrealistic. It is a recipe for poor mental health and sets the wrong example. Resilience means being able to recover when things go wrong, learn lessons and move on positively. Then repeat. Anything else lacks authenticity.

ADDITIONAL SKILLS

Make no mistake that these qualities are easy to identify but not always easy to apply. There are other factors we

need to take into account when considering which approach to take, and when choosing which candidates exemplify the leadership skills needed for a particular organization.

For example, leading an international business requires an additional skill set—sensitivity to cultural differences at the very least. Challenges to address include offices in multiple locations in wildly differing time-zones; staff consisting of homeworkers and office workers; language differences. If these are not well-managed and leadership calibrated accordingly, communication can only too quickly break down into silence, rapidly followed by collaboration shattering into isolation. Manage these challenges judiciously and well, you can probably guess the impact.

LEAD BY POSITIVE EXAMPLES

Just as we all remember a teacher who made a difference to us in school, I am sure you can also recall a leader you worked for who changed you for the better by the example they set. That said, we have all worked for leaders from whom we have learned what not to do. However, I believe it is better to remember those positive examples, and identify what those individuals did that worked. Then consider if you can use it in your own leadership practice.

In times of adversity, using emotional intelligence, knowing your business and what to prioritize is a strong formula that will help you, and those for whom you are responsible, withstand the challenge.

EXPERT Labor law

CHECKING OPTIONS

There are alternatives to the "Anti-Crisis Shield"

Many employers are struggling with the fallout of the Sars-Cov-2 pandemic. They also might not meet the eligibility criteria for help under the Anti-Crisis Shield. However, various regulations that predate this whole crisis contain interesting solutions that can reduce the economic burden on businesses and help them avoid resorting to most drastic measures. Some provisions allow entrepreneurs to suspend the application of company labor law regulations.

SUSPENDING AGREEMENTS

This course of action is available under: (i) Article 9¹ of the Labor Code, which allows for the conclusion of an agreement suspending internal labor law provisions specifying the rights and obligations of parties to employment relationship, and (ii) Article 241²⁷ of the Labor Code, which specifies in detail the issue of suspending collective agreements. The Labor Code also provides solutions for smaller employers—with fewer than 20 employees—and employers of all sizes who have no collective agreement. Under Article 23¹⁸ of the Labor Code these employers may enter into an agreement with employee representatives on the application of less favorable working conditions than those resulting from individual employment contracts. Importantly, the suspension is effective upon conclusion of the agreement and the provisions on termination of the terms and conditions of work do not apply.

By law the suspension of internal labor law regulations may apply if it is justified by the employer's financial situation. But this criterion is not spelled out in

detail. The Supreme Court took up the issue and ruled that the financial situation of the employer (implicitly bad) is such a vague circumstance that assessment of it is a matter that lies within the competence of the "social partners" (employer and employee representatives). Thus, a court should not assess the temporary suspension of the application of internal labor law or the provisions of the employment contract. However, this does not exclude the possibility of a judicial assessment of the legality of the procedure for entering into the agreement conclusion or issues surrounding equal treatment and non-discrimination (Judgment of 6 December 2005 of the Supreme Court, III PK 91/05). Additionally, it is assumed that the employer's financial distress may have been caused by poor management and/or independent external events—like the coronavirus-induced crisis—which has impacted the financial condition of millions of employers the world over.

SUSPENSION LIMITS

The suspension of the application of internal labor law regulations may cover regulations, statutes, collective agreements and employment contracts. The provisions of the Labor Code and other laws and executive acts are explicitly excluded from this capacity. Attention should also be paid to the subjective restriction of the suspension agreement. It only applies to the sources of labor law covering rights and obligations of parties to the employment relationship and, therefore, does not cover temporary employees or persons on civil law contracts.



By **Aleksandra Minkowicz-Flanek**, Partner, Head of Employment and Labor Practice, Dentons, and **Rozanna Piela-Wojciechowska**, Associate, Employment and Labor Practice, Dentons.

Interestingly, the suspension of the application of a collective agreement (Article 241²⁷ Labor Code) also applies to employees who enjoy protection against the termination of work terms and conditions. This was confirmed by the Supreme Court, which rightly pointed out that the agreement to suspend the application of a company's labor law provisions is aimed at improving the financial situation of the employer, which affects jointly all employees of the establishment, including those under special protection (Judgment of 27 October 2004 of the Supreme Court, I PK 627/03). It is important to add that the whole source of internal labor law may be suspended, as well as any part or even specific provisions chosen by the parties. According to recent jurisprudence of the Supreme Court, there is similarly no obstacle for the employer to include in the agreement other provisions that may to some extent compensate employees for the reduction in their rights during the period of the suspension (The judgement of 1 March 2018 of the Supreme Court, I PK 168/17). Therefore, the content of the agreement depends on the willingness of the parties entitled to conclude it.

CHANGING CONTRACTS

The agreement suspending the application of the company's internal labor law provisions may be concluded by the employer and the trade union organization representing employees or, alternatively, with employee representatives elected in the manner adopted in the workplace. The same rules apply to the conclusion of an agreement to apply less favorable employment conditions. Concerning the suspension of the application of the Collective Bargaining

Agreement, the agreement shall be concluded by the parties to the collective agreement. The exception is the suspension of the application of a sub-company collective agreement. In this situation the agreement shall be concluded by the parties entitled to conclude a company collective agreement. The employer is obliged to submit the concluded suspension agreement to the district labor inspector or, in the case of suspending a collective agreement, to report it to the register of collective agreements.

It follows from the provisions of the Labor Code that an agreement suspending the application of internal provisions of the labor law cannot be concluded for a period longer than 3 years. The admissibility of re-concluding the agreement after that period is controversial. However, the position prevailing in the doctrine is that re-contracting an agreement is permissible, even immediately after the first agreement has expired, as the Labor Code does not contain any regulation prohibiting the conclusion of further agreements, nor does it indicate any minimum break between concluding agreements. It is also important that, in the case of transfer of an establishment to another employer under Article 23¹ of the Labor Code, the suspension agreement remains in force.

BEING FLEXIBLE

In times of crisis you have to think laterally and weigh up the measures available to relieve the economic burden on companies. The solutions presented above already exist in the Labor Code and can be implemented quickly. It's well worth taking a look beyond the Anti-Crisis Shield.

EXPERT The “Anti-Crisis Shield”

DOWNSIZING THE ECONOMY

Basic steps of the new government aid program

The COVID-19 pandemic has hugely impacted the reality of employers and employees in Poland. Many types of commercial activity have been banned and all the measures to combat the spread of the virus have frozen many sectors of the economy. As a result, many businesses are now struggling. To mitigate the unfavorable market consequences of COVID-19, the act commonly called the Anti-Crisis Shield became law on March 31, 2020. Among other regulations, the Anti-Crisis Shield provides employers with the possibility of introducing an economic standstill whereby reducing working time if, as a result of COVID-19, the company has recorded a decline in turnover of:

- At least 15 percent in any two successive calendar months during the period following January 1, 2020, compared to the combined turnover in the same two months of the prior year (e.g. March–April 2020 compared to March–April 2019), or
- At least 25 percent in any calendar month after January 1, 2020, compared to the turnover in the preceding month (e.g. March 2020 compared to February 2020).

