
CHAMBERS GLOBAL PRACTICE GUIDES

Tax Controversy 2026

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**Poland: Law and Practice
& Trends and Developments**

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Law and Practice

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VAT, excise tax and customs duties, private clients and international taxation. SK&S is committed to the continuing professional development of its experts. This, combined with an interdisciplinary nature and the high quality of its services, enables SK&S to advise clients on even the most difficult tax issues that pose significant challenges, as well as both legal and business risks. It offers strategic advice and finds solutions to even the most novel and complex tax problems.

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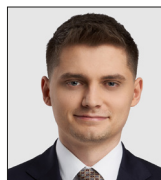
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1. Tax Controversies

1.1 Tax Controversies in This Jurisdiction

In Poland, tax controversies arise in various ways. Generally, tax controversies are detected during tax audits, tax proceedings and customs and tax audits conducted by the tax authorities. Tax controversies also often arise from late tax returns or failure to file a tax return. It should be added that tax controversies of an individual taxpayer may arise due to:

- information provided by another tax authority (including foreign tax authorities); or
- information appearing in internal systems to which the tax authorities have access.

1.2 Causes of Tax Controversies

Generally, value-added tax (VAT), corporate income tax (CIT), personal income tax (PIT) and excise duty give rise to most tax controversies in Poland.

In 2025, the number of tax audits fell compared to the previous year, falling from 9,829 in 2024 to 8,722 in 2025. The number of customs and fiscal audits also declined, quite significantly, from 7,043 to 5,113 audits.

However, to verify the correctness of tax settlements, Polish tax authorities are increasingly using tax checks (audit activities), which are a less formalised, faster and more convenient form for tax authorities to audit taxpayers. This trend is reflected in the statistics showing an increase in checking activities – in 2025, more than 2,6 million were conducted, over 228,000 more than in 2024.

The Polish tax system is affected by a high level of variability. Hence, most tax controversies arise regarding VAT, CIT, excise duty and PIT. Since their introduction in the 1990s, the PIT, CIT and VAT Acts have been amended hundreds of times.

1.3 Avoidance of Tax Controversies

Tax law in Poland is complex and is subject to constant change. To avoid tax controversy, the taxpayer should implement internal procedures to minimise tax risks, including verifying business partners before doing business with them. It is important for taxpayers to constantly monitor changes in tax legislation.

Non-Binding Tax Information From the National Tax Information Centre

If a taxpayer has doubts regarding the proper application of tax laws and tax and customs information, it is possible to contact the National Tax Information Centre by telephone to obtain free information related to taxpayers' tax obligations. However, the information provided by the National Tax Information is not binding on the taxpayer.

Binding Tax Ruling

Moreover, taxpayers may also apply for a binding tax ruling on whether any planned or actual taxpayer actions, arrangements or transactions comply with Polish tax law.

If a tax ruling is issued, tax authorities may not challenge the tax settlements of a taxpayer following the letter of the ruling. Confirmation of a taxpayer's standpoint protects a taxpayer from criminal liability and from the obligation to pay interest on tax arrears

in cases where the tax authority changes its point of view on that particular matter.

Further, the biggest advantage of an individual tax ruling is that it may protect a taxpayer from paying tax in circumstances where the taxable event has not yet occurred.

It is possible to appeal to the Provincial Administrative Court if the tax ruling is unfavourable to the taxpayer.

An application for a tax ruling may be submitted jointly by two or more taxpayers participating in the same transactions or events.

The tax authority should issue an individual tax ruling without undue delay, but no later than within three months.

Protective Opinion Under the General Anti-Avoidance Rule (GAAR)

The taxpayer has a right to apply for a protective opinion which confirms that there is no danger of the GAAR's application regarding a planned transaction, action or arrangement. The fee for obtaining such an opinion is much more costly than for obtaining an individual tax ruling (a tax ruling costs PLN40; a protective opinion costs PLN20,000).

Binding Rate Information

It is possible to apply to the Director of the National Revenue Information for Binding Rate Information that confirms the correctness of the applied VAT rate. The binding rate information has been applicable since 1 July 2020, when the VAT matrix regulations entered into force.

Withholding Tax (WHT) Opinion

Taxpayers and tax remitters are able to apply for an opinion on the application of WHT preference ("WHT Opinion"), which allows them to apply an exemption or preferential rate of withholding tax regarding receivables, in particular, from:

- interest, copyrights, trade marks, use or right to use an industrial device and information related to industrial, commercial or scientific experience; and

- income from dividends and other income (revenue) from participating in the profits of legal persons having their registered office or management in the territory of Poland.

Under current legislation, the tax authority must issue a WHT Opinion without undue delay, but no later than within six months from the date of receipt of the application. It should be borne in mind that, in certain cases, the tax authority may refuse to issue an opinion on the application of preferences. The refusal to issue a WHT Opinion is subject to the right to file a complaint with the administrative court.

The request for a WHT Opinion is subject to a fee (amounting to PLN2,000) and the WHT Opinion itself expires 36 months from the date of its issuance or on the date on which the taxpayer to whom the opinion applies no longer meets the conditions for its application.

1.4 Efforts to Combat Tax Avoidance

Poland has already implemented various OECD BEPS recommendations to combat tax avoidance – eg, CFC rules, CbCR rules, new transfer pricing (TP) documentation rules, limitations on the deductibility of interest, the MLI, regulations neutralising hybrid mismatches and the Mandatory Disclosure Rules (MDR) notification.

The Polish tax administration's activities aim to combat tax fraud. Poland is firmly focused on eliminating the remaining loopholes in the Polish tax system by amending existing provisions and introducing various regulations – eg, exit tax or stricter rules for controlled foreign companies (CFCs), new requirements for TP documentation, or reporting tax schemes (MDR). These measures are taken to prevent tax base erosion and profit shifting, aggressive tax optimisation, indirect tax fraud and tax leakages caused by all of the above.

It is worth noting that the Polish tax administration is now more focused on TP issues than in the past, challenging the arm's length character of transactions. Tax authorities are increasingly identifying harmful tax schemes in the activities of large multinational corpo-

rations in connection with obligations under the MDR legislation.

In this regard, the BEPS recommendations have had a substantial impact on the Polish government's tax policies and have led to an increasing number of tax controversies.

