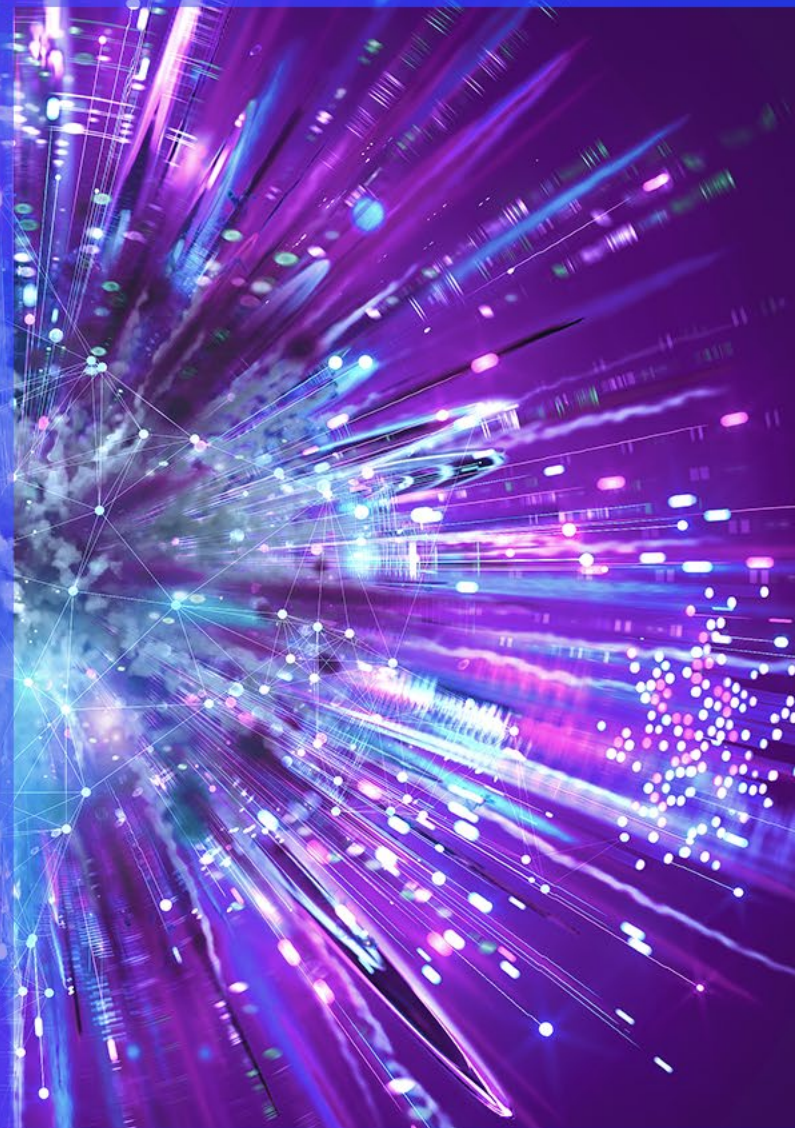




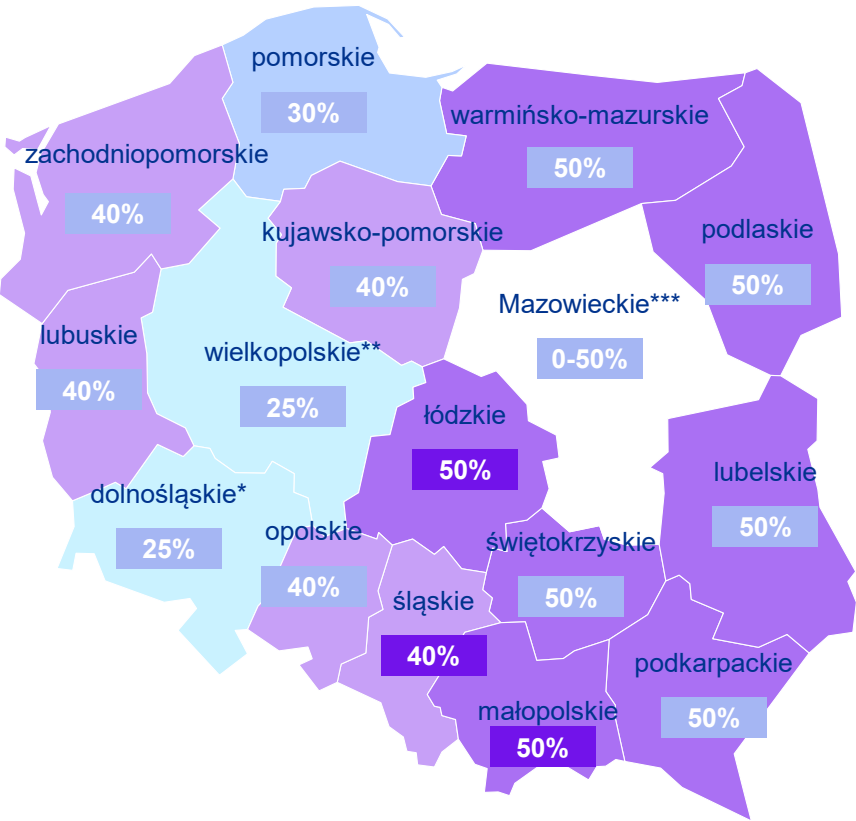
Polish Investment Incentives

2025年5月



Overview of investment incentive programs in Poland

Regional intensity of investment incentives



*except of Wrocław - the support rate is 20% between 2022 and 2024 and 15% between 2025 and 2027
**except of Poznań – the support rate is 20% between 2022 and 2024 and 15% between 2025 and 2027
*** Warsaw - the support rate is 0%. The other districts in the province have rates of: 25%, 35%, 40% i 50%

The intensity of aid is determined based on the regional aid map for the years 2022-2027.

Regions supported by the Just Transition Fund (Upper Silesia, Western Małopolska, Bełchatów region) have an increased level of aid intensity (+10%).

Support for medium and small/micro enterprises is increasing by 10 and 20 percentage points, respectively.

Just Transition Fund	
Voivodeship	Amount of support
Silesia (Upper Silesia)	30% + 10%
Małopolska (Western Małopolska)	40% + 10%
Łódzkie (Bełchatów region)	40% + 10%



Overview of investment incentive programs in Poland

Investment Phase

Program	Minimum Investment Expenditure (mln PLN)	Minimum Employment	Maximum support (as a % of eligible costs)	Other Requirement
1. Tax exemption				
PIZ tax exemption (Replacing SEZ tax exemption in 2018)	10mil* PLN - 100mil PLN	n.a.	20 – 70% over 12 -15 years	qualitative criteria quantitative criteria
2. Cash Grants				
For employment				
Business Service Centre	1	100	15k ¹ / 7,5k	Medium and highly advanced process
R&D Centre	1	10 ²	up to 40k ³ / up to 30k ⁴ / up to 20k ¹ / up to 15k ⁵	Highly advance process
For investment				
Strategic	160	50	» micro-enterprise / small enterprise: 25% ¹ / 15% ⁵ » medium-sized enterprise / growing enterprise: 20% ¹ / 10% ⁵ » large enterprise: 15% ¹ / 5% ⁵	
Innovative	7	20		
Research and Development service center	1	10 ⁶	up to 25% ⁷ or 15% ⁸	

Overview of investment incentive programs in Poland

Tax Relief in Operating Phase

Program	Description
