

**Law of October 20, 1994
on Special Economic Zones**

**Chapter 1
General Provisions**

Article 1. The Law defines principles and way of the establishment of special economic zones in the area of the Republic of Poland, the management of such zones and special principles and conditions for business activity run in the area of such zones.

Article 2. A special economic zone, hereinafter referred to as the „zone”, is an uninhabited area of the Republic of Poland separated pursuant to the Law where business activity may be run according to principles defined herein.

Article 3. The zone may be established to accelerate economic development of a part of the territory of the State, especially by means of:

- 1) development of specific fields of the business activity,
- 2) development of new technical and technological solutions and their application in the national economy,
- 3) development of export,
- 4) increase of competitiveness of products and services offered,
- 5) use of the existing industrial assets and economic infrastructure,
- 6) establishment of new workplaces,
- 7) use of unutilised natural resources observing ecological balance principles.

**Chapter 2
Establishment, merging, cancelling of Zones and modifying their area**

Article 4. 1. The Cabinet, on the application of the minister proper for economic matters, establishes an economic zone by way of regulation. In this regulation it is specified :

- 1) name, territory and borders of a zone,
 - 2) zone manager, hereinafter referred to as “manager”,
 - 3) period for which a zone is established – considering the need of assuring fulfilment of the purposes which are mentioned in art. 3 on the territory covered by a zone.
2. Minister proper for economic matters presents the application mentioned in point 1 after obtaining opinion of management board of province and acceptance of municipality council proper in relation to location of the zone.
3. Minister proper for economic matters attaches to the application mentioned in point 1 the analysis of anticipated social and economic results of zone establishment.
4. The Cabinet determines by way of regulation:
- 1) subjects of economic activity for which the permission mentioned in art. 16 point 1 will not be issued,
 - 2) maximal value of public assistance which can be given to entrepreneur who carries economic activity on the territory of the zone on the basis of the permission mentioned in art. 16 point 1,
 - 3) conditions of giving public assistance to an entrepreneur who carries economic activity on the territory of the zone on the basis of the permission mentioned in art. 16 point 1,
 - 4) conditions of recognizing expenditures as expenditures taken for investment on the territory of the zone, and their minimal amount,
 - 5) investment costs considered during calculation of the value of public assistance for entrepreneurs who obtained the permission mentioned in art. 16 point 1, after 31st of December 2000 yr.
 - 6) way of discounting investment costs and amount of public assistance on the day of obtaining the permission is mentioned in art. 16 point 1
- taking into consideration the necessity to ensure conformity of given assistance with European Union law.

- Article 5.** 1. Zone can be established, with reservation of point 2 and 3, exclusively on grounds which are owned by manager, Treasury or a unit of local government, communal association, or which are in perpetual usufruct of manager,
2. Zone can be established also if the acquisition by manager or a unit of local government of the ground mentioned in point 1 results from obliging contract which provides zone establishment as the only condition of acquisition.
 3. Part of a zone can include grounds which are owned by or which are a subject of perpetual usufruct of entities other than mentioned in point 1, if so accepted by them, if:
 - 1) within the extent of investment carried on the territory of the zone, either a specified number of new working places will be created, or investment expenditures of determined value will be taken, or
 - 2) as a result of an investment, there will be carried an activity consisting of launching the production of new or significantly improved goods, processes or services, or
 - 3) investment will concern the following services:
 - a) research – development,
 - b) information,
 - c) accountancy and books revision,
 - d) book-keeping, excluding tax declarations,
 - e) call centres, or
 - 4) fulfilment of started investment will require the increase of the territory of the zone which will be less than 2 hectares.
 4. The Cabinet will specify, by way of regulation, detailed criteria concerning conditions mentioned in point 3, taking into consideration the necessity to differentiate criteria mentioned in point 3 sub-point 1 in relation to unemployment rate in district proper according to zone location, and also taking into consideration Polish Classification of Products and Services.

