Expertise of Rödl & Partner specialists + investment in the Kostrzyn-Słubice Special Economic Zone = a bunch of measurable benefits
Kostrzyńsko-Słubicka Specjalna Strefa Ekonomiczna S.A.

General information on the Zone

Kostrzyńsko-Słubicka Specjalna Strefa Ekonomiczna S.A. (which manages the Kostrzyn-Słubice Special Economic Zone) was founded in 1997. The Kostrzyn-Słubice Special Economic Zone (the K-S SEZ) is situated in the western part of Poland and at present constitutes one of the fastest growing special economic zones in terms of both finance and territory.

Its geographical location in the very centre of Europe, right next to Germany and the Czech Republic, provides for extraordinarily favourable communications solutions for passenger and freight transport. Convenient transportation is offered by international roads E30 (A2), E65 (A3) and E28 as well as by the railway line Paris-Berlin-Warsaw-Moscow. As the zone is situated by the Oder and Warta rivers, it is very easy to access sea ports in Szczecin and Świnoujście as well as the river ports in Berlin and Hamburg. Investors may also use passenger and cargo airports in Poland (Babimost, Goleniów) and Germany (Berlin).

The Company administers the whole real property situated in three provinces: Lubuskie Province, Zachodniopomorskie Province as well as Wielkopolskie Province, thus providing incentive to economic development of those regions.
Area

At present, the Kostrzyn-Słubice Special Economic Zone covers 1,258.3254 hectares. It comprises 25 sub-zones: Słubice, Kostrzyn nad Odrą, Gorzów Wlkp., Zielona Góra, Nowa Sól, Gubin, Bytom Odrzański, Czerwieńsk, Poznań, Chodzież, Swarzędz, Barlinek, Police, Międzyrzecz, Lubsko, Sulęcin, Strzelce Krajeńskie, Rzepin, Goleniów, Karlino, Gryfino, Nowy Tomyśl, Buk, Przemęt and Skwierzyna.

The zone offers abundance of investment-ready areas. So far, Kostrzyńsko-Słubicka Specjalna Strefa Ekonomiczna S.A. has issued 179 business permits whereas the total value of investment expenditures by all companies operating in the zones amounts to PLN 3,332,715,006.78. The zone has currently around 500 hectares intended for new investments.

The Kostrzyn-Słubice Special Economic Zone is to operate until 31 December 2020.

(source: own materials; www.paiz.gov.pl; www.kssse.pl)
Procedure of obtaining permit for business activity in Kostrzyńsko-Słubicka Specjalna Strefa Ekonomiczna S.A.

In order to obtain the permit, any prospective investor interested in running business in the K-S SEZ needs to follow a 7-stage procedure:

> Learning from press or the K-S SEZ web site about an invitation to negotiations or to a joint tender to select an investor who will be granted the business permit to operate in the K-S SEZ,
> Purchase by the Investor the document titled “Specyfikacja Istotnych Warunków Rokowań lub Przetargu” (Specification of essential conditions of negotiations or tender),
> Filling by the Investor the complete documentation of the tender, including enclosures, in accordance with the requirements of the Specification, at the time and place determined in the invitation, as well as payment of the bid security,
> Opening of the tenders by the Tender Committee at the time and place specified in the invitation,
> Evaluation and analysis of the tenders by the Negotiating / Tender Committee,
> Selection of the winning investor,
> Execution of the procedure to issue the business permit for operation in the K-S SEZ,
> Performance of legal activities to acquire the right to the real property where the business is to be conducted.
Benefits of doing business in the Zone

Investing in a special economic zone brings in material advantages, as it entitles the investor to benefit from the regional state aid, namely a corporate income tax exemption.

The prerequisite to qualify for such an exemption is to obtain and maintain the business permit for operation in the special economic zone.

An entrepreneur is entitled to such a tax exemption under the so-called qualifying expenses incurred by him. The qualifying expenses may include the costs of the new investment or two-year labour costs of employees hired in connection with the new investment.

The amount of the tax exemption in the Kostrzyn-Słubice Special Economic Zone may, in case of large-sized companies, equal 50% of the qualifying expenses, and as much as 70% of the qualifying expenses in case of small and medium-sized businesses.

The tax exemption applies exclusively to the revenue earned from the operations in the special economic zone and under the activities stipulated in the business permit for operation in the given special economic zone.
Taking a proper direction

A Special Economic Zone (the SEZ) is a geographical region, administratively singled out of the territory of Poland (14 zones), where investors may conduct business activity on preferential terms.

The biggest advantage of doing business in the SEZ is the income tax exemption in the amount which, according to specified terms, corresponds to a percentage of the investment expenditures.

However, the use of the tax exemption may prove difficult in practice. One of the difficulties involves making the revenue generated in the SEZ separate from the revenue earned from business activities performed elsewhere.

Entrepreneurs, especially the foreign ones, are often in doubt whether they interpret the regulations properly. But this is often not until they start counting their revenue that they consult external advisers.

When planning business in a special economic zone you have to pay attention to many other aspects as well. It pays off to consult a competent advisor before launching the entire investment process.

Due to expertise and experience of Rödl & Partner specialists, it is relatively easy to achieve savings, for example, through optimising the tax and exploiting the tax exemption.
Rödl & Partner experience

Rödl & Partner specialists have for many years supported clients who are new or who already operate in special economic zones.

We have gained vast experience by providing, among others, the following services:

> advising on selection of an optimum location for a given project, taking into account the nature of your business,
> contacting the SEZ management and assisting in negotiations over terms and conditions of the business permit,
> supporting in the process of the SEZ extension for investments planned by the clients,
> analysing legal and tax issues connected with operation within the SEZ,
> preparing and filing enquiries with relevant public administration authorities.

Our experts conduct training on this subject in various parts of Poland.

In this way we have an opportunity to learn about experiences of entrepreneurs doing business in the SEZ as well as regularly analyse the difficulties encountered by them so as to arrive at possible solutions. Based on an on-going analysis of regulations and planned amendments, we are able to inform our clients in advance of new opportunities or threats. Such information is dispatched to all the interested also in the form of a newsletter.
About us

Rödl & Partner – a professional services firm. Based in Nuremberg (Germany). At present, it has 84 offices in 38 countries worldwide.

Since 1992 it has been present in Poland, where its specialists advise on audit, finance and accounting outsourcing, taxes, commercial law as well as provide HR and IT consulting services.

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