

Legal Alert

New Polish Classification of Economic Activities

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By the end of 2009, nearly all Polish corporations will need to visit a notary to amend their articles of association or charter. As part of the continuing efforts to harmonize Polish law with European Union requirements, a new Polish Classification of Economic Activities ("2007 PKD") came into effect on January 1, 2008. All businesses established after this date will use the 2007 PKD.

Existing businesses, however, will have until December 31, 2009 to update all filings in which their business activities are specified through the use of PKD numbers.

While there is no need to panic, all companies should consider making these changes as part of other planned adjustments to corporate documents in the next two years.

REGON

The earliest changes will likely involve a company's REGON filing. On July 1, 2008, the Central Statistical Office ("GUS") will issue a new form for updating a company's REGON number, in accordance with the 2007 PKD. Thereafter, it will send this form to all companies that have not updated their REGON filing prior to July 1, 2008. You will have 14 days after your receipt of this form to fill it out and return it to GUS. The good news is that your REGON number will not change. The bad news is that your business could be fined for failure to return the form or returning it late.

Articles of Association

While the change to your REGON number should be relatively painless, amending your company's articles of association or charter will involve more time and costs.

A company's articles of association or charter must list its scope of activities, including relevant PKD numbers for each activity mentioned. Amendments to these corporate constituent documents must be in the form of a notary deed.

To minimize the burden of changing the PKD numbers, you should consider adopting these changes together with any other planned amendments to your company's articles of association or charter. With a little planning, you could incorporate the PKD changes as part of a more substantial transactional matter, such as an increase in capital. Alternatively, you could consider using these required changes to do some corporate house-cleaning in your company's books and records. Changes in a company's business activities over the years can create the need to make minor adjustments to its articles of association or charter.

If you decide to wait, take care to remind yourself that the changes must be made before December 31, 2009. While the new law does not specify any sanctions for failure to make these changes, it is possible that general rules on the responsibility of management board members to keep corporate filings up-to-date would apply.

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