- Article 5a.** 1. The Cabinet, taking into consideration fulfilment of the purposes mentioned in art. 3, can, on application of the minister proper for economic matters, by way of regulation, annul zone before expiration of period for which it was established, change its territory or combine zones, with the reservation that total territory of all zones cannot exceed 25 thousand hectares.
2. Cancelling a zone cannot be announced in the period when at least one permit issued on the basis of article 16 section 1 remains valid.
 3. The prohibition mentioned in section 2 does not apply if the region, where an entrepreneur carries business activities on the basis of the permit, is included into another zone, with maintaining the entrepreneur's rights to tax relieves, on the conditions used so for.
 4. Decreasing the zone's territory cannot apply to properties where the business activities are carried, on the basis of the permit issued as per article 16 section 1, unless the entrepreneur carrying business operations on the basis of such permit agrees to do so.
2. - cancelled

Chapter 3

Zone Management and Tax Relieves

- Article 6.** 1. The function of manager can only be performed by joint stock company or limited liability company in which Treasury or self-government of province has majority of votes, which can be given on general meeting of shareholders.
2. For companies mentioned in point 1, excluding companies in which Treasury has 100 percent share, provisions of art. 19a of act from 30th of August 1996 yr. about commercialisation and privatisation (J. of A. from 2013 yr. pos. 216 with amendments) and provisions of 10a point 6 of act from 20th of December 1996 yr. about communal economy (J. of A. from 2011 yr., No 45, pos. 236) are not applied.
 3. Minister proper for economic matters has competences of minister proper for the matters of Treasury, which are specified in art. 2 sub-point 5 and art. 18 point 1 of act from 8th of August 1996 yr. about rules of execution of entitlements of Treasury (J. of A. from 2012 yr., pos. 1224), in relation to companies, which are managing special economic zones, mentioned in point 1, excluding companies in which Treasury has 100 percent share.

Article 6a. 1. Performance of the function of a management board member of a company which is manager cannot be combined with employment in company of an entrepreneur who carries activity on the territory of a given zone, regardless of the legal basis of employment.

2. Employment, which is mentioned in point 1 cannot be started within a year from the date on which the function of a management board member of the company which is manager ceased to be performed.

Article 7. 1. No more than five persons shall be appointed to the supervisory board of the company being the manager, in relation to which the State Treasury or the provincial self-government has got the majority of votes which may be cast at the general meeting of shareholders or the meeting of partners, including:

- 1) with one representative of each of the following: minister responsible for the economy, minister responsible for public finances and the President of the Office for Competition and Consumer Protection – as representatives of the State Treasury;
- 2) no more than two representatives of local government units, who hold the largest share in the basic capital of the said company.

1a. No more than five persons shall be appointed to the supervisory board of the company being the manager, in relation to which the province self-government has got the majority of votes which may be cast at the general meeting of shareholders or the meeting of partners, including:

- 1) two representatives of the province self-government,
- 2) a representative of the Minister relevant to the issues of economy,
- 3) no more than two representatives of local government units, exclusive of the province self-government, who hold the largest share in the basic capital of the said company.

1b. annulled

2. No person can be appointed to the supervisory board mentioned in section 1 and 1a, if he or she is the member of the self-government or an employee of an entrepreneur running business within the zone or remains within a relationship with such an entrepreneur, defined in article 11 section 4-8 of the Law of February 15, 1992 on Corporate Income Tax (Journal of Laws of 2014, item 851 amended).

Article 8.1. Tasks of the manager cover the management, in accordance with the zone development plan defined in article 9, zone general conditions mentioned in article 10 and legal regulations, of actions aiming at the development of a business activity conducted within the zone, including especially:

- 1) enabling entrepreneurs running their business in the zone on the grounds of an agreement to use and take advantage of assets located within the zone that belong to the manager or in case of which the manager is a dependant holder,
- 2) managing devices of economic and technical infrastructure and other properties belonging to the manager or in case of which the manager is a dependant holder in a way allowing other entities to run their business activity in the zone,
- 3) providing services to the entrepreneurs running their business in the zone on the grounds of an agreement and establishing conditions for provision of services by third parties,
- 4) taking up activities promoting the business activity in the zone,
- 5) taking actions to facilitate the emergence of clusters;
- 6) cooperation in making the education process more responsive to the needs of the labour market in the zone:
 - a) with upper secondary schools referred to in Article 9 (1) point 3 of the Act of 7 September 1991 on the System of Education (Dz. U. [Polish Journal of Laws] of 2004 No. 256, item 2572, with subsequent amendments),
 - b) with higher education institutions referred to in Article 2 (1) point 1 of the Act of 27 July 2005 – Law on Higher Education (Dz. U. [Polish Journal of Laws] of 2012 item 572, with subsequent amendments).

2. The manager may sell his ownership right to real estate and perpetual usufruct to land plots located

in the zone if it is compliant with the zone development plan mentioned in article 9. The manager shall be entitled to a priority right related to ownership and perpetual usufruct of real estates located in the zone.

3. Carrying out the tasks set out in the zone development plan referred to in Article 9, the zone administrator shall not provide services of universal character. The zone administrator may instruct third parties to perform some tasks in accordance with the principles of transparency and fair competition, in particular by a tendering procedure within the meaning of the Act of 23 April 1964 – Civil Code (Dz. U. [Polish Journal of Laws] of 2014 items 121 and 827 and of 2015 item 4).
4. Authority proper on the basis of provisions of act from 21st of August 1997 yr. about immovable economy (J. of A. from 2014 yr., pos. 518 with amendments) can order the manager by way of the contract to prepare the real estate for sale as well as to organize and to perform a tender procedure for sale of the real estate.

Article 9. 1. Minister proper for economic matters determines by way of regulation development plan for the zone, taking into consideration the analysis mentioned in art. 4 point 3.

2. Development plan for the zone specifies especially purposes of zone establishment, actions which lead to achieve these purposes, and obligations of manager which concern actions that lead to achieve the purpose of establishing the zone and time limits for fulfilment of these obligations.

Article 10. 1. The way of zone management by the manager shall be defined in the zone general conditions.

2. The zone general conditions shall be issued by the manager. The issue and any amendments to the zone general conditions shall be approved by the Minister relevant to the issues of economy.
3. The manager shall deliver the zone general conditions to entrepreneurs running their business in the zone the moment the agreements mentioned in article 8 section 1 items 1 and 3 are concluded, and publish them.

Article 11. 1. The entrepreneurs running their business activity in the zone may establish a zone board.

2. The zone board may present opinions and motions on issues related to the activity in the zone and zone development.
3. The organisation and way of the zone board operation shall be defined in the by-law adopted by the board.

Article 12. Income from business activity conducted in the zone on the grounds of a permit mentioned in article 16 section 1 by legal entities and individuals running business activity are released from income tax, respectively from legal entities or individuals. This exemption shall constitute public aid, however, its amount may not exceed the maximum amount specified in the legal provisions issued on the basis of Article 4 section 4.

Article 12a. 1. Entrepreneurs using public aid, granted in accordance with the Act, and obliged to keep tax books – shall store these books and any related documentation, whereas entrepreneurs using public aid, granted in accordance with the Act for the creation of new jobs – shall additionally store documents associated with the collection of taxes and other State budget revenues, as well as revenues of State-run specific-purpose funds.

2. The books and documents specified in paragraph 1 shall be stored until the expiry of the limitation period for claims associated with the reimbursement of public aid.

Article 12b. 1. If the permit referred to in Article 16 (1) is revoked, the entrepreneur shall be obliged to reimburse the public aid, granted in accordance with the Act. The entrepreneur may not receive a new permit until that aid is returned.

2. If the permit referred to in Article 16 (1) is revoked or declared invalid, the minister responsible for the economy shall provide a copy of the issued decision to the head of the tax office competent in income tax matters with respect to the entrepreneur, within 14 days of that decision having become final.
3. If the permit referred to in Article 16 (1) is revoked, the head of the tax office referred to in paragraph 2 shall specify, by means of a decision, the amount of aid to be recovered, reduced by

the amount of tax due, calculated in accordance with Article 21 (5b) of the Act of 26 July 1991 on Personal Income Tax (Dz. U. [Polish Journal of Laws] of 2012 item 361, with subsequent amendments) or Article 17 (5) of the Act of 15 February 1992 on Corporate Income Tax (Dz. U. [Polish Journal of Laws] of 2014 item 851, with subsequent amendments).

