

# AmCham.Pl QUARTERLY

The official magazine of the American Chamber of Commerce  
in Poland



4/2019

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# AMCHAM COMMITTEES



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Małgorzata Skonieczna, Frito-Lay  
Andrzej Pawelczak, Animex



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

## It's your AmCham...



## It's your debate...

*We aim to offer investors in Poland the best assets.*

**KRZYSZTOF SENGER, VICE PRESIDENT OF POLISH INVESTMENT AND TRADE AGENCY,**  
P. 26

*Older workers today are better educated and live longer than any previous generation.*

**ANDREW BLATIAK, DIRECTOR, LEADERSHIP AND MANAGEMENT INSTITUTE,**  
P. 36

*We see it when a company is late with its payment and we see the amount of debt generated by it, and also seeing other indicators we know exactly how to adequately deal with that payer.*

**PROF. GERTRUDA UŚCIŃSKA, PRESIDENT OF THE SOCIAL INSURANCE INSTITUTION ZUS,**  
P. 27

*Thanks to our house, parents will be able to stay close to their ill children while they are in hospital to give them real support in the time of their illness.*

**KATARZYNA NOWAKOWSKA, VICE CHAIRMAN OF THE RONALD MCDONALD FOUNDATION,**  
P. 28

*Online pharmacy addresses the expectations of young patients, who are the so-called digital natives, and for whom online pharmacies will be just as important as stationary ones.*

**ARTUR ŁAKOMIEC, CEO, GEMINI POLSKA,**  
P. 50

*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.



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# ADVOCACY OF AMCHAM POLAND

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

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

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

## Our top issues include:

### NEW PUBLIC PROCUREMENT LAW

The new Public Procurement Law was signed by the President of Poland on October 15, 2019. The new law will come into effect on January 1, 2021, and refers to all business entities operating in Poland that fulfill orders for the public sector.

AmCham was involved in the consultations of the new law through its position papers and meetings with policy makers. We believe that the changes presented in the new law will push public procurements in the right direction for entrepreneurs. The new law aims at increasing the number of offers in public tenders, creating better quality of public procurement, raising its competitiveness and innovativeness.

Specific changes include:

- Supporting innovation in particular through new "innovative partnership" solutions;
- New criteria of effectiveness and proportionality for contracts;
- Simplifications with regards to the subjective qualification of contractors;
- The cost of appeal will be lowered to a value of three times of the fee;
- Obligatory payment by the ordering party of partial payments in contracts lasting longer than 12 months;
- Strengthening the role of the President of Public Procurement Office in preparing and promoting good practices and sharing sample documents for ordering parties;
- Simplification of the public procurement procedure below the EU thresholds;
- Creation of a new unit in the National Chamber of Appeal for conciliatory proceedings.

### CHANGES IN SOCIAL SECURITY CONTRIBUTIONS

The published budget for the 2020 has confirmed another government's plans regarding removing the limit under which the obligation to pay social security contributions is lifted (30 times of an average wage). According to the plans expressed in the budgetary act, if the employee's income exceeds this limit, he and his employer will pay additional social security contributions proportional to the gross income. In November 2018, the Constitutional Tribunal ruled that the bill introducing changes in social security contributions is not consistent with the Constitution of Poland. Because the Tribunal did not question the content of the bill, but the way it was voted, the government has a right to submit a new draft law changing social security contributions.

AmCham is continually advocating for resignation from the abolition of the upper limit for social security contributions. We appealed to the government to maintain the current status quo, since changes in social security contributions will significantly impact labour costs and attractiveness of Poland as an investment destination. We also discussed business's concerns regarding the abolition of social security contributions' limit with Professor Gerturda Uścińska, the President of Social Insurance Institution (ZUS) and asked her for supporting AmCham's initiative aiming at maintaining ZUS cup.

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## LETTER FROM THE CHAIRMAN

DEAR AMCHAM  
MEMBERS AND FRIENDS,

We are into the fourth quarter of another successful year for American companies and investments in Poland. Economic growth remains strong and the outlook is good over the medium term, which bodes well for our business and our people. While the next few years should provide the opportunity for more expansion, we continue to voice our positions on key issues that could impact our ability to grow, provide new jobs and reach new markets.

AmCham continues to communicate our positions, through official statements, letters and in personal meetings, with policymakers in areas such as social insurance contribution caps, digital tax, contract enforcement and public procurement—to name but some of our active advocacy areas.

We are pleased that AmCham could also participate in the effort to allow Poland into the US visa waiver program. The effort of our member companies who answered the call to support employees getting visas during the last year to ensure that the trigger threshold was reached is deeply appreciated. AmCham extends our great thanks to Amb. Georgette Mosbacher for spearheading this effort and creating such a positive environment around the initiative.

Advocacy and visas have been an important part of the last few months, but certainly not the only areas of focus. The AmCham Diner was once again the center of attention at the Krynica

Economic Forum. Our panels discussed the US market, the impact of our investment in Poland and how we improve the trade and investment relationship. At the same time, many of our member companies focused on defense and security were also engaged with Polish and US security officials at the MSPO event in Kielce, where the US was the lead partner nation. We continued our AmCham outreach in the run-up to parliamentary elections with a successful AmCham Diner and panels at Kongres590 in Rzeszów. Our American Investor Desk generated significant interest in Podkarpacie, as it did in Krynica. Our Monthly Meetings have continued apace with senior leadership from PAIH and ZUS, and we continue to run an active Committee schedule focused on key business and thought leadership areas. We will be busy through to the end of the year and are already planning a robust series of engagement and advocacy meetings for 2020.

Learn more about new members, key policy areas and who was visiting with AmCham at our events in this edition of AmCham Quarterly. Thank you for your support in 2019. We will close out the year supporting our member companies and the free market here in Poland—while we prepare for 2020 and celebrating thirty years of AmCham Poland.

With best regards,



TONY HOUSH  
AMCHAM CHAIRMAN



# NEWSLINE

## NEWS FROM AMCHAM AND ITS MEMBERS

### Air Products

Supplier of industrial gases in Poland, Air Products, announced in September that it has passed testing its modern liquid carbon dioxide production plant in Włocławek. Since becoming operational in fall 2018, the plant has reliably added new product onto the market and managed peak demand through the summer months. Located on a plot of over 2.5 hectares the plant covers an area of 500 square meters. The main recipients of CO<sub>2</sub> from Air Products are food, chemical, pharmaceutical and agricultural companies from Poland, Germany, the Netherlands, Belgium, France, as well as Ukraine and other neighboring countries. To ensure the constant production of carbon dioxide, the Włocławek plant operates on a continuous basis, 24/7, with three shifts and five teams.

### AmCham Poland

AmCham represented the American business community at a roundtable devoted to the employment of foreigners in Poland, held by the Kraków Chamber of Industry and Trade in September with representatives of other business organisations. Present at the table were representatives of ABSL, Business Center Club, the French-Polish Chamber of Commerce, the Małopolska Association of Employers Lewiatan, along with representatives of Poland's largest cities including Warsaw, Gdańsk, Wrocław, Poznań, Łódź, Rzeszów, Lublin, and Białystok. Also present were representatives of the Małopolska Marshall Office and the Małopolska Labor Office in Kraków. The discussion aimed at finding solutions to the growing workforce deficit, especially in such sectors as production, construction and services. Business organisations pointed out that while hiring foreign employees may be a temporary solution, the time it takes to legalise a stay of a foreigner from outside of the EU, including obtaining a job permit, has increased in the last four years from 64 days on average to 206 days. The representatives of business organisations argued that without a steady inflow of foreign workers, the Polish economy may get hurt as, according to a PwC estimate, it will need as many as 1.5 million foreign workers by 2025 to keep growing. The reasons why there is not enough manpower in Poland is demographics, the lowering of the retirement age, and the migration of young Poles for work in other EU countries.

### CMS

Law firm CMS advised Warbud S.A., a construction company, on the reconstruction and expansion of a secondary school in Piastów, to be carried out in a public-private partnership formula. As part of the project, Warbud will build a new school building

along with a library and a gym as well as a sports ground while at the same time it will renovate the existing school building. The project is a key investment of the local government in Piastów as the school buildings have not been modernised for over 80 years. Warbud is to obtain funding from *Bank Gospodarstwa Krajowego*. The CMS team was responsible for the preparation of the tender documentation; prepared a number of draft agreements concerning the investment project and provided assistance in matters related to the conclusion of the facility agreement. The CSM team was led by Marcin Bejm, Partner and Head of the Infrastructure and Project Finance Team.

### Cresa Poland



Real estate advisory firm Cresa won the Prime Property Prize 2019 award at the ninth edition of Property Forum 2019, owned by PTWP Group, the publisher of PropertyNews.pl and PropertyDesing.pl which cover the commercial real estate market in Poland. Cresa received the award from the editors of Property News in recognition of the company's outstanding achievements. The ceremony honored companies and projects that had the strongest influence on events on the commercial property market in the past year, and individuals whose spectacular achievements played a key role in driving the whole industry's growth. The Cresa team pictured: Piotr Kaszyński, Szymon Łukasik, Artur Sutor, Tom Listowski, Katarzyna Bojanowicz, Jim Underhill.

In other news, the Valuation Team of Cresa Poland advised Colas, part of the Bouygues Group, on the acquisition of 11 asphalt plants from Skanska. The transaction was one of the largest on the market of road and motorway construction in recent years. Urszula Sobczyk and Arkadiusz Bielecki, headed the Cresa team which valued the land, buildings and structures in these locations.

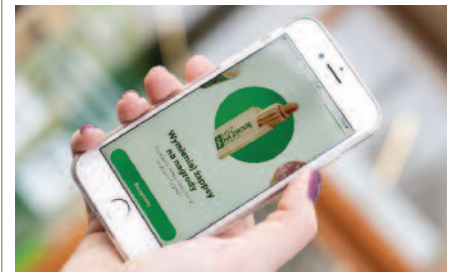
Cresa also advised XBS Logistics in the lease of a warehouse at P3 Błonie logistics park where it will use nearly 9,000 square meters of warehouse space. XBS Logistics delivers supply chain management services, including supplies, inventory financing, intra-logistics and transport.

### Cushman & Wakefield

In October, commercial real estate agency Cushman & Wakefield took third place in the 10<sup>th</sup> edition of the PRCH Retail Awards, organised by the Polish Council of Shopping Centers, which recognized companies for their contribution to the retail market development in Poland. In addition, the firm's property management team at the Złote Tarasy Shopping Centre received an award for its campaign "What will you give this Christmas?". This year's Gala of PRCH Retail Awards was held in the Lecture Theatre of the Physics Faculty at the Warsaw University of Technology.

In other news, Cushman & Wakefield advised on the acquisition of a 17-hectare plus land in Biskupice Podgórne near Wrocław. The new owner of the land is Segro, a developer and owner of warehouse parks in nine countries across Europe. The property is located near Wrocław and by the Pietrzykowice interchange of the A4 motorway, close to Nicolaus Copernicus Airport. Segro acquired it to build a new industrial and warehouse park.

### CVC Capital Partners



The convenience retail chain Żabka, owned by CVC Capital Partners, has been awarded the title of the Trusted Employee in Education category, at the 11<sup>th</sup> edition of the Best Employer Awards held jointly by the Polish Chamber of Commerce, the "Teraz Polska" Foundation, and Impressarium, a promotional agency. Żabka was recognized for its supporting programs for employees and franchisers including the Żabka Academy platform which enables them to take part in conferences, workshops, and other learning schemes both internal and external in Poland and abroad. Żabka employees are encouraged by the company to use its e-learning platforms, for instance to learn English and other skills. The company also helps its staff accomplish master's and post-master's education by co-financing their studies. Żabka owns, operates, and franchises a network of convenience and deli-type stores in Poland. The company uses smart shopping solutions such as mobile platforms (pictured) and offers dairy products and convenience foods. At present there are Żabka 600 stores across the country.

## Dentons

Law firm Dentons changed its Warsaw address as it moved to a new office in the revitalized Powiśle Power Plant. The company's new address is Dentons Europe Dąbrowski i Wspólnicy sp. k., ul. Zajęcza 4, 00-351 Warszawa. All other data such as NIP, REGON, KRS number, bank account numbers, telephone numbers and legal name of the firm remain unchanged.

## DLA Piper

Law firm DLA Piper appointed Marek Sawicki and Jakub Marcinkowski as new partners in its Corporate/M&A and Private Equity practice, based in Warsaw. Marek and Jakub have joined DLA Piper with their teams from CMS, where they had been working since 2007.

Marek Sawicki will take up the position of Corporate Co-Head and Head of Private Equity. He served as head of the CMS Corporate/M&A practice in Warsaw and chaired the firm's life sciences & healthcare group in Poland. Sawicki has over 20 years' experience, in M&A, private equity and venture capital transactions. In turn, Jakub Marcinkowski will focus on M&A, private equity and venture capital transactions. Marcinkowski has significant experience in cross-border deals and corporate restructuring, including share and asset transactions and joint ventures.

In other news, DLA Piper advised METRO Properties, a real estate company from the METRO Group, on the sale and leaseback of five MAKRO Cash & Carry stores in Poland, to FLE GmbH. METRO and MAKRO Cash & Carry will continue to manage all the assets on the basis of long-term lease agreements. The stores are located in Warsaw, Ząbki, Wrocław, Krakow and Lublin. The DLA Piper team working on the transaction comprised Jacek Giziński, Co-Managing Partner, Poland, Mirosław Całka, Associate, Karolina Mądrzycka, Associate, and Karolina Kordulska, Junior Associate, from the Real Estate practice, and Paweł Chodziński, Counsel, who was responsible for the tax aspects of the transaction.

## KPMG



Stacy Ligas has been appointed Senior Partner and CEO at KPMG in Poland. She joined KPMG in Poland in 2000 and in 2011 she became Head of Financial Services Audit in KPMG in Poland, and in 2015 Head of Financial Services in KPMG in Poland and CEE. Ligas has broad experience in audit and other assurance services for the largest financial institutions in Poland, including retail and corporate banks, insur-

ance companies, leasing, factoring, asset management and investments funds. In addition she is an expert in assurance services, agreed-upon procedures projects, due diligence projects, securities offerings and initial public offerings in the US and Poland. She was involved in projects related to the due diligence of several Polish banks, numerous reviews of loan portfolios in the local market as well as the implementation of International Accounting Standards.

## Manpower

According to the ManpowerGroup Employment Outlook Survey published in September, Polish employers report cautiously optimistic hiring intentions for the forthcoming quarter. With 13 percent of employers anticipating an increase in payrolls, 5 percent forecasting a decrease and 81 percent expecting no change, the resulting Net Employment Outlook is plus 9 percent. Hiring intentions are unchanged in comparison with the previous quarter but declined by 4 percentage points when compared with this time one year ago. Employers in all industrial sectors expect to increase payrolls in the last quarter of 2019. Manufacturing sector employers report the strongest hiring prospects while favorable workforce gains are anticipated in the construction sector, as well as mining & quarrying followed by electricity, gas and the water supply sector, transport, storage and communication. The weakest labor market is anticipated in the agriculture, hunting, forestry and fishing sector.

## Panattoni Europe



Logistics space developer Panattoni Europe won the award for "Investment of the Year: Warehouse and Logistics Space Market" at the 8<sup>th</sup> edition of the Prime Property Prize contest. The company was recognised for the development of the 210,000-square-metre BTS facility in Gliwice. The building consists of four functional storeys and its entire space is dedicated to handling e-commerce operations. The award was accepted by Robert Dobrzycki, Chief Executive Officer Panattoni Europe (pictured) at a gala at the Sheraton Warsaw Hotel which accompanied the Property Forum.

Also, Panattoni began the construction of an industrial park, Panattoni Park Żory, in Upper Silesia, which has a planned space of 80,000 square meters. The first tenant at the facility is Cargo-Partner Spedycja, taking up 7,000 square meters at the park. Upper Silesia is a strategic region for Panattoni, where the company has already developed over 233,000

square meters of logistics and storage space. The new project is located near the Czech border and the A1 motorway below the Sośnica junction. Its facilities will include two warehouses supporting warehousing and light manufacturing operations. Upon completion the buildings will comply with environmental and energy standards, including BREEAM. In other news, Panattoni opened the largest manufacturing facility in its portfolio and the largest plant manufacturing household appliances in Europe—a dishwasher factory for BSH. The 57,000 square-meter facility was built in Łódź in proximity to the Central European Logistics Hub. The factory neighbors the BSH Logistics Centre and the upcoming Panattoni Appliance Park, developed specifically to serve BSH's manufacturing facility.

## Squire Patton Boggs

Law firm Squire Patton Boggs appointed Michał Smolny as counsel in its Real Estate Practice in Poland. Simony graduated from the Faculty of Law and Administration, Warsaw University, and is member of the Warsaw Bar Association. Smolny has over 15 years of professional experience in commercial real estate, real estate finance, engineering and construction, M&A and corporate matters.

## Travel Express

In August, Travel Express celebrated its 25<sup>th</sup> anniversary since opening in Warsaw in 1994. Evolving from a small startup with two employees, Travel Express developed very quickly into one of Poland's leading corporate travel agencies. A dedicated focus on high quality service with the ability to locate low prices for air and hotel reservations, has been its powerful approach to business travel from the 1990s up to today. Travel Express was the proud winner of AmCham's Entrepreneur of the Year Award in 2006. In the same year, Travel Express became a vital partner in the global travel management company FCM. FCM is now the world's 4<sup>th</sup> largest travel management company, providing important tools, know-how and technology to offer corporate clients the highest standards of professional service possible. Today, FCM Travel Express employs 50 professionals who cooperate closely with large corporations as well as SMEs to streamline their travel reservation process and to benefit from substantial travel cost savings.

## Whirlpool

In October, home appliances manufacturer Whirlpool celebrated its 20 years of activity in the Łódź Special Economic Zone (LSEZ) with a mini-discussion panel including Fabio Pommella, President, Whirlpool Polska, Szymon Krupiński, Site Leader at Whirlpool Polska, Marek Michalik, President of the Board of LSEZ, and Tony Housh, AmCham Chairman (Northrop Grumman). Whirlpool took the occasion to announce a new investment of PLN 100 million to overhaul its cooking appliance plant in LSEZ with the most advanced technology. The appliances produced there will be sold in Poland and abroad, including in Scandinavia and the US.

# AGENDA

## INTELLIGENCE FROM AMCHAM COMMITTEES

### AGRI, FOOD & FMCG

John Slette, Agricultural Attache at the US Embassy in Poland, met members of the Agri, Food and FCMG Committee in August, to discuss a range of issues, from pork exports to the US, to the legislation and implementation of ASF in Poland, to the regulations governing land ownership and other obstacles to farming development and growth. He engaged in a discussion with the members and said that the embassy is always open to hear about issues from US companies in Poland, which have first-hand understanding of the situation on the ground. Slette introduced Piotr Ruciński, an expert at the embassy, who is the point of contact for American companies in Poland interested in discussing issues related to agriculture.

### DEFENSE

In October, Michał Baranowski, Director of the Warsaw Office of the German Marshall Fund, a non-profit, non-partisan organization that strengthens transatlantic cooperation at the NGOs level, met the committee to discuss the current state of Poland-US relations. The guest said that security and defense are at the center of US-Poland relations, hence the enduring presence of US troops in Poland, which will be increased from 4,500 to 5,000 stationed in six different locations across the country, with the possibility of a further increase in cooperation in the years to come. Poland is appreciated in Washington D.C. as a country which is deeply engaged in cooperation with the US, and is viewed as an important country that has its say in shaping transatlantic relations vis-a-vis other European capitals.

