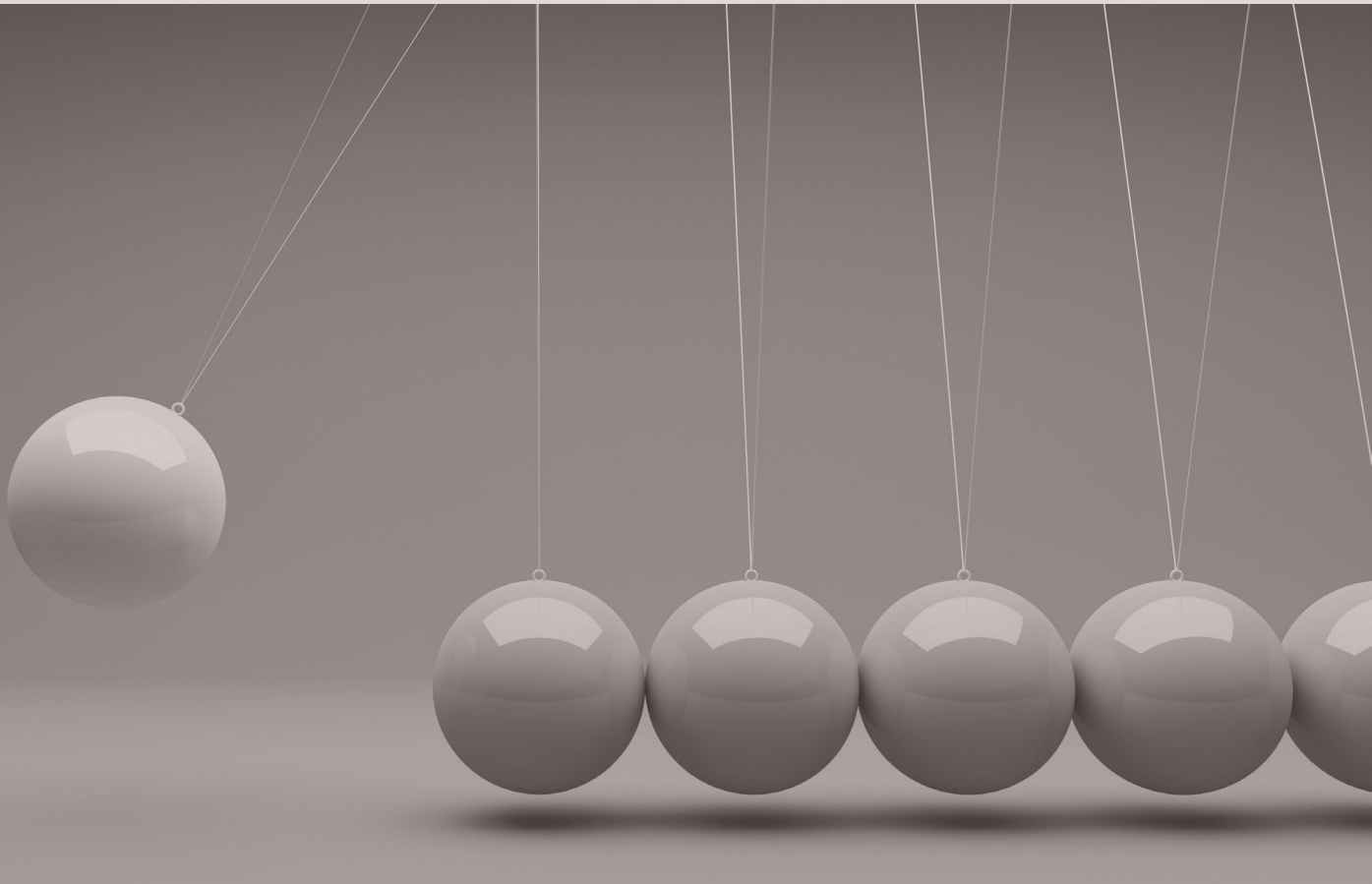




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Corporate law 2023/2024

Major changes

A year of exceptional changes

Below you will find the changes in corporate law made in 2023, which have been recognised as the most important by the Corporate Advisory Practice of the Tomczykowski Tomczykowska Law Firm.