NOVEL REGULATION

Before the COVID-19 outbreak, Polish labor law did not include any provisions applicable to the situation of closing a workplace due to a pandemic and any related prohibitions on business operations. The dominant view was that such a situation should be treated as a shutdown under Art. 81 of the Labor Code. Yet, a shutdown as defined by the article gives employees a right to

receive their base pay (hourly or monthly, without bonuses), which many workplaces simply could not afford over a longer-term closing.

Under the Anti-Crisis Shield, in a situation where the employee does not work for reasons not attributable to the employee, the employer may introduce an economic standstill, while reducing employees' pay by no more than 50 percent. However, the salary during the economic standstill may not be less than the minimum wage (PLN 2,600 gross per month in 2020), taking into account the working time. This reduced pay for employees may be subsidized by the Guaranteed Employee Benefits Fund (FGŚP) in the amount of 50 percent of the minimum wage (i.e. PLN 1,300 per month gross), pro rata to the employee's working time. However, this subsidy does not apply to employees whose monthly salary exceeds PLN 15,595.74 (i.e. 300 percent of the average monthly salary from the preceding quarter). The Anti-Crisis Shield also allows employers to reduce employees' working time by 20 percent, but to no lower than half of full-time, and not less than the minimum wage (taking into account the working time). The employer may receive a subsidy from FGŚP of up to half of the employee's salary, but no more than 40 percent of the average monthly salary from the preceding quarter. As in the case of economic standstill, no subsidy is due with respect to employees whose monthly salary exceeds 300 percent of the average monthly salary from the preceding quarter.



By **Marcin Szlasa-Rokicki**, Attorney-at-Law, Senior Associate, and **Agnieszka Król**, Advocate Trainee, Associate, Łaszczuk & Partners.

SUBSIDIES FROM FGŚP

Under the Anti-Crisis Shield, the subsidy for employees covered by economic standstill or reduced working time can be received by employers who through the end of the third quarter of 2019 were not in arrears in paying tax obligations or social insurance contributions. Additionally, the employer must not fulfill the grounds for a declaration of bankruptcy. To receive the subsidy, it is necessary to reach an agreement with the labor unions or elected employee representatives, establishing the conditions and procedures for performing work during the period of economic standstill or reduced working time. If, due to COVID-19, there are difficulties in electing employee representatives, an agreement may be reached with the previously elected employee representatives. Apart from subsidies for salaries, employers are entitled to money from FGŚP to pay social insurance contributions on these benefits. An employer who has received a subsidy from FGŚP for salaries may not terminate an employee's employment contract for reasons not attributable to the employee during the period when the employee is receiving the benefits.

OTHER PROVISIONS

The Anti-Crisis Shield also provides special solutions for certain categories of employers. An employer which has a micro, small, or medium-sized enterprise and which has suffered a decline in turnover due to the COVID-19 pandemic may apply for a subsidy for employees' salaries and social insurance contributions based on an agreement concluded with the head of the county (starosta). In turn, employers conducting

activity related to ensuring the functioning of critical infrastructure are entitled to make modifications in how they regulate working time.

ORGANIZATION OF WORK

Apart from the Anti-Crisis Shield as such, from time to time the government presents various additional regulations affecting the organization of work at workplaces, aimed at limiting the spread of COVID-19.

In connection with COVID-19, if the work organization allows, workstations of individuals at the workplace must be separated from each other by at least 1.5 meters. The employer is also required to provide additional safety measures for employees such as sanitizing liquids or protective gloves. Additionally, persons directly involved in serving customers or the public are required to cover their nose and mouth, generally with masks. It is permissible for the employee to wear a facial visor instead if they are separated from customers by an additional shield. Also, employers are entitled to check their employees' body temperature for fever. Under Art. 207 of the Labor Code, the employer has a duty to protect employees' life and health, and to ensure safe and hygienic working conditions, and the subordinate is required to cooperate in carrying out these tasks. Measuring the temperature of employees and others entering the work site is thus entirely justified. It should also be pointed out that employees who are parents of children up to age 8 can be released from work to care for their child and are entitled to a special childcare benefit in the event of closing of the nursery, preschool, daycare center or school.

EXPERT Retail sector during the pandemic

BEYOND RENT GRACE

Changes for landlords and tenants of shopping centers

Lease agreements, especially for commercial premises in shopping centers with a sales area exceeding 2,000 square meters, have been significantly affected since March 14, 2020. As of that date, both parties to lease relations have been counting their losses in the wake of the COVID-19 pandemic and the subsequent trade ban imposed by the Polish government.

Since that date, the epidemic authorities prohibited selling textiles, clothing, footwear and leather products, furniture and lighting equipment, radio and television equipment or household appliances, stationery articles and books, and also conducting catering and entertainment activities in shopping centers exceeding 2,000 square meters. As of March 21, 2020, the only permitted activity in such shopping centers remain selling foodstuffs, cosmetics other than perfumes or beauty cosmetics, toiletries, cleaning products, medicinal products, medical devices, foods for particular nutritional purposes, newspapers, construction and renovation products and also pet goods and fuels. When it comes to services those allowed are medical, banking, insurance, postal, laundry, and catering services. In addition, as of April 1, 2020, hardware and construction stores must be closed during weekends. Furthermore, from March 21 all sales or services at commercial stands at shopping centers of a sales area exceeding 2,000 square meters are prohibited. Apart from the trade restrictions listed above, other limita-

tions introduced by the Polish authorities have also impacted trade and therefore both parties to lease agreements. These include people mobility restrictions, limitations on the number of people inside shops and service facilities, exclusive right to enter shops or service facilities between 10 a.m. and noon for seniors aged 65 years and over. In addition stores and service facilities are under new obligations to provide disposable gloves or hand sanitizers for customers and to sanitize service desks or checkouts after each customer.

WHAT'S NEW?

With regard to lease agreements at shopping centers, Article 15 of the Act of March 2, 2020 on special solutions for preventing, counteracting and combating COVID-19, other infectious diseases and crisis situations caused by them (introduced by the amendment dated March 31, 2020) provides for the expiration of mutual obligations of the parties to a lease agreement during the business activity ban. Mutual expiration of obligations in relation to the tenant means that the tenant is, *inter alia*, temporarily exempt from the obligation to pay rent, service charges and other lease payments, while the landlord is relieved, for example, of the obligation to provide services to the tenant. It is not clear under the act, however, if this temporary expiration ought to be understood as the release from the obligation to provide the services to which the parties are obliged under the lease agreement

during business activity ban or the release from other (and, if so, which) lease obligations. In particular, the wording of the legislation does not answer the question whether the landlord may require the tenant to handover the premises (the landlord may wish to sign a temporary, short-term lease contract with a foodstuffs or pharmacy operator to make the premises profitable during the trade restrictions). Also, some landlords may decide to ask the tenants to pay a storage fee for the period when the premises are closed to the public (to ensure a rent equivalent instead of standard lease payments). However, the Act does not give a clear answer if such a request is justified. The same questions would also apply to such issues as the return of bank guarantees to the tenant, cash deposits securing the amounts due under the lease agreement or tenant's declarations on voluntary submission to enforcement. The Polish legislator, by introducing "rent grace periods" for most tenants in the above retail facilities, has in practice encroached on the civil relations between the landlord and the tenant by deciding, among other provisions, that the landlord will not receive any lease payments from the tenant. This regulation has come under much criticism from the Polish real estate market, as it does not introduce any governmental support for any of the parties. It is fully financed from the landlords' pockets, which in many cases may drive them into distress or even bankruptcy, especially when lease payments are used to repay bank loans taken out to build a given retail facility. If the landlords, due to lack of financial support, are

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not able to provide services and manage the facility, the shopping centers, once reopened, may be unfit for operation, which would affect the tenants and their businesses as well.