### HUMAN RESOURCES

In September, the committee hosted a team of labor market experts from Manpower Group: Marek Wróbel, Commercial Director, Agnieszka Krzemień, Right Management Lead, and Jacek Kopacz, Team Leader. They met the committee to talk about the solutions companies should use

in order to attract new employees as the market is currently drained of talent. In their presentation the speakers talked about the must-have elements in the recruitment process to which desired candidates pay attention to, and what work conditions and benefits are important to the new generation of potential employees. In October, the committee met Peter Strupp, President, United Business Development, who talked about how technology impacts the traditional workforce model in nearly every sector of the economy and presented different dimensions to the process. He said that today, 40 percent of jobs in the US economy are jobs performed by individuals equipped with technology from their homes. He referred to it as the "Gig Economy" and said that with the growing significance of artificial intelligence and machine learning in supporting organizations' functions, the distributed model of workforce will prevail over the traditional model in which nearly all people worked under one roof. However, there are issues related to collaboration, productivity and consistency across the workforce with the new model, as it has impacted leadership models which are critical for ensuring productivity and collaboration.

### INDUSTRY & ENERGY

In August, the committee hosted Jacek Misiejuk, Managing Director of Enel X, and Rafał Zasuń, Editor-in-Chief of Wysokie Napięcie, an industry magazine covering the energy sector, who discussed energy prices in Poland and how strategic energy management can tackle the problem of peak energy consumption when high-energy consumers have to downsize their power intake from the grid. Zasuń gave an overview of the most common problems that energy companies face in Poland and explained why they are obstacles to energy market progress. In turn, Misiejuk said that while in the past the problem of energy deficits was solved by adding new power generating facilities to the grid, today's technology allows the monitoring of power-consuming

devices across the company and, when need be, switch off those which are not indispensable at the right moment. The method, known as demand-side response (DSR), focuses on modifying consumer demand for energy through various ways and means. Enel X, which has been offering such services in the US, now implements its solutions in Poland and is getting a wider recognition for its expertise across energy users in all sectors of the economy.

### REAL ESTATE

The co-chairs of the Real Estate Committee, Bolesław Kołodziejczyk, Head of Research & Advisory at Cresa, and Piotr Lagowski, Head of Growth for Eastern Europe at WeWork met the committee in September. Kołodziejczyk ran a presentation on the office market, including trends and key market indicators globally and in Poland. He went on to say that Brexit and other political uncertainties make companies search for "safe harbors" globally. Despite that, however, London remains among the most sought after locations. But the threat of Brexit has helped the Warsaw market grow, as many companies relocated from London to other places, mainly Paris, Frankfurt and Dublin, but also Warsaw. Between 2012 and 2019, the total area of office space in Poland nearly doubled from 6 million to 10.5 million square meters. Cities with the highest growth dynamic were Kraków, Wrocław and the Tricity. In this period Warsaw generated averaged year-on-year growth of 6 percent, which means that the market in Poland's capital was also growing fast. However, because it is much larger than other cities, the growth did not show atop of the list. At present Warsaw has 5.5 million square meters of modern office space and it is estimated that with the current growth rate it will reach 7 million square meters by 2025. New office projects, totalling 850,000 square meters, are in the pipeline and supply will meet demand. The vacancy rate in Warsaw has been below 10 percent for a num-



ber of years now and market experts estimate that it is unlikely to grow in any significant way in 2020. Some 60 percent of leasable area in buildings scheduled to be delivered to the market next year has been already contracted, which is the best indicator of the strength of the Warsaw office market.

The reason for the steady demand for office space in Poland's capital and the largest cities is that the Polish economy has been growing fast since the beginning of the country's economic transition in 1990. One of the key factors in keeping the growth apace is that Poland has a good education system which produces dynamic professionals who are willing to enter the labor market with no delay and often pick big international corporations as their first employer. In addition, Poland is generally perceived by foreign investors as economically and politically stable while the Polish society is viewed as affluent. They feel good in Poland because the living standards in the country are comparable to that in Western Europe, while the cost of living is significantly lower.

Talking about potential threats to market development Kołodziejczyk listed just one—the country's demographics. The aging society, the lower retirement age, and the fact that many young Poles migrate for jobs to other EU countries—all these factors will have a negative impact on the pace with which companies develop, and, according to experts, Poland will need to open its borders to workers from outside the EU to keep its economy growing.

In turn, Lagowski, talking about the co-working segment of the office market, said that it has taken root the world over developing fast from one building in 2010 to over 700 globally. In this number, WeWork has 140 buildings in Europe, including 51 in London alone. With three buildings in Warsaw, three in Moscow, one in Prague and seven new buildings in the pipeline, the company has a foothold in the region and its prospects are good.

## SUSTAINABILITY

The AmCham Sustainability Committee held its first meeting led by its newly elected co-chairs, Mariusz Wawer from 3M Polska, and Giuseppe Santoro from Dow Polska. The aim of the meeting was to meet AmCham members to discuss the scope of the committee's activities and search for topics to be discussed in the months to come. All participants agreed that sustainability does not lie in the realm of public relations but is a real business benchmark which is governed by regulations and consumer demand. They also agreed that the committee should serve as an open platform, not only for sharing ideas and initiatives but also to let the US business community reach out to other companies in Poland, NGOs and local and central governments when it comes to transferring the global experience as well as know-how and technology that American companies have generated over the years in man-

aging sustainability in their businesses. The second part of the meeting, led by Giuseppe Santoro, focused on the importance of sustainability for the chemical sector and how companies in it deal with the most important issues in this field.

## TAX & FINANCIAL SERVICES

In September, Przemysław Skorupa, Tax Director at Deloitte, met the committee to talk about new requirements governing VAT reporting. He covered a wide range of issues, including VDEK (a new VAT return provision) and the actions companies may face if they are found non-compliant with the new regulations. Skorupa also touched upon the new regulations governing the split payment mechanism, and the changes in VAT rates including how they impact reporting on transactions in goods and services, and the binding rate mechanism.

## TRAVEL & TOURISM

Marzena Kurpiel, Commercial Director, FCM Travel Solutions, and Agata Burska, Senior Sales Manager at Sabre Travel Network, met the committee in October to talk about multiple ways to save on corporate travel arrangements by using

modern technologies. The first speaker, Marzena Kurpiel, said that the process of trip preparation for companies is costly as it is managed by members of the travel staff, who, usually, do not have the right experience in dealing with travel arrangement processes. Today, thanks to technology the process may be streamlined for corporations with a number of digital solutions in place. Kurpiel went on to present a range of Sabre solutions for corporate clients detailing their functions and how they deliver value for them.

In turn, Sabre's Agata Burska said that companies which delay the application of digital travel arrangement solutions will have to give up owing to the pressure from the new generations of workers who are technologically savvy and in time would expect their companies to utilize the technology in this respect. Presenting the range of Sabre's online travel-arranging services she said that they all aim at saving cost to the clients and spare them "the frustration" that often surrounds people undertaking such tasks especially when they are conducted the traditional way by inexperienced and ill-informed staff members.



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**VISTRA** 

# COVER STORY

## AmCham at the Economic Forum in Krynica

# PARTNERSHIP FOR LEADERSHIP

### WORKING TOGETHER, THE PUBLIC AND PRIVATE SECTORS MAY TAKE THE POLISH ECONOMY TO A HIGHER LEVEL

**For those who have frequent the Economic Forum in Krynica—the largest annual gathering of the political, economic and social actors in Poland—the presence of the AmCham Diner is not a surprise as the "American pavilion" has been a fixture of the forum since 2012. What could be surprising was the large scope of subjects related to the presence of US business in Poland and the prospects for furthering US-Polish economic cooperation discussed during the 29th edition of the forum.**

AmCham, in partnership with its member companies, drew the attention of forum participants to the significant role American business plays in the Polish economy with four discussion panels. The impact of US investment on the Polish economic growth was discussed at a panel entitled "American Investors—Polish Companies" featuring Wojciech Kostro and Anthony Crawford from 3M, Łukasz Kowalski from MSL Group, Artur Łakomicz from Gemini (drugstore network), Steven Harman from Amazon, and Małgorzata Jarosińska-Jedynak, Deputy Minister at the Ministry of Investment and Development. In turn, the panel entitled "American companies as leaders in sustainable development" was devoted to the social impacts of American investment in Poland, with panelists including Steven Harman from Amazon, Anna Borys Karwacka from McDonald's Polska, Alain Simonet from 3M, Fabio Pommella from Whirlpool Polska, and Kamil Wyszowski from Global Compact Network Poland. The government was represented at the panel by Jerzy Kwieciński, Minister of Investment and Development. Another expert discussion entitled "The Business of Tomorrow" focused on the potential of American firms in utilizing local talent to develop innovative products and services in Poland. Panel members included

Robert Bednarski from Facebook, Paweł Zagadłowicz from CitiHandlowy, Bartosz Ciołkowski from Mastercard Polska, Andrzej Dziukała representing the AmCham Pharma Committee, Leszek Gaweł from Juul Labs (vaping products), Patrycja Gołoś from Liberty Group UPC. Robert Kośła, Cyber Department Director at the Ministry of Digitalization represented the government. AmCham, which earlier this year launched the American Investors Desk (AID)—a consulting function helping Polish companies invest in the US—showcased the potential of the US markets with a discussion panel entitled "The US. An Opportunity of Development for Polish Business". The panelists were Mariusz Mielczarek from Amazon, Piotr Baczyński from Immersion (a software developing firm), Wojciech Majka from Ecol (machinery lubricants), Tomasz Kierul, business expert and lecturer at Boston University, M.A., and Krzysztof Senger, Vice President of the Polish Investment and Trade Agency PAIH. Apart from the discussion panels, a major narrative about American business in Poland was produced at the AmCham Diner Media Corner, where Paweł Blajer from TVN24Bis interviewed his guests. They talked about a range of topics that in aggregate drew a picture of the most important

issues that shape the economic and business environment of Poland.

## INFRASTRUCTURE AND DEVELOPMENT

Andrzej Adamczyk, Minister of Infrastructure, and Artur Soboń, Secretary of State at the Ministry of Investment and Development, shared with the AmCham Diner audience the progress that their respective ministries have made regarding streamlining investment processes for the private sector. Adamczyk said that the Ministry of Infrastructure has a new framework for contracting business to the private sector so the companies are selected well in advance so they have enough time to buy the products they need for the execution of their assignments. The system now applied to the modernization of the railroad system prevents subcontractors from experiencing unnecessary delays and ensures a smooth transition at the construction site from one contractor to another. In turn Soboń noted that the new Construction Act set much shorter deadlines for local authorities to issue all necessary licensing and permits (such as zoning plans) to investors. Utility companies have also shorter deadlines to answer investors' queries about connecting to the networks. Overall, the new Construction Act significantly shortens the time it takes for investors to process the red tape before starting the actual building process.

## ENERGY AND COMPETITIVENESS

One of the most critical aspects for business is the pricing of utilities and this was discussed by Jerzy Kwieciński, Minister of Investment and Development, who talked about the EU climate policies and how they impact the energy sector and with it the entire economy. The minister said that with its strict emission policy the EU economy has lost its development momentum. While 10 years ago the EU economy was larger than the US economy, today the American economy is ahead of the EU and the gap is increasing. While it supports the environmental policies of the EU, the Polish government advocates caution in putting offline old power stations as this may cause a steep growth in the prices of electricity, and argues that the EU should offer additional sources of financing for the replacement of old, carbon-dioxide emitting power generating units.

On the other hand, Sławomir Żygowski from GE Power said that the modernization of the power sector in Poland is inevitable. He praised the government for drafting new regulations governing energy mix which set the ground for the transformation of the energy sector into a two-tier system comprising modernized yet traditional energy generation powered by natural gas, and renewable energy generation utilizing wind and solar sources. Żygowski said that GE Power eyes with interest the government policy because it is creating new investment opportunities for the company in all sectors. He said that GE's new wind turbines have a potential to revolutionize the market of offshore

energy generation and said he was happy that the government placed a lot of importance on offshore windfarms. Also, government plans to establish a nuclear power facility in Poland in 2030 are welcomed by the company.

## HEALTHCARE

Polish demographics were on the agenda of the interview with Łukasz Szumowski, Minister of Health, who talked about how the government plans to address the problem of Poland's aging society. He said that a roadmap had been drawn up to boost expenditure on the national healthcare system to 6 percent of the Gross Domestic Product by 2024. Minister Szumowski said that in addition to safeguarding higher expenditure on healthcare the government established a Medical Research Agency that will act as the controller for the introduction of new drugs, therapies and medical technologies coming onto the market. The intention of the government is to make the process as seamless and as fast as possible. The minister noted that the agency will foster close cooperation between the public sector—the state-owned medical centers—and the private sector to optimize all the processes involved.

In turn, David Earnshaw from the pharmaceutical group MSD noted that both the private and public sectors have important roles to play in healthcare. The private sector specialized in developing new drugs and innovative therapies. On the other hand, the public sector must ensure that doctors and nurses are properly trained to use modern technology and therapies. The question is to what extent do the private and public spheres have the resources to finance the system and what are the desired impacts of that spending on the economy. Wojciech Kostro from 3M noted that advanced medical technologies are coming to Poland and it is the role of the government to find the money so patients can use them. This view was echoed by Artur Łakomicz from the pharmacy network Gemini Polska, who said that an efficient healthcare system must rely on collecting patient data and tracking different types of expenditures to optimize the overall cost of supporting the healthcare needs of individual people.

## SUSTAINABILITY

It is universally acknowledged that Polish consumers enthusiastically embrace technology in such areas as paying via mobile apps. Yet, they find it difficult to shake off some other routines such as using plastic shopping bags. Henryk Kowalczyk, Minister of Environment, referred to this when talking about a new fee introduced by the government on plastic shopping bags which was imposed by EU regulations. He remarked that consumers do not want to use multiple-use bags made of fabric and are willing to pay extra for plastic just to avoid the trouble of washing fabric shopping bags, which has to be done at some point. He said that the ministry finds it difficult to communicate the need for people to change their habits. Another area where consumers are reluctant to

change is heating. Poland has one of the worst smog problems across the EU. Last year it introduced a co-financing program for property owners who would like to replace their old heating furnaces, but the process is very slow. The program is set for 10 years. The minister said that he hoped that in time more property owners will realize the need for replacing their furnaces and by 2028 the air quality in Poland will improve. Sustainability issues were on the agenda of the interview with Adam Pierkowski from McDonald's Polska, who said that 50 percent of McDonald's products available in Poland come from Polish farmers and producers. The company would like to have more such products but it is difficult to find enough farmers who meet the McDonald's standards in food safety and sustainable farming. The standards are very high—higher than those in the EU, and they include norms for treating stock animals. The company certifies producers with whom it intends to cooperate but the process is lengthy. Standards in sustainable farming are an issue in Poland and need to be addressed by the government, Pierkowski said.

## NETWORK SECURITY

Yet, it turns out that Poland can be the leader in introducing high standards, as evidenced by a recent US-Poland agreement regarding the standards for the new generation internet infrastructure signed by Polish Prime Minister Matusz Morawiecki and US Vice President Mike Pence in Warsaw in early September. Marek Zagórski, Minister of Digital Affairs, who talked at the AmCham Diner Media Corner, said that he hoped the US-Poland cooperation on developing G5 security standards will set a vital example for other countries on the question of G5. The network has to meet the highest conceivable security standards as in fact the network will be a hybrid system supporting communications and power transmission without which no state can function.

The issue of enforcing new and better standards was also on the agenda of the interview with Jakub Turowski from Facebook, who said that security is a wide-ranging subject at Facebook, and part of it refers to securing reliable content for the social site's users. The company has focused on monitoring the content and blocks access to content that does not meet its standards. Using artificial intelligence technology, the company also searches for shadow profiles and "closes millions of such daily", Turowski said. The company also has hired local fact-checkers for monitoring suspicious content in its battle with fake news and internet trolls.



It was for the 8th time that **the AmCham Diner** appeared at the Krynica Economic Forum serving as a place where business and government people could discuss the future of the Polish economy.



1. Dorota Dąbrowska – Winterscheid; AmCham Managing Director, Mateusz Morawiecki, Prime Minister; Marzena Drela, AmCham Deputy Director; Jerzy Bochyński; Institute of Eastern Studies; Jolanta Jaworska, AmCham Vice Chair (IBM). 2. Krzysztof Szczerski, Secretary of State, Chief of President Duda’s Chancellery; Marzena Drela; John Armstrong, US Embassy. 3. Marzena Drela; Jerzy Kwieciński, Minister of Investment and Economic Development. 4. Marta Pawlak, AmCham; Marzena Drela; Łukasz Szumowski, Minister of Health; Jolanta Jaworska. 5. Marzena Drela; Henryk Kowalczyk, Minister of Environment. 6. Paweł Gruga, KGHM; Piotr Ciski, Sage; Marzena Drela; Krzysztof Szubert, NASK National Research Institute. 7. Marzena Drela; Andrzej Adamczyk, Minister of Infrastructure. 8. Paweł Rąbiej, Deputy Mayor of Warsaw; Marzena Drela. 9. John Armstrong; Marzena Drela; Dorota Dąbrowska–Winterscheid; Jerzy Kwieciński. 10. Alain Simonnet, 3M; Krzysztof Senger; Member of the Board at Polish Investment & Trade Agency PAIH.





11. Paweł Pudłowski, MP, the Citizens' Coalition; Marzena Drela; Radosław Ciszewski, the Casimir Puławski Foundation; Jakub Turowski, Facebook; Michał Fura, UPC. 12. Dorota Dąbrowska-Winterscheid; Krzysztof Woźniak, Ravinder Singh; HSBC. 13. Marta Pawlak; Sławomir Żygowski, GE Power; Agnieszka Jankowska, GE. 14. Kamila Kaliszyk, Anna Marciniak, Mastercard; Marzena Drela; Jarosław Machocki, Gremi Media; Tomasz Owczarek; Bartosz Ciołkowski, Mastercard. 15. Marta Pawlak; Jerzy Bochyński; Marzena Drela. 16. Zygmunt Łopalewski, Whirlpool; Mariusz Wawer, 3M. 17. The AmCham & Citi Handlowy Cocktail Party; Dorota Dąbrowska-Winterscheid; Sławomir Sikora, Citi Handlowy. 18. Marcin Petrykowski, AmCham Board Member (S&P); Dorota Dąbrowska-Winterscheid. 19. Henryk Orfinger, Dr. Irena Eris; Marzena Drela. 20. Dorota Dąbrowska-Winterscheid; Robert Kośla, Ministry of Digital Affairs; Marzena Drela.