4. The amount of aid to be recovered, referred to in paragraph 3, shall include interest calculated as for tax arrears. This interest shall be payable for the period from the day on which the aid was granted to the day of its recovery.

Article 12c. Claims associated with the reimbursement of public aid, granted in accordance with the Act, shall be time-barred after 10 years from the end of the calendar year in which the entrepreneur benefited from that aid.

Article 13. - cancelled

Article 14. - cancelled

Article 15. 1. At a request of the manager, the governor executing tasks related to government administration, relevant to the zone location, may, at the province governor permit, oblige the manager to manage, including administrative decisions of the first instance, the following issues related to the construction law within the zone: issue of construction permits, transfer of construction permits to other persons, decision on the loss of construction permit validity, acceptance of notices on construction end, issue of permits to commission a given structure, granting permits to change the way of using the whole or a part of the structure, requesting a control in the structure or expertise on a technical condition thereof.

2. At the manager's request, the board of the *gmina* relevant to the zone location may authorise the manager to issue decisions to change the conditions of the area development in relation to land plots located in the zone.

Chapter 4

Permit to Run Business Activity in the Zone entitling to receive public support

Article 16. 1. The basis for taking advantage of public support, provided on the grounds of the Law, is the permit for running business activity in the area of the given zone, entitling to take advantage of public support, hereinafter referred to as "the permit".

2. Permission specifies subject of economic activity and conditions concerning in particular:
 - 1) employing by entrepreneur during economic activity on the territory of the zone within a given time period a specific number of employees;
 - 2) making by entrepreneur on the territory of the zone investments whose value exceeds a specified amount;
 - 3) time limit of investment ending;
 - 4) maximal amount of qualified costs of investment and two-year qualified costs of work;
 - 5) requirements mentioned in art. 5 point 3 and 4 – if investment will be made on grounds which are owned by or constitute a subject of perpetual usufruct of entities other than specified in art. 5 point 1.
3. Permission can be given if undertaking of an activity on the territory of the zone will contribute to achieving the purposes determined in the zone development plan mentioned in art. 9.
4. The Minister relevant to the issues of economy defines, withdraws and amends the permits. The permit shall be withdrawn and changed on conditions mentioned in article 19 section 2-4.
5. The Minister relevant to the issues of economy requests the zone manager's opinion before issuing a decision on defining, withdrawing or amending the permit.
6. Proceedings concerning granting permits, their withdrawal and amendments are governed by provisions of the Code of Administrative Proceedings of June 14th, 1960 (Journal of Law of 2013 item 267, with subsequent amendments).

Article 17. 1. The entrepreneurs who will receive the permit shall be selected in the course of bid proceeding or negotiations carried out on the grounds of a public invitation.

1a. The Minister relevant to the issues of economy shall specify, by way of an ordinance, the method of conduct, the principles and terms of the bid procedure or negotiations as well as the evaluation criteria for the business activity plans that are to be commenced within the zone, for each zone separately, taking into account in particular the degree in which the volume, the object and the economic character of business undertakings planned to be implemented by the entrepreneur within the zone and the terms for realising them shall support the realisation of the zone establishment purposes specified in the zone development plan.

2. – cancelled

3. – cancelled

Article 17a. 1. Application for public aid, granted in accordance with the Act, shall be submitted within the framework of a tender procedure or negotiations referred to in Article 17 section 1.