1.5 Additional Tax Assessments

Under Polish tax law, a final decision issued by a second-instance tax authority is enforceable. This means that, as a rule, the taxpayer must pay the tax liability resulting from the decision, together with interest. If the tax liability is not settled, executive proceedings may be initiated against the taxpayer. A taxpayer may avoid executive proceedings by filing with the court one of the following:

- an application to suspend the enforcement of a decision;
- a request to defer the payment of a tax liability and interest until the case is finally resolved; or
- a request for tax liability and interest to be paid in instalments.

To obtain a deferment of payment/be permitted to pay in instalments, the taxpayer's interest or the public interest must be proved. This relief is granted as de minimis aid.

In any event, it is possible to appeal to a Provincial Administrative Court against the final decision issued. A taxpayer is not obliged to pay or guarantee the tax assessed to be able to lodge an administrative claim.

Criminal Filing Made Against the Taxpayer

In connection with initiating tax proceedings against a taxpayer, criminal and fiscal proceedings may also be initiated at the same time.

2. Tax Audits

2.1 Main Rules Determining Tax Audits

Tax authorities may verify whether a taxpayer has properly applied tax law.

In Poland, the tax authorities provide no clear criteria for initiating a tax audit. As a rule, the tax authorities are free to decide whether to initiate a tax audit.

2.2 Initiation and Duration of a Tax Audit

A tax audit is initiated to check whether the taxpayer is complying with its obligations under Polish tax law.

The tax authorities are obliged to notify a taxpayer that a tax audit has been planned. The tax audit is initiated no earlier than seven days and no later than 30 days from the date of the delivery of the notice of the intention to initiate the tax audit. If the tax audit is not initiated within 30 days of the notice, a new notice is required to initiate it. In certain circumstances, a tax audit may be conducted without prior notification (eg, where a fiscal or commercial offence has been committed).

The tax audit must be conducted within the period indicated in the authorisation (ie, a document authorising the tax authority to initiate a tax audit). Under the Business Act, the duration of all audits of a business entity conducted during a single calendar year may not exceed the following:

- micro-enterprises – six business days;
- small enterprises – 18 business days;
- medium-sized enterprises – 24 business days; and
- large enterprises – 48 business days.

The taxpayer must be notified of any failures to complete the tax audit within the period specified in the authorisation.

Tax liability becomes time-barred after five years, counting from the end of the calendar year in which the deadline for payment of the tax expired. Commencing a tax audit does not suspend or interrupt the limitation period of a tax liability.

2.3 Location and Procedure of Tax Audits

Tax audits may occur in the tax authority's headquarters or on the taxpayer's premises. Most often, a tax audit is conducted at the audited taxpayer's registered office, another location where business activity is conducted, or a location where documents are stored.

Therefore, the audited taxpayer should be present while a tax audit is conducted.

Tax audits are mainly based on printed documents, but may also use data made available electronically.

The audited taxpayer has the right to actively take part in the tax audit. In particular, the taxpayer may submit clarifications, present evidence, or request that certain documents be considered or that witnesses be heard. The audited taxpayer should co-operate with the tax authority to enable it to perform its task effectively (eg, by providing access to documentation and necessary clarifications).

2.4 Areas of Special Attention in Tax Audits

Areas and matters for the tax auditors' special attention vary depending on the tax being verified. During the tax audit, the tax authorities may verify accounting documents, invoices and other documents. The tax authorities may extensively verify the taxpayer's compliance with tax legislation.

In particular, the tax authorities very carefully examine all types of reorganisation and restructuring operations in which they see taxpayers recognising beneficial tax effects and unjustified tax savings.

Transactions between related parties are also carefully verified.

2.5 Impact of Rules Concerning Cross-Border Exchanges of Information and Mutual Assistance Between Tax Authorities on Tax Audits

At this point, it is difficult to assess whether the provisions on cross-border exchange of information and mutual assistance between tax authorities have led to an increase in tax audits in Poland. The Ministry of Finance has not yet published such data.

However, it is certain that international administrative co-operation may have led to an increase in the number of tax audits due to the flow of data or other information between foreign tax authorities.

A Polish tax authority may request information from a foreign tax authority and vice versa. As a result, for-

eign and Polish tax authorities may assist each other. This may lead to an increase in the number of tax audits.

Recently, the Polish tax authorities have co-operated with foreign tax authorities, especially in the area of VAT carousel proceedings and WHT proceedings. For a tax audit, the Polish tax authorities very often apply to a foreign tax authority with a request for information (SCAC information) regarding a foreign counterparty of a Polish company.

2.6 Strategic Points for Consideration During Tax Audits

During a tax audit, the taxpayer should co-operate with the tax authorities. In particular, the taxpayer should submit the requested documents, provide evidence, make statements, respond to a summons from the authority and participate in the inspection activities. An unjustified refusal to provide the requested documents or attempts to complicate or delay the audit may constitute a violation of that obligation.

It is advisable for the taxpayer to co-operate with the auditors, clarify their arguments, prove the content of their documentation and declarations and generally supply the auditor with all the information needed to ascertain the facts relevant to taxation.

3. Administrative Litigation

3.1 Administrative Claim Phase

In most cases, the tax authority initiates tax proceedings when a tax audit reveals irregularities on the taxpayer's side (eg, tax arrears, undisclosed income, or an improper tax return). Tax proceedings may also be initiated upon a taxpayer's application. There are two stages involved in tax proceedings. Generally, in the first instance, the tax authority is the head of the tax office. In the next instance (the higher instance), the tax authority is the director of the tax administration chamber.

Every tax decision made in the first instance of proceedings may be appealed and heard at the higher instance (mostly by the director of the tax chamber). To appeal a tax decision, the appeal must be submit-

ted within 14 days of the date of the delivery of the decision. A decision is final if a taxpayer does not file an appeal within this time period and the tax proceedings are then complete.

In cases where an appeal is submitted to the higher instance, the higher instance tax authority will settle the case and its decision will be final and enforceable. The appeal authority may:

- accept the taxpayer's appeal and issue a new decision;
- revoke the decision of the first instance and refer the case for reconsideration;
- uphold the decision of the authority of the first instance; or
- declare the appeal inadmissible.

As a general rule, an appellate body may not issue a decision to the disadvantage of an appealing party unless the decision of the first-instance body grossly violates the law or the public interest.