MOVING ON

Within three months following the lifting of the business activity ban, the tenant will be obliged to submit to the landlord an offer to extend the lease period by the period of the ban and an additional six months. Thus, if the ban lasts six weeks, the offer should cover seven months and two weeks.

The terms and conditions of the lease are to remain unchanged during the extended lease period, which means that the tenant cannot demand lower rent.

If the landlord accepts the tenant's offer, the lease is extended under the existing terms for the ban period plus six months. If the tenant does not submit the offer, the lease will not be extended and the tenant will pay all lease payments due for the ban period. At the moment, the tenants are monitoring the actual and legal situation in order to decide what would be more efficient for them for a particular lease location: payment for the trade ban period or lease agreement extension. On the other hand, the landlords would like to have any profit from the leased premises and may consider a storage fee, lease of the premises to an operator not affected by the ban and/or signing an arrangement with the current tenant requiring it to declare the lease extension now. In some cases, a mutual agreement may help both parties survive.

EXPERT Retail sector during the pandemic

THE DAY AFTER

Lease agreements in retail will have to be redrawn when the pandemic is over.

Because of the limits on trade imposed by Poland's epidemic authorities vis-a-vis the COVID-19 pandemic the retail sector, especially in shopping malls totalling over 2,000 square meters, has been suffering considerable losses.

Since mid-March 2020, only specific shops have been permitted to operate in shopping malls, in particular, those offering food, tobacco products, dry-cleaners and pharmacies. Hairdresser's, beauty salons, pubs and entertainment facilities have been generally closed and not only those in shopping malls but also outside them.

Despite the fact that certain business operating in premises located outside shopping malls are still permitted to function, they have been facing huge losses as a result of a significant drop in the numbers of customers. Other shops closed their premises based on their own decision.

Even if certain businesses switched to e-commerce or increased their income generated through e-channels, in most cases it does not compensate for the losses suffered by the traditional channel.

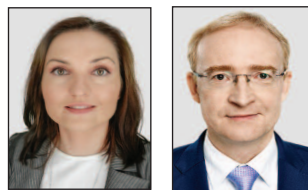
The Act of March 31, 2020 amending the Act on Extraordinary Measures for Preventing, Counteracting and Combating COVID-19, Other Infectious Diseases and Emergencies Caused by Them, and Certain Other Acts (the so-called 'Shield') provides for special regulations concerning lease agreements, in particular regarding premises located in

shopping centers, lease of residential premises as well as the lease of property (including premises) from public entities (communes or State Treasury). When it comes to commercial premises, and commercial leases impacted by the Shield, the mutual obligations of the parties under lease contracts concerning commercial premises located in these facilities are 'extinguished'.

It means that for the entire period of the ban (as from March 14, 2020), tenants affected by the ban are not required to pay any rent or maintenance (exploitation) fees, and landlords are not obliged to make premises available to tenants. The expiry of the mutual obligations of the parties to the lease agreement occurs by force of law. It means that the tenant is generally not obliged to submit to the landlord any declarations in this scope.

EXTEND OR NOT?

Under the Shield's provisions, in order to return to the premises after the expiry of the ban, the tenant should, within three months from the date of lifting the ban on business operations, submit to the landlord an offer to extend the lifetime of the lease agreement, on hitherto binding terms, for the duration of the ban, extended by six months. It is unclear, in this context, whether the tenant's offer shall be interpreted as binding for the landlord or not, and if the landlord may refuse to accept the tenant's offer. In our opinion, the legislator's intention



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was rather to give the tenant—a party generally perceived to be weaker in the lease relation—an opportunity to decide whether it chooses not to extend the lease agreement after the expiry of the ban, or whether they prefer to continue with the lease. However, due to the unclear wording of the provision, an opposite interpretation, allowing the landlord to reject the tenant's offer, should not be excluded. With this in mind, attention should be drawn to the cases, where in accordance with the original agreement, a given lease expires during the period of the ban or within three consecutive months (when the lessee is entitled to submit an offer to the landlord). In our opinion, in such cases the lease should expire. An opposite interpretation would imply excessive disadvantage for the landlord, especially in cases where the landlord has already concluded a lease agreement for the same premises with another tenant.

At the same time, the Shield provides for a possibility for the parties to the lease agreement to take advantage from the provisions of the Civil Code "regulating the obligations of the parties in cases where limitations of freedom of business are introduced". Irrespective of the unclear wording of the provision, it seems that it opens a possibility for the parties to negotiate the terms and conditions of the lease agreement after the tenant's return to the premises in accordance with the so-called *rebus sic stantibus* clause—enabling for a modification of the terms of a legal relationship as a result of considerable changes of condi-

tions. The clause in question may be used by the parties in particular in order to negotiate a modification to the amount of rent for the premises due to the pandemic, as an unexpected event.

OTHER COMMERCIAL LEASES

It should be noted that the above regulations concern only a small number of tenants of commercial premises—those who operate in shopping centers and whose business is covered by the governmental ban on operations. The regulations do not address (i) tenants whose business is not affected by the official ban, also in cases where they are located in shopping centers (such as tobacconists or dry-cleaners) and (ii) tenants of premises located outside shopping centers, irrespective whether they are covered by the ban or not.

Here attention should be drawn to the general provisions of the Shield, according to which lease agreements of premises, concluded for a definite period of time, shall be generally extended until June 30, 2020, based on the tenant's unilateral declaration. Accordingly, until June 30 it is generally inadmissible to terminate the lease agreement (both concluded for a definite or indefinite period of time) or increase the lease rent. Since these regulations concern all premises, they are also applicable to the commercial ones, except for leases in shopping centers affected by the ban on operations, covered by particular provisions referred to above.

However, the above solutions do not seem to solve the most

significant problem the tenants are facing today, namely, the enormous drop in revenues resulting from business activity. In this regard, in our opinion, the tenants should try to negotiate with their landlords for a reduction or even suspension of rent in the case of the premises being closed. They should do so even in the absence of a strict obligation to do so. The possible claims of tenants may be based on the provisions of their individual lease agreements, in particular concerning *force majeure*—an unexpected external occurrence that could not be prevented—or respective provisions of the Civil Code, such as the above mentioned change of conditions during the legal relationship.

PUBLIC LANDLORDS

Another category of commercial leases comprises the premises leased from public owners, such as State Treasury or local government. In fact, many municipal communes rent their premises situated in premium locations for commercial purposes.

First, the solutions of the Shield related to the extension of lease agreements and inadmissibility to terminate or increase the rent seem applicable also to the category at issue. The tenants may also endeavor to benefit from the provisions of their individual lease agreements and from the solutions resulting from the general provisions.

Second, the Shield contains additional preferences regarding these premises. In particular, the Shield provides a simplified mode of cancelling, deferring rents, or enabling their payment in instalments in individual cases. Unlike earlier, it will be no longer necessary to obtain an additional consent from local officials for such preferences. Furthermore, according to the Shield, the preferences at issue can be provided in a general mode, by the resolutions of the respec-

tive bodies of local governments, such as city councils. Such resolutions can introduce a general cancellation of rents or other reliefs for entrepreneurs whose liquidity was reduced. An additional legal basis for such preferences is the Act on crisis management dated April 26, 2020, enabling the commune's executive bodies—such as mayor and city president—to introduce particular relief for local businesses. So far, the respective general preferences have

been granted with regard to real estates in Warsaw, Łódź, Wrocław, Poznań, Gdańsk and Kraków.

BEYOND THE SHIELD

There is no doubt that COVID-19 pandemic contributed to an enormous decrease in revenues for businesses. Due to the short timeframe for its preparation, the Shield, while providing considerable preferences for the tenants, still leaves a considerable space for interpretation of its provi-

sions. In order to increase their chances in potential negotiations with landlords (or in possible future court proceedings), the tenants planning to avail themselves of the Shield's solutions should analyze their legal situation not only from the perspective of the Shield's provisions but also taking into account the clauses included in their individual lease agreements, which can provide for more favorable solutions than those resulting from the Shield.



EXPERT Relief for companies

GOVERNMENT'S HELPING HAND

Companies can use government aid but it seems slow and bureaucratic

The coronavirus pandemic triggered parliament to draw up the Anti-Crisis Shield—which contains solutions to help entrepreneurs during this difficult period. Below we have outlined some of the most important elements of the Shield.

TAX SOLUTIONS

As regards corporate income tax (CIT), entrepreneurs will be able to deduct the loss incurred in 2020 from their 2019 income and possibly obtain a refund on tax paid for 2019.

Taxpayers may also extend the payment of some taxes. For example, the CIT settlement deadline has been extended by two months, while the deadline for payment of the minimum tax on commercial real estate was extended until July 20, 2020. Also crucial for taxpayers is the option to delay payment of personal income tax (PIT) withholdings for remuneration for March and April 2020. The deadline was extended to June 1, 2020. Also, local governments may introduce property tax exemptions. However, all those solutions apply to taxpayers who meet specific criteria. Firstly, in order to use them, the taxpayer has had to, in principle, suffer negative consequences of the epidemic, and should be able to demonstrate it. What is more, in the case of some concessions or exemptions, the companies should be able to prove that their business income for the given month has been at least 50 percent lower compared with the same month in 2019. It is also worth noting that in

addition to the solutions provided by the Anti-Crisis Shield, taxpayers who due to the current situation have problems with timely payment of taxes may apply for the payment to be deferred or even waived. This refers to the procedures provided for in the Tax Ordinance; however, when applying for the above-mentioned concessions, there is no guarantee that every application will be approved as the decision is made by the tax authority and is discretionary.

PROTECTION OF JOBS

The Anti-Crisis Shield was also intended to respond to legitimate concerns about losing business opportunities and the need to reduce employment levels. At present, it seems that this need has been best answered by a regulation enabling entrepreneurs (employing fewer than 10 people) to be exempt from paying ZUS (Social Insurance Institution) contributions from March to May 2020. Employers who decide to introduce so-called economic downtime at their workplaces may reduce employee remuneration (by a maximum of 50 percent), and the reduced remuneration may be co-financed by the Guaranteed Employee Benefits Fund (FGŚP). The use of this funding has clearly been made conditional on a decline in turnover as a result of the coronavirus outbreak. Another solution included in the Anti-Crisis Shield is that employers affected by a decrease in turnover can, without intro-



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ducing downtime, reduce the working time of employees by 20 percent. An employee who has had their hours reduced is entitled to remuneration proportional to their hours. In this situation, the employer may apply for FGŚP co-financing of the remuneration of the employee who has had their hours reduced, in an amount up to half of the remuneration, but not more than 40 percent of the average monthly remuneration for the previous quarter. Employers who receive co-financed remuneration are required to keep the jobs for which the co-financing has been granted during the period it is received and for three months after it ceases. Importantly, the conditions and mode of work during economic downtime, as well as the limitation of the working hours must be determined in consultation with trade union organizations operating at the workplace, and, if such do not exist, with employee representatives.

A contractor who is not conducting business activity but performing work based on a contract concluded before February 1, 2020 may apply for a downtime benefit from ZUS, if their contracting authority has also suspended activities. Remuneration paid to employees due to the economic downtime and the reduction of working hours (as previously mentioned) can also be co-financed by the local government — the *starosta* — under a contract signed with it. The funding covers not only the remuneration itself, but also the social security contributions due on it. As in the previous examples, for an employer to receive assistance from the *starosta*, the firm must have a lower turnover.

WHAT'S NEXT?

The solutions provided for in the Anti-Crisis Shield to protect the liquidity of enterprises and jobs were expected and needed. It is best evidenced by the fact that by mid-April the number of beneficiaries of the Shield had approached 1 million. The vast majority of applications concern exemptions from ZUS contributions. Although the estimated value of government support was PLN 212 billion (i.e. approximately 10 percent of Poland's GDP), arguments appeared quite quickly that the Shield comes with too much bureaucracy, which hinders the effective preparation of applications. Examples of other countries have also been highlighted, such as Great Britain (where co-financing for employee salaries is 80 percent), Norway (where the VAT rate has been reduced) and Hungary (where relief has been introduced for business loans). It has been argued that the assistance will not be effective if most of the solutions are based on deferring payments instead of waiving them in full, which Poland should be able to afford since the budget is balanced and would allow us to sharply increase support in such an exceptional situation. Yet, in April an additional assistance plan was prepared, which is already being called Shield 2.0. It assigns PLN 100 billion in financing for entrepreneurs as grants for keeping businesses going, maintaining employee remuneration and loan repayments. Importantly, companies that maintain employment at their current level can count on the cancellation of even up to 75 percent of their liability. Time will show if Shield 2.0 is properly fulfilling its function.

EXPERT Commercial real estate

A NEW PERSPECTIVE

There are new challenges and opportunities on the industrial market in Poland.

2020 will be a year of challenges and unprecedented change which will reshape economies, sectors, companies and test our ability to quickly adapt to new realities. Risks related to COVID-19 will certainly be the key contributory factor in this year's economic slowdown in Poland. For now, it is difficult to assess the scale of the pandemic's impact on economic activity, but in general occupier demand, although fragmented, has weakened as companies stop to assess the impact and implement plans to safeguard cash flows, employees and maintain a level of business continuity. Poland's strong economic fundamentals should help "soften the blow" and will undoubtedly create new opportunities as the government and private sector focus on containing the impact of COVID-19 and implementing measures which would allow the economy to overcome these exceptional challenges.

TOWARDS ONLINE SALES

Over the last few weeks global real estate markets have been impacted across all segments, however the industrial and logistics sector is showing the most resilience due to its close interconnectivity with physically providing humanity with essential products and equipment. Notwithstanding, some segments in the manufacturing sector will witness severe decline, however, we are already noting substantial

growth in certain areas. If we look at demand, starting from the consumer, and the social distancing restrictions in place, many of us have been forced to investigate alternative ways of purchasing food, grocery, health and medical products. With shopping malls shutdown and grocery stores initially struggling to replenish stockpiles as a result of panic buying, coupled with the fact there are queues due to limits on the number of people per store, for many this has meant exploring the world of e-commerce and ordering products delivered to their home. Online shopping has been on an upward trajectory for several years as a result of a structural change from bricks and mortar retail towards e-commerce. Companies already trading online are currently seeing a surge in demand, some even breaking sales records experienced pre- and post-Christmas season, whilst others are now scrambling to develop their online sales platforms. The pandemic is definitely accelerating this transition to online and for many companies, adapting to and embracing e-commerce is now an absolute necessity which will boost the logistics sector, its supporting industries and therefore also the need for big-box logistics and in-town warehouse space. Many of the traditional retailers, however, are hemorrhaging cash reserves right now as a result of retail store clo-

sures and no sales occurring, despite the fact that all the shops are fully stocked. With ports functioning at near normal capacity in China, retailers are struggling with where to store unsold inventory and will also now need to manage new shipments arriving in the coming weeks. Ports are an expensive solution to house stock for extended periods of time therefore there has been a dramatic increase in requirements for short-term warehouse space, 3-6 months primarily from retailers as they buy time and try gain some visibility on when stores could re-open.