R&D Tax Relief	Additional deduction eligible R&D costs from CIT tax base; <ul style="list-style-type: none">• 200% of salaries of employees engaged in R&D activities.• 100% of other related expenses on R&D activities (including R&D materials and R&D apparatus depreciation).
Tax relief for innovative employees	Reduction of PIT advances on the salaries of their employees who spend over 50% of their working time in a given month on R&D
Tax relief for expansion	Additional deduction of expenses for eligible activities from CIT tax base <ul style="list-style-type: none">• 100% of expenses for expansion to new markets (up to PLN 1 mil./ financial year)
Tax relief for prototypes	Additional deduction from CIT tax base 30% of costs of trial production of a new product and launch of a new product (up to 10% of the amount of income derived from sources other than capital gains).



Polish Investment Zone

The Polish Investment Zone (PIZ) is an instrument through which it is possible to obtain tax relief for the implementation of a new investment. It can be used all across Poland, regardless of the size of the company. Support is granted to companies in the industrial and modern services sector in the form of CIT income tax exemption. The tax credit constitutes regional investment aid.



For Who?

PSI relief is available to investors throughout Poland regardless of the size of the entity, either for **micro, small, medium or large enterprises.**



Decision on support

Support is granted to an entrepreneur implementing a new investment on the basis of a decision on support, which is issued for a period of **not less than 12 years and not more than 15.**

Types of Investment



The method of determining income from exempted activities is closely correlated with the type of new investment for which the support decision was issued

- Establishment of a new plant;
- Diversification of the enterprise's production;
- Fundamental change regarding the production process;
- Increasing the production capacity of an existing enterprise.



Tax exemption

The amount of the tax exemption is the product of the maximum intensity of aid and the value of eligible costs. **The support may range from 20% to 70%, depending on the location of the project**

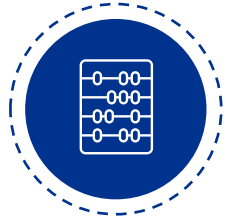


Criteria

Obtaining a decision on support by the entrepreneur will depend on meeting:

- ✓ qualitative criteria and
- ✓ quantitative criteria.

Polish Investment Zone - criteria



Quantitative criteria

Quantitative criteria refer to the minimum investment costs (investment expenditures or two-year labor costs), the amount of which depends on:

- the unemployment rate in the county relevant to the location of the new investment (compared to the average unemployment rate in the country)
- the size of the enterprise (micro, small, medium, or large enterprise)
- the type of investment (industrial, in the modern services sector, or R&D)



Qualitative criteria

Qualitative criteria allow for a maximum of 13 points (for industrial projects, 12 points for service projects), with the minimum level required to obtain a decision on support ranging from 4 to 6 points depending on the investment location, but no less than one point for each criterion:

- **Economic Sustainable Development Criterion:** includes conducting research and development activities, creating regional connections, process robotization and automation, belonging to the National Key Cluster, status as a micro, small, or medium-sized entrepreneur.
- **Social Sustainable Development Criterion:** conducting business activities with low negative environmental impact, locating investments in designated areas, supporting the acquisition of education/vocational qualifications and cooperation with vocational schools, undertaking employee care activities.

Polish Investment Zone - key aspects

The expense should be functionally related to the implementation of the new investment.

The expense must be incurred during the period of validity of the support decision

The expense must be incurred in the area specified in the support decision

The expense should be incurred within the facility for which the support decision was issued

For entrepreneurs benefiting from the exemption on the basis of investment costs, ownership of the assets to which the costs were related must be maintained for at least 5 years from the date of their entry into the records of fixed assets and intangible assets (3 years for micro, small and medium-sized entrepreneurs)

For entrepreneurs benefiting from the exemption on the basis of two-year labor costs, it is necessary to maintain each job for at least 5 years from the date of its creation (3 years for micro, small and medium-sized entrepreneurs)

Depreciation rates as a tool to support the use of aid in SEZs

Pursuant to the applicable regulations, Special Economic Zones (SEZ) shall terminate their operations at the end of December 2026. Subsequent to this date, entrepreneurs shall forfeit the entitlement to income tax exemptions granted under permits, irrespective of whether such permits were issued for an indefinite duration.

To assist taxpayers in benefiting from the aid, the depreciation rates can be changed, including those applied in the past.

Above change can be considered:

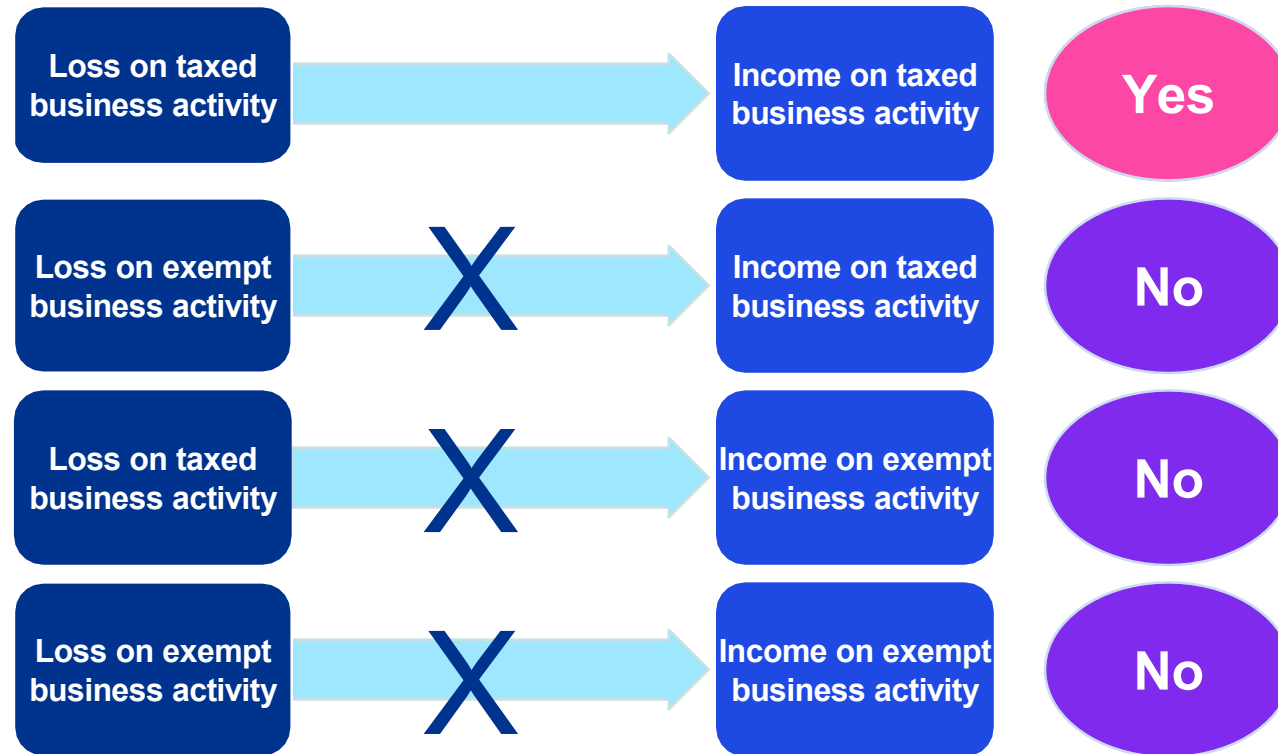
- ✓ to reduce in the future;
- ✓ to reduce for the past year - however in such case tax ruling is recommended.

This mechanism applies to fixed assets entered in the records by 31 December 2020.



Settlement of the loss

- Settlement of the loss by the entities operating under support decisions



Polish Investment Zone - the challenges

Possession of a decision on support (i.e., an exemption from corporate income tax for a new investment) confers upon the enterprise specific rights and imposes obligations pertaining to the preparation of corporate income tax (CIT) calculations.



Apportionment by allocation key

In instances where a taxpayer incurs expenses for generating income from sources subject to income tax, as well as expenses associated with income from sources not subject to income tax or exempt therefrom, and it is not feasible to attribute specific expenses to a particular source of income, such expenses shall be apportioned in the ratio that the income derived from these sources during the fiscal year bears to the aggregate amount of income.



Compliance with the conditions specified in the content of the support decision

An entrepreneur must meet the quantitative and qualitative criteria specified in the content of the support decision - during the investment implementation period and during the investment maintenance period.




Future settlements - Global Minimum Tax

The introduction of a Global Minimum Tax (Pillar 2) marks a major change in international tax policy, aimed at leveling the tax playing field for the largest multinational enterprises (MNEs) with global consolidated annual revenues of at least EUR 750 million. In order to achieve a level playing field, A minimum income tax rate of 15% has been introduced, regardless of the jurisdiction in which profits are reported. Currently in Poland, there is an ongoing discussion regarding potential solutions regarding the changes within the investment incentive mechanisms in the context of the Pillar II regulation.

How can we help?

Depreciation rates as a tool to support the use of aid in SEZs / support in the process of obtaining a decision

1. Identification of potential benefits of changing depreciation rates
2. Requesting an individual interpretation of tax law
3. Conducting a possible dispute with the authority before an administrative court
4. Requesting a protective opinion issued by the Head of the National Revenue Administration
5. Factual analysis from the point of view of the MDR legislation
6. Preparation and submission of applications for the purpose of obtaining a support decision
7. Support throughout the decision application process 
8. Preparation of a report with recommendations on the principles of combining the tax exemption with other grants and relief



How can we help?

Support for the Company in utilizing the R&D relief is comprehensive and includes the following elements

1. Verification of the possibility of using the research and development relief – analysis of activities conducted by the Company
2. Preparation of a report with recommendations on the principles of using the R&D relief
3. Preparation and submission of applications for individual tax rulings securing key aspects of using the R&D relief
4. Calculation of the R&D relief and support in making the deduction in the annual return (continuously) or by preparing applications for a refund (retroactively), including possible applying for tax relief for innovative employees
5. Additional support for the Company in case of any doubts related to the settlement of the R&D relief, as well as in contacts with the tax authorities relevant to the Client





Thank You for Your attention!



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