21. Leszek Gaweł, Juul; Marzena Dreła. 22. Dorota Dąbrowska-Winterscheid; Andrzej Dziukała, Janssen Cilag; Marta Pawlak; Renata Figura-Dobrowolska, Janssen Cilag; Anita Kowalska. 23. Andrzej Bobiński, Polityka Insight; Dorota Dąbrowska-Winterscheid. 24. Jolanta Jaworska; Stanisław Szwed, Secretary of State, the Ministry of Labour and Social Policy; Marzena Dreła. 25. Anita Kowalska, AmCham; Dorota Dąbrowska-Winterscheid; Ryszard Kruk. 26. Robert Gonera, actor; Marzena Dreła. 27. Aleksander Przetakiewicz; Joanna Przetakiewicz; Anita Kowalska; Elżbieta Raczkowska, Vital Voices. 28. Dorota Dąbrowska-Winterscheid; Sebastian Hejnowski, MSL. 29. Dorota Dąbrowska-Winterscheid; Ewa Mróz, AmCham; Peter B. Doran, CEO, the Center for European Policy Analysis (CEPA); General (ret.) Ben Hodges, CEPA. 30. Raymond Wójcik, CEPA; Dorota Dąbrowska-Winterscheid; Joanna Zasin, Solidarity Transport Hub Poland. 31. Marzena Dreła; Anna Borys-Karwacka, McDonald's; Dorota Dąbrowska-Winterscheid; Adam Pieńkowski, McDonald's. 32. The TVN24 Bis live studio: Health Minister Łukasz Szumowski is interviewed by Paweł Blajer. 33. Marzena Dreła; Aleksandra Bluj, GPW Benchmark. 34. Marzena Dreła; Gertruda Uścińska, Chairman, Social Security Agency ZUS; Marta Pawlak; Jolanta Jaworska. 35. Marcin Barcz, TVN/Discovery; Marzena Dreła; Piotr Korycki, TVN/Discovery. 36. Karol Poznański, JUUL; Marzena Dreła. 37. Jean-Francois Fallacher, Chairman, French Chamber of Industry and Commerce in Poland (Orange); Marzena Dreła; Dorota Dąbrowska-Winterscheid; Monika Constant, FCIC. 38. Marzena Dreła; Paweł Zegarłowicz; Katarzyna Giedrojc, Citi Handlowy; Marta Pawlak; Jacek Czerniak, Citi Handlowy. 39. Marzena Dreła; Paweł Blajer.





**AmCham and 3M held a breakfast devoted to discussing environmental and sustainability issues and how business can contribute to setting the best standards.**



40. Dorota Dąbrowska-Winterscheid opens the meeting. 41. The breakfast in progress. 42. Michał Kurtyka, Secretary of State at Ministry of Environment. 43. Kamil Wyszowski; Global Contact Network Poland; Dorota Dąbrowska-Winterscheid; Alain Simmonet.

**The AmCham Pharma Committee held a breakfast meeting with government officials to discuss regulatory issues governing the development of innovative drugs.**



44. Andrzej Dziukała, Janssen Cilag; Dorota Dąbrowska-Winterscheid; Jacek Graliński, Amgen. 45. Łukasz Szumowski, Minister of Health; Jacek Graliński.





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46. Andrzej Dziukała; Marzena Drela; Marta Pawlak; Agnieszka Jankowska; Dorota Dąbrowska-Winterscheid. 47. Marta Pawlak; Marzena Drela; Wanda Buk, the Ministry of Digital Affairs; Jolanta Jaworska. 48. Dorota Dąbrowska-Winterscheid; Marzena Drela; Eliza Przedździecka, AmCham; Małgorzata Jarosińska-Jedynak, the Ministry of Investment and Economic Development; Marta Pawlak, AmCham. 49. Marta Pawlak; Wojciech Arszeński, UPS; Agnieszka Jankowska. 50. Experiencing the magic of Okulus. 51. Aneta Józwicka, Diageo; Katarzyna Obuchowicz, Brown Forman; Marzena Drela; Dariusz Szczygieł, Przemysław Gośławski, TVN. 52. The McDonald's Team. 53. At the JULL stand. 54. The AmCham Diner in full swing. 55. Lay's was one of the in-kind sponsors of the AmCham Diner.





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# COVER STORY

## AmCham at Kongres 590

# COMING FULL CIRCLE

AMERICAN INVESTORS HAVE NOTICED THAT POLISH COMPANIES DEVELOP TECHNOLOGY AND PRODUCTS THAT COULD MAKE A SPLASH WITH US COMPANIES AND CONSUMERS BACK IN THE STATES.

This year, for the second consecutive time, AmCham took its Diner concept to Kongres 590 in Rzeszów—an annual gathering of Polish companies, business-supporting government agencies, and high-level government representatives, who meet to discuss economic trends, regulations governing business, the technology which impacts business, and the ways and means for the government to support and streamline the economic growth of the country. During the event there were many opportunities for Polish entrepreneurs and government officials to discuss the aggregated "value added" of the Polish business sector and how to use it to help firms expand globally.

By partnering Kongres 590 AmCham made its mark upon the event not only by providing a popular place where congress participants could socialize over meals and drinks (provided by Diner Partner Żabka), but also it managed to showcase the positive role that American investors have played in the Polish economy over the last three decades and how the presence of US companies in Poland may boost US-Poland cooperation and help Polish partners engage with potential American business partners.

The 4<sup>th</sup> edition of Kongres 590, organized in Rzeszów under the honorary patronage of the Polish President Andrzej Duda, who officially opened the event, was one of the largest business gatherings in Poland this year. According to the event organizer, the congress was covered by over 600 journalists, it attracted over 7,000 participants who attended over 100 discussion panels.

Prime Minister Mateusz Morawiecki added additional weight to the event by visiting it on the second day to deliver a speech in which he said that his government was determined to help find the best ways for Polish businesses to expand in the years to come.

A significant portion of discussions carried out at the congress focused on international aspects of business including the robust US economy and its role in the global economy. The pros of US economic involvement were discussed by AmCham Chairman Tony Housh, and AmCham Managing Director Dorota Dąbrowski-Winterscheid, together with representatives of American companies, who took part in two discussion panels at the congress. They took these opportunities to share the perspective of US companies with other panelists representing Polish firms and the government.

### FORGING PARTNERSHIPS

The first panel discussion, entitled "Poland—America: A Perfect Partnership in Business", was moderated by Tony Housh, and involved Małgorzata Jarosińska-Jedynak, Secretary of State at the Ministry of Investment and Economic Development, Patrick Slowinski, US Consul General in Kraków, Barbara Słomkowska from Citi Handlowy, Mariusz Mielczarek from Amazon, and Tomasz Suchański from Żabka.

The discussion showed that US-Polish economic cooperation goes deeper than some of the numbers reflecting trade volumes between the two countries may suggest. It is enough to look at other data, such as the number of American investments in Poland to get a broader picture, argued Tony Housh.

His view was confirmed by Secretary Małgorzata Jarosińska-Jedynak, who noted that the US-Polish economic cooperation was "very good" with 185 investment projects in Poland by American companies which have created over 220,000 new jobs in the Polish economy, including business process offshoring and shared services centers, but also knowledge-intensive areas such as R&D centers.

She noted that those investments are welcomed by the government as they utilize the highly educated workforce in Poland.

## TRANSFORMING BUSINESS

But today's strong presence of American investors in Poland did not materialize overnight. It has gone through a gradual investment and business building process initiated by pioneering investors such as Citi, who in 1991 purchased a stake in Bank Handlowy, an independent bank in southern Poland, which Citi later acquired to form CitiHandlowy. Citi's Barbara Słomkowska noted that while CitiHandlowy expanded its network across the country, its largest unit, when it comes to employment numbers, is the Citi BPO center in Warsaw, which supports over 4,400 jobs tapping into the highly-skilled Polish workforce. The center, which now services markets in Europe, Asia, the Americas, and Australia, has been upgrading its operations, starting from supporting simple back office functions, and gradually expanding its functions to more complex and even strategic operations for the bank.

Słomkowska noted that the story of Citi's BPO center acquiring more complex functions is characteristic of many similar centers established in Poland by American investors which greatly contributed to the creation of the BPO sector in the country. Today there are over 300,000 jobs in the sector, with nearly 30 percent of them supported by American investors which have established regional hubs in Poland for their multinational companies.

Another example of a successful business transformation initiated by US investors was presented by Tomasz Suchański, CEO of Żabka, a network of franchise convenience stores. The story starts nearly three years ago with the purchase of a controlling stake in Żabka by CVC Capital Partners, a private equity firm. Suchański said that the impact of American partners was paramount as the American investor made the company focus on business aspects the company's managers did not know of before such as building relations with the franchisees, supporting them with training programs to boost their entrepreneurial skills and acumen. Another new area where the American investor refocused the attention of Żabka managers was going beyond the paradigm of corporate social responsibility to the ESG—environmental, social and corporate governance — which are the three central factors in measuring the sustainability and ethical impact of an investment in a company or business. With the application of ESG standards the company decreased its negative impact on the natural environment while at the same time increasing the corporate management transparency, which, Suchański underlined, increased the brand appreciation by consumers.

The US investor also introduced Żabka to the digital world of commerce which goes far beyond traditional e-commerce, which is selling online. Today, Żabka uses artificial intelligence and mobile applications to maintain communications with its

clients. The introduction of the mobile application tuned out to be a huge success for the company as it registered 2 million users within the first four months. "Without CVC we would not have been able to make it," Suchański said.

## OFFERING GLOBAL ACCESS

Similar business enabling methods as those applied by Żabka are offered by Amazon Polska but to a wide range of firms. Amazon also combines brick-and-mortar abilities with the digital. It operates 175 fulfillment centers the world over including 60 in Europe—seven in Poland where the company has invested over PLN 4 billion and employs 16,000 people. The network works in sync with a cloud computing system—the Amazon Web Service (AWS). With this the company may offer its clients not only a delivery system to nearly any place in the world but also digital marketing and sales channels as well as business support including translation services and meeting legal requirements in foreign markets where Amazon clients intend to sell their products. According to Mariusz Mielczarek, several thousands companies in Poland have tapped into that system and in the last 12 months generated sales reaching USD 0.5 billion. Thanks to Amazon there are new companies in Poland that have developed their business without having to create any brick-and-mortar sales operations because they have relied entirely on the Amazon system which links up over 350 million clients worldwide.

Amazon is one of the most dynamic US investors in Poland. Apart from building its fulfillment centers the company has established a R&D center in Gdańsk, after it purchased a local company which developed speech recognition software. Today the company develops the Amazon Alexa virtual assistant application and works closely with another Alexa team, in Seattle, Washington.

## A NEW CHAPTER

With their expansion in Poland American investors want business relations with the country not to be just a one-way street, noted Tony Housh, who moderated the discussion panel. The AmCham Chairman explained that American investors see that Polish companies are developing technology and products that should be brought to the attention of the American consumer and the American business community in the US. This is why, AmCham, in partnership with the Polish Trade and Investment Agency, launched a program called American Investors Desk (AID), to help Polish companies interested in expanding in the US understand the opportunities and get some fundamental information about the market so they are able to optimize their steps and make the right business decisions.

Dorota Dąbrowska-Winterscheid, AmCham Managing Director, who took part in another panel focusing on the US market at Kongres 590, also shared insights on the AID program by saying that in the nearly 30 years in which AmCham has been assisting US investors in Poland the organization

has generated knowhow and now intends to share its best practices with Polish companies.

Dąbrowska-Winterscheid noted that while there are many government organizations that offer different assistance to companies interested in expanding in the US, there is a lack of a comprehensive and systemic approach in their programs. In addition, she said that there are already many Polish companies active in the US but they are poorly represented there. They need one supporting organization with will professionally promote their interests in America.

Dąbrowska-Winterscheid, who was one of the panelists of a discussion panel entitled "Capital has a nationality—how to support Polish companies abroad", noted, however, that the recent reforms of the Polish Trade and Investment Agency PAIH, whereby PAIH established 70 representative offices around the world, is a step in the right direction because they are staffed by young and energetic individuals who have lived in those countries for several years and understand the political and economic realities of those countries, unlike career diplomats, who often have to learn the ropes about the realities of the countries where they serve. She referred to the Economic Section of the US Embassy in Warsaw as a good example: while career diplomats come and go, the section employs experts who are Poland-natives and who have worked in their field of expertise for decades. When they get a call from an American company searching for business partners in Poland, they can find a Polish match nearly instantly.

## RELYING ON THEMSELVES

Another panelist, Jan Szynaka from Szynaka Meble (furniture producer), echoed the Dąbrowska-Winterscheid message that Polish companies need professional representation of their interests in the US market, by saying that Poland is not perceived worldwide as a country with top reputation for making quality products. Citing data on the value of furniture exports Szynaka said that Poland is the fourth-largest exporter in the world. Last year the value of Polish furniture exports surpassed that of Italy, and, according to the 2019 numbers, Poland may surpass Germany this year. However, there are markets where furniture made in Poland is sold under German brands because Germany is perceived as a top quality producer.

Szynaka also said that government-affiliated agencies which are charged with the promotion of Polish firms in foreign markets often fail to execute their mission efficiently as they tend to focus on promoting themselves rather than the companies. He said that an organization which is financed by members' fees is in a much better position to deliver for its members, unlike many organizations which are financed by governments. He said that in the past Polish furniture producers used to resort to the "membership model" of financing their marketing and promo activities abroad by forming ad-hoc alliances when going together to trade fairs in foreign markets.

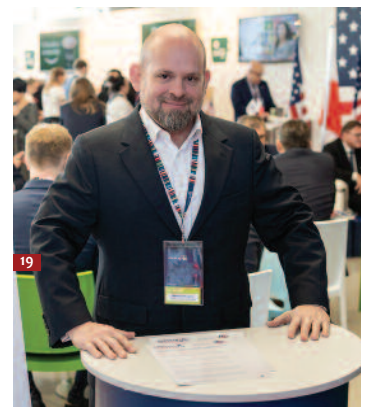


This year the AmCham Diner was present at Kongres 590 in Rzeszów for the second time...



1. Andrzej Duda, President of Poland, opens the congress. 2. Mateusz Morawiecki, Prime Minister, delivers his speech on the second day of the congress. 3. Tony Housh, AmCham Chairman (Northrop Grumman); Marzena Drela, AmCham Deputy Director; Andrzej Jacaszek, ICAN Institute. 4. Adam Kwiatkowski, Chief of the Chancellery of the President of the Republic of Poland; Agnieszka Jankowska, GE; Marta Pawlak, Marzena Drela, AmCham. 5. Andrzej Dera, Secretary of State, Chancellery of the President of the Republic of Poland; Marzena Drela. 6. Dr. Radosław Sierpiński, Adviser to the Minister of Health; Marzena Drela. 7. Marzena Drela; Prof. Andrzej Zybortowicz, Advisor the President of Poland. 8. US congressional delegation meets AmCham. 9. Tony Housh; Paweł Mucha, Deputy Chief of the Chancellery of the President of Poland; Agnieszka Jankowska; Marta Pawlak; Małgorzata Podrecka, Canpack; Dorota Dąbrowska – Winterscheid, AmCham Managing Director.





10. Dorota Dąbrowska–Winterscheid; Patrick Slowinski; Congressman Tom Reed (R); Marzena Drela; Tony Housh. 11. Marzena Drela, Katarzyna Przewezikowska, Żabka.  
 12. Expert panel "Poland and America—an ideal partnership in business" with participants Barbara Słomkowska, Citi Handlowy; Mariusz Mielczarek, Amazon; Tony Housh; Małgorzata Jarosińska-Jedynak, Secretary of State, Ministry of Investment and Economic Development; Tomasz Suchański, Żabka; Patrick Slowinski, US Consul General in Kraków.  
 13. Małgorzata Jarosińska Jedynak; Tomasz Suchański. 14. Barbara Słomkowska. 15. Mariusz Mielczarek. 16. Tony Housh. 17. Patric Slowinski. 18. Dorota Dąbrowska–Winterscheid; Patrick Slowinski, Marzena Drela. 19. Nathaniel Espino, AmCham Individual Member.





20. The congress assembles in full force. 21. Expert panel "How to support Polish companies abroad" with Hubert Biskupski, Moderator, *Super Biznes*; Dorota Dąbrowska-Winterscheid; Jan Sznaka, *Sznaka-Meble*; Łukasz Pupek, *SAS Advisors*; Maks Kraczkowski, *PKO BP*; Paweł Lewandowski, *The Ministry of Culture and National Heritage*; Włodzimierz Kocon, *Bank Gospodarstwa Krajowego*. 22. Hubert Biskupski; Dorota Dąbrowska-Winterscheid; Jan Sznaka. 23. Mateusz Jurczyk, *AmCham Kraków & Katowice*; Zygmunt Łopalewski, *Whirlpool*; Marta Pawlak; Marzena Drela; Tony Housh.





24. Tony Housh; Marzena Drela; Maciej Witucki, Konfederacja Lewiatan (Orange). 25. Marta Pawlak; Tomasz Sękowski, Lidya. 26. Małgorzata Podrecka, Canpack; Tony Housh. 27. Marzena Drela; Małgorzata Jarosińska-Jedynak, Tony Housh; Mateusz Jurczyk; Marta Pawlak. 28. AmCham Diner in business. 29. Marzena Drela; Tony Housh; Mateusz Jurczyk; Agnieszka Jankowska; Piotr Marczyk, Microsoft. 30. Tony Housh; Krzysztof Krawczyk, CVC Capital Partners; Tomasz Suchański, Alfred Kubczyk, Żabka. 31. Marzena Drela; Tony Housh; Barbara Słomkowska, Marta Maciuszczak, Citi Handlowy; Dorota Dąbrowska-Winterscheid. 32. Bartłomiej Orzeł, Prime Minister Advisor; Kamil Suchański, Kielce City Hall; Tony Housh; Andrzej Lubelski, AmCham Individual Member; Paweł Więcek, Echo Dnia. 33. Marta Pawlak; Marzena Drela; Mariusz Mielczarek; Dorota Dąbrowska-Winterscheid; Tony Housh; Mateusz Jurczyk.





34. Visitors at the American Investor Desk talk to the AID program manager Ewa Mróz. 35. Anna Kalata, Polish-Indian Chamber of Commerce; Marzena Dreła; Mateusz Jurczyk. 36. The Żabka team. 37. At the entrance to the AmCham Diner. 38. AmCham Diner is one of the most popular places at the congress.

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to the following sponsors for supporting  
the AmCham Diner at  
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AmCham Diner the official meeting place of  
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590





# MONTHLY MEETINGS

## SEPTEMBER

# A NEW PERSPECTIVE

### PAIH EXPANDS ITS MISSION TO BETTER SERVE POLAND'S ECONOMIC DEVELOPMENT

In September AmCham hosted Krzysztof Senger, Vice-President of the Polish Investment and Trade Agency (PAIH), (formerly known as the Polish Information and Investment Agency PAIIZ), who met with AmCham to talk about reforms aimed at better utilizing government assets and resources to stimulate economic growth in Poland in order for it to hit the government's sustainable development goals.

#### UNDER ONE UMBRELLA

The guest said that the top institution managing all the government assets, and synchronizing their activities, is the Polish Development Fund (*Polski Fundusz Rozwoju*). The role of the fund is to maintain and manage a network of government agencies and institutions that work in sync with investors to help develop the economy. The network is meant to act in a fashion similar to already existing networks in Germany and France. "The Polish Development Fund is a holding of a range of development institutions which create development companies and ventures under the fund's umbrella," Senger said. "The areas where they are active are venture capital, real estate, but also stand-alone development institutions such the National Development Bank, which offers export insurance".