INTERRUPTIONS NOT EXCLUDED

The first quarter of this year has already witnessed some significant transactions take place therefore the occupancy take-up figures are quite strong. In the medium-long term Poland should become the recipient of new investment as manufacturers decide to diversify their manufacturing locations as they move away from over reliance on certain geographies. Producers will look to optimize their supply chains with more attention given to risk aversion and safeguarding the future movement of goods in relation to costs. Manufacturers implementing steps in locating production functions closer to their customer bases and reshoring projects are likely to also increase in number, a trend which has been witnessed for several years now. On the supply side, the majority of industrial and logistics development projects already under construction are moving forward with minimal dis-

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ruption or delay. Planned projects, especially those which are speculative, are being reviewed with caution. In the short term, developers may face challenges in working through various administrative formalities connected with planned projects as a result of a reduction in resources working within the municipalities. This may therefore delay the commencement of new projects for several months. For projects already under construction and which comprise of a high speculative component, we can expect this space to either be leased on a short-term basis if possible. If not, then we expect that in time the vacant space coming to market in 2020 may push out as companies revisit their growth and acquisition activities. This in turn may put additional upward pressure on the vacancy rate by year end as we should expect that some of the existing space will come back on the market as a result of downsizing activities or defaults. Developers may also see some delays in working with their banking institutions and investors who will need to give priority to managing investments in other assets classes which are facing significant challenges. However, I am certain that we will see a slowdown in Poland's economic growth which will likely trigger a fall in construction costs as well as land prices. This will benefit those occupiers and investors who are committed but in the planning stages on strategic industrial and logistics space projects in Poland.

EXPERT Government Anti-Crisis Shield

PRESERVING THE ECONOMY

Government provisions help companies survive until business takes off again

Government provisions help companies survive until business takes off again. As is the case all around the globe, the COVID-19 outbreak has been wreaking havoc in the Polish economy too. In order to prevent an economic collapse, the Polish parliament passed the so-called "Anti-Crisis Shield", a bill that entered into force on March 31, 2020 and was amended by Anti-Crisis Shield 2.0. which provisions entered into force on April 18, 2020. It provides a business support package for Polish enterprises and employees to counteract the effects of the economic shutdown.

KEEPING JOBS

The Anti-Crisis Shield offers two solutions aimed at job protection. They are available to employers who have suffered a specified decrease in turnover, i.e. a 15-percent drop for two consecutive months year-on-year, or a 25-percent drop month-on-month. Companies which suffered either type of loss may apply for subsidies to help cover the wages of their employees who do not work full time as the company goes through downtime. Those companies may also have the social insurance premiums of their employees paid for by the government. The solution includes employees working on contracts of mandate or other service contracts assuming the employer is obliged to pay social insurance premium on these contracts. During the economic downtime, wages may be reduced by up to 50 percent, provided they do not drop below the statutory

minimum wage level. In such cases employers shall receive a subsidy equal to 50 percent of the minimum wage (which currently comes in at PLN 1,300). Alternatively, if there are no grounds for introducing a downtime, the employers may reduce the working time of the employees by up to 20 percent, but not more than to half of the working time. By doing this companies may obtain co-financing of the amount not exceeding 40 percent of the average monthly remuneration from the previous quarter. The maximum period to use the subsidies is three months. Subsidized employees cannot be made redundant during this time. In order to benefit from these solutions, employers need to evaluate their current situation and choose the solution which best fits their individual needs. Both options require co-operation with the employees as the law obliges the employer to conclude an agreement with workers' representatives in which they define the working conditions in the period of an economic downtime or when worktime is reduced.

SMALL BUSINESS

Under the Shield, micro, small and medium-sized enterprises may apply for other forms of subsidies for wages and the related social insurance premiums. The support is addressed to businesses that have experienced a decrease in turnover and its amount depends on the scale of such a drop. In other words, the larger the drop, the higher the subsidy. An employer that has suffered at least an 80-percent turnover drop may re-



By **Magda Kozak**, Associate, and **Jakub Łabuz**, Managing Associate, Deloitte Legal in Poland.

ceive a subsidy as high as 90 percent of the minimum wage per employee. Again, the maximum subsidy period length is three months. Employers using it must maintain the subsidized headcount during the subsidy period. Entrepreneurs interested in this form of support need to file an application with the competent District Employment Office. The subsidy is receivable based on an agreement concluded with the competent county mayor. A similar solution is available for the self-employed provided that they maintain business activity during the subsidized period. For the persons performing work under civil contracts (mandate or service contract) and self-employed persons, the Anti-Crisis Shield provides a monthly benefit from the Social Insurance Institution (ZUS). This benefit applies in relation to contracts signed before April 1, 2020 and the business activity registered prior to February 1, 2020, if a downtime in business activity of such persons occurs. Generally, the benefit may amount up to 80 percent of the minimum remuneration, which means that such persons may obtain even PLN 2,080.

ZUS PREMIUMS

A discharge from the obligation to pay social insurance premiums is another form of improving liquidity and reducing financial burdens for enterprises that reported less than 10 insured employees. Upon request, their social insurance premiums and certain other payments for the period of three months beginning from March 1, 2020 may be forgiven. The Anti-crisis Shield 2.0 introduced a discharge also for enterprises that reported less than 50 employees in the amount of 50 percent of the total social insurance premi-

ums.

This form of support is available also for sole proprietors who conducted business operations prior to April 1, 2020 if their revenue generated in the first month included in the application did not exceed 300 percent of the average remuneration for 2020. Entrepreneurs who do not qualify for this type of subsidy and do not have sufficient funds to pay their social insurance liabilities may apply for payment in installments or for a deferral.

ADDITIONAL FINANCING

Micro entrepreneurs may obtain a PLN 5,000 loan. It may be used to satisfy the most pressing liabilities. The maximum repayment period will be 12 months with a 3-month grace period. The loan may be redeemed at the request of the entrepreneur. However, in order to be relieved from the obligation to repay, the entrepreneur needs to declare that it maintained business activity within the period of 3 months after obtaining the loan. The Anti-Crisis Shield provides a number of solutions regarding tax liabilities, including a deferral of certain tax liabilities, waiver of the prolongation fee, exemption from real property tax, and others.

ANTI-CRISIS SHIELD 3.0

Faced by the perspective of the prolonged state of epidemic with its economic effects growing worse over time, the government is working on further amendments to the Anti-Crisis Shield, which will probably include additional solutions for businesses affected by the crisis, available for a broader group of entrepreneurs.

EXPERT Public aid

MORE ADAPTABILITY

The beneficiaries of the EU operational programs have some room for maneuver

On April 17, the Polish President signed the Act of 3 April 2020 on Specific Arrangements to Support the Implementation of Operational Programs in relation to COVID-19 in 2020 ("Act"). The Act applies to projects based on operational programs (i.e. national, regional or European Territorial Cooperation operational programs co-financed from EU or national funds) and on the European Economic Area Financial Mechanism, the Norwegian Financial Mechanism and the Swiss-Polish Cooperation Program. The Act is meant to give more flexibility to the beneficiaries of the programs in implementing ongoing projects to maximize efficiency and limit financial losses. The Act also addresses forthcoming programs planned for this year.

IN DETAIL

First, the Act introduces mechanism concerning incurred expenditures. It introduces a support mechanism in the event of irregularities in the proper implementation of a project caused directly by the occurrence of COVID-19. If the beneficiary can prove that, despite exercising due diligence, it was not possible to prevent the irregularity, the estimated value of the financial correction resulting from the irregularity does not have to be reimbursed. Moreover, if, as a result of COVID-19, it was not possible to achieve the objective for which the expenditure was incurred, the funds spent may be considered as eligible expenditure. The beneficiary is obliged to demonstrate that it exercised due dili-

gence and took all the necessary measures to recover the expenditure incurred in a timely manner, or that it was impossible to do so. Any funds that can be recovered by the beneficiary must be repaid immediately to the bank account indicated by the relevant authority. The beneficiary is also required to report the amounts recovered annually no later than by December 31 in each of the subsequent three years from the date on which the expenditure was considered eligible. Second, the beneficiary may request an amendment to the grant agreement or the decision based on which the grant was made if, as a result of COVID-19, it is impossible or very difficult to implement the project as agreed in the selection criteria. Third, the Act provides for flexibility in time schedules and allows for the extension of the following deadlines specified in the grant agreement/decision: (i) deadlines for submitting payment applications that fall before December 31, 2020—for an additional 30 days; (ii) deadlines for the completion of project implementation—for an additional 90 days, but no later than by December 31, 2023. Moreover, in justified cases, the relevant authority may, at the request of the beneficiary, extend these time limits but no longer than December 31, 2023. At the same time, the beneficiary may submit a request for payment or earlier completion of the project before the new deadline expires.

The Act also says that in the case of projects that are imple-

mented by entities working in partnership, as a result of COVID-19 the preparation or implementation of a project is impossible or is significantly impeded, the selection or change of a partner or the involvement of an additional partner is possible if the relevant authority gives its consent to it.

REPAYMENT

The Act introduces a special mechanism for proceedings concerning the repayment of received funds. These proceedings are extended for an additional three months. At the same time, the proceedings may be suspend for 180 days ex officio or at the justified request of a beneficiary. Moreover, the relevant authority may suspend the execution of the decisions on repayment by up to 180 days.

In order to limit the effects of COVID-19, the relevant authority may also - at the request of the beneficiary - grant relief in the repayment of a part or the total amount due, i.e. waive the repayment, extend the repayment deadline, or allow for repayment in instalments. Finally, the Act provides that the justified failure to comply with the terms of the grant agreement directly due to COVID-19 will not result in exclusion from participating in subsequent financing programs.

LOOKING AHEAD

The Act introduces additional flexibility in the organizing of new programs. In particular, it is possible to amend the guidelines on the implementation of an operational program or, if necessary, suspend the application of the guidelines. Moreover, as a result of COVID-19, the Act allows the revision of the entire operational program in question. It is also possible to

By **Agnieszka Staszek**,
Associate, Attorney-at-Law,
DLA Piper.



select projects aimed at mitigating the adverse effects of COVID-19 in extraordinary circumstances.

Furthermore, the Act allows the shortening of the deadline for publishing information on the program (to five days) and extending the deadline for supplementing applications (to 30 days). The Act also provides a remedy for applicants that have not met the deadline for the submission of an application directly due to COVID-19. If the delay does not exceed 14 days, the relevant authority may accept the application. The relevant authority could also at any time to change the time schedule concerning the invitation for applications.

The Act also introduces a new mechanism for evaluating projects. The project evaluation committee may assess the fulfillment of the selection criteria remotely or by using electronic means of communication. Audits that cannot be carried out remotely are suspended and the deadlines for performing the activities within the framework of the audit should be extended by the relevant authority.

Under the Act, the relevant authority may, upon a justified request from the applicant caused as a result of COVID-19, extend the deadline for submitting an appeal, but for no longer than 30 days. In some circumstances, when, as a result of COVID-19, it is impossible or very difficult to submit an appeal in writing, the relevant authority should allow it to be done in electronic form. A majority of the Act is binding until 31 December 2020. But depending on the development of the situation some more legislation may be required.

EXPERT Public procurement

THE QUESTION OF FLEXIBILITY

Parties to public contracts may change them if impacted by the pandemic

The restrictions introduced due to the COVID-19 pandemic affect parties of contracts concluded under the Act of January 29, 2004—Public Procurement Law (hereinafter: "the PPL"), which encounter numerous obstacles or are unable to meet their obligations, in particular, regarding the timely performance of the contract.

On April 1, 2020, the provisions of the act amending the act on special solutions related to preventing and combating COVID-19, other infectious diseases and crisis situations caused by them and some other acts (hereinafter: "the Anti-Crisis Act") became law and applies to public procurement contracts both existing at the time the act came into force, and after.

NOTIFICATION PROCEDURE

In accordance with Article 15r (1) of the Anti-Crisis Act there is a general obligation of the parties to report information on the impact the pandemic is having on the proper performance of the contract. This obligation exists not only when such an impact has occurred, but also when it could occur. The duty of ongoing reporting between the parties is crucial for making modifications to the contract, as it initiates this procedure. The informing party has an obligation to confirm the impact of the circumstances in question with appropriate statements or documents. The Anti-Crisis Act gives examples of some issues that could be addressed in these

statements, and also the documents that could be attached to the notice of difficulties provided to the other party, i.e.: (i) absence of employees or personnel working on a non-employment basis who are participating or could participate in performance of the contract; (ii) decisions issued by the Chief Sanitary Inspector or Provincial Sanitary Inspector in connection with combating COVID-19, obliging the contractor to take certain preventive or oversight activities; (iii) instructions issued by provincial governors or decisions by the Prime Minister connected with combating COVID-19; (iv) breakdown of the supply chain; or (v) similar circumstances affecting subcontractors or sub-subcontractors. This is an open-ended list, only providing examples of information, documents and statements by parties to the contract. Any documents would therefore be suitable if they contain information on how the pandemic has impacted the proper performance of the contract.

Under Article 15r (3) of the Anti-Crisis Act the other party has 14 days to respond. The response must include a statement of its position, plus a justification concerning the presented circumstances for the proper performance of the contract. Moreover, the other party may demand additional statements or documents to supplement the information and confirm the negative impact of the pandemic on the performance of the contract.



By **Łukasz Gembiś**, Advocate, Senior Associate in Public Procurement Department of DWF Poland Jamka Sp. K.

AMENDING PUBLIC CONTRACTS

Once parties agree that COVID-19 affects the proper performance of the contract, they may amend the contract. The catalogue of changes to the contract is open and corresponds with Article 144(1)(3) of the PPL which states that an amendment to a public procurement contract is possible if the need to amend the contract was caused by circumstances which the contracting authority, acting with due diligence, could not have foreseen and the value of the amendment does not exceed 50 percent of the contract value originally specified in the contract.

Pursuant to Article 15r (4) of the Anti-Crisis Act the amendments may concern: (i) the date of performance of the agreement or a part thereof, or temporary suspension of performance of the agreement or a part thereof; (ii) a change in the manner of performance of supplies, services or construction works; or (iii) a change in the scope of performance of the contractor and a corresponding change in the contractor's remuneration. The parties may also make other changes not mentioned in this provision. However, the increase in remuneration caused by each subsequent amendment may not exceed 50 percent of the original contract value.

Additionally, the Anti-Crisis Act provides that if the public contract contains provisions more favorably framing the situation of the party than would arise under the Anti-Crisis Act, those provisions will apply to modifications of the contract. The rules for admissible amendments to public contracts discussed above have one serious pitfall—the contracting authority's discretion in deciding on

modification of the public contract.

Relevant amendments should be introduced to the sub-contracts and contracts with further subcontractors to the extent that these entities have been entrusted with the performance of the contract (not less favourable than the amendments to the general contract).

CONTRACTUAL LIABILITY

The Anti-Crisis Act regulates the possibility of not pursuing the damages, including contractual penalties. Thus, the contractor may request the contracting authority to withdraw from claiming any contractual penalties or damages for improper performance of the contract caused by the occurrence of the COVID-19 pandemic. The contracting authority recognizing that there are grounds to determine the lack of responsibility of the general contractor should refrain from establishing and pursuing the stipulated contractual penalties or damages. Otherwise, the possibility of reducing the amount of contractual penalties or damages should be considered, depending on the degree of influence of the circumstances related to COVID-19 on the proper performance of the contract, as well as taking into account the content of the changes made to the contract.

FURTHER REGULATIONS

On April 28, 2020, the Ministry of Developments published a draft of a new set of anti-crisis measures (so-called Anti-Crisis Shield 3.0), which introduce subsequent regulations of public contract, in particular regarding the contracting authority obligation (instead of discretion) to amend the contract once COVID-19 affects proper performance of contractual obligations by the contractor.



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AMCHAM EVENTS

ADHERING TO SANITARY REGULATIONS IMPOSED BY POLAND'S EPIDEMIOLOGICAL AUTHORITIES AMCHAM HAS BEEN FORCED INTO A LOCKDOWN AND HAS HAD TO CANCEL ALL EVENTS SCHEDULED FOR MARCH, APRIL.

YET, EARLIER THIS YEAR AMCHAM HAD A BUSY SCHEDULE OF EVENTS.

ONE OF THEM WAS **THE JANUARY MONTHLY MEETING WITH MAREK ZAGÓRSKI, MINISTER OF DIGITAL AFFAIRS**. MINISTER ZAGÓRSKI MET AMCHAM TO DISCUSS GOVERNMENT POLICIES REGARDING THE DEVELOPMENT OF G5 NETWORKS IN POLAND AND THE CYBERSECURITY STANDARDS THAT SHOULD GO WITH IT, AND THE CREATION OF E-PLATFORMS FOR CENTRAL AND LOCAL ADMINISTRATION, AS WELL AS THE ROLE OF THE PRIVATE SECTOR IN HELPING THE AUTHORITIES FIND THE BEST E-SOLUTIONS IN ALL THOSE AREAS.

ANOTHER WAS **THE MARCH MONTHLY MEETING** WITH GUEST SPEAKER **JAN SARNOWSKI, UNDER SECRETARY OF STATE AT THE MINISTRY OF FINANCE**, WHO MET AMCHAM MEMBERS TO DISCUSS PENDING TAX LEGISLATION AS THE MINISTRY PLANS TO INTRODUCE NEW TAXES. HE ALSO TALKED ABOUT NEW POLICIES TO IMPROVE COOPERATION WITH THE BUSINESS SECTOR SO TAX REGULATIONS LINED UP ARE IN SYNC WITH TAXPAYERS' EXPECTATIONS ALLOWING THEM TO ADJUST THEIR BUSINESS STRATEGIES AHEAD OF TIME.

IN ADDITION, **AMCHAM IN WARSAW** HELD **THE CARNIVAL BUSINESS MIXER** IN JANUARY AND IN FEBRUARY THE AMCHAM BOARD MET **US SECRETARY OF COMMERCE WILBUR L. ROSS**. IN TURN, **AMCHAM IN WROCŁAW** HOSTED **DEPUTY MAYOR OF WROCŁAW JAKUB MAZUR**, WHILE **AMCHAM IN KRAKÓW AND KATOWICE** HELD THREE EVENTS: A **WORKSHOP** ON ORGANIZATIONAL VALUES, A **BUSINESS BREAKFAST** DEVOTED TO WHISTLEBLOWER PROTECTION LAWS, AND, IN MARCH, IN COOPERATION WITH THE FRENCH-POLISH CHAMBER OF COMMERCE, A **"BUSINESS RENDEZ-VOUS" WITH AIR FRANCE**.

Monthly Meeting in January

THE FUTURE IS DIGITAL

January's Monthly Meeting always generates huge crowds not only because of the quality and professional renown of the speakers but also because it is

the first event in the year after the winter season holiday break. The Monthly Meeting this year was no exception with crowds of AmCham members turning out to

meet Marek Zagórski, Minister of Digital Affairs. The venue was the Warsaw Marriott Hotel—a long-time AmCham member known for hosting many AmCham events in

the past. Excellent food and drink was provided by the Marriott chef, and the guests were welcomed by Marriott GM Robert Grader.



1. Marek Zagórski, Minister of Digital Affairs. 2. Tony Housh, AmCham Chairman (Northrop Grumman); Marek Zagórski; Jolanta Jaworska, AmCham Vice Chair (IBM). 3. Tim Hyland, FCM Travel Express; Tony Clarey, AmCham individual member; Frank Wagner, Deutsche Lufthansa. 4. Krzysztof Szubert; Michał Jaworski, Microsoft. 5. Tony Housh; Robert Redeleanu, UPC. 6. Robert Grader, Warsaw Marriott Hotel; Dorota Dąbrowska-Winterscheid, AmCham Managing Director. 7. Thom Barnhardt, Nate Espino, AmCham individual members; Ewa Mróz, American Investor Desk. 8. Łukasz Dominiak, Animex; Agnieszka Jankowska, GE; Andrzej Pawelczak, Animex. 9. Anna Surafa, Krynica Economic Forum; Andrzej Dziukała, Janssen Cilag; Marzena Drela, AmCham Deputy Director.

AmCham in Warsaw

IT'S FUN TO BE TOGETHER

In January, AmCham held its Carnival Business Mixer, an event which drew in a crowd of AmCham members and friends of the chamber. The event was

sponsored by Culinaryon, a Warsaw-based restaurant specializing in integrating teams around cuisine.



1. Fun with food begins. 2. Magdalena Potrykus, Culinaryon; Richard Żabiński, Focus Research International. 3. Janusz Przeorek, ExpressMap; Dorota Dąbrowska-Winterscheid, AmCham Managing Director; Rafał Tyksiński, ExpressMap. 4. Beata Pawłowska, Oriflame; Marzena Dreła, AmCham Deputy Director; Barbara Słomkowska, Citi Handlowy. 5. Peter Novak, Puno Consulting; Ewa Andrukiewicz, ELLA. 6. Eliza Przeździecka, AmCham; Tomasz Bieliński, Santander. 7. Andrew Hope, Apollo Capital; Thom Barnhardt, AmCham individual member; Edward Assarabowski, Wardyński & Partners; Tony Clarey, AmCham individual member. 8. Dorota Dąbrowska-Winterscheid; Iwona Chojnowska-Haponik, Rafał Szajewski, JLL.