That final decision may be challenged by lodging a complaint to the Provincial Administrative Court.

3.2 Deadline for Administrative Claims

A case on appeal should be disposed of no later than two months from the date of receipt of the appeal by the appellate authority. The tax authority is obliged to notify the party of each case that is not settled on time, giving the reasons for the missed deadline and indicating a new deadline for settlement. The taxpayer does not have the right to lodge a reminder with the higher chamber if the appeal body does not settle the case on time.

However, a taxpayer may file a complaint against the inaction of the tax authorities or the excessive length of the procedure with the Provincial Administrative Court if the case is not settled within the time limit.

4. Judicial Litigation: First Instance

4.1 Initiation of Judicial Tax Litigation

Complaints against decisions and rulings (and other administrative acts) should be lodged within 30 days

of the decision to the Provincial Administrative Court via the tax authority that issued the decision or ruling in the last instance. The 30-day period begins on the day after the taxpayer received the decision. A complaint to the court should be filed via the authority which issued the contested decision.

The right to lodge a complaint to the Provincial Administrative Court is available to any person who has a legal interest in the proceedings – eg, a public prosecutor, ombudsman or societal organisations (mostly non-governmental organisations), within the scope of their statutory activities and in matters concerning the legal interests of other persons if the organisation has participated in administrative proceedings. Taxpayers may represent themselves in the Provincial Administrative Court. Alternatively, they may be represented by a professional representative – eg, an attorney-at-law, an attorney or a tax adviser.

4.2 Procedure for Judicial Tax Litigation

When a complaint is lodged, the administrative authority must turn it over to the court with the relevant files and prepare a response within 30 days of the date that the complaint was lodged. The authority analyses the possibility of granting the complaint as a whole (a “self-inspection procedure”). The complaint is not particularly formalised, as it must only meet the requirements of a letter in court proceedings.

The Provincial Administrative Court first examines the formal and legal correctness of the complaint. The complaint will be rejected if the court finds that there are formal obstacles preventing it from hearing the case. When the court finds no formal or legal deficiencies in the complaint, it will examine it. The court may:

- dismiss the complaint;
- overturn a decision in full or in part; or
- confirm the invalidity of a decision in whole or in part.

The Provincial Administrative Court rules within the limits of the case but is not bound by the claims or statements stated in the complaint or the legal grounds raised by the party (ie, a taxpayer or a tax authority).

Consequently, the court will independently assess the correctness of the tax authority's action or decision and assess the tax authority's compliance with the law. Generally, an administrative court may not alter a decision or rule on merit (ie, issue a decision instead of the tax authority), but it may instruct a tax authority to re-examine a case.

Often, the ruling is issued at the first hearing. The administrative court hears cases based on the files or documents provided by the public authority.

4.3 Relevance of Evidence in Judicial Tax Litigation

The administrative court examines the case based on the case files (documents) presented by the tax authorities. The administrative court does not hear witnesses or consult expert witnesses. If such evidence is necessary to resolve the case, it should have been presented by the tax authorities during the administrative proceedings. Failure to do so may result in the court overturning the decision. However, the court may take supplementary evidence from documents if it is necessary to clarify significant doubts and will not unduly prolong the proceedings.

4.4 Burden of Proof in Judicial Tax Litigation

As Polish tax proceedings follow the principles of an official investigation, there are no statutory provisions regarding the burden of proof. This obligation results from the principle of objective truth adopted in administrative proceedings, which obliges the authority to exhaustively collect and consider all the evidence, whereby it undertakes – ex officio or at the request of a party – all actions necessary to clarify the exact state of the facts and to resolve the case. That means that the tax authorities must prove all facts and circumstances necessary to justify a tax claim against the taxpayer. The taxpayer, on the other hand, is required to present their position and provide substantiated evidence against the facts presented by the tax authorities.

In a criminal tax procedure, it is always the State that is required to prove the illegality of a taxpayer's action.

4.5 Strategic Options in Judicial Tax Litigation

The strategy pursued must be adapted to each individual case and there are no general guidelines applicable to every case. The court decides the case based on the evidence gathered by the tax authorities during the tax proceedings (all evidence must be presented during those proceedings). Legal arguments may be presented during the judicial case.

4.6 Relevance of Jurisprudence and Guidelines to Judicial Tax Litigation

In addition to domestic case law, Polish courts take into consideration case law from the European Court of Justice and the European Court of Human Rights. International guidelines – eg, the OECD Transfer Pricing Guidelines or the OECD Model Tax Convention – are usually followed by the tax authorities and may also be used as grounds to support argumentation in tax court proceedings.

5. Judicial Litigation: Appeals

5.1 System for Appealing Judicial Tax Litigation

The structure of administrative courts in Poland consists of two levels: Provincial Administrative Courts as courts of lower instance and the Supreme Administrative Court as the court of higher instance. There are 16 administrative lower-instance courts and one Supreme Administrative Court, which has its seat in Warsaw.

A judgment of the Provincial Administrative Court may be challenged by a complaint to the Supreme Administrative Court (signed by an attorney, an attorney-at-law or a tax adviser). Leave to appeal does not depend on the value of the case or on the nature of the controversy.

5.2 Stages in the Tax Appeal Procedure

A cassation appeal is lodged via the Provincial Administrative Court that issued the judgment within 30 days of being served the judgment, together with a justification. The cassation appeal may only be based on strictly defined grounds – namely, if that infringement may have seriously affected the outcome of a particular case:

- a violation of substantial law owing to an erroneous interpretation or incorrect application of law; or
- a breach of procedural regulations.

The cassation appeal may not be based on any irregularity in the proceedings, but only on infringements that may affect the content of the decision.

The counterparty (who has not filed the cassation appeal) may file a written response to the cassation appeal within 14 days of being served the cassation complaint.

If the complaint fulfils the requirements, the hearing before the Supreme Administrative Court cassation appeal is scheduled. However, obtaining a hearing date may take up to three years from submitting the cassation appeal.

5.3 Judges and Decisions in Tax Appeals

In the first instance and in cassation proceedings, the case is decided by a panel of three judges, one of whom is a reporting judge. The administrative court sits with a single judge in a closed session.