#### PAIH'S NEW MISSION

PAIH is part of the network. In its role the agency continues to assist foreign investors in Poland in helping them establish their presence in the country. But the agency has been also charged with new responsibilities (hence the change of the name), namely helping Polish companies expand their business abroad. As PAIH was charged with this new responsibility, the agency took steps to establish a network of offices around the world. Within the last 18 months the agency opened 70 offices including in North America, Asia, and Africa. With this, Senger said, Poland is well represented by agents, who, along with promoting Poland's economic interests in their respective markets, also gather essential economic knowledge, which helps PAIH generate its own perspective on the global economy. "With this new mandate we grew in capacity and our budget is now 20 times bigger than it used to be," Senger said, "but it is not still big enough."

#### PAIH'S OLD MISSION

While PAIH is energetically developing its global network of representatives, the agency continues to assist foreign investors in Poland. Today it mainly helps them find the best locations for production sites and shared services centers. But look-

ing at the current investment trends, Senger noted, foreign investors are looking at other investment classes such as commercial property, mergers and acquisitions as well as infrastructure assets such as airports and railway companies. Senger said that those are very profitable assets for investors but foreign investors are rare, although he added that he hoped this would soon change. "We aim to offer investors in Poland the best assets," Senger said.

The guest also noted that the Polish economy will continue to be attractive for foreign investors for years to come as it is expected to continue to grow its GDP while its infrastructure will continue to improve. In addition, Poland has seen a steep growth in the number of companies with high energy consumption. This signals that the economy's industrial output potential has increased. It also means that the Polish economy has a growing demand for energy generation which, in turn, opens up opportunities for foreign investors, including US energy companies.



#### KRZYSZTOF SENGER

Appointed Vice President of Polish Investment and Trade Agency in 2016 (then known as Polish Information and Foreign Investment Agency). He studied International Business at the Poznań University of Economics and acquired a PhD at the Adam Mickiewicz University in Poznań, specialising in issues relating to economy and development policy. Senger has work experience at PwC and Deloitte where he assisted clients in building innovative strategies and business models, alongside helping them to enter and com-

pete in global markets. In the public sector, Senger has gained experience in building and managing new finance and investments structures. In the course of his career, he was frequently responsible for affairs and relations with institutions at an international, central and local level. In 2004-2013 he acted as an independent advisor, also working abroad as an international expert in negotiations of free trade agreements with the EU (the DCFTA). He has participated in international projects related to innovation and R&D.

# OCTOBER OLD AND WISE

## POLAND'S SOCIAL SECURITY INSTITUTION WELCOMES COOPERATION WITH THE PRIVATE SECTOR

Discussing social security policies, and especially their cost, is always a daunting experience for entrepreneurs but the American business community in Poland has long had strong commitment to the growth of the Polish economy along with the country's social security mechanisms. This is why the meeting with Prof. Gertruda Uścińska, President of the Social Security Institution ZUS, was highly anticipated by AmCham members.

Prof. Uścińska used the meeting as an opportunity to showcase the main functions of ZUS, an institution which celebrates its 100<sup>th</sup> anniversary this year. The ZUS responsibilities include managing the Social Security Fund (FUS) to which companies pay the social security fees of their employees. Collecting fees is the first pillar of the system—in 2018 FUS collected PLN 238.5 billion from approximately 2,700 companies. The amount collected by FUS equalled 63 percent of Poland's GDP for that year. In turn, FUS paid out PLN 231.6 billion to its beneficiaries, an amount roughly equaling 50 percent of Poland's budgetary expenditures in 2018.

### MANAGING SITUATIONS

Prof. Uścińska noted that collecting fees and paying out benefits via FUS is managed by ZUS through a fully digitized info system, which safeguards the organizations efficiency. It supports "billions of trans-

actions" each month. The system was implemented in 1999 and it has been through many upgrades which have delivered new analytical functions, with which ZUS experts can gain desired expertise and wrap it up as recommendations for new social security government policies. They also learn how to best communicate with fee payers (companies) and how to take the appropriate steps. "We see it when a company is late with its payment and we see the amount of debt generated by it, and also seeing other indicators we know exactly how to adequately deal with that payer," Prof. Uścińska noted.

### SUPPORTING THE SICK

Along with collecting social security fees and paying out benefits ZUS also manages the fees that companies pay for their employees to the sick employees fund. The money is used by ZUS to reimburse employees on sick leave if they are absent from work for longer than 33 days.

In the past, the ZUS operations regarding sick leave reimbursement was based on the flow of paper documents from doctors to the institution. Recently, however, ZUS upgraded this routine with the introduction of a digital system through which doctors file the sick leaves of their patients. The system is linked to ZUS and to companies as well, and

thanks to it company managers have access to information on which of their workers are on sick leave and how long they will remain absent from work. "This gives companies a higher quality of management as you know instantly how many workers will be absent from work today and tomorrow," Prof. Uścińska said, noting that thanks to close cooperation with the private sector ZUS has acquired the right knowledge of how to best implement the system. It has been a vital reform, she admitted, because most of the 150,000 doctors in the country, who are authorized to file sick leaves, were sceptical about the introduction of the system.

### MORE EFFICIENCY

Expanding digital platforms over different ZUS functions is the way to go for the organization in the years to come, Prof. Uścińska said. The system must become more and more efficient as the ratio of economically active individuals in Poland and those who will depend on social security is changing. With the population of Poland of over 38 million, 16.6 million are working people. This means that 100 working people support the livelihoods of 38 non-working people. By 2060, however, the proportion will be 100/60 and this will call for super-efficient ZUS management systems.

### GERTRUDA UŚCIŃSKA

Appointed President of the Social Insurance Institution ZUS in 2016. Head of Department of Social Security at the Institute of Social Policy of the University of Warsaw, professor at the Department of Labour Law and Social Safety Net in the Institute of Labour and Social Studies, and member of the Polish Academy of Sciences (Committee on Labour Law and Social Policy). Uścińska is an expert in research programmes and scientific research institutes across the European Union including at the University of Antwerp, Ghent Univer-

sity, Max Planck Institute, where she worked on the implementation of pan-European research programs such as Consensus, Special, LAW, trESS, FreSsco. Uścińska is an expert in managing international scientific programs. She authored many publications on social policy, social security coordination, social mobility, social insurance and the law of the European Union.





# FOCUS

## CSR

# BRICK BY BRICK

## MAKING THE WORLD A BETTER PLACE FOR CHILDREN



In September, Krzysztof Kłapa, Chairman of the Ronald McDonald Foundation (*Fundacja Ronald McDonald* FRM), which is the Polish Chapter of Ronald McDonald House Charities, RMHC) and Katarzyna Nowakowska, FRM's Vice-Chairman and Executive Director, accompanied by representatives of the Warsaw Medical University (WMU), met the friends of the foundation, FRM donors and volunteers (pictured above), at the construction site of a Ronald McDonald House—a home-away-from-home for parents of children who are long-term patients of the WMU Pediatric Clinic. The meeting served as an opportunity for the participants to celebrate the official beginning of the facility's construction with a symbolic "ground breaking" and signing the "construction act" for the project. The site is on the ground of the WMU campus.

"We are proud to take up the challenge of the construction and the subsequent running of the House which will be part of the WMU campus," Kłapa said while opening the meeting. "This truly family-oriented hotel, ideally implements our cooperation with the university and its pediatric clinic, and serves as yet another example of our engagement in putting into practice the idea of the family-friendly hospital."

Katarzyna Nowakowska said that thanks to the House, "parents will be able to stay close to their ill children while they are in hospital to give them real support in the time of their illness."

The Ronald McDonald House in Warsaw will be the

second such facility run by the foundation in Poland. The first one was delivered four years ago at the Pediatric Clinic of the Medical University in Kraków. The cost of running this 1,300-square-meter facility is covered by the foundation while it also recruits from the foundation's volunteers. It is a free of charge family hotel with 20 apartments. It is modern, fully equipped and comfortable.



### SIGNED, SEALED...

Katarzyna Nowakowska and Krzysztof Kłapa sign the symbolic "construction act" initiating the building of the Ronald McDonald House at the campus of

the Warsaw Medical University's Pediatric Clinic. This is the second such facility to be built in Poland by the Ronald McDonald Foundation.

There are extra services available there 24/7 including care by volunteers and the advice of a professional psychologist. The accommodation is not time limited. So far the house served 400 families. The longest a family stayed is 382 days. In many cases a family stays at the house for many times—one of them used it for 27 separate stays. The Warsaw House is designed to cover 2,000 square meters of usable area on three floors. Two floors will comprise hotel rooms, while the ground floor will include the kitchen, dining room, laundry room, meeting rooms and rest areas. The facility in Warsaw will also have a kindergarten for the children of WMU students, doctors and guests of the Ronald McDonald House, where they will be in the care of qualified personnel. So far, there are 367 Ronald McDonald Houses globally, including 97 in Europe.

### THE EARLY DAYS

The Ronald McDonald Foundation was established in Poland in 2002. In 2009 it adapted the Ronald McDonald Family Room program as part of the "Keeping Families Close" global program from RMHC. In it, the foundation offers places to rest for the relatives of children treated in hospitals.

The social space consists of kitchen areas equipped with a stove or microwave, dining rooms, rest rooms, bathrooms and showers. When the space permits, the foundation also offers laundry and dry storage facilities. Family Rooms are presently available at the Children's



Memorial Health Institute in Warsaw—Międzylesie, and at the Pediatric Hospital of the Warsaw Medical University. Both are major medical centers with a high demand for such supporting services and the foundation looks for opportunities to expand the Family Rooms project to pediatric hospitals in other parts of Poland.

## EARLY DIAGNOSIS

The third global RMHC program which is present in Poland is the Ronald McDonald Care Mobile. It offers access to healthcare in areas where children need it most but where, very often, it is hard to get. The foundation uses a 40-foot-long vehicle equipped with two examination rooms, reception and waiting area, and offers cancer diagnosis. The fact that such service is critically important in Poland was offered by the members of the FRM Advisory Board whose some members represent the medical community. Their voice brought the attention of the foundation to the problem of preventive care in pediatric oncology. While the medical procedures available in Poland for cancer patients match the standards in other developed countries in Europe, it is in the area of preventive care in oncology where Poland still has room for improvement, especially when it comes to the early diagnosis of cancer in children.

## EDUCATING GPs

Along with those three programs the foundation is active in the area of parents' education. It helps parents increase their understanding of the rules of prevention, including what they need to do to help their children when they are diagnosed with an illness. In cooperation with one of the leading medical specialists in Poland, the foundation developed a training program for GPs. The workshops, led by the top pediatric oncologists and psychologists, are dedicated to the early diagnosis of cancer. The training team travels to different locations all over Poland, meets with GPs for training sessions. For the GPs it is not only an opportunity to learn from and meet experts, but they can use their expertise later on by contacting them to seek advice regarding particular cases. The program is fully financed by the foundation. So far, over 2,500 GPs went through it.

## RAISING MONEY

As an NGO, the foundation can function and run our programs exclusively thanks to the generosity of its donors. It uses different ways to raise money, from public collections, charity events to private and corporate financial and in-kind donations. For instance, the construction of the Ronald McDonald House in Kraków was made possible thanks to the construction companies involved in the process, which donated equipment, building materials, and various building services for free.

The foundation seeks cooperation with partners and friends who support its causes. It is open to collaboration with business people, artists, public personalities and community leaders as well as the corporate sector.

Those who wish to contact the foundation will find it at [www.frm.org.pl](http://www.frm.org.pl)

# AMCHAM CHARITY DRIVE



For the 24<sup>th</sup> consecutive year, we are organizing the **AmCham Charity Drive** to help children from 8 orphanages across the country and a single mothers' shelter in Słomczyn. Items needed most are primarily basic necessities and everyday items, such as: clothing (only new items please!), shoes, cleaning supplies, toiletries (for children and adults), food, candy, beverages, school items (such as backpacks, books, etc.), bedding, sporting gear, toys.

In order to deliver the goods by Christmas we ask you to bring all items by Monday, December 2<sup>nd</sup> to AmCham's office in Spektrum Tower, ul. Twarda 18, 16<sup>th</sup> floor, Warsaw. Our office is open 9 am to 5 pm on weekdays.

It is also possible to make a cash donation, which will be used to pay the utility bills at the orphanages and shelter.

### AMCHAM BANK ACCOUNT:

Fundacja Amerykańskiej Izby Handlowej w Polsce;  
93 1240 6003 1111 0010 4343 0032;  
transfer title "Charity Drive".



All companies that chose to participate in the project will be listed on the AmCham website, FB funpage and featured in the first issue of **AmCham.PI Quarterly** in 2020. In case of any questions please contact Anita Kowalska at: [anita.kowalska@amcham.pl](mailto:anita.kowalska@amcham.pl).



# AmCham Advisory Council



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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.

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## EXPERT HR

# AGEISM AND DIVERSITY

## Senior workers deliver value for companies but certain words may discourage them from sending in their applications

Hiring nowadays has certain conflicts. Many companies seek experienced high-performers whilst also searching for "digital natives", that is people who have been raised in the age of online technology. The employers looking for tech-savvy millennial use terms such as "energetic" and "high-potential" in their searches, and these descriptions may be translated as "young". And this could be the tip of the ageism iceberg. Older workers today are better educated and live longer than any previous generation. They also want to remain in the workforce but discrimination and outdated assumptions are making that a tricky proposition. Ageism is amongst the most common forms of employment discrimination. In 2017 a research from the Federal Reserve Bank of San Francisco indicated that job candidates between the ages of 29 and 31 received 35 percent more callbacks than those ages 64 to 66, despite having similar qualifications and skills on more than 40,000 dummy applications. In addition, given the workplace's shifting demographics, the problem is only expected to get worse. In the west, following the weathering financial challenges and employment gaps after 2008, different surveys reveal that over 30 percent of Baby Boomers and members of Generation X plan to work past the traditional retirement age of 65.

### ALL-AGE MIXER

Recruiting older workers may give companies a competitive advantage as with older workers they can relate to clients and customers of an older (and perhaps more affluent) demographic as well. Furthermore, research indicates that multigenerational workforces are more productive and have less turnover than those without age diversity. Bettina Deynes, Vice President of human resources for the Society for Human Resource Management, once wrote that when a team spanning 50 or more years come together to solve a problem, "you know that that's when the magic happens". With over 25 years of teaching MBA cases, I can confirm that in response to any Harvard Business School case: The more diverse the student group, then the more innovative the response. On the other hand, a homogenous team, even one filled with highly coveted millennials, can unwittingly inhibit innovation.

### THREE MYTHS

Unfortunately, there are myths and prejudices against having different generations at work. The first on of them states that younger workers perform better than older ones. It is true that, on average, fluid intelligence—that is, the ability for people to process information quickly—declines with age. But an-



By Andrew Blatiak,  
Director, Leadership and  
Management Institute

other important aspect of brain power known as crystallized intelligence, which is based on wisdom, experience, and the ability to recognize patterns, remains stable and sometimes increases across the lifespan. Many other key elements integral to strong performance improve with age, including conscientiousness, emotional wellbeing, agreeableness, loyalty and language complexity. For instance, at Skanska USA, an 11,000-employee construction and development firm located in 20 US markets, the focus on hiring employees in their 50s and 60s has never been greater. Their employees represent the quintessential knowledge-based workforce that requires real hands-on experience to manage the scope, the risk, the commercial management and the safety needs these complex projects demand according to their Human Resources Officer. As a result, there's a greater emphasis on hiring and retaining an older, more experienced workforce. Projects are becoming more complicated, larger in scale and logistically more onerous. So, to encourage older workers to extend their careers with Skanska, they have been offering new, interesting projects and roles, part-time work, flexible work arrangements, project-specific or critical-tasks-oriented consultation arrangements and an industry-leading compensation/benefits platform". Another myth is that companies can not afford to retain Baby Boomers and other experienced workers. This is the rationale justifying excluding so-called "overqualified" candidates. In reality, however, what older workers want most is not a huge pay-check rather flexitime or work

on a part-time basis. Yet another myth regarding old-age employees says that by declining to retire, older employees are taking jobs from younger ones. From an economic standpoint, generations are not in conflict with one another. The idea that Baby Boomers are somehow stealing jobs from millennials is based on what economists refer to as the "lump of labour" fallacy, the idea that there is a fixed amount of work to be done in the world, so if one segment of the population does more, the others are left with less. So in conclusion employing older people could be a win/win situation.

### WORDS TO AVOID

It is worth remembering that while advertising a job opening some words and phrases may discourage older candidates. For instance "digital native" may discourage qualified applicants who did not come of age with digital and mobile tech, even some as young as their 30s. In turn, the adjective "high-energy" is just an euphemism for "young" and thus may discourage older applicants. Try not to use "Ninja" as this trendy buzzword may be unfamiliar, or unappealing, to older candidates. The same applies to "overqualified". Since experience often correlates with age, this term can be used to mask age bias. Watch out for "meals included" as it may imply an expectation that workers do not have a family waiting for them to come home for dinner. And remember that "Bad cultural fit" can be problematic if your culture is overtly youth-oriented.

*Older workers today are better educated and live longer than any previous generation.*



# INFLUENCING PEOPLE THE NEW WAY



By **Joanna Bojarska-Buchcic**, CEO, HR Solutions Group, AmCham Gdańsk Director.

## Transformational leadership is needed for leading a business in turbulent times

The digital world has changed organizations in an irreversible way. Digitalization in shaping companies, work environment and processes, create new challenges that leaders have to face. What do transformational leaders need for organizations in such a digital world, where only one thing like change is stable?

### A NEW IDEA

Transformational leadership is a leadership style in which leaders influence employees, encourage, inspire and motivate them to innovate and create change that will help grow the business and shape its future. This is possible by setting a good example at the executive level through a strong sense of corporate culture, building employee ownership and independence in the workplace. Transformational leaders inspire and motivate their em-

ployees. They trust trained employees to take authority over decisions in their assigned jobs. This management style gives employees more space to be creative and to look to the future to find new possibility to give employees more space to be creative and find a new and innovative solutions to solve old problems. The concept of the transformational leadership started with James. V. Downton in 1973 and was expanded on by James Burns in 1978. The researcher Bernard M. Bass built a model to measure the the success of transformational leadership, which can be defined by the impact leadership has on people through gaining trust, respect, admiration and authentic leadership style. While the Bass model dates from the 1970s it is still an effective leadership style practiced today worldwide.

### TRANSFORMATIONAL LEADERSHIP

The transformational leader needs to have a solid understanding of the necessary goals to be successful and articulate in explaining those goals and the methods by which they are to be achieved.

Pamela Rucker, CIO Executive Council's Executive Women in IT, said that "change doesn't really happen at a company—it happens with people, so in order to lead change you have to know, how to lead people". Transformational leaders are described as charismatic, optimistic, passionate, enthusiastic and sometimes visionary people. Such leaders strengthen company culture by encouraging employees to move from an attitude of self-interest to a mindset where they are working for a common good and goals. A transformational leader provides coaching and mentoring but also allows employees to make decisions and take ownership of tasks.

### LEADERS IN THE DIGITAL WORLD

The concept of transformational leadership style can be applied to industry—it is increasingly important in IT as companies to embrace digital transformation. Adapting to rapidly changing technology requires innovation and strong leadership. Each year Gartner, an American research company, conducts the world's largest Chief Information Officers (CIOs) survey to check how senior IT leaders worldwide are balancing their strategic business, technical and manage-

ment priorities. Almost 71 percent of IT leaders surveyed said it is difficult to strike the right balance between innovation and operational excellence. Gartner reports that 40 percent of CIO's are leaders of digital transformation in their companies, while 34 percent say they are responsible for innovation. Inspiring and motivating employees is the most important factor in their daily work. Talent management practices are not keeping up with the ever-increasing and changing needs of the digital world. Transformational leaders in IT must think about talent as a platform, and innovate with it. Leadership has to place a greater focus on strategies such as: recruiting and rotating staff from outside IT, crowdsourcing, working closely with universities (internships, co-designed courses etc.), considering customers, citizens, vendors and partners as extensions of the talent platform.

And effective digital leadership style of the CIO is based on trusted and partnering relationship with the CEO.

*Transformational leaders strengthen company culture by encouraging employees to move from an attitude of self-interest to a mindset where they are working for a common good and goals.*

## EXPERT Commercial real estate

# GOING UP



By **Bolesław Kołodziejczyk**, *Head of Research & Advisory at Cresa Poland, Co-Chair, AmCham Real Estate Committee*

## The demand for office space remains strong across Europe despite economic worries

At their annual conference in Warsaw, the heads of the European offices of real estate advisory firm Cresa talked about business opportunities and risks, and the global political uncertainty. The following is a summary of the most important points made during the discussion.

### SOME SLOWDOWN

Europe is already experiencing the first signs of an economic slowdown that has so far had a limited effect on the office market, say several heads of Cresa's European offices commenting on the situation in their respective countries. After Germany, this trend is most pronounced in the Netherlands. According to Johan Martens, Director of Cresa in the Netherlands, some companies, especially in the automotive sector and suppliers in the high-tech industry, are seeing their order books starting to run empty. As a result, some of Cresa clients are preparing for a downturn in the market. Martens said that while in the past there was strong growth in the office market, in certain parts of the country it was restricted by the limited supply of new construction. The focus of growth has been primarily on areas of the Randstad: Amsterdam, Rotterdam, the Hague and Utrecht, with a run-out towards the medium-sized cities outside the Randstad.

Poland and Spain appear the most resilient to the wider economic slowdown, which has had no impact on their office markets. Office demand stays strong in France, according to Thibault de Gueltzl, Managing Director, Cresa France. 2018 was still a very good year with take-up at around 2.5 million square meters, which was 230,000 square meters above the 10-year average. There were as many as 81 large lease transactions of spaces

over 5,000 square meters while the vacancy rate across the main market of Île-de-France is currently at 5.3 percent, and 1.8 percent in Paris, the lowest level in 10 years. Nevertheless office take-up decreased by 15 percent in the first half of 2019.

### A LANDLORD'S MARKET

The heads of Cresa in Central and Western Europe agree that the office markets in the region still have a potential. The markets are either balanced or skewed towards the landlord. Hungary is the best example with the average vacancy rate at just 6.5 percent and office rental rates soaring, while lease incentives are scaled down. Valter Kalas, Managing Partner, Cresa Hungary, said that the market in the country is seeing a large amount of construction while major pre-lets are being signed. Larger tenants now exploring the market two or three years prior to lease expiry in order to secure the desired space in selected building. Kalas noted that today the problem in Hungary is not how good a deal you can get for your client but whether you can get them the desired space at all.

In turn, in Spain, high-quality office space in central locations is clearly in demand. Cruz Guijosa, Director of Cresa in Spain, said that there is a strong imbalance between supply and demand in Madrid with tenants looking for top quality buildings in prime, central locations. The same goes for Barcelona. As Madrid has no vacant sites in the city centre, office development is spreading further away. The delivery of new office buildings is expected to restore the supply demand balance, even though new projects will be developed in non-central locations.

The Belgian office market is a bit different as tenants enjoy the upper hand in a market that has an oversupply of vacant older buildings. In addition, companies are downsizing their offices, as, according to Anthony Huygen, Partner, Cresa Belgium, they continue to focus on cost reduction and create a flexible work environment in order to attract and retain employees. On the other hand, landlords are trying to add new services in their business parks, such as flexible desks, meeting zones and catering facilities to attract and retain tenants. This will enable tenants to downsize rented offices to make savings, to use such services as required and better align their spaces with their needs.

### THE BREXIT EFFECT

The UK's withdrawal from the European Union continues to be an opportunity for some European cities to attract new office tenants. Some financial firms are required to have offices in a EU jurisdiction to undertake certain operations; for other companies an office in a EU country could be a more viable business option. The Netherlands has already benefited from these changes as approximately 100 companies have opened branches in the country due to the impending Brexit. The UK's departure from the EU has also had some impact on the Polish and French office markets. Despite uncertainty that emanates from Brexit, office markets around the UK and in particular the major London market continue to record strong tenant demand.

### FLEXIBILITY IS THE KEY

Apart from Brexit, the IT and high-tech sectors have been increasing employment for some time and remain key drivers of the office market across Europe. These are leading sectors in France, Hungary, Poland and the UK. The latter two have also seen financial institutions being very active on their leasing markets. In France, office demand remains boosted by start-ups while in Belgium by the public sector.

While office demand has been robust around Europe, the fundamentals of how space is used and leased is evolving with a propensity for businesses to seek out more flexibility from their real estate.

The growth of shared office spaces or co-working is a relatively new trend in some parts of Europe, but is gathering pace. In the first half of 2019, co-working operators accounted for approximately 8 percent of absorption in the Spanish office market. Cities currently leading the co-working drive in Europe include London, Paris and Warsaw. In the first half of 2019, co-working represented 62 percent of the take up for the largest transactions in Île-de-France. According to Shaun Dawson, Head of Insights at DeVono Cresa, UK, the trend is driven not only by co-working but a whole range of flexible leasing solutions that has taken the UK market by storm. In London alone there are over 600 operators offering flexible space. Focus for flexible operators is now on other UK cities in order to gain greater coverage. Occupier demand for this type of space is at the moment keeping a good pace, with co-working centres reporting healthy occupancy rates of 80-90 percent.

### ROBUST POLAND

Piotr Kaszyński, Managing Partner, Cresa Poland, noted that everybody worries about the impact of global politics on the Polish economy (Brexit and the US/China trade dispute), and on the economy of Poland's largest trading partner—Germany.

Despite that there are no signs of any slowdown in Poland. Quite to the contrary—the office market has just set new highs. In the second quarter of 2019, Warsaw's office take-up topped 265,000 square meters, the highest quarterly volume on record. The business services sector has recorded rapid growth both in the capital and regional markets with a marked increase in the number of mixed-use projects and development activity underway driven by strong investor interest.



## EXPERT Digital economy

# A GREAT SHIFT AHEAD

## Grasping the opportunities of the new world of finance

The rapid rise of technology has changed the way each and every one of us lives our lives, the way we shop, the way we interact with each other, the way we access information, and even the way we find a life-long partner—just to name a few. This is equally true for the business world—it is disrupting every industry, every sector and every business function. Technology is transforming not only the products businesses offer, but also the way they earn profit, moving from the manufacturing of tangible goods to service-based business models and knowledge-related activities sold via licences and subscriptions.

At the same time, technologies, such as robotics and clever computer algorithms, are taking over the basic routine functions of finance professionals. And while very few jobs could be entirely automated, it is estimated that about 60 percent of all jobs have at least 30 percent of their constituent activities that could be automated (See: *A future that works: automation, employment, and productivity*; McKinsey Global Institute 2017).

According to the World Economic Forum, (See: *5 things to know about the future of jobs*; World Economic Forum 2018) machines and algorithms will handle 52 percent of current work tasks by 2025 compared to 29 percent in 2018. This technology shift could create up to 133 mil-

lion new job roles, but could also displace an estimated 75 million jobs by 2022. In this context, routine-based and middle-skilled roles in the accounting, client management, industrial, postal and secretarial sectors are the most vulnerable. This means that if we do not want to be left behind, we urgently need to re-define our role in business.

In fact, our *Re-inventing Finance for a Digital World* white paper found that over 50 percent of finance leaders globally say the competencies of their teams must “change significantly” over the next three years. However, this new report also shows that most of us are not growing our skill sets fast enough to make up for the impact of artificial intelligence, robotic process automation and other technologies.

### AREAS FOR IMPROVEMENT

To stay ahead of the pack in the digital world, we will need to broaden our skills, go beyond our core technical knowledge, and be recognized for questioning constructively, guiding strategic decision-making, partnering with our peers, managing risks and implementing projects, as well as providing reliable management information.

We will also need to enhance our social and commercial skills to better tell the story of the business, generate new insights and business solu-



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

tions, and collaborate effectively with our colleagues across our organizations, from sales to HR, and external stakeholders. This will enable us to become influential business partners and value creators delivering real business intelligence to improve both overall company and staff performance.

In the digital world we are increasingly expected to shift our focus from corporate reporting and governance to value creation and strengthen their expertise in areas such as data analytics, cyber risk management and business models. We have a huge opportunity to step up to drive our organizations' growth and lead them into the future.

Yet, our Agile Finance Unleashed report found that 90% of finance leaders do not believe that their teams currently have the skills to support the business's digital ambitions. The clock is ticking, perhaps faster than ever, for finance professionals and their organization to plug the digital skills gap.

### NEW CAPABILITIES

To reap all the benefits of digital disruption, individuals and companies alike will need to learn and leverage new digital capabilities. Most of our skills and knowledge now have a three-year shelf life, so it is crucial that we become proactive learners supported, who continuously learn, unlearn and relearn new skills and competencies to deal with complexity and operate in an increasingly agile environment.

On average, employees will need 101 days of retraining and upskilling in the period leading up to 2022 (See: *5 things to know about the future of jobs*; World Economic Forum 2018).

This means that to stay ahead of the curve, businesses should now actively encourage and support their existing finance teams in their learning endeavours by devising strategic long-term talent management and development strategy. In turn, this learning culture would help create a higher performing and engaged workforce to drive change and deliver sustainable growth.

So, what can we do to effectively kick start this transformation journey and close this gap between the "old world" and "new world" of finance?

- Leverage technology solutions. Gain an understanding of how digital technologies are disrupting existing business models and then seek solutions.
- Develop “human” skills. Leadership, empathy, decision-making and judgement are skills that machines cannot replicate.
- Commit to and support continuous learning, including developing digital intelligence to leverage new and emerging technologies.
- Keep your digital skills broad. The more you specialize in a specific technology, the easier it will be for a machine to replace you.

These are certainly challenging times but we should not forget that machines and automated processes are not a replacement for, but a way to enhance and extend our human intelligence. It is only by finding the right balance between human and artificial intelligence, financial and non-financial data, and by becoming part of multi-disciplinary teams that we can bring additional value to business, becoming the influencers the modern business world needs. Transforming from storytellers to story makers.

*To reap all the benefits of digital disruption, individuals and companies alike will need to learn and leverage new digital capabilities.*

## EXPERT Employee Capital Plans

# STEP LIGHTLY

## Organizations entering the Employee Capital Plans scheme need to carefully consider their options at each step of the process

The law introducing mandatory employee capital pension plans (Employee Capital Plans—ECP) entered into force in January. As it is a new institution on the Polish market, the practical challenges of its implementation were therefore unknown. But we already have learnt the first experience because the largest companies, those employing over 250 people, have already reached the end of the implementation process.

### ECP MANAGEMENT SELECTION

When selecting the institution which will manage the employees' pension savings one should be guided primarily by the criteria indicated in the statutory provisions, namely: (i) conditions proposed by financial institutions for managing assets (in particular the management fee); (ii) effectiveness of the financial institution in managing assets; (iii) experience of the financial institution; and (iv) interest of employees. However, when it comes to effectiveness, as ECP is a new product, a simple comparison of outcome of funds offered is not yet possible. One can only review similar products they offer as a benchmark. Therefore, it is worth considering using an external advisor who will perform a kind of "audit" of the financial institution and a detailed

analysis of the offers, both its financial and legal conditions. It is also worth paying attention to ECP-related services for employers and employees, and additional incentives related to other financial products offered. Companies may consider expanding the selection criteria that may be relevant from their perspective, such as online assistance, or compatibility of the ECP IT system with the payroll system applied in the company.

### AGREEMENT WITH REPRESENTATIVES

The financial institution should be selected in consultation with the employee representatives. This will be trade unions, if operating at the company. If not, this can be an existing representation, such as work councils. In this case, however, it should be verified whether the scope of their current authorization covers ECP matters. Usually this is not the case. If no employee representation exists at the company, it will need to be elected. However, as contractors (if any) may also be covered by ECP, they should also participate in the election.

The company and the employee representatives should agree on the choice of financial institution. Only if such an agreement is not reached



By Anna Skuza, Legal Advisor, Head of Employment Practice, Deloitte Legal

within the statutory deadline, which in practice is rarely the case, the company is entitled to select the financial institution independently. However, regardless of the outcome of the consultation, from the practical perspective, it is worth documenting it properly.

### OTHER AGREEMENTS

Initially, the deadlines for contracting the financial institution and enrolling the first group of employees in ECP raised practical doubts. Ultimately, it has been widely accepted that for companies employing 250 or more employees it is respectively: October 25, and November 12, 2019; and for companies employing 50 or more employees it is: April 24, and May 11, 2020. To date, this interpretation is considered binding.

The enrolment date is automatically considered the date when the obligation to pay contributions starts. The first month for which contributions to ECP are due is the month in which the employee is enrolled to the ECP. Therefore, for companies employing 250 employees or more it will be November this year at the latest and for those employing over 50 people—May 2020.

The scopes of the ECP-related contracts have been regulated by the statutory provisions. However, each financial institution has developed its own templates in this area and may not be willing to change them. Therefore it is worth reviewing them earlier.

### INFO CAMPAIGNS

Although this is not explicitly required by law, many large companies have decided to launch an information campaign about the ECP addressed to their employees. This is because the introduction of ECP will not be financially neutral for employees and companies, and they may be willing to prepare for the changes involved.

The form, content and language of communication should be adapted

to the nature of the organization and the profile of its employees. The goal of the campaign should also not be to persuade employees to resign from participation in ECP, as this is an offense subject to fine of up to 1.5 percent of the annual salary fund. Therefore, it is worth considering entrusting the preparation of an information campaign to an external advisor who will present information in an unbiased, but also objective and substantive manner, so that employees have all the data necessary to make a decision about their participation in the program.

### IT SYSTEMS

According to the declarations, IT systems of financial institutions should be compatible with most of the HR and payroll programs available on the market. However, companies should arrange connecting their IT system to the system of the financial institution. It is good if it is taken care of before the time to pay the first contributions comes. It may also result in additional costs for the company, which may need to be identified earlier.

### VOLUNTARY PENSION SCHEMES

Entities with less than 250 employees may still decide to introduce voluntary pension schemes, which may release them from the obligation to introduce ECP. However, the condition for such an exemption to be applied is that the company pays to the scheme contributions not lower than the total contribution under the ECP (3.5 percent of salary). It is also important that at least a quarter of all employees join the voluntary pension scheme. Companies employing 50 employees or more should pay their first contributions to the voluntary pension scheme in December 2019 at the latest in order to benefit from the exemption. Therefore, there is very little time to make such a decision.

*Entities with less than 250 employees may decide to introduce voluntary pension schemes, which may release them from the obligation to introduce the Employee Capital Plans.*



## Anti-corruption

# WHO IS YOUR UBO?

## Time is running out for reporting on ultimate beneficial owners

Not only did October 13, 2019 mark the date of parliamentary elections in Poland, but it was also the effective date of the new regulations on ultimate beneficial owners (UBO). The anti-money laundering provisions in Poland have been amended in accordance with the enhanced EU standards, namely *Directive 2015/849* of the European Parliament and of the Council of May 20, 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

As a result, the Act of March 1, 2018 on counteracting money laundering and terrorist financing (known also as the AML Act), was introduced. It implements and establishes a new obligation on reporting beneficial owners to the Central Register of Beneficial Owners in Poland—*Centralny Rejestr Beneficjentów Rzeczywistych*. Not to be mistaken, it is not the first piece of legislation in Poland on this matter, as the previous the AML Act had been in force since 2001. It is the first one, though, to institute additional preventative measures aimed at enhancing transparency, in the form of a public and open register of UBO.

The introduction of these new measures in Poland follows the general idea that the prevention of money laundering and adequate prevention of terrorist financing cannot be effective unless the environment in which they operate is hostile to those seeking to channel

their finances through non-transparent structures. The integrity of the European Union financial system hinges upon the transparency of corporate and other legal entities in order to prevent money laundering.

### DEFINING YOUR UBO

It is always a natural person or persons who are either the ultimate owner(s) of the client or persons who control the client, or for whom, or on whose behalf, business relationship is established or an occasional transaction is carried out. The control in question may be direct or indirect and may stem from simple corporate shareholding, but also from shareholders' agreements or management agreements which will need to be analysed before determining the beneficial owner.

Apart from legal issues, factual circumstances will need to be taken into consideration when assessing if somebody has control or is able to influence actions undertaken by an entity.

In order to identify the beneficial owner of a company it is necessary to determine, for example, whether there is any natural person who possesses, directly or indirectly, at least 25 percent of the shares, or voting rights in the company, also as usufructuary or pledgee. While the result of searches and considerations defined in the AML Act may not give a definite answer, it may, ultimately, be a natural person who holds the position of a senior managing official.



By Małgorzata Grzelak,  
Partner, Squire Patton Boggs

### HOW TO REPORT?

The following are under obligation to provide notification of the beneficial owner: general partnerships (*spółka jawna*), limited partnerships (*spółka komandytowa*), limited joint-stock partnerships (*spółka komandytowo-akcyjna*), limited liability companies (*spółka z ograniczoną odpowiedzialnością*.) and joint-stock companies (*spółka akcyjna*). The only exception is for public companies as defined under the Polish Act of July 29, 2005 on public offerings, conditions governing the introduction of financial instruments to organised trading and public companies. The notification shall include, quite obviously, the identification details of the notifying entity, including its business name, legal form, registered office, national court registration number KRS and taxpayer identification number NIP.

Then, the notifying entity must provide the identification details of its beneficial owners and also the details of the members of the governing body or partners authorised to represent the notifying entity. Such details are to include name and surname, nationality, country of residence, Polish resident identification number PESEL, or, in case of those who lack their PESEL, their date of birth. The information should be supplemented with the information on the size and the type of share or rights of the beneficial owner. The Register will be maintained electronically, publicly available and was launched on October 13, 2019. The new obligations with regard to the UBO come into force on October 13, 2019, as well.

However, the deadline for submitting the proper UBO report form differs for new and existing entities. Newly established entities must notify the register of their UBO within seven days from the KRS registration date. Entities registered with the national court register KRS prior to October 13, 2019 must submit their notification within six months from the obligation's effective date, that

is no later than April 13, 2020.

A seven-day notification deadline also applies in the event of a change in the information previously provided to the Register of UBO.

### COSTS AND PENALTIES

There is no fee for submitting the notification with the Register. There will also be no fee charged to obtain information from the Register. The notification should be submitted in the form of an electronic document with a qualified electronic signature or a signature confirmed by ePuap. It must include an attestation statement signed by the person making the report. The notification must be submitted in accordance with the rules of company representation.

A person submitting information about beneficial owners will be liable for damage caused as a result of providing false data. Moreover, the entity which fails to comply with the reporting requirements with regard to the beneficial owner within the deadline may be fined up to PLN 1 million.