These changes will also have a fundamental impact on the market in 2024.

Some of them are already an important driver for numerous reorganisation projects to be implemented and will continue to be so in the months and years to come. Unfortunately, there are also other changes that make these processes longer and more difficult. Nevertheless, looking as a whole, we believe that from the point of view of corporate law, the year 2023 was legislatively exceptional and extremely successful. Naturally, this is mostly due to the Family Foundation being introduced into the legal system, as a completely new institutional legal concept that immediately became an important tool for Polish entrepreneurs, as evidenced by the growing queue of foundations waiting to be registered in court. The family foundation is, without doubt, a huge legislative success of the past year.

1. Family foundation

EFFECTIVE DATE: 22 MAY 2023

This new and revolutionary institutional legal concept in Polish law immediately arouse immense interest among Polish entrepreneurs. By the end of 2023, nearly 450 foundations had already been registered, with a total of more than 800 foundation applications submitted. Family foundations will remain the focus of attention for Polish entrepreneurs in the year 2024 as well. Even more foundations are expected to be established and numerous projects related to the foundation establishment might be launched, such as reorganisations with assets (shares and stocks) being transferred to family foundations.

Highlights:

- There is a new type of legal entity
- Assets are protected against being distributed in subsequent generations
- Investments can be made, e.g. in shares, stocks, investment certificates
- The founder bears no liability
- The founder is free to determine the beneficiaries and to grant them benefits
- The concept of legitimate proportion of an inheritance becomes less strict

2. New possibilities to reorganise domestic companies

AMENDMENT TO CODE OF COMMERCIAL COMPANIES: 15 SEPTEMBER 2023

Along with the implementation of the EU directive on cross-border reorganisations, the Polish corporate reorganisation procedures were also significantly changed, which left them simpler and introduced new ways of reorganisation. These changes are already considered in reorganisation projects and will be relevant for projects to be implemented in 2024.

Highlights:

- A simplified company merger procedure has been introduced
- There is a new way for the companies to be separated: demerger by spin-off
- There are more reorganisation possibilities for limited joint-stock partnerships
- There are more merger possibilities for partnerships

3. More cross-border reorganisation options

AMENDMENT TO CODE OF COMMERCIAL COMPANIES: 15 SEPTEMBER 2023

The implementation of the EU Directive on cross-border reorganisations into Polish law has made it much easier to carry out cross-border reorganisation projects. These changes will also affect the implementation of such projects in the years to come.

Highlights:

- A domestic company can now be converted into a foreign company;
- A domestic company can now be divided into 2 or more foreign companies;
- A simplified method of cross-border merger has been introduced.

4. New powers regarding the acquisition of shares and stocks in companies for the National Support Centre for Agriculture (KOWR)

AMENDMENT: 5 OCTOBER 2023

These changes have already made it much more difficult to conduct M&A and reorganisation projects in Poland when entities with agricultural real estate were involved in the process. They will (unless amended) negatively impact the market in 2024 as well and result in higher costs of such projects, longer implementation periods and more risks for entities involved in transactions or interested in restructuring.

Highlights:

- More rights to shares in a parent company whose subsidiary owns agricultural property have been granted to the National Support Centre for Agriculture
- Family foundations are no longer privileged in trading in agricultural real estate

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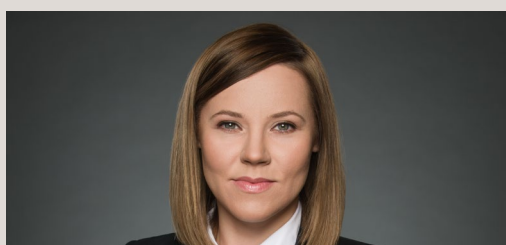
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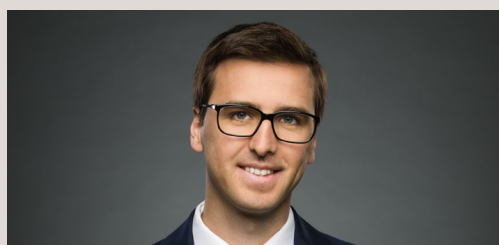
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