A judge may be excluded from the court hearing by law, at the judge's own request, or by a party's request.

Judges are selected randomly by the chairperson of the judicial division.

When the case is referred back to the court for reconsideration, the chairperson of the judicial division orders that the panel of the court will be determined by drawing lots.

The Provincial Administrative Court collegium, on the motion of the court president, assigns judges and court referees to judicial departments and determines the detailed rules for assigning cases to judges and entrusting court referees.

Generally, supervision of the Provincial Administrative Court is performed by the president of the Supreme Administrative Court, vice-presidents and other judges and employees of this court, as well as by presidents of Provincial Administrative Courts, vice-presidents and division presidents of these courts.

6. Alternative Dispute Resolution (ADR) Mechanisms

6.1 Mechanisms for Tax-Related ADR in This Jurisdiction

Alternative dispute resolution (ADR) is not widely used in disputes between taxpayers and the tax authorities. There are no general provisions pertaining to the mutual agreement procedure (MAP) in the Polish Tax Ordinance Act. The MAP is present only within bilateral tax treaties between countries.

Polish law on proceedings before administrative courts provides only one specific procedure: mediation. Mediation is allowed only when an appeal has been filed with the administrative court and may be conducted at the request of a complainant or the authority. Mediation can also be initiated ex officio. The deadline for filing a request for mediation is the date of the hearing. As a rule, mediation should be conducted during a single court session. If the mediation ends in failure and the parties fail to agree on a common position, the case will be resolved through the standard procedure (ie, it will be referred to a hearing).

When a dispute is effectively settled at mediation, there are two possible outcomes: the court proceedings are discontinued due to the withdrawal of the appeal, or the mediation arrangements may impose an obligation on the administrative authority to verify its decision.

The administrative authority is free to choose how it will proceed within the scope of the performance of the mediation. Therefore, a complainant has no influence on the application of such arrangements. Nevertheless, it is possible to file an appeal to a Provincial Administrative Court against the act or measures taken by the authority as a result of the mediation within 30 days.

However, mediation is not a widely used mechanism in the administrative judiciary.

6.2 Settlement of Tax Disputes by Means of ADR

There are no domestic ADR mechanisms available in Poland.

6.3 Agreements to Reduce Tax Assessments, Interest or Penalties

No agreement may be reached outside the scope of an administrative complaint procedure or litigation.

6.4 Avoiding Disputes by Means of Binding Advance Information and Ruling Requests

The taxpayer is entitled to obtain:

- a tax ruling; and
- binding tax rate information.

There is also an investment agreement reserved for investors who plan or have initiated an investment within the territory of the Republic of Poland. As of 1 January 2025, an investment agreement is more accessible and investments of at least PLN50 million can be covered by this.

Tax Ruling

A tax ruling presents the tax authorities' standpoint on the application of a tax law (a specific article) to a situation presented by a taxpayer. A taxpayer may file a motion to issue such a ruling (individual tax ruling), or the Ministry of Finance may issue a general tax ruling applicable to all taxpayers.

A tax ruling is binding on the tax authorities but not on a taxpayer. In other words, as a rule, tax authorities may not challenge the tax settlements of a taxpayer who is following the letter of the ruling. Confirmation of a taxpayer's standpoint protects a taxpayer from criminal liability and from the obligation to pay interest on tax arrears in cases where the tax authority changes its point of view on that particular matter.

The tax authorities may revoke individual tax rulings obtained in the past if they aimed to circumvent the law or if they allowed optimisation measures to be taken in an artificial way or without economic justification and, in consequence, enabled the taxpayer to obtain a tax advantage. This means that, in many cases, the individual tax rulings obtained will no longer

provide protection to those taxpayers. Moreover, the subject of the request for interpretation may not be the provisions to prevent tax avoidance that relate to (among others):

- the GAAR;
- abuse of law in VAT;
- conduct of actual activity (CFC);
- measures limiting contractual benefits; and
- specific anti-abuse rules (SAARs).

If the taxpayer obtains an unfavourable tax ruling, it may appeal to the Provincial Administrative Court.

Binding Tax Rate Information

It is possible to apply to the Director of the National Revenue Information for Binding Rate Information (BRI) that confirms the correctness of the applied VAT rate. The BRI has been applicable since 1 July 2020, when the VAT matrix regulations entered into force. The BRI grants taxpayers tax and penal-fiscal protection if the correctness of the applied VAT rate is challenged during a potential tax audit or tax proceedings.

6.5 Further Particulars Concerning Tax ADR Mechanisms

There are no domestic ADR mechanisms available in Poland.

6.6 Use of ADR in Transfer Pricing and Cases of Indirect Determination of Tax

There is no ADR mechanism specifically for transfer pricing that is different from those described in 6.1 Mechanisms for Tax-Related ADR in This Jurisdiction.

7. Administrative and Criminal Tax Offences

7.1 Interaction of Tax Assessments With Tax Infringements

Under Polish tax law, a taxpayer may be subject to both criminal and administrative liabilities at the same time. However, the principles and procedures under which liability is determined differ. Criminal penalties are imposed solely by the criminal divisions of the

common courts, whereas administrative tax penalties are imposed by the tax authorities.

Administrative penalties in Polish tax law are not legally defined in any statutory act. The prerequisites for being sanctioned with administrative penalties are determined in tax law acts. However, the legal basis for proceedings is the Polish Tax Ordinance Act. Polish tax law recognises many examples of administrative penalties – eg, higher (sanction) tax rates or an additional tax obligation.

For tax offences, the relevant prerequisites and elements are determined in the Penal and Fiscal Code. Procedure and execution are based on the Criminal Procedure Code and on the Enforcement of Penalties Code, respectively. The initiation of the preparatory procedure is conditional on a justified suspicion that a tax offence has been committed. Pretrial proceedings are mostly conducted by the fiscal authorities.

Criminal penalties for fiscal offences are imposed by courts only. Administrative courts play no role in determining the criminal liability for tax offences.

Criminal (penal-fiscal) proceedings are separate from tax proceedings. Hence, the issuance of a tax assessment decision does not automatically mean that penal-fiscal proceedings will be initiated.