### SUMMARY

While for the majority of the registered entities the deadline of April 13 of the next year may seem remote, it is time to verify who needs to be notified as UBO for any general partnerships, limited partnerships, limited joint-stock partnerships, limited liability companies, and joint-stock companies operating in Poland. There will be situations where fulfillment of this obligation will be a simple notification of facts already disclosed in the national court register. It may, however, be quite a complex exercise in the companies acting within multinational or multi-tier structures. Also, in such organizations, monitoring changes will be equally important due to the very short deadlines for updating this information in the Register.

## EXPERT Personal income tax

# PIT GOING DOWN

## A reduction of the tax wedge is the main purpose of recent changes implemented by the Polish government to Personal Income Tax

As of October 1, 2019, significant changes to the Personal Income Tax entered into force. The first tax rate was lowered and the tax deductible costs were increased.

The purpose of the recent amendments is to reduce the tax burdens of the taxpayer. However, the new regulations also impact the employer. The fast-track of the legislation and the fact that the law entered into force during the tax year, has created a challenge for employers who need to implement a change to their payroll systems to calculate tax withholding properly. Moreover, taxpayers may have some difficulties in their 2019 personal income tax returns.

### LOWER TAX RATE

The Polish Personal Income Tax system is based on two tax rates. Until the change, income below PLN 85,528 was subject to an 18-percent

tax rate while higher incomes were subject to a 32-percent tax rate. Adopted changes contain reduction of the lower tax rate from 18 percent to 17 percent, while the 32-percent tax rate and the threshold amount remain unchanged. Lowering the tax rate concerns all taxpayers who receive income taxed according to the general rules, including employees, pensioners, as well as entrepreneurs, who have not chosen a flat rate income tax or lump sum taxation. Since the change entered into force during the fiscal year, the actual lower tax rate for 2019 is 17.75 percent.

The new tax rate needs to be implemented by the employers who have to calculate a monthly tax advance applicable to remuneration paid as of October 2019. However, the legislator allowed the remitter to charge the tax advance according



By **Daria Zięba**, Consultant, PwC Poland; and **Kamila Michałek**, Senior Consultant, PwC Poland.

to the rate valid for the entire year 2019 (17.75 percent) if the taxpayer requests such a method.

### HIGHER TAX DEDUCTIBLES

The taxpayer can benefit not only from the reduction of the tax rate but also the employee's tax deductible costs will increase more than twofold.

The higher tax deductible costs will be applied to income sourced from the employment contract as well as income derived from some types of activities pursued personally such as management contracts.

As of October 1, monthly deductible costs on one job (one employment contract) increased from PLN 111.25 to PLN 250. Based on the transitional provision the annual limit of tax costs from one employment contract cannot exceed PLN 1,751.25 in 2019. Those taxpayers who are employed under more than one employment contract the annual limit of tax costs in 2019 cannot exceed PLN 2,626.54.

Commuting employees will see the monthly limit of the tax costs increased from PLN 139.06 to PLN 300. As a result, the annual limit increased for 2019 from PLN 1,668.72 to PLN 2,151.54. At the same time, taxpayers with more than one employment contract and who also commute, will benefit from the annual tax costs limit of up to PLN 3,226.92 PLN.

### NEW LIMITS

Higher annual limits of tax deductible costs will be applied as of January 1, 2020.

Taxpayers with one employment contract will deduct annually up to

PLN 3,000 from employment income whereas, commuting employees will benefit from the annual limit in the amount of PLN 3,600. Taxpayers with more than one employment contract can expect a higher limit of annual tax costs in the amount of PLN 4,500, while the commuting taxpayers with more than one employment contract will apply the tax costs in the amount not exceeding PLN 5,400.

### THE IMPACTS

Reducing the tax burden for employees who earn relatively low wages should be considered as a positive solution from the point of view of incentives on the labor market. As per the government, the main purpose of these changes is to build a middle class in Poland. Reducing the "tax wedge", which is the difference between the gross amount of employees' remuneration and the net amount they receive may be the right action to achieve this goal. However, it should be emphasized that the changes were introduced without making sure that employers had enough time to adjust internal payroll systems to meet the new statutory requirements.

*Since the change entered into force during the fiscal year, the actual PIT lower tax rate for 2019 is 17.75 percent.*



## Mandatory Disclosure Rules

# SOME DOUBT

## New tax reporting rules raise questions

On January 1, 2019 new regulations introducing the reporting obligation under the Mandatory Disclosure Rules (MDR) in the Polish tax system came into force. The new provisions raise many questions and, contrary to the initial statements by the Ministry of Finance, they will have far-reaching implications for taxpayers.

### DIVIDENDS

One issue is particularly problematic, namely the classification of dividend payments exceeding PLN 25m as tax arrangements. In the MDR Guidelines, the Ministry of Finance points out that "an arrangement is, in principle, a step or a set of steps resulting in the obligation to make payment which meets the condition indicated in the hallmark rather than the very payments which are the consequence of the implementation of the arrangement". The ministry officials argue, off the record, that the very adoption of a resolution on dividend payment constitutes an arrangement and, therefore, as long as the amount of dividend exceeds the aforementioned threshold, such an arrangement may be classified as a reportable tax arrangement. This conclusion is based on a literal interpretation of the term arrangement, which means any action where at least one party is the taxpayer or which impacts or may impact the creation, or lack thereof, of the tax obligation.

There are, however, some arguments in support of the standpoint that the dividend payment as such—resulting from an appropriate resolution—should not be classified as a reportable tax arrangement. First, the dividend payment by a company is an economic transaction inherently linked with an investment in that company. The rules for taxing dividend income are laid down in tax regulations. The dividend payment resulting from a shareholders resolution has no features of sophisticated tax engineering. It is not easy to find reasonable arguments in support of an obligation to report such activities. Although the MDR

Guidelines issued by the Ministry of Finance explain that the reporting obligation is not applicable only to aggressive tax planning, this primary purpose of the MDR provisions should be treated as an important indication when interpreting these rules.

### CONTROVERSIES

Bearing in mind that the MDR Guidelines explain that a stand-alone payment may have to be reported as an element of a reportable tax arrangement, then the logical consequence is that the dividend payment itself does not constitute a reportable tax arrangement. It is, however, impossible to make a dividend payment without adopting a resolution beforehand. Consequently, the idea that a dividend payment itself is not a reportable tax arrangement, whereas a simple technical action necessary to make such payment constitutes a tax arrangement indeed, does not seem to be right. In addition, if such a notion is acknowledged, it may result in qualifying as a reportable tax arrangement any payment which, by its very nature, must be preceded by some kind of technical action. The standpoint presented by the Ministry of Finance is not justified also when taking into consideration the scope of information obtained when such "tax arrangements" are reported. In the case of a dividend payment, such a notification would include nothing more than details of the payment resolution and the amount of the payment. Consequently, the tax authorities would not obtain any additional information other than that contained in tax returns and forms filed by taxpayers under the current provisions.

It seems that the idea behind identifying hallmarks that take into account income/revenue earned by non-residents and/or payments subject to withholding tax in Poland was to identify restructurings, such as changes in the shareholding structure aimed at obtaining tax exempt dividend payments in the future, instead



By **Michał Mroziński**, Senior Manager, International Tax Team at KPMG in Poland; and **Natalia Stepień**, Consultant International Tax Team, at KPMG in Poland

of having to report dividend payments made under the existing shareholding structures. Reporting dividend payments within the existing shareholding structures, which were not modified after the deadlines specified in the MDR provisions, may be considered as against the substance and intended purpose of the interim provisions. It should, therefore, be expected that the Ministry of Finance will provide a clear solution to this problem in the new version of the MDR Guidelines.

### DIFFERENT STANDPOINTS

The above example shows that qualifying a particular arrangement as a reportable tax arrangement may often be problematic, even in the case of a relatively simple business transaction, such as dividend or interest payments. What is more, bearing in mind the severe penalties for failure to comply with the reporting obligations, many businesses and "professionals" providing tax and legal advisory services, tend to take a cautious stance and unreasonably qualify many arrangements as reportable tax arrangements. This, in turn, means that the tax authorities are "overloaded" with reports on alleged tax arrangements, however, they are unable to examine all the reports within the deadline set by the MDR provisions, and, therefore, delays are growing.

At the same, the promoters' activities (that is the activities of persons designing or assisting in implementation of tax arrangement) may have far-reaching consequences for taxpayers (users of tax arrangements). The taxpayers who during the tax period (in case of VAT it will usually be a month) performed any action, being a part of a tax arrangement, or obtained a tax benefit as a result of such tax arrangement, must fulfil the reporting obligation by providing "information on the utilization of a tax arrangements"—MDR-3 form—to the tax authorities. The aforementioned form, like all other MDR forms, must be sub-

mitted electronically (in the form of an XML file). In case of taxpayers, being legal persons, such XML files must be signed by all members of the management board and, additionally, sent to the tax authorities by one of its members as it is not possible to use a proxy for this particular reporting.

Many taxpayers may face a situation where a potential promoter incorrectly decides that the transaction, in which the client was involved, constituted a reportable tax arrangement. If this is the case, there might be a doubt whether the user (taxpayer) should submit the information on the utilization of a tax arrangement (MDR-3 form). It seems that the user should be free to assess whether a particular arrangement indeed constitutes a reportable tax arrangement, and once it is decided that there is no reportable tax arrangement, the taxpayer should not be required to submit the aforementioned form. This conclusion is supported by the fact that the provisions requiring the user of a reportable tax arrangement to file the information on its utilization do not stipulate that such information must be disclosed even if the user disagrees with the promoter's standpoint, such a solution, however, is envisaged in the case of reporting the tax arrangement (Article 86c paragraph 2 of the Tax Ordinance Act).

Secondly, if the user knowingly submits information on the utilization of a tax arrangement, which, in the user's opinion, does not constitute a reportable tax arrangement, it could be viewed as making a false statement, whereas information on the utilization of tax arrangement is submitted under penalty of perjury (Article 86j paragraph 7 of the Tax Ordinance Act). Moreover, the above approach has been confirmed by the Ministry of Finance in the recently issued Q&A. Notwithstanding the above, taking into account the fact that the new provisions are unclear, taxpayers should exercise due care each time when assessing a transaction which potentially may constitute a reportable tax arrangement.

## EXPERT Whistleblower law

# MORE ROOM FOR SENSITIVE INFORMATION

## Welcome corporate whistleblowers

Recently we have seen a growing interest in issues relating to whistleblower protection and its role in modern business. The main emphasis in the discussion about whistleblowers and their duties, rights and obligations was put on the individuals involved in whistle-blowing. It was also focused on creating mechanisms allowing individual whistleblowers to feel safe once they make their notification, either internally within the organization or externally with public authorities.

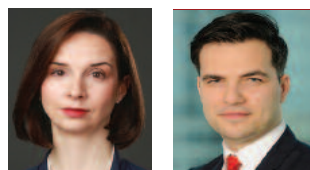
However, it has to be noted that not only an individual can be a whistleblower. In the Polish legal system, a number of regulations penalize individual and corporate behaviors and the list of such regulations is constantly growing.

### TROUBLESOME DISCOVERY

An important question is what happens when the discovery of compliance irregularity is a result of a regular internal audit carried out in the company and is not coming from an individual whistleblower? How should the company react when the discovered compliance problem happens to be a legal problem which may trigger regulatory or even criminal investigation? We hear those questions commonly asked in all types of corporate companies in all sectors. Often companies discuss also whether the company should file official notification. Companies even perform detailed risk assessments on how such notifications and further investigations can impact

their business. From our experience the main reason of such questions is not the will to hide irregularities but fear of what will happen once the company self-reports.

The biggest challenge for a company is to find itself in situation where the discovered problem is a common market mechanism used in other companies in the same sector. Filing a notification in such a situation may seem for some companies as an act of corporate suicide. However, if the company wants to continue business operations without a constant risk of regulatory or criminal investigation, reporting the irregularities is the only way to move forward. Keeping in mind problems and doubts that companies have when it comes to self-reporting, we believe that steps aimed at creating mechanisms protecting corporate whistleblowers are as much important as enhancing the protection of individual whistleblowers. As for now, the only operational leniency system protecting corporate whistleblowers in Poland is based on competition law but its application is limited to competition law violations only. If incentives for corporate whistleblowers, as well as their protection, would be guaranteed generally by the law, a large number of self-reporting doubts could be avoided. Especially, if the corporate whistleblower would know that reporting could give them some sort of protection or exclude from sanctions if the revealed irregularity was not known to the public authorities before.



By **Dominika Wolf-Jezierska**, Advocate/Senior Associate, DLA Piper; and **Piotr Falarz**, Advocate, Senior Associate, DLA Piper

### NO BOUNTY FOR SELF-REPORTING

Currently, apart from the competition law, other binding regulations do not provide for any kind of benefits for a company acting as a whistleblower in its own case. Reporting irregularities discovered within an organization or adopted throughout companies operating within a relevant sector does not lead to mitigation of risks of liability of any kind, including civil, administrative or even criminal (based on the Act on the Liability of Collective Companies for Punishable Offenses). Moreover, apart from the risk of liability imposed on a company, other side effects must be taken into consideration, consisting of dawn raids and inspections from prosecutor's offices, police, tax offices or regulator. The Polish Criminal Code stipulates the means of mitigation of penalty or even excludes the possibility to impose punishment if the individual perpetrator reveals the details of an offense or accomplices. Nevertheless, there are no reflecting provisions relating to the actions of companies.

Therefore the legislator's plans to enact regulations which would protect a whistleblowing company or at least would allow it to be treated in a more favorable manner, should be recognized as a step in the right direction for our legal system. Such mechanisms were proposed in the last draft of the Act on Transparency in Public Life which allowed a company to avoid the imposition of multi-million fines if a company filed a notification of listed crimes before the inspection in this respect was commenced by the Central Anticorruption Bureau. That draft also provided for an extensive protection of whistleblowers notifying about spe-

cific crimes, including the protection for an entrepreneur, and also a company, if the notification concerned its business partner, but did not guarantee anonymity for such a whistleblower.

Likewise, the last draft of the new Act on the Liability of Collective Entities for Punishable Offenses provided for that a company was not a subject of liability, if it notified prosecuting agencies of a crime, disclosing relevant circumstances of its commitment, especially perpetrators or other companies acting as accomplices. The projected changes included also companies' obligations to protect whistleblowers from retaliation, discrimination and other unjustified treatment.

### CONCLUSIONS

Putting aside the doubts and criticism regarding the specific shape of the projected legislations, in our opinion it should be considered as a legislative step in the right direction. The Polish legal system lacks the provisions protecting proactive attitude of companies. Certainly, the drafts of new legal acts were not perfect and there might have been multiple controversies regarding their applications. However, the proposed changes would allow companies at least to compare the risks and advantages following from notifying about disclosed irregularities and violations. To date, the only ones assessed were risks as the advantages were almost imperceptible. One should hope that the legislation gap in this regard will be filled as soon as possible. We believe that change will come with the newly approved EU Directive on whistleblower protection which will need to be adopted by all EU Member States.

*The plans to enact regulations which would protect a whistleblowing company should be recognized as step in the right direction for our legal system.*



## Alternative investment

# GETTING FAMILIAR

## Alternative investment funds take hold

Alternative investment funds (AIFs) are governed by the Act on Investment Funds and Alternative Investment Funds Management (the Funds Act), but the concept originates from the European Union's legal framework. EU Directive 2011/61/EU on Alternative Investment Fund Managers (AIFMD) provides key definitions—including of AIFs—and rules for AIF management.

AIFs are collective investment undertakings (including investment compartments) that raise capital from a number of investors with a view to investing it in accordance with a defined investment policy for the benefit of those investors, and are not undertakings for collective investment in transferable securities (UCITS).

Simply speaking, investment funds are either UCITS investing in securities or AIFs that cover 'the rest'. Another significant difference between AIFs and UCITS are their clients: AIFs are funds that typically target professional investors, whereas UCITS target mostly retail investors. Although the concept of AIFs under EU legislation is still a kind of novelty, Polish law has regulated various types of investment funds for over 20 years. Implementation of AIFMD into the Polish legal system has expanded the AIF concept to embrace commercial companies, referred to as 'alternative investment companies' (AIC). Consequently, the notion of AIFs in Poland covers a wide range of entities: investment funds not being UCITS and AIC, and all possible types of funds, such as hedge funds, funds of funds, private equity funds, real estate funds, securitization funds, etc.

### AIF TYPES AND ACTIVITIES

The Funds Act sets out a few categories of alternative investment

funds. Firstly, an AIF may be established as a specialized open-ended investment fund or a closed-ended investment fund (AIF funds), including any EU AIFs operating in Poland under the 'AIFMD passport'.

Another category is AIC, which may operate as a company (joint-stock company, limited liability company or European company), classified as an internally managed AIF, or as a partnership (limited partnership or limited joint-stock partnership) classified as an externally managed AIF, where the AIF manager (general partner) is a company.

AIF funds may only be established by an investment funds management company (TFI), licensed by the Polish Financial Supervisory Authority (FSA). If a TFI only holds a license for 'UCITS purposes' it will need to extend the scope of authorization to set up an AIF. Once the AIF is established, the TFI will be responsible for managing and representing the AIF in relations with third parties. In AICs all managerial functions are provided by AIC managers (AICM), which must either register with the FSA—for managing smaller AICs—or obtain an FSA license to manage bigger AICs.

From the perspective of AIF investors—in addition to FSA supervision over AIF funds, TFI and AICM—another significant factor is the involvement of the depositary of AIF. The depositary is responsible for the custody of assets, record keeping and monitoring cash flow. In performing their tasks, managers and the depositary should act independently and in the interest of the AIF's investors. The FSA gives depositaries a broader role to play in Poland than in other EU member states—also verifying the legality of all AIF activities and the correctness of AIF asset valuations, meaning that the depositary should actually perform an independent valuation.



By Inga Dulaska, Counsel, and Katarzyna Biszczanik, LL.M., Associate, Financial Institutions Regulatory practice, Dentons

The management of AIF funds or AICs comprises the barest minimum portfolio and risk management. Importantly, the Funds Act sets out numerous restrictions on AIF managers when outsourcing managerial functions, including notifying such intention to the FSA. The level of restrictions is much higher when outsourcing services relating to AIF funds than it is with AIC. Outsourcing the portfolio management of AIF funds may be made only for the benefit of a professional broker or another TFI holding an FSA license.

### AICM AUTHORIZATION

Depending on the value of assets under management, there are two different FSA authorizations for AICMs. AICMs which exceed a threshold of a total value of assets at disposal of either EUR 100 million or EUR 500 million must obtain an FSA license and meet extensive organizational, financial and reporting requirements. The threshold of EUR 500 million applies where no financial leverage is used and participation rights can be redeemed after at least five years.

Under that threshold, management activities for AIC may be carried out on the basis of a registration with less rigorous regulatory requirements. AICMs that operate under sole registration will, however, have to check at least once a year whether the assets under management have exceeded the respective EUR 500 million or EUR 100 million limits. If the thresholds are exceeded, the AICM will need to obtain an FSA license to legally continue its managerial activities. AICMs which operate based on registration are exempted from a num-

ber of organizational obligations. For example, the obligations to have an internal control system or to engage a depositary for the AIC's assets do not apply. Furthermore, registered AICMs have fewer reporting and notification requirements toward the FSA.

Investors should take into account that due to the less stringent rules for registered AICMs and the limited scope of FSA supervision, investments in those AICs are associated with a higher investment risk but also with a more flexible approach to business needs.

### AIFs IN POLAND

Interestingly, the Polish National Bank reported in its *Development of Financial Market* paper for 2017, that AIFs dominated in the Polish sector of investment funds in terms of assets raised, unlike the European sector, where UCITS funds are dominant. By the end August 2019, the net assets of investment funds amounted to approximately PLN 260 billion whereas the assets of AIF funds reached PLN 154 billion. Despite the regulatory requirements, for years AIF funds have been highly appreciated by Polish and foreign investments vehicles, mostly due to preferable tax treatment in Poland. Currently, the tax treatment differs, depending mostly on the type of assets under management. The role of AIFs is still growing on the Polish market—due to the extension of the AIF regime and certain tax angles—in terms of companies and partnerships raising capital from a number of investors, with a view to investing it in line with stated investment policies and strategies.

*AIF funds have been highly appreciated by Polish and foreign investments vehicles, mostly due to preferable tax treatment in Poland.*

## EXPERT Labor code

# EMPLOYEES' RIGHTS REVISITED

## There are new grounds for claiming employment discrimination and an extended catalogue of mobbing claims

An amendment to the Polish Labor Code entered into force on September 7, 2019, involving provisions on mobbing and equal employment practices. The aim of the changes is to create an entirely open catalogue of grounds for discrimination and to make it easier for employees to seek damages for mobbing, regardless of whether they are still employed.

### UNEQUAL TREATMENT

The principle of equal treatment of employees is enshrined in Art. 11<sup>2</sup> of the Labor Code, under which employees are entitled to the same rights for performing the same duties. Prior to the amendment, Art. 11<sup>2</sup> of the code further provided that any direct or indirect discrimination in employment, in particular due to sex, age, disability, race, religion, nationality, political beliefs, union membership, ethnic origin, faith, sexual orientation, or employment for a definite or indefinite period, full-time or part-time, is prohibited. This principle is amplified by Art. 18<sup>3a</sup> §1 of the Labor Code. Under the prior wording, based on the same criteria, this provision required equal treatment in the formation and dissolution of employment relationships, conditions of employment, advancement, and access to training to raise employees' professional qualifications. The wording and allocation of these provisions to different chapters of the Labor Code generated many problems in interpretation, which were re-

flected in the rulings of the labor courts. The doubts involved primarily whether under the Labor Code unequal treatment is the same as discrimination, or are unequal treatment and discrimination two separate phenomena, each carrying different legal consequences for the employer and the employee.

Based on the case law of the Supreme Court of Poland, the view was ultimately developed prior to the amendment that the Labor Code distinguished two types of unequal treatment in employment: "ordinary" unequal treatment and the aggravated form thereof, i.e. discrimination. Not every behavior on the part of an employer involving unequal treatment of employees qualified as discrimination, which unlike "ordinary" unequal treatment meant worse treatment of an employee due to a characteristic of the employee identified in the Labor Code as a ground for discrimination. Consequently, an employee accusing the employer of violating the regulations prohibiting discrimination in employment had to state the basis on which he or she was discriminated against. Thus, unequal treatment based on grounds not regarded as discriminatory did not qualify as discrimination for purposes of the Labor Code, even if the employer could be found to have violated the principle of equal treatment of employees set forth in Art. 11<sup>2</sup> of the code. This distinction between infringements by employers was reflected in



**Aleksandra Trzcńska,**  
*Associate, Łaszczuk & Partners*

the different scope of employees' entitlements, depending on whether the employer was guilty of "ordinary" unequal treatment or the aggravated form thereof, i.e. discrimination.

An employee who was the victim of discrimination by the employer was entitled to seek damages as well as replacement of the discriminatory conditions of employment with non-discriminatory conditions. Moreover, in the case of discrimination, in litigation with the employer the employee only had to make a prima facie case for discrimination, and the employer then had the burden of proving that discrimination did not occur. In the case of "ordinary" unequal treatment, under the Labor Code the employee was entitled only to seek to establish employment conditions which would not treat the employee unequally.

In order to eliminate the differences between "ordinary" unequal treatment and discrimination which had previously functioned under Polish labor law, Art. 11<sup>2</sup> and 18<sup>3a</sup> of the Labor Code were amended to create an open catalogue of grounds for discrimination. This change consisted of removing from the provisions the phrase "and also without regard to..." and consequently any unequal treatment of employees not justified by objective grounds will be regarded as discrimination. The primary effect of this change will be to finally clear up the existing doubts in interpretation, which will probably also lead to an increase in the number of claims by employees based on allegations of discrimination.

### MOBBING CLAIMS

Another significant change in the Labor Code which entered into force on September 7, is an expansion of the claims that can be pursued by employees for mobbing. Under Polish law, mobbing is defined in Art. 94<sup>3</sup> §2 of the Labor Code, which provides that mobbing is action or behavior affecting an employee or directed against an employee, consisting of persistent and long-lasting persecu-

tion or intimidation of the employee, evoking in the employee a lesser sense of professional worth, causing or intended to cause the employee's humiliation, ridicule, isolation, or exclusion from the team of coworkers. Under the Labor Code, an employee who is the victim of mobbing is generally entitled to pursue two claims, for compensation for moral injury and monetary damages. Under Art. 94<sup>3</sup> §3, an employee who has suffered health consequences from mobbing may seek an appropriate sum from the employer as compensation. But prior to the recent amendment, damages for mobbing could be sought only by an employee who has terminated his or her employment contract due to mobbing. Thus a condition for an employee to seek damages for mobbing was for the employee first to terminate his or her employment. If the employee did not terminate his or her employment contract on the grounds of mobbing, the employee had no right to seek damages under the Labor Code.

Conditioning the pursuit of damages for mobbing on a need for the employee to first terminate his or her employment was frequently criticized. Commentators criticized the fact that an employee who suffered mobbing also could not seek damages when the employment was terminated by the employer, who could thus fire the employee as a way to avoid liability for damages.

So to provide better protection to victims of mobbing, Labor Code Art. 94<sup>3</sup> §4 was amended by adding the possibility to seek damages also in a situation where the employee has not terminated the employment relationship, but has suffered a concrete loss as a result of mobbing practices. Consequently, an employee may now seek damages for mobbing in two instances: when the employee has terminated the employment contract due to mobbing, and when the employee has suffered a loss due to mobbing, regardless of whether the employment relationship continues or has been terminated by the employer.



The background of the entire page is a close-up, slightly blurred image of the American flag, showing the stars and stripes. The flag is oriented vertically, with the stars on the left and the stripes on the right.

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## Company Profile **Emitel**

# BEYOND RADIO WAVES

*AmCham.pl Quarterly editor Tom Ćwiok talks with Andrzej J. Kozłowski, CEO of Emitel, about his management style, business challenges, and the company's plans for 2020 and far beyond*

### **How would you characterise Emitel's core business?**

In brief, it is wireless technologies and telco-towers' infrastructure. For more than 50 years, we have been making sure that Polish homes can receive terrestrial TV signals, and that families can listen to their favorite radio stations, such as Trójka, RMF and Radio ZET. In terms of infrastructure, our towers located across Poland, are also used for wireless transmission by mobile phone operators and other entities.

### **Emitel has a long history but I wonder what would you say were the the company's milestones in development in recent years?**

One of the key milestones was the acquisition of Emitel in 2013 by Alinda Capital Partners—one of the largest American infrastructure funds. This acquisition had a major impact on the strategic shift at Emitel, and has led us to focus on the development of our infrastructure for the needs of telecommunications services. The dynamic develop-

ment of wireless broadband Internet, as well as the demand for ever-increasing throughput of mobile networks makes it necessary to expand infrastructure. Apart from that, Emitel recently has started to invest intensively in smart cities solutions using the Internet of Things technologies.

### **What is driving the market?**

In principle, in every field of business, new technologies are shaping the dynamics of business these days. Using artificial intelligence, the Internet of Things and combining terrestrial TV with the possibilities offered by the Internet, the so-called Connected TV, the market surprises us every day with something new and Emitel makes every effort to take advantage of these emerging opportunities. The 5G revolution in data transmission is also round

impossible.

### **How important is innovation for Emitel?**

Peter Drucker once accurately summed up how companies must act in times of dynamic technological changes: "innovate or die." Today, in the wake of the fourth industrial revolution—Industry 4.0—this adage is more true than ever before. Therefore, we want, or rather we have to be at the forefront when it comes to using new opportunities brought about by technology, not left trailing behind. Emitel is not a big, international player, but we have some competitive advantages, including an organisational culture that fosters openness towards changes, and unique competences in the field of wireless communication, which make us capable of developing innovative solutions.



the corner. It is ushering in innovations that will change the face of the world economy in the near future, and I hope that Poland will also benefit from these changes. Unfortunately, even today there are serious barriers that may cause delays in the development of the network, such as social concerns and unjustified fear of 5G technology. This causes considerable difficulties in the development of the necessary infrastructure in Poland, and without it, the quick launch of 5G might simply be

### **How would you characterise Emitel corporate culture and its values?**

I like sports comparisons, so I will not shy away from them here. The coach of even the best team made up of top-class players will not be able to achieve anything without defining clear principles of the game, guiding attitudes and the strategy to help the team achieve its objectives. That is why it is so important to define common values. This is what I started with when I took over the position of president



of the company nearly two years ago. I am glad that the team understood my intentions and that our values—the sense of urgency, thirst for knowledge, searching for simple solutions, energy and enthusiasm at work constitute the foundation of our everyday work.

**With your management style, I wonder what impact, as the top manager of Emitel, you would like to have on the people you work with?**

If there is one secret to successful management, it is the ability to look at things from someone else's point of view and being able to adopt that perspective as easily as your own. I hold this adage, formulated by Henry Ford, very dear and it perfectly characterises my management style. In our company I am surrounded by a unique team of people with vast experience and

knowledge, who are loyal and dedicated to the company. I try to inspire and ensure leadership by adapting the management style to the circumstances and to make sure that everyone follows our shared values, which form a strong foundation for the further development of Emitel's value for our shareholders.

**Many companies in Poland have problems recruiting workers. Do you face such issues?**

People are the greatest asset of any company and it might

sound like an obvious thing, but it is something that is worth keeping in mind if you are a manager. There are areas where recruitment becomes increasingly difficult and it seems that this is only the beginning of the struggle for the top talent. What should we do given the circumstances? We believe that we should focus on continuously developing our offer for employees and take care of people who are already with us. The low level of employee turnover at Emitel, the loyalty of

our employees and high scores in regular engagement surveys confirm the accuracy of our diagnosis and actions. Last year, as many as 92 percent of employees responded positively to our internal survey asking about their satisfaction with working at Emitel. The survey had a record-high turnout—87 percent! The consultants who ran it at our company were astonished and claimed that it was an amazing result.

**When it comes to corporate social responsibility I wonder what programs Emitel has developed, especially in sustainable development and climate protection?**

I am proud to say that Emitel is one of the top Polish companies in terms of corporate social responsibility. It is evidenced by the numerous awards and distinctions we have won in this field. Of course, we do not implement our CSR projects only in order to win new awards... For many years, CSR has been a part of our company's DNA and it is deeply rooted in our organisational culture. The list of our projects is far too long to cite here, which is why I would like to encourage you to read Emitel's annual report, where we list specific initiatives and key performance indicators monitored as part of our operations, including electromagnetic field measurements at our facilities, as well as emissions. We believe that independent evaluation is important, which is why we take part in annual audits carried out by independent bodies such as GRESB—an institution launched in 2009 by a group of large pension funds in the US which wanted to have access to comparable and reliable data on the performance in Environment, Social, Governance of the companies they had invested in. In the latest study, Emitel scored 80 points, compared to an average of 58 points scored by similar companies worldwide. The company ended up in second place among comparable companies and was on the top of the list of 393 participants worldwide!

**Poland is generally perceived by foreign investors as a good country to do business in. However, what areas, according to you, may be improved so the country is even more**

**competitive when it comes to attracting foreign investment?**

I would pay attention to two issues. The first is the stability of the law, which allows for the predictability and planning of business operations and the achievement of a due rate of return on investment. The Polish government must take care of the reputation of the country in the world. In the longer term, Poland will have to face various challenges, such as its aging society and the impact of the technological revolution on the economy and the labor market. Foreign investors can help here and it is not only about the inflow of capital but also the know-how and business experience, as well as the access to advanced technologies. The second issue is the need to invest in infrastructure, to support the development of innovation, without which further dynamic growth of the Polish economy will be hard to maintain. The development of the fifth generation mobile telephony networks and services can be a catalyst for new investments and innovations that will increase the ability of the public to use new communication services offered by 5G.

**What are the company's plans for 2020 and beyond?**

The biggest challenge will be the implementation of the 700 megahertz band refarming project and changing the broadcasting standard of terrestrial TV. In short: we have to move the currently broadcast channels to another band in order to free up frequencies for the purposes of building 5G networks. It is an enormous challenge! The project will not be completed until mid-2022, but its impact will be very important in long-term perspective. One could say that we are designing and building a terrestrial television platform for the next 10-15 years.

We also want to further develop multimedia solutions combining traditional television with the power of the Internet. We already have a lot of successes in this field as we have recently concluded a large project of implementing a modern IPTV/OTT platform for Orange Polska.

In terms of infrastructure, in the next five years, we are planning to build several hundred new telecommunication towers, and perhaps even take over the facilities run by other entities. We want to play an important role in the development of the 5G network in Poland. Looking far ahead into the future, in about 10 years, about half of the company's revenues should come from sources other than television and radio broadcasting.

*I am proud to say that Emitel is one of the top Polish companies in terms of corporate social responsibility. It is evidenced by the many awards and distinctions we have won in this field.*

## Company Profile Gemini Polska

# BEYOND BRICK AND MORTAR

*AmCham.pl Quarterly editor Tom Ćwiok talks with Artur Łakomicz, CEO, Gemini Polska, about how its network of pharmacies is getting ready to face the future.*

**The first Gemini-branded pharmacy opened in Wejherowo in 1990.**

**Today, the network has over 150 pharmacies across the country and operates the largest online pharmacy. What could you tell me about the history of the Gemini network. What were the development milestones?**

The Gemini pharmacies network is a family business which was created by pharmacists and operated locally. Soon, the patients began to love it, as they greatly appreciated the professional advice which they could get from the staff. That led to the growth in confidence in the brand and was a good driving force behind its further development. By the end of 2014, there were 21 Gemini pharmacies in Pomerania and its neighbouring regions. Because of that, in 2015 Warburg Pincus, a US investment fund, took an interest in Gemini. With the fund's support we expanded our business across the whole country.

Currently, there are over 150 pharmacies operating under the Gemini brand. They comprise a little over 1 percent of all pharmacies in Poland. Apart from brick-and-mortar pharmacies, Gemini operates the largest online pharmacy in Poland. For a long time online sales in Poland were very slow to pick up, but Gemini has managed to successfully make the most of this market opportunity. From the very beginning, Gemini's overarching goal has been to provide pharmaceutical services and to fulfil the needs of our patients while maintaining top professional standards. Patients visiting Gemini pharmacies can always count on competitive prices, constant availability of medicine and, above all, a friendly approach and the understanding of our pharmacists, who offer them well-informed and professional advice.

**Suppose I were an independent pharmacy, considering joining Gem-**

**ini. What would be the advantages for me of becoming a part of the franchise network?**

The range of possible advantages is big both for the franchisees and for the brand. Although franchisees operate their pharmacies in their own names and at their own cost, we at Gemini provide our franchisees with the necessary support and the possibility of using the trademarks and of tapping into our know-how on how to run a pharmacy. The franchise-based cooperation means that both sides remain independent business partners with Gemini supporting its franchisees by ensuring a competitive business environment. They take advantage of the good conditions of contracts we negotiate with the contractors, including the suppliers. As a result, the availability of drugs for our patients is enhanced. And what is important,

For us, a pharmacist is a professional who listens to the patients' needs and offers professional assistance. The core of our company are people with master's degrees in pharmacy and who combine the spirit of taking good care of the patients' needs with the ambition of being market leaders. We have over 650 people with the master's degree, which means over 4 per one pharmacy, which is well above the market average. Also, we have almost 1,100 pharmaceutical technicians, which is a very large professional force in the market. As part of our company culture, we demand a lot from ourselves and from our colleagues, but all this is in a good atmosphere and with a view of meeting the needs of our patients. We are entrepreneurial, which shows in how flexible our activities are, and in how quickly we



because of the specific nature of our business, we select our partners very meticulously. We cooperate with those for whom the patients' well-being is the most important aspect of their business. This is a philosophy which all of our franchisees share.

**What else could you tell me about the company's corporate culture?**

Upholding the ethos of the pharmaceutical profession has always been the key element in our company.

take decisions or find new solutions. At the same time, we give a lot of freedom to our managers because we believe that their knowledge of local markets and patients allows them to take best decisions. At the same time, this level of freedom is tied to their responsibility for the patients' satisfaction and for the results which the pharmacies generate.

Also, the business model of our network plays an important part in our corporate philosophy. Good accessi-



bility, a very wide range of products, and attractive prices for the patients is what drives our business and builds the credibility of our brand.

In addition, each of our pharmacies is equipped with modern equipment which allows us to prepare dedicated drugs—the so-called pharmaceutical compounds—in every Gemini pharmacy. As an innovative business with online operations, we quickly adapt technological changes. We are very pleased about introducing e-prescriptions in Poland, as the system opens up new opportunities for pharmacists and pharmacies. We are ready for further improvements which the government proposes in this regard.

**Poland is one of the fastest-growing markets for pharmacy products in Europe. What is driving the market?**

Everyone must make a visit to a pharmacy. Similarly, each of us sometimes is a patient. Additionally, within the next 10-20 years, the demography is going to exert its influence on the market and Poland will be one of the fastest ageing European societies. The extent of lifestyle diseases is growing, too. On the other hand, our pro-health awareness and our disposable incomes are increasing. These three elements put together mean that the market for both the prescription drugs and the OTC drugs is going to grow, which means that the demand for other categories of products which are sold in pharmacies is going to grow as well.

**What are the main challenges in growing the Gemini network of bricks-and-mortar pharmacies?**

The development of the pharmaceutical market has been greatly influenced by the amendment to the Pharmaceutical Law Act which was introduced in 2017. It introduced the principle that only a pharmacist could own a pharmacy, and it also brought about demographic and geographical criteria. It states that each new pharmacy must now have a coverage of at least 3,000 inhabitants in its area while the distance between individual pharmacies must be at least 500 meters. Everyone expected that the marked

growth would be stopped by these regulations, especially when it comes to pharmacy networks. However, with Gemini, it is not the case. We continue to develop our franchise with trusted partners. The Gemini brand is known and valued by a growing number of satisfied patients.

The other aspect, which at this point is a big challenge both for us and for the whole market, is how to run your own business as a pharmacist. Pharmaceutical studies do not offer training in business management, and when majoring in retail pharmacy, pharmacists only get acquainted with the basics of the law on business activity. Conducting business in Poland, especially in such a highly regulated area, is not an easy task. Therefore, entering into cooperation with a reliable partner who safeguards fair conditions and offers a well-recognized brand, and provides substantive and legal support, is a very good solution.

