



Tax Alert |

New regulations relating to Ukrainian Citizens in Poland

KPMG in Poland

March 2022

On Saturday, 12 March 2022, the Act on aid for the citizens of Ukraine in connection with the armed conflict on the territory of that country was signed by the President and on the same day published in the Polish Journal of Laws. The provisions of the Act have a retroactive effect as of 24 February 2022.

The intention behind the solutions proposed in the Act is to provide effective assistance to Ukrainian citizens fleeing the armed conflict that takes place in the territory of their country and facilitating their assimilation in the Republic of Poland. Below we present the most important regulations of the Act, with an effect from 24 February 2022.

Entry and stay rules

As provided for in the adopted Act, a Ukrainian citizen's stay in the territory of the Republic of Poland **is considered legal for 18 months counted from 24 February 2022**, if such a citizen arrives legally to Poland in the period from **24 February 2022 and declares an intention to remain in the territory of the Republic of Poland**. The stay of a child born in the territory of the Republic of Poland from a mother, whose stay is considered legal in accordance with the above provisions, is also considered legal.

The above regulations apply to individuals who crossed the border:

- under the visa-free regime (based on a biometric passport);
- under a national visa (D) or a Schengen visa (C) or a residence permit issued by any other country in the Schengen area;
- without a passport, based on consent of the Border Guard Commander (so-called extraordinary entry).

The above provisions also apply to the citizens of Ukraine holding a Polish Charter [Karta Polaka] and members of their immediate family, who left Ukraine in the period from 24 February 2022 and legally arrived in the territory of the Republic of Poland.

It is worth indicating that the Act does not require Ukrainian citizens crossing the border to undergo a quarantine, have a vaccination certificate, or present a negative COVID-19 test result.

In turn, it introduces special rules regarding the submission of applications for temporary residence by Ukrainian citizens – a person entering Poland in the period from 24 February 2022 can submit an application for temporary residence **no earlier than after 9 months from the date of entry and no later than within 18 months from 24 February 2022**. An application submitted earlier than 9 months from the date of entry will be left without consideration by the district governor [voivode]. The one-off permit is granted for a period **not longer than 3 years** and provides access to the labour market without the need to have a work permit.

Holders of a valid Polish Charter who intend to settle permanently in the territory of the Republic of Poland can still apply for a permanent residence permit in accordance with the general rules set out in the Act on Foreigners.

Ukrainian citizens are highly recommended to apply for award of the personal identification number (PESEL number) as it is a condition for obtaining aid and benefits described below. If the entry of a Ukrainian citizen into the territory of the Republic of Poland is not recorded by the Border Guard at a checkpoint during the border control, a relevant application should be submitted no later than 60 days from the date of entry to any executive body of a commune within the territory of Poland.

The Act also regulates the issue of establishing a temporary guardian for minors staying in the territory of the Republic of Poland without the supervision of adults responsible for them in accordance with the law in force in the Republic of Poland. The temporary guardian is entitled to represent the minor and to exercise custody over the minor and the minor's property.

Aid provided by public authorities

The voivode is authorized to provide Ukrainian citizens arriving in Poland with aid consisting of:

- accommodation;
- full-day collective meals;
- transport to and between places of accommodation, including to centres run by the Head of the Office for Foreigners or to places where medical care is provided to citizens of Ukraine;

- financing transfers by means of public transport and specialized transport intended for persons with disabilities, in particular to and between the places of accommodation or medical care;
- supply of sanitary and personal hygiene products and other products.

Any natural person or other entity running a household that provides accommodation and meals to Ukrainian citizens arriving in Poland may be granted a cash benefit in this regard on the basis of an agreement concluded with the commune for a period not exceeding 60 days. The benefit payment period may be extended in particularly justified cases.

A citizen of Ukraine, whose stay in the territory of the Republic of Poland is considered legal, is to be entitled to an aid in the form of a single monetary payment of PLN 300 per person, intended for living costs, particularly to cover the expenses for food, clothing, footwear, personal hygiene products and accommodation.