2. Application for public aid, granted in accordance with the Act, may also be submitted to the minister responsible for the economy by a large enterprise within the meaning of Article 2 point 24 of Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the common market in application of Articles 107 and 108 of the Treaty (OJ EU L 187 of 26.06.2014, page 1) intending to commence a business activity in the area referred to in Article 5 (3), not included in the zone as of the day of submission of the application. The entrepreneur's application shall be accompanied by documentation demonstrating the incentive effect referred to in Article 6 (3) of that Regulation. Once the incentive effect has been confirmed by the minister responsible for the economy, the entrepreneur may commence a business activity in that area.

3. A large enterprise shall not be entitled to any claims in the case when the area referred to in paragraph 2 is not included in the zone or when that enterprise fails to obtain a permit for conducting a business activity in that area.

Article 18. The minister responsible for the economy shall inspect the business activity conducted in the zone within the scope and under the rules laid down in Article 57 and chapter 5 of the Act of 2 July 2004 on Freedom of Economic Activity (Dz. U. [Polish Journal of Laws] of 2013 item 672, with subsequent amendments).

Article 19. 1. The permit shall expire with the expiration of the zone existence period.

2. – cancelled

3. The permit may be withdrawn or its scope or object of the activity defined therein may be limited if the entrepreneur:

- 1) stopped running the business activity for which he has obtained permit in the zone, or
- 2) materially violated conditions defined in the permit, or
- 3) has failed to resolve the deficiencies discovered during the inspection referred to in Article 18 within the time limit specified in the notice of the minister responsible for the economy, or
- 4) has applied for revocation of the permit, limitation of its scope or of the scope of the activity specified in the permit.

4. Minister proper for economic matters can on the application of an entrepreneur, after receiving opinion of the manager, change the permission; however the change cannot:

- 1) concern the reduction of the employment level, specified in the permission on the day of its giving, by more than 20%;
- 2) result in the increase of public assistance;
- 3) concern fulfilment of requirements relating to investment made on grounds, which are owned by or constitute a subject of perpetual usufruct of entities other than specified in art. 5 point 1.

5. The minister responsible for the economy shall declare the expiry of the permit, upon request of an entrepreneur who has not benefited from public aid, granted in accordance with the Act, on the basis of that permit, or of an entrepreneur who has benefited from public aid granted in accordance with the Act and who has fulfilled all conditions specified in the permit, as well as the conditions for the granting of public aid, referred to in the legal provisions issued on the basis of Article 4 section 4.

6. The application referred to in paragraph 5 shall be accompanied by a statement that the entrepreneur has not used public aid, granted in accordance with the Act, on the basis of the permit to which the application refers, or by a statement about the fulfilment of conditions for the

granting of public aid referred to in section 5.

7. The statement referred to in paragraph 6 shall be submitted under penalty of criminal liability for making false statements. The statement must include the following clause: "I am aware that any false statements may render me liable to prosecution.". The above clause shall replace the instruction of the authority concerning criminal liability for making false statements.

Article 19a. – cancelled

Article 20. 1. Minister proper for economy matters can, by way of regulation, entrust manager with:

- 1) giving, in his name, permissions mentioned in art. 16 point 1,
 - 2) controlling, in his name, fulfilment of requirements of the permission
- taking into consideration the need to ensure proper functioning of the zone.

- 1a. The permits, mentioned in section 1, the manager of the zone granted in the course of decision.
2. If the manager is entrusted with the tasks to make a current control mentioned in section 1 clause 2, he shall be authorised to execute control activities envisaged for a concession body in regulations on concessions for business activities to an extent defined in the ordinance mentioned in section 1.
3. The manager shall immediately notify the Minister relevant to the issues of economy of the occurrence of circumstances mentioned in article 19 section 3 and he may apply to the Minister relevant to the issues of economy with a motion to withdraw the permit, reduce its scope or object of the business activity defined therein.

Chapter 5 Intermediary and Final Provisions.

Articles 21-23 - omitted

Article 24. 1. The day the provisions mentioned in article 4 section 1 come into force, the Minister relevant to the issues of the State Treasury shall take over activities and rights in relation to a company appointed the manager, performed so far in behalf of the State Treasury by another body of the State administration, but a decision on transfer of the State Treasury's shares or participation units of the company established after the transformation of the State-owned company on the grounds of the Law of July 13, 1990 on the privatisation of State-owned companies (Journal of Laws no. 51 item 298 with subsequent amendments), shall be made by the Minister relevant to the issues of the State Treasury upon obtaining an opinion of the Minister relevant to the issues of economy.

2. Articles 17, 19 section 1 second sentence, 23 sections 1 – 3, 24, 28 and 29 of the law on the privatisation of State-owned companies shall not apply to the company being the manager established on the grounds of the law on the privatisation of State-owned companies.
3. A body of the Government administration relevant to the management of lands with regard to lands belonging to the State Treasury or the management of *gmina* in relation to lands belonging to the *gmina* may contribute to the company being the manager an ownership right to land plots whose perpetual user is the company or land plots which have been under the perpetual use of the State-owned company liquidated in order to contribute an entity or an organised part of its assets to the company. The contribution of the ownership right to the land that were under the perpetual use of the liquidated State-owned company shall be made in agreement with the company's foundation body. In case defined herein, the perpetual usufruct right shall expire the moment the lands ownership right is contributed to the company being the manager. The Minister relevant to the issues of the State Treasury shall represent the State Treasury in the company being the manager in relation to rights from shares (participation units) taken over by the State Treasury in exchange for the lands ownership right contributed in a way defined herein.

Article 25. 1. The manager shall be released from any fiscal fees due to the purchase or sales of rights to real estates located in the zone.

2. The Government, in ordinance mentioned in article 4 section 1, may release the manager's income from the income tax from legal entities in a part spent in a given financial year or a year following it for the zone development purposes, including the purchase of real estates or other things used to conduct the business activity in the zone, as well as modernisation and expansion of the economic and technical infrastructure in the zone.

Article 26. The Government shall present the Sejm with the information on the execution of the law, along with the report on the budget execution.

Article 27. The Law comes into force in 30 days upon its announcement, excluding article 15 that comes into force on January 1, 1995.

Apart from the final versions, following the Law of May 30th 2008 on amending the Law on Special Economic Zones (Journal of Laws no. 118, item 746), article 2 – article 5 remain, with the following purport:

Article 2. Heretofore provisions are to be applied for proceedings in the subject of giving, withdrawing or changing permissions for economic activity carrying on the territory of the zone, which are started but not finished before the present act enters into force.

Article 3. Provisions of art. 6a of act mentioned in art. 1, in wording given by the present act, are applied for members of management board of the company which is manager of the zone, who are appointed after present act enters into force.

Article 4. 1. Permissions for carrying economic activity on the territory of the zone, given before the present act enters into force, keep their force.

2. – cancelled

Article 5. Heretofore executive provisions issued on the basis of art. 4 point 1, art. 5a point 1, art. 9 point 1 and art 20 point 1 of the act mentioned in art. 1, keep their force until executive provisions issued on the basis of art. 4 point 1 and 4, art. 9 and art. 20 point 1 of the act mentioned in art. 1, in wording given by the present act, enter into force, however not longer than for 12 months from entering into force of the present act.

Apart from the final versions, following the Law of November 28th 2014 on amending the Law on Special Economic Zones (Journal of Laws 2014 item 1854), article 4 and article 5 remain, with the following purport:

Article 4. The supervisory board of the company referred to in Article 6 (1) of the Act specified in Article 1 shall continue to act without any changes in its composition until a new supervisory board is appointed, in accordance with Article 7 (1) point 1 of the Act specified in Article 1 as amended by this Act, within 6 months of the date of the entry into force of this Act.

Article 5. 1. The existing legal provisions shall continue to apply to any matters relating to a declaration of expiry of a permit or its modification or revocation, initiated and not completed before the date of the entry into force of this Act.

2. The provisions of this Act shall apply to public aid granted under the Act specified in Article 1 prior to the date of the entry into force of this Act, in the case when a claim associated with the reimbursement of that aid did not become time-barred before the day of the entry into force of this Act.

3. Article 12b (4) of the Act specified in Article 1 shall not apply to the public aid referred to in paragraph 1.