7.2 Relationship Between Administrative and Criminal Processes

Criminal (penal-fiscal) proceedings take place independently of tax proceedings. In penal-fiscal proceedings, the provisions of the Polish Tax Ordinance Act do not apply, but those of the Penal and Fiscal Code and the Criminal Procedure Code do. Therefore, it is not for the tax authorities within the tax proceedings or the administrative courts to assess whether a fiscal offence has been committed.

Penal-fiscal proceedings may be suspended in a situation where, due to a pending tax procedure, tax inspection, or pending procedure before tax or customs authorities or administrative courts, the conduct of such proceedings is significantly impeded. This means that the authority is not obliged to suspend them. In practice, if penal-fiscal proceedings are

already initiated during tax proceedings, the prosecuting authority suspends these proceedings. Tax case files are of great importance in criminal cases, as they usually constitute the majority of the evidence on which fiscal penal proceedings are conducted.

7.3 Initiation of Administrative Processes and Criminal Cases

The tax authorities, after tracing irregularities in the tax proceedings, are obliged to apply administrative sanctions (if provided by law) in the dimension prescribed by a tax regulation. Administrative penalties are imposed within the same proceedings in which the tax authority has determined the tax liability.

Regarding criminal (penal-fiscal) litigation, the initiation of the preparatory procedure is conditional on a justified suspicion that a tax offence has been committed. The competent authority that initiates and conducts the preliminary investigation is generally the tax office. The perpetrator has the status of a suspect in the preparatory procedure and that of a defendant in the court procedures (main hearing).

As criminal proceedings are separate from tax proceedings, the administrative infringement process (tax procedure) may not evolve into a criminal tax case. However, “regular” tax audits may lead to the initiation of fiscal criminal proceedings and, therefore, potentially to conducting further fiscal criminal audits (ie, these proceedings may run in parallel).

7.4 Stages of Administrative Processes and Criminal Cases

Tax Administrative Cases

Administrative penalties are imposed in tax proceedings regulated in the Polish Tax Ordinance Act. There are two stages involved in tax proceedings. The decision imposing a tax liability/administrative sanction may be appealed to the higher tax authority. Then, the final tax decision may be challenged by appeal to the Provincial Administrative Court. Next, the judgment of the Provincial Administrative Court may be the object of an extraordinary appeal to the Supreme Administrative Court.

Criminal Tax Cases

The competent authority to initiate and conduct the preparatory proceedings is generally the tax office. The indictment is approved and filed by the public prosecutor. Criminal penalties for fiscal offences are imposed only by the courts. The competent courts for hearing criminal law cases are the common courts – ie, the District Courts, Provincial Courts and Courts of Appeal. The Supreme Court examines cassations (extraordinary appeals). Criminal cases are led by the criminal divisions of the aforementioned courts. The Provincial Administrative Courts and the Supreme Administrative Court play no role in determining criminal liability for fiscal crimes.

7.5 Possibility of Fine Reductions

Tax liability (including the additional tax assessment) is not deductible from the fine applicable to the corresponding fiscal offence.

However, the penal-fiscal procedure provides for the use of various consensual instruments that encourage the suspect/defendant's co-operation with the authorities and offer them various advantages in return.

Among these instruments is a voluntary disclosure letter (self-disclosure) under the Penal and Fiscal Code, which is a declaration of committing a prohibited act. Due to the voluntary disclosure letter, a taxpayer may avoid the negative consequences of negligence if the tax authority has no knowledge of the committed offence. One of the conditions for using the voluntary disclosure letter is the payment in full of the amount due within the time limit set by the competent tax authority.

Furthermore, the court may refrain from imposing a penalty if, prior to commencing proceedings for a fiscal misdemeanour consisting of a persistent failure to pay tax on time, the due tax has been paid in full to the competent tax authority.

Payment of the amount due in full within the prescribed period is also part of other consensual instruments in penal-fiscal proceedings – eg, the voluntary submission to criminal liability.

7.6 Possibility of Agreements to Prevent Trial

In criminal law, only courts impose penalties. Therefore, it is not possible to enter into an agreement with the tax authority conducting the preparatory proceedings without a court ruling.

The Penal and Fiscal Code provides for the institution of a conviction without a trial. This measure consists of an agreement between a suspect and a public prosecutor or an authority conducting preparatory proceedings on the penalty or penalty measure that would be imposed by the court. The submission of an appropriate request is conditioned by the undoubted circumstances of having committed a prohibited act and the perpetrator's conduct indicates that the objectives of the proceedings will be achieved. The conviction without a trial is enclosed with the indictment.

The above form of completion of the proceedings shortens their duration. Furthermore, thanks to a conviction without a trial, the perpetrator may be treated more leniently. However, it is still the court that decides on the penalty.

7.7 Appeals Against Criminal Tax Decisions

The first-instance judgment may be appealed to the Provincial Court or Appeal Court. The time limit for the appeal is 14 days running from the date the judgment is served with the statement of reasons.

A cassation appeal may be filed against a final judgment to the Supreme Court. The time limit to file a cassation appeal by the parties is 30 days from the date on which the judgment with the statement of reasons was served.

7.8 Rules Challenging Transactions and Operations in This Jurisdiction

Under the Polish Tax Ordinance Act, when issuing a decision with the application of the measures limiting contractual benefits, SAARs, incorrect WHT statements, or TP regulations, the tax authority determines the additional tax liability corresponding to a fraction of the tax advantage found in the proceedings (ie, in the range of 10% to 80% of the tax benefit). The additional tax liability is automatically applied under standard tax procedures.

The above additional tax liability does not apply to an individual who is liable for a fiscal offence for the same act.

By evading tax, the taxpayer is exposed to criminal or penal liability for failing to pay the tax that they were obliged to pay. The circumstances of each case involving the application of GAAR, SAAR, TP rules, or anti-avoidance rules are analysed to determine whether there is a justified suspicion that a tax offence has been committed; this is a prerequisite for initiating preparatory proceedings. Therefore, in situations of this type, the competent authority always verifies whether the conditions for initiating penal-fiscal proceedings have occurred.

8. Cross-Border Tax Disputes

8.1 Mechanisms to Deal With Double Taxation

Whether cross-border double taxation is remedied through domestic litigation or an available mechanism under the relevant double taxation treaty (if any) will depend entirely on the specifics of the case at hand.

MLI or EU Tax Disputes Directive solutions have not yet emerged in practice, but are expected to become a more common option for resolving international tax disputes in the future.