Furthermore, a citizen of Ukraine staying in the territory of the Republic of Poland on terms stipulated in the Act, may be provided with free psychological help financed by the head of the commune where they stay.

In addition, Ukrainian citizens can receive family benefits, parental benefit, benefit for a good start, family care capital and co-financing of the parent's fee for the child's stay in a nursery, children's club or at a day-care provider's. Ukrainian children and pupils, whose stay in the territory of the Republic of Poland is considered legal, are provided with education, schooling and care in schools and kindergartens.

Ukrainian citizens are also entitled to medical care provided in the territory of the Republic of Poland, including basic health care services.

Employment rules

A citizen of Ukraine is now able to work in the territory of the Republic of Poland if their stay is regarded legal under provisions on entry from 24 February 2022 or when their stay has already been legalized, if, **within 14 days of taking up work by a Ukrainian citizen, an entity entrusting work notifies a district labour office competent for the place of residence or the registered office of the entity, of entrusting work to the said citizen of Ukraine (notification is made via the electronic system – praca.gov.pl).**

Consideration should also be given to the currently applicable regulations allowing the employer to submit a statement on entrusting work to a Ukrainian citizen, which may cover a period not longer than 24 months.

According to the adopted Act, the citizens of Ukraine may undertake and perform their business activity in the territory of the Republic of Poland on the same rules as Polish citizens, provided that they obtain the PESEL number.

The citizens of Ukraine can also register as unemployed or jobseekers.



Tax issues

The raft of amendments covers new tax preferences. The Act includes, among others, the possibility to deduct expenses incurred for the production or the purchase price of goods and rights that are the subject of a donation intended for counteracting the effects of the armed conflict in the territory of Ukraine, made in the period from 24 February to 31 December 2022 to non-governmental organizations (including Ukrainian ones), local government units, Governmental Agency for Strategic Reserves, and entities providing healthcare and emergency medical services in Poland and Ukraine, provided that the costs of production or the purchase price of goods were not charged into tax-deductible costs, including through depreciation write-offs.

Expenses incurred for providing free allowances, such as free-of-charge medical assistance granted to non-governmental organizations, are also treated as tax-deductible costs provided that they had not been already charged into tax-deductible costs, including through depreciation write-offs. Furthermore, the Act brings a PIT exemption on the value of humanitarian aid and benefits provided by the Act to refugees residing in Poland.

Importantly, on 4 March 2022, a decree of the Minister of Finance amending the decree on goods and services subject to reduced VAT rates was published in the Polish Journal of Laws. According to the decree, a 0 percent VAT rate is to be applied to free-of-charge deliveries of goods or provision of services aimed at supporting victims of the armed conflict in Ukraine made between 24 February and 30 June 2022. Preferential treatment may be applied to contributions made to the governmental Agency for Strategic Reserves, healthcare entities and local government units, i.e., entities acting as key coordinators and, in a way, intermediaries for the aid provided.

KPMG offices

Warsaw

ul. Inflancka 4a
00-189 Warszawa
T: +48 22 528 11 00
E: kpmg@kpmg.pl

Kraków

ul. Opolska 114
31-323 Kraków
T: +48 12 424 94 00
E: krakow@kpmg.pl

Poznań

ul. Roosevelta 22
60-829 Poznań
T: +48 61 845 46 00
E: poznan@kpmg.pl

Wrocław

ul. Szczytnicka 11
50-382 Wrocław
T: +48 71 370 49 00
F: +48 71 370 49 01
E: wroclaw@kpmg.pl

Gdańsk

al. Zwycięstwa 13a
80-219 Gdańsk
T: +48 58 772 95 00
E: gdansk@kpmg.pl

Katowice

ul. Francuska 36
40-028 Katowice
T: +48 32 778 88 00
E: katowice@kpmg.pl

Łódź

ul. Skłodowa 35
90-127 Łódź
T: +48 42 232 77 00
E: lodz@kpmg.pl



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

© 2022 KPMG Tax M. Michna sp. k., a Polish limited partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

kpmg.pl