

Announcement of the Ministry of Finance regarding planned amendments to the regulations on tax haven transactions

On June 20, 2022, the Chancellery of the Prime Minister published on its website an outline of amendments to the Corporate Income Tax Act and certain other acts, which are to modify the solutions introduced into the regulations as part of the Polish Deal.

The above-mentioned amendments include changes to the regulations on tax haven transactions and, as a consequence, as announced by the Ministry of Finance, simplifications for taxpayers in the area of documenting direct and indirect tax haven transactions.

They are as follows:

Planned amendments to the regulations regarding the documentation obligation with respect to the so-called paradise transactions

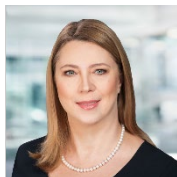
The aim of the Ministry of Finance is, in particular:

- to make the documentation thresholds (significance thresholds) for direct and indirect haven transactions, the exceeding of which triggers tax liability, more realistic by increasing them; in the case of:
 - a) direct haven transactions – doubling the threshold;
 - b) Indirect haven transactions – setting thresholds at different amounts depending on particular type of transaction;
- **to change the scope of the documentation obligation** in the case of indirect haven transactions;
- **to remove the presumption of residency of the beneficial owner in a tax haven.** The Ministry plans to clarify that the provision applies to the beneficial owner of the receivable resulting from the transaction. In addition, it has been proposed to move away from the presumption of residency of the beneficial owner in a tax haven in favor of an exemption of the documentation obligation in certain cases.

As per the announcement, the planned publication date of the draft act is the end of June and the amendments are to be adopted by the Council of Ministers in the third quarter 2022.

This document was prepared for informational purposes only and is of a general nature. Every time before taking actions on the basis of the presented information, we recommend obtaining a binding opinion of TPA Poland experts.

CONTACT



Joanna Kubińska

Associate Partner, Head of Transfer Pricing

+ 48 502 184 882

joanna.kubinska@tpa-group.pl

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