8.2 Application of GAAR/SAAR to Cross-Border Situations

GAARs or SAARs have become commonly used in Poland, though mostly in domestic situations.

As for the principal purpose test (PPT) introduced with the MLI, this is yet to enter into force for many of the major Polish double tax treaties. It remains to be seen how it will affect the way Polish tax authorities combat BEPS in cross-border situations.

8.3 Challenges to International Transfer Pricing Adjustments

No official data is available in this respect. However, TP adjustments are most often challenged in domestic litigation.

8.4 Unilateral/Bilateral Advance Pricing Agreements

In Poland, advance pricing agreements (APAs) have been available since 2006; however, due to lengthy/protracted proceedings and a negligible percentage of entities that ultimately received a positive decision, this instrument is unpopular due to the perceived difficulty in obtaining it. Indeed, by the end of 2016, only 39 unilateral agreements had been signed. However, due to legislative changes in TP in 2019, there was an increase in the popularity and interest in APAs. The number of concluded APAs for 2022–24 was as follows:

- 2022 – 97 unilateral and two bilateral APAs;
- 2023 – 96 unilateral and 14 bilateral APAs; and
- 2024 – 115 unilateral, two bilateral and one multilateral APAs.

As of 30 June 2025, nine unilateral and four bilateral APAs were concluded.

In Poland from 2006 to mid-2025, the total number of concluded APAs was:

- 489 unilateral;
- 47 bilateral; and
- three multilateral.

According to data published by the National Tax Administration, 189 APA proceedings are currently pending, including 120 unilateral and 69 bilateral APAs.

Applying for an APA is a lengthy process, as the procedure requires collecting all necessary documentation, preparing a comprehensive application and providing a proper justification of the transaction conditions applied. Usually, an exchange of additional correspondence and information is required, along with a relatively high fee. The application is submitted to the relevant department, usually after a prior meeting at the Ministry of Finance (though this is not formally necessary). After filing an application, affiliated entities are expected to present a methodology for determining the transfer price to the tax administration.

8.5 Litigation Relating to Cross-Border Situations

Although no official data is available, the highest rates of cross-border tax litigation cover TP and WHT. Litigation also involves PE&FE assessments, or the supply chain of goods involved in VAT fraudulent activities.

9. State Aid Disputes

9.1 State Aid Disputes Involving Taxes

Polish law includes provisions for tax-related state aid, though there are no documented disputes on this matter.

However, the 2021 Grand Chamber ruling of the CJEU on the so-called trade tax in Poland is an example of a high-end state aid dispute involving taxes. Revenue exceeding a certain ceiling was to be taxed. According to the European Commission, the new tax introduced by Poland constituted an illegal aid measure for some entrepreneurs, hitting larger entities, often of foreign origin. The CJEU disagreed with such reasoning. The EU court emphasised that such a progressive taxation system may constitute prohibited state aid in a situation where it favours certain entrepreneurs or groups of entrepreneurs. However, in this case, the CJEU stated that the Commission, which is obliged to prove the existence of prohibited state aid, failed to prove the existence of such a selective advantage. It was wrong for the Commission to take as its point of reference an “ideal” system in which Polish vendors pay the same tax regardless of their revenue.

9.2 Procedures Used to Recover Unlawful/ Incompatible Fiscal State Aid

In accordance with the provisions of Council Regulation (EU) No 2015/1589 of 13 July 2015 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union (referred to as the Aid Regulation), if it is confirmed that an unauthorised aid measure has been applied, the European Commission issues a decision ordering the recovery of the aid received, with interest due from the date of payment of the aid until the date of its actual recovery. The beneficiary may appeal against the Commission decision to the CJEU. Obtaining undue

state aid or using the aid received in a manner inconsistent with its intended use that puts public finances at risk also constitutes a fiscal offence.

Also, if the European Commission considers that Poland has unlawfully granted state aid in the form of tax advantages, it will issue a reasoned opinion after giving the country the opportunity to submit its comments. In the meantime, the Commission may apply interim measures during the procedure (eg, a suspension injunction or a recovery injunction).

If Poland fails to comply with the Commission's opinion within the specified timeframe, the Commission may refer the matter to the CJEU. Consequently, the CJEU may rule on the verification of state aid in a specific case if requested by a member state.

9.3 Challenges by Taxpayers

Over the past year, Polish taxpayers have not raised this issue in court cases. However, in 2020, an interesting case on the controversial tax treatment of wind farms in Poland for 2017 came before the Supreme Administrative Court. The Court, relying on the CJEU's interpretation, indicated that even granting unlawful public aid (not notified to the European Commission) by a member state does not entitle the victim of such aid to demand that the aid be extended to it. The possible illegality of a tax exemption, in light of the provisions in the area of state aid, does not affect the legality of the tax itself in such a way that enterprises obliged to pay the tax may not plead before the national court that the exemption granted is unlawful to avoid its payment or obtain its refund.

9.4 Refunds Invoking Extra-Contractual Civil Liability

The Polish Tax Ordinance Act consists of an independent institution of the State Treasury's liability for damages for issuing an unlawful tax decision.

Unfortunately, in practice, the State Treasury's liability for damages is extremely difficult to prove before Polish courts. This is illustrated by the fact that, in 2020, total compensation awarded amounted to PLN210,000 (around EUR45,000), with 159 cases pending.

10. International Tax Arbitration Options and Procedures

10.1 Application of Part VI of the Multilateral Instrument (MLI) to Covered Tax Agreements (CTAs)

Poland did not opt to apply Part VI of the MLI.

10.2 Types of Matters That Can Be Submitted to Arbitration

Arbitration solutions have not yet been recognised by the Polish authorities. Therefore, there is no policy regarding this issue, nor are any related solutions indicated in the MLI.

10.3 Application of Baseball Arbitration or the Independent Opinion Procedure

Due to not implementing the provisions of Part VI of the MLI, these instruments are not applicable in tax disputes in Poland.

10.4 Implementation of the EU Directive on Arbitration and/or the MLI

The assumptions of the Directive on tax dispute resolution mechanisms in the European Union were implemented in Poland in 2019. One of the most significant measures introduced into Polish jurisdiction is the Procedure for resolving disputes concerning double taxation between European Union member states (DRM).