AmCham in Wrocław

WORKING SIDE BY SIDE

In February, AmCham Wrocław hosted Jakub Mazur, Deputy Mayor of Wrocław, who met the representatives of the American business community in Lower

Silesia to discuss more efficient ways of cooperation between the city government and the business community in Wrocław.



1. Jakub Mazur, Deputy Mayor of Wrocław. 2. Katarzyna Krokosińska, JLL; Ewa Carr-De Avelon, BNY Mellon; Mariusz Świętochowski, IBM; Marta Stawińska-Janiec, The Bridge MGallery Hotel. 3. Jacek Kudrzycki, PM Group; Monika Ciesielska-Mróż, AmCham Wrocław Director (PM Group); Radosław Majda, Collins Aerospace. 4. Fabio Pommella, Zygmun Łopalewski, Whirlpool; Dorota Dąbrowska-Winterscheid, AmCham Managing Director; Jakub Mazur; Monika Ciesielska-Mróż; Magdalena Okulowska, ARAW; Mariusz Świętochowski; Ewa Carr-De Avelon; Marta Stawińska-Janiec; Katarzyna Krokosińska; Katarzyna Turkiewicz, HPE; Krzysztof Bober; Dominka Kawala, 3M; Krzysztof Jarzyna, Industrias Alegre. 5. Magdalena Okulowska; Mariusz Świętochowski; Ewa Carr-De Avelon; Katarzyna Turkiewicz; Katarzyna Krokosińska; Marta Stawińska-Janiec. 6. Zygmun Łopalewski; Fabio Pommella; Monika Ciesielska-Mróż; Jakub Mazur; Dorota Dąbrowska-Winterscheid.

AmCham in Kraków & Katowice

MANAGEMENT WITH VALUES

In January, AmCham Kraków and Katowice held a workshop on organizational values, called “Marriages That Work—Everyone’s longing or an Oxymoron”. The

speakers, Agata Cielarska and John Held, from Accent Business Training, talked about the principles of value-based management and its role in safeguarding the

integrity of organizations and making them move forward in ever-changing business environment.



1. Agata Cielarska, Accent Business Training. 2. John Held, Accent Business Training. 3. Jacek Drabik, AmCham Board Member, AmCham Kraków and Katowice Director (Motorola Solutions). 4. The workshop in progress. 5. Tomasz Kłyś, Motorola Solutions; Janusz Mazur, Takenaka; Jarosław Maślanka, Pegasystems. 6. Jacek Drabik; Dorota Admaska, BP. 7. Dorota Adamska; Małgorzata Gabriel, Lynka; Philippe De Brouwer.

AmCham in Warsaw

ECONOMIC DIPLOMACY AT WORK

When visiting Poland, most high-ranking US government officials meet the members of the AmCham Board of Directors and AmCham Advisory Council to up-

date them on the state of US-Poland relations in their areas of interest. In February, Wilbur L. Ross, US Secretary of Commerce, met AmCham Advisory

Board members to increase further opportunities in growing trade between the US and Poland and American investment in the country.



1. Robert Orzyłowski, AmCham Board Member (Lockheed Martin); Dorota Hryniewiecka-Firlej, Pfizer; Bartłomiej Śliwa, NCR; Alain Simonnet, 3M Poland; Tony Housh, AmCham Chairman (Northrop Grumman); Aneta Muskała, International Paper; Robert Redeleanu, UPC; U.S. Secretary of Commerce Wilbur L. Ross; Marcin Petrykowski, AmCham Board Member (S&P Global Ratings); Sławomir Żygowski, GE Power; John Lynch, AmCham Board Member, (Lynka); Marzena Drela, AmCham Deputy Director. 2. Tony Housh; Aneta Muskała, Secretary Wilbur L. Ross. 3. Earl Comstock, Director of Policy, US Department of Commerce; Secretary Wilbur L. Ross; Michael Walsh, Chief of Staff, US Department of Commerce. 4. Tony Housh; Wilbur L. Ross.

AmCham in Kraków & Katowice

DEEPENING LEGAL UNDERSTANDING

The new law on whistleblower protection in the EU was on the agenda of the February Breakfast Meeting held by AmCham Kraków and Katowice. The

speakers were Magdalena Dec and Piotr Falarz, both experts from DLA Piper, the law firm which sponsored the event. The venue was Holiday Inn Kraków.



1. The "family" photo of the participants. 2. Jacek Drabik AmCham Board Member, AmCham Kraków & Katowice Director (Motorola Solutions). 3. Magdalena Dec, DLA Piper. 4. Piotr Falarz, DLA Piper; Mateusz Stachowicz, PZL. 5. Piotr Falarz; Przemysław Sulich, A1 Europe. 6. Marcin Gryc, CANPACK; Magdalena Dec. 7. Mateusz Jurczyk, AmCham Kraków & Katowice; Jacek Drabik, Piotr Falarz.

Monthly Meeting in March

NO TAXATION WITHOUT REPRESENTATION

Meetings with high-ranking government ministers always attract huge crowds to AmCham events. The March Monthly Meeting was no exception. The guest speaker

was Jan Sarnowski, Deputy Minister of Finance, who is in charge of developing a number of key new tax regulations on behalf of Finance Minister Tadeusz Kościński.

The meeting offered opportunities for AmCham members to ask questions directly, and exchange views with Under Secretary Sarnowski.

The venue was the Warsaw Marriott Hotel.



1. Jan Sarnowski, Undersecretary of State, the Ministry of Finance. 2. Tony Housh, AmCham Chairman (Northrop Grumman). 3. Dorota Dąbrowska-Winterscheid, AmCham Managing Director. 4. Anca Harasim, Executive Director, AmCham Romania; Dorota Dąbrowska-Winterscheid. 5. Anna Jaros, US Embassy; Agnieszka Jankowska, GE. 6. Małgorzata Skonieczna, PepsiCo; Katarzyna Obuchowicz, Brown Forman; Andrzej Szumowski, Wyborowa Pernod Ricard. 7. Mark Boris Andrijanic, Uber Poland; Richard Kałużyński, Odgers Berndtson. 8. Peter Święcicki, Squire Patton Boggs; Roman Rewald, AmCham Board Member. 9. Robert Orzyłowski, Lockheed Martin; Tomasz Korkosz, Takeda. 10. Marek Szydłowski, AmCham Vice-Chairman, (Integer); Andrzej Kozłowski, Emitel; Krzysztof Szubert, NCBR.

AmCham in Kraków & Katowice

FRANCE IN THE AIR

In March, AmCham Kraków and Katowice, together with the French-Polish Chamber of Commerce, held a business rendez-vous with Air France, a sub-

sidiary of the Air France–KLM Group. The venue was Mercure Stare Miasto Hotel in Kraków.



1. František Siling, Air France. 2. Jacek Drabik, AmCham Board Member, AmCham Kraków & Katowice Director (Motorola Solutions). 3. Mateusz Jurczyk, AmCham Kraków & Katowice; Aleksandra Wiśniewska, Air France, František Siling. 4. The raffle drawing is about to begin. 5. František Siling, Emil Sośnicki, CANPACK. 6. The meeting in progress. 7. The guests enjoying the hospitality of Mercure Stare Miasto Hotel in Kraków.



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