**What other regulatory issues can you think of which make business in Poland unnecessarily difficult?**

For several years, market regulations were being introduced with an intention to close off the market through mechanisms which prevented companies from growing. It all sent very disturbing signals to investors. In order for enterprises in Poland to develop, they must be guaranteed stability in the legal environment, as well as the possibility of market development while respecting the rules of fair competition. We do hope that these important principles are going to prevail in the pharmacy market. At the moment, a very important law, the Act on the Profession of a Pharmacist, awaits further proceedings. Its main goal is to regulate the pharmaceutical profession and to enable pharmaceutical care in Poland. For it to be efficiently introduced, we should hold a wide, composed, and substantive debate in which the voice of all the stakeholders would be heard, and which would result in drafting an implementation plan, which would further translate into a set of coherent changes to the existing regulations so new, innovative services for patients could be introduced, which

are important for the whole health-care system. This will not be an easy process, but certainly it is worth making the effort.

At the moment, we are at a turning point, as the direction of the market regulation is in the making. A dispersed market in the form of small pharmacies which have no capital and no appropriate facilities means that, as a result, the Ministry of Health will bear the entire burden of taking advantage of the opportunities in the area of optimisation and improvement of therapy compliance. The alternative is having a consolidated market with large entities such as Gemini which are capable of making investments to develop pharmaceutical care, which brings added value to the patients' treatment processes.

**What is the role of the online pharmacy in the entire Gemini network?**

Our online pharmacy is one of the two key pillars of our network. Globally, online shopping is becoming popular in Poland. A survey conducted in May 2019 by the Chamber of Electronic Economy shows that 28 percent of Poles already have bought items in an online pharmacy. On the other hand, data from IQVIA, which is a company monitoring the pharmaceutical market, show that the online sales of OTC drugs amount to as little as 3 to 4 percent of the total value of drug sales. It may seem not much, but this data does not show the true picture. The OTC drugs are only a part of what the online pharmacies have to offer. But we do sell care products for babies as well as cosmetics, and medical devices. Our online operation processes some 150,000 orders per month, which means 10,000 to 12,000 orders per day. These are huge numbers and we do believe that there is potential in our online sales channel. Bed-ridden

patients, or those with impaired physical mobility should be enabled to order medicines straight to their homes. The same is also needed by people aged 40 plus, as they work long hours and do not have too much time to visit pharmacies, while at the same time they, too, want to take good care of their health and that of their families. Also, an online pharmacy addresses the expectations of young patients, who are the so-called digital natives and for whom online pharmacies will be just as important as stationary ones. In addition, in the years to come online services should provide pharmaceutical advice, and the next step should include a possibility to continue with the therapy by making online orders using secure home deliveries, with an option of holding convenient online consultations with one's pharmacist. Only a combination of these two channels can ensure an effective implementation of a comprehensive pharmaceutical care.

**What are the company's plans for 2020 and beyond?**

Our current business model works very well and keeps our patients satisfied. We are going to continue with developing our two pillars: stationary pharmacies, and the online one. We plan to continue to nurture our organizational culture so that the entrepreneurial spirit of our company keeps up as the scale increases.

As for our online pharmacy, we plan to implement new technologies to provide our services even more efficiently. Our online pharmacy is used by over 2.5 times more patients than it was four years ago. To support such a business growth requires capital and new human resources, but first of all, it needs selecting appropriate technologies which enable scalability. This is what we will be focusing on.

*Online pharmacy addresses the expectations of young patients, who are the so-called digital natives, and for whom online pharmacies will be just as important as stationary ones.*

## Company Profile **Johnson & Johnson**

# WITH A LITTLE HELP...



*AmCham.pl Quarterly* editor Tom Ćwiok talks with Barbara Smela, General Manager of the Consumer Biomedical Information Center (CoBIC), a part of the global healthcare company Johnson & Johnson, about CoBIC's mission and the valuable assistance the project got from central and local authorities.

**Last year in July 2018 Johnson & Johnson opened in Warsaw its first global R&D centre of excellence—the Consumer Biomedical Information Center, which is a part of Johnson & Johnson Family of Consumer Companies. Why in Poland?** Poland was the ideal location for the Johnson & Johnson Consumer Biomedical Information Center (CoBIC), given the immense talent pool the country has to offer. Poland's 38-million strong consumer market is one of the biggest in Europe. In addition, Poland has overlapping business hours with all regions of the world, which will eliminate difficulties associated with reaching key business partners. Poland is also an EU country which offers its own logistical, legal and regulatory advantages.

**What are advantages for business with this type of investment located in Poland?**

This new center of excellence was created to help us stay competitive in R&D, accelerate and improve innovation, and continue investing in building a robust, consumer product pipeline. CoBIC will serve as a

vital connection point not only for local employees and new talent, but also for the wider European region.

**What is driving the market for the company in Poland?**

Although Poland is an advanced economy and society, and has made much progress over the years, there are still many health gaps we need to close to achieve health standards similar to those in other EU countries, especially in Western Europe. In addition, there are still many unmet medical needs in Poland—Polish patients do not have access to medical technologies already available in other developed countries. All this presents an opportunity for patients, but it is also an important factor driving forward the consumer health industry in Poland.

**What type of science does the center deal with?**

CoBIC is home to a team of business, science, and data experts focused on the development, registration and launch of new Johnson & Johnson personal and consumer healthcare products



worldwide. It supports many functions across the global J&J system, including regulatory, medical affairs, clinical operations and laboratory information systems. The site hosts such functions as laboratory information systems, R&D processes management systems, technical packaging and devices documentation, clinical trials management, medical information management, regulatory information management, medical safety monitoring and intervention, among other support systems.

**Johnson & Johnson went to the Polish Investment and Trade Agency PAIH for assistance in the initial planning and investment execution. How do you evaluate the agency's assistance?**

Our team worked very closely with the City of Warsaw and PAIH to open and operate the CoBIC campus. PAIH provided expert location

advisory guidance at all stages of the decision-making process and ensured a soft landing for us in Warsaw. We continue the cooperation with PAIH seeking other opportunities, start-ups and others. The agency has been a great partner throughout the process. Our partnership with PAIH allowed us to integrate into the local community and industry that was mutual, especially given the scope of the project. They were extremely professional and a true asset in our endeavor and we would work with them again

**What other assistance did you get from the Warsaw municipality in developing this project?**

In order to stay people-centric, we also collaborated with the City of Warsaw to create a bike-sharing program for employees that offers door-to-door service for commuters. Working directly with this

partner allowed us to implement systems that complimented the community's working ecosystem and way of life.

**J&J does not carry its own R&D programs in Poland but contracts Polish companies. I wonder what you can tell me about the R&D programs that you execute in Poland?**

Since CoBIC is intended to support Consumer R&D's of the existing product development sites around the world, there will be no separate projects by CoBIC or for CoBIC. The site will focus on building its capabilities to collaborate and work with R&D Operations colleagues globally, in an effort to simplify day-to-day workflows resulting in speed and efficiencies for Global Consumer R&D.

**How do you envision the development of the center in, say, five years from now?**

The site will continue to grow in its current scope attracting more clinical and clinical related activities on site, and the same with regulatory activities.

*CoBIC will help us stay competitive in R&D, accelerate and improve innovation, and continue investing in building a robust, consumer product pipeline.*

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## AmCham in Warsaw

# REACHING MUTUAL UNDERSTANDING

Dr. Krzysztof Senger, Executive Vice President of the Polish Investment and Trade Agency (PAIH), met AmCham in September to discuss direct investments

in Poland as well as PAIH's tasks and current initiatives for foreign investors in the country. The venue was the Warsaw Marriott Hotel.



1. Dr. Krzysztof Senger, Executive Vice President of the Polish Investment and Trade Agency ; Tony Housh, AmCham Chairman (Northrop Grumman). 2. Ernest Bartosik, Unipharm; Dorota Dąbrowska—Winterscheid, AmCham Managing Director. 3. Krzysztof Senger; Tony Housh; Hugh Aiken; WSK Rzeszów. 4. Adam Pustelnik, Savills; Daniel Bienias, CBRE. 5. Richard Lada, AmCham individual member; John Lynch, AmCham Board Member (Lynka). 6. Anna Rusek, Arcadis; Magdalena Pavlak-Chiaradia, AmCham Board Member (ERM). 7. Krzysztof Senger; Alain Bobet, AmCham individual member. 8. Dorota Dąbrowska—Winterscheid; Robert Grader, Mariusz Paszkiel, the Warsaw Marriott Hotel.



# SHARING LIFETIME EXPERIENCES

In September, the participants of the 30 Under 30 leadership mentoring program attended a workshop with speakers Ryszard

Rozpondek, EMEA Finance Director and Board Member at Mattel, and Jarosław Lasecki, entrepreneur, politician and manager with

work experience in a number of international financial companies and currently running his own business. The venue of the meet-

ing was Mattel's office in Warsaw.



1. The "family" picture of the meeting participants. 2. Ryszard Rozpondek delivers his presentation. 3. Jarosław Lasecki. 4. The workshop in progress. 5. Ryszard Rozpondek; Mateusz Jurczyk, AmCham Kraków & Katowice; Jarosław Lasecki.

# UNDER THE BIG TENT

THE 15<sup>TH</sup> INTERNATIONAL OKTOBERFEST IN WROCLAW WAS HELD AT THE CITY'S CHAMBER OF COMMERCE IN SEPTEMBER. THE EVENT WAS ORGANIZED JOINTLY BY THE BRITISH POLISH CHAMBER OF COMMERCE (BPCC), THE POLISH-GERMAN CHAMBER OF INDUSTRY AND COMMERCE (AHK), AND THE AMERICAN CHAMBER OF COMMERCE IN POLAND. THE EVENT RANKS AMONG THE LARGEST ANNUAL BUSINESS EVENTS IN LOWER SILESIA.



1. Monika Ciesielska-Mróż, AmCham Wrocław Director (PM Group). 2. Christian Cardona, Political and Economic Section Chief, US Consulate General in Kraków. 3. Television personality Jarosław Kret was master of ceremonies. 4. Kenny Morgan, Irish Chamber of Commerce; Christian Cardona. 5. Lars Gutheil, AHK; Kenny Morgan; Hans-Jörg Neumann, German Consul General in Wrocław; Ilona Chodorowska, BPCC; Iwona Makowiecka, AHK; Monika Ciesielska-Mróż; Christian Cardona. 6. Hans-Jörg Neumann; Lars Gutheil; James Huges, Minister-Counsellor for Economic Affairs at the British Embassy to Poland; Kenny Morgan; Christian Cardona; Michael Dembinski, BPCC; Sebastian Lorenc, Deputy Mayor of Wrocław. 7. Tomasz Materski, Gruszów Palace; Ulrike Herd; Matthias Herd, DoubleTree by Hilton Wrocław. 8. Hans-Jörg Neumann; Lars Gutheil. 9. A lucky lottery winner. 10. Members of the Bavarian Orchestra Musikkapelle Niderwagen join the party. 11. The evening in progress. 12. Musikkapelle Niderwagen entertains the guests. 13. Krzysztof Słówko, Adamietz; Izabella Ruchniak, PM Group; Szczepan Kusibab, Adamietz. 14. Members of the Bavarian orchestra enjoy the party.

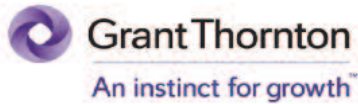




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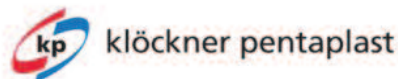
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## AmCham in Warsaw

# SUMMER'S ALMOST GONE

In September, AmCham held the Back-to-Business mixer at Warsaw's Leonardo Royal Hotel. The event focused on the 100<sup>th</sup> birthday of the airline KLM. The par-

ticipants enjoyed the Warsaw skyline with a grill and drinks on the rooftop, and the lucky ones took home raffle prizes. The most attractive prizes included

Air France KLM round-trip air tickets for two to selected European destinations.



1. Paulina Kołodziejczyk, Leonardo Royal Hotel. 2. Dorota Dąbrowska-Winterscheid, AmCham Managing Director. 3. Marek Wróbel, Manpower; Aleksandra Wiśniewska, Air France KLM. 4. Aleksandra Wiśniewska; Marcin Sadło, Leonardo Royal Hotel. 5. Wojciech Stachelek, Exyte; Andrzej Twarowski, Sandler Training. 6. Bogdan Duda; Dorota Dąbrowska-Winterscheid; Richard Zabinski, Focus Research International. 7. Stanisław Kluza, Warsaw School of Economics; Marek Szydłowski, AmCham Vive Chairman (Integer). 8. Joanna Szatkowska, Egon Zehnder; Eliza Przeździecka, AmCham; Maria Lasecka, Egon Zehnder. 9. Przemysław Kurczewski, Emitel; Agnieszka Kosowska, Roche. 10. Marek Matraszek, CEC Government Relations; Marek Szydłowski.



## AmCham in Kraków & Katowice

# THE NIGHT OF HIGH FLIERS

In October AmCham Kraków and Katowice celebrated the 100th anniversary of KLM airlines. The mixer offered a great time to all

its participants but those for whom it was a lucky day took home attractive raffle prizes. The event was organized by AmCham

and co-organized by AirFrance, KLM, Delta. The venue was Sheraton Grand Kraków.



1. Frantisek Siling, AirFrance KLM. 2. Patrick T. Slowinski, US Consul General, US Consulate in Kraków. 3. Jacek Drabik, AmCham Kraków & Katowice Director, AmCham Board Member (Motorola Solutions Poland). 4. Katarzyna Klempa, AVIS. 5. Yossi Wircer, Holiday Inn Kraków, Patrick T. Slowinski. 6. Mateusz Jurczyk, AmCham Kraków & Katowice; Jacek Drabik; Frantisek Siling; Patrick T. Slowinski; Jacek Karpowicz, AirFrance KLM. 7. Christian Cardona, Political and Economic Section Chief, US Consulate Kraków; Mateusz Jurczyk. 8. Jacek Kasz, Agnieszka Karpierz, APTIV. 9. Jacek Legendziewicz, Piotr Buczkowicz. 10. Gabriela Ditetova, Sheraton, Patrick T. Slowinski.

## AmCham in Gdańsk

# LOOKING INTO THE FUTURE

In October, AmCham Gdańsk, KPMG and Amazon held a conference in Gdańsk devoted to "Robotization as the future of business", with a focus on the

methods that optimize business processes and build employee satisfaction through "digital labor" solutions. The venue was the Olivia Business Centre.



1. Piotr Szymański, Amazon; Piotr Żurowski, KPMG; Joanna Bojarska-Buchcic, AmCham Gdańsk Director (HR Solutions Group). 2. Jan Karasek, KPMG. 3. The conference in progress. 4. Bartłomiej Gierałtowski, Amazon. 5. Rafał Górski, KPMG.



## AmCham in Warsaw

# WHIRLPOOL REINVESTS IN ŁÓDŹ

Whirlpool, together with AmCham and the Łódź Special Economic Zone, celebrated its 20 years in business in the zone, and

announced a new investment—a PLN 100 million new production line. Whirlpool made this announcement at a press confer-

ence in Łódź, which included a panel discussion on what makes Poland attractive to investors. The panelists were Zygmunt

Łopalewski from Whirlpool, Paweł Panczyj from the Association of Business Services Leaders, and Tony Housh from AmCham.



1. Fabio Pommella, Whirlpool. 2. Marek Michalik, Łódź Special Economic Zone; Szymon Krupiński, Whirlpool Polska; Tony Housh, AmCham Chairman (Northrop Grumman).

# APPRECIATING ERGONOMIC DESIGN

In October, AmCham and K&R Design, authorized dealer of Herman Miller office chairs and furniture in Poland, held a mixer which was a part of the "Simply Business Se-

ries" of meetings with professionals. The meeting was accompanied by snacks and wine. The lucky winner of the raffle could take home—or rather his or her

office—a Herman Miller ergonomic chair. The venue was the Herman Miller Warsaw Showroom.



1. Presentation by Mike Rowen, Herman Miller. 2. Maciek Karbownik, K&R Design; Jerzy Kleniewski, Ministry of Infrastructure—the lucky winner of a Herman Miller office chair. 3. The Herman Miller Team: Wojciech Marozas, Maciej Karbownik, Mike Rowen, Karolina Najdzion, Papi Viselowa.

## AmCham in Gdańsk

# KLM CELEBRATES IN THE TRICITY

AmCham Gdańsk celebrated the 100th birthday of KLM with a mixer held at Gdańsk's Hilton Hotel. The evening was an opportunity to learn some historical

facts about the world's oldest commercial airline, as well as brush shoulders with the representatives of international business community in the region.

The evening's attractions included live jazz music and a raffle with prizes sponsored by Air-France KLM and the Hilton.



1. Frantisek Siling, Airfrance KLM. 2. Joanna Bojarska-Buchcic, AmCham Gdansk Director (HR Solutions Group). 3. Katarzyna Damer, Sheraton Hotel, Magdalena Bilska Hilton Hotel, Joanna Bojarska-Buchcic. 4. Rafał Stepnowski, Boeing; Magdalena Bilska. 5. Oskar Czapliński, Ilona Modrzejewska, Thomson Reuters; Joanna Bojarska-Buchcic. 6. Barbara Stepnowska, Technology University in Gdańsk; Joanna Bojarska-Buchcic. 7. Robert Widomski, Mova Film; Frantisek Siling. 8. Rafał Stepnowski; Joanna Bojarska-Buchcic. 9. The mixer in progress.



## AmCham in Warsaw

# EMPLOYEES' WELLBEING MATTERS

The speaker at the AmCham October Monthly Meeting was Prof. Gertruda Uścińska, President of the Social Insurance Institution

(ZUS), who talked about the institution's *raison d'être* and its policies. The venue was Warsaw's Marriott Hotel.



1. Tony Housh, AmCham Chairman (Northrop Grumman); Prof. Gertruda Uścińska, President of ZUS. 2. Tony Clarey, AmCham Individual Member; Avi Matan; Filip Filipkowski, Novartis. 3. Dorota Dąbrowska-Winterscheid, AmCham Managing Director; George Michalski, AmCham Individual Member. 4. David Debenedetti, Debenedetti Majewski Szczeciński law office; Roman Rewald, AmCham Board Member. 5. Witold Syrwid; Kinga Bloch, Cushman & Wakefield. 6. Zygmunt Łopalewski, Whirlpool; Małgorzata Skonieczna, PepsiCo. 7. Paweł Zegarłowicz, Citi Handlowy; Anna Borys-Karwacka, McDonalds; Marek Szydłowski, AmCham Board Member (Integer). 8. Stanisław Kluza, Warsaw School of Economics; Anna Jaros, US Embassy.

## AmCham in Wrocław

# WROCLAW CELEBRATES 100 YEARS OF KLM

In October, AmCham Wrocław celebrated with a business mixer the 100<sup>th</sup> birthday of KLM. The evening's attractions included a raffle with prizes sponsored by KLM.

The venue was AC by Marriott Wrocław.



1. Patrycja Sosnowska-Buxton, Conversari; Maja Koros, Frantisek Siling, Air France KLM Delta Poland; Monika Ciesielska-Mróż, AmCham Wrocław (PM Group). 2. Frantisek Siling. 3. Jacek Rusin, TOMS Poland; Izabella Ruchniak, PM Group; Monika Ciesielska-Mróż. 4. Frantisek Siling; Jarosław Sztucki, Wrocław Airport. 5. Witold Płóciniczak Casinos Poland; Matthias Herd, Doubletree by Hilton Wrocław. 6. Maciej Mróz, Globus Medical; Krzysztof Hurkacz, DaVita. 7. Monika Ciesielska-Mróż; Frantisek Siling. 8. The mixer is about to begin.





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