10.5 Existing Use of Recent International and EU Legal Instruments

The MLI and the EU Arbitration Directive are very recent and no reliable information is available yet.

10.6 New Procedures for New Developments Under Pillars One and Two

It should be noted that Poland was one of the countries that, on 1 July 2021, issued a joint statement on the desire to develop new common principles of taxation, including taxation in all places of income and the introduction of a global minimum tax. Recent changes in Polish tax law also indicate a high interest in the presented assumptions.

In April 2024, the Government Legislation Centre introduced a draft bill to transpose Council Directive (EU)

2022/2523 of 14 December 2022 into Polish law. The directive mandates a global minimum tax for multinational enterprises and large domestic groups across the European Union. The Directive itself is, in turn, the implementation of the OECD's BEPS 2.0 solutions regarding the introduction of a global minimum tax (Pillar 2). In November 2024, the President signed a law introducing the Pillar 2 assumptions into the Polish legal order.

The primary purpose of these regulations is to ensure that the largest entities are subject to the minimum effective tax (15%) in each country (jurisdiction) in which they operate. Thus, if this requirement is not met in a given jurisdiction, the obliged entity will be subject to a top-up tax.

The Polish bill came into force on 1 January 2025.

The global minimum tax applies to entities in large Polish and international groups that have achieved a minimum group revenue of EUR750 million (as shown in the group's consolidated report) for at least two of the four tax years immediately preceding the tax year.

The bill excluded government entities, international organisations, ultimate parent entities of investment funds and ultimate parent entities of real estate investment entities from the global minimum tax.

10.7 Publication of Decisions

As Poland has decided not to apply the provisions of the MLI concerning arbitration regarding double taxation treaties, such decisions are not published.

10.8 Most Common Legal Instruments to Settle Tax Disputes

Currently, international tax disputes are generally settled under MAPs or, more commonly, under domestic procedural rules in litigation between taxpayers and the State.

10.9 Involvement of Independent Professionals

Due to the overall complexity of international tax law matters subject to arbitration proceedings, it is generally highly advisable for taxpayers to obtain profes-

sional legal advice (from an attorney, attorney-at-law or tax adviser).

11. Costs/Fees

11.1 Costs to Litigate at Administrative Level

There is a distinction between administrative fees and costs in tax proceedings. As a rule, the tax authorities do not have influence over the fees to be charged; they are most often determined under the Act of 16 November 2006 on stamp duty. Conversely, costs in tax proceedings are fixed by the authorities based on the expenditure incurred in connection with the conduct of the proceedings.

In principle, the costs of administrative proceedings (also tax proceedings) are the responsibility of the tax authority conducting the proceedings to the extent that it fulfils its statutory obligations – eg, to conduct evidence proceedings as part of the ongoing administrative proceedings. As a rule, the costs of proceedings before the tax authorities are borne by the State Treasury, the voivodeship, county, or district. This leads to the conclusion that these costs will not apply to a controlled taxpayer (during a tax audit or investigative proceedings). This concerns, in particular:

- travel expenses and other receivables of witnesses;
- expert and translator costs;
- costs of inspections; and
- costs of delivering official letters.

A taxpayer, on the other hand, may be charged with the costs of administrative proceedings that result from the taxpayer's fault or that are incurred in their interest or at their request.

The Polish tax authorities do not charge administrative fees for lodging an appeal.

11.2 Judicial Court Fees

In principle, court proceedings involve costs. Court costs include fees (an entrance fee) and expenses (eg, translation expenses). The court costs must be paid by the taxpayer party who has filed a complaint for which the fees are due or expenses incurred. If the due

fee is not paid, the court requests payment within one week; otherwise, the case will be dismissed. The fee is based on a percentage of the amount in dispute (ranging from PLN100 to PLN100,000) or, in some cases, a fixed fee (ranging from PLN100 to PLN10,000).

The entrance fee for a cassation complaint is set at 50% of the complaint entrance fee, but it cannot be lower than PLN100.

The costs of the proceedings (fees, expenses and attorney's fees) are borne by the party that loses the proceedings. This means that there is an obligation (and this is stated in the judgment) that the losing side will reimburse the costs previously advanced by the winning party at the end of the proceedings.

11.3 Indemnities

The provisions of the Polish Tax Ordinance Act, within the scope of liability for damages, refer to the provisions of civil law. Hence, it is possible to seek compensation for damage caused in civil proceedings.

Additionally, the taxpayer will receive a refund of tax already paid and may claim interest.

11.4 Costs of ADR

If a taxpayer opts for mediation before the administrative court, the costs are usually lower than in traditional judicial litigation.

The costs of remuneration and the reimbursement of expenses incurred in conducting the mediation should be paid by the parties.

According to the Ordinance of the Minister of Internal Affairs and Administration of 2 June 2017 on the amount of the mediator's remuneration and reimbursable expenses in the proceedings before the administrative court, in cases in which the subject matter of the appeal is a pecuniary sum, the mediator's remuneration is 1% of the value of the subject matter of the appeal, but not less than PLN150 and not more than PLN2,000 for the entire mediation proceedings. The regulation also specifies the fixed amounts of the mediator's remuneration in other cases.

12. Statistics

12.1 Pending Tax Court Cases

According to data for 2024, the Supreme Administrative Court had 10,495 tax cases pending for the next period. In addition, further cases were received for cognisance on an ongoing basis.

Statistics for 2025 have not yet been published.

12.2 Cases Relating to Different Taxes

In 2024, the Supreme Administrative Court received 18,584 cassation complaints (of which the Finance Chamber received 5,316) and 85 complaints regarding the resumption of proceedings, of which:

- 1,989 concerned VAT;
- 905 concerned PIT;
- 754 concerned CIT; and
- 187 concerned excise duties.

Among the cassation complaints registered in 2024, complaints against individual interpretations and Binding Rate Information accounted for 1,311 cases.

Statistics on the value of cases before the Supreme Administrative Court have not been published.

Statistics for 2025 have not been published yet.

12.3 Parties Succeeding in Litigation

In 2024, at a public hearing, the Supreme Administrative Court set aside the judgment of the court of first instance in 722 cases and referred them back to the court of first instance and in 927 cases set aside the judgment of the court of first instance and recognised the complaint. In turn, at closed sessions in 2024, in 503 cases, the Supreme Administrative Court set aside the judgment of the court of first instance and referred the cases back to it and in 616 cases set aside the judgment of the court of first instance and recognised the complaint.

Statistics for 2025 have not been published yet.

13. Strategies

13.1 Strategic Guidelines in Tax Controversies

During a tax dispute, there are many strategic options and decisions to be made. Each case deserves its own strategy, preparation and analysis.

It is pivotal to retain professional counsel to review and summarise the facts and prepare legal arguments. Also, it should be remembered that new facts and evidence may only be brought forward while the case is pending with the tax authorities.

Trends and Developments

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VAT, excise tax and customs duties, private clients and international taxation. SK&S is committed to the continuing professional development of its experts. This, combined with an interdisciplinary nature and the high quality of its services, enables SK&S to advise clients on even the most difficult tax issues that pose significant challenges, as well as both legal and business risks. It offers strategic advice and finds solutions to even the most novel and complex tax problems.

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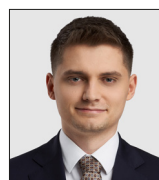
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Poland's Digital Tax Revolution in 2026 – A Calmer Year, But Not an Idle One

The beginning of 2026 certainly cannot be considered a turning point in tax law, as has been the case in previous years. However, this does not mean that significant changes have not come into force. The dominant theme has become the digitisation of tax compliance – not as a distant prospect, but as a reality that businesses must face here and now. At the same time, the government is continuing its campaign to simplify regulations and is gradually extending fiscal control to further industries. For companies operating in Poland, 2026 means, above all, adaptation: technical, organisational and strategic.

KSeF: The End of the Traditional Invoice

Undoubtedly, the biggest change affecting all entrepreneurs in Poland is the mandatory transition to the National e-Invoice System, commonly known as KSeF (*Krajowy System e-Faktur*). Simply put, it is a central government system through which VAT invoices must be issued and received in a standardised electronic format, instead of the previous practice of sending them by e-mail or in paper form. The invoice is sent directly to the system operated by the Ministry of Finance, from which the buyer downloads it and each document receives a unique identification number confirming its authenticity.

The legislator has decided to implement the obligation in stages:

- from 1 February 2026 for the largest taxpayers whose total sales exceeded PLN200 million in 2025 and
- from 1 April 2026 for all other businesses.

To mitigate the effects of this change, for the first six months, i.e., from February to the end of July 2026, it will still be possible to issue invoices via cash registers and the requirement to include the document reference number in payment orders has been deferred for the same period. For the smallest companies, an additional six-month transitional period has been provided, from April to the end of September 2026.

It is worth remembering that the road to the current shape of KSeF was not straightforward. Originally, the obligation was to come into force as early as 2024, but following signals from business and advisory circles indicating the system's insufficient technical readiness and the discovery of security vulnerabilities, the government decided to postpone the deadline. This precedent speaks volumes about the scale of the challenge: even after the timetable was adjusted and intensive work was carried out on the platform, business associations continued to indicate that the preparation time was still too short and that the change itself represents one of the most comprehensive administrative transformations in the history of the Polish VAT system. For businesses, this means one thing: KSeF must not be treated as yet another formal obligation, but rather as a significant operational change requiring careful, considered implementation.

New Record-Keeping Obligations: Digital Books for Income Taxpayers

In addition to KSeF, 2026 brings another digital challenge, this time affecting income tax. From 1 January 2026, certain businesses – including all limited liability companies, joint-stock companies and other entities paying corporate income tax – are required to maintain their accounting records in a strictly defined

electronic format and submit them regularly to the tax office. In essence, this is a structured digital collection of data on the company's revenues, costs and financial events, which the tax authorities can automatically analyse and verify. It is something akin to an electronic "accounting file" transmitted directly to the revenue authorities. Other entrepreneurs who pay personal income tax will not be subject to this obligation until 2027.

This requirement should not be treated as purely formal. The tax authorities will gain a tool for the quick, automated detection of potential irregularities in tax settlements, without the need for traditional on-site inspections. This is not something that can be left until the last minute; errors in this area can have serious consequences.

Tax Ordinance: Time for Simplification

Against the backdrop of the major reforms described above, a less spectacular but equally important process of reforming the general rules of tax procedure is underway. The government has prepared a draft amendment aimed at improving relations between taxpayers and tax authorities and at removing provisions that, for years, have generated unnecessary formalities or given rise to interpretative disputes. The planned changes include, among others, the abolition of the requirement to submit a separate formal application for a refund of overpaid tax where the overpayment arises from a corrected tax return. This requirement has, until now, created additional layers of bureaucracy. There are also plans to restrict the grounds for suspending the limitation period for tax liabilities to cases where proceedings have been initiated solely in connection with the most serious criminal fiscal offences, curbing the practice of prolonging proceedings. Although these changes are yet to come into force, they send a clear signal of a shift in the legislature's approach towards a more collaborative relationship with taxpayers.

Smaller Companies Benefit: Higher VAT Exemption Threshold and More Favourable Settlement Rules

The annual turnover threshold below which a company may choose not to register as a VAT payer has been raised from PLN200,000 to PLN240,000. Both newly established businesses and those already in

operation which did not exceed the PLN240,000 sales limit in 2025 will benefit from this change. Thanks to transitional provisions, some entrepreneurs who were just above the old threshold last year may regain their exempt status, meaning less paperwork and lower administrative costs.

Another welcome change concerns the so-called cash-based method of accounting for income and expenses in personal income tax. This method allows income to be recognised only when payment is actually received, rather than when the invoice is issued, as is the case under the standard accruals approach. The turnover threshold up to which this method may be used has been raised from PLN1 million to PLN 2 million per year. For small and medium-sized businesses, this is a genuine relief in managing day-to-day cash flow; tax becomes payable when the money actually arrives in the account, rather than when the invoice is merely issued and awaiting settlement.

Digital Tax: Global Players in the Crosshairs

Perhaps the most significant legislative project of 2026 is the planned digital services tax: a new levy aimed squarely at large technology platforms operating in Poland. The premise is straightforward: major technology companies generate enormous revenues in Poland from the sale of targeted advertising, from brokering transactions on online marketplaces and from the commercial exploitation of consumer data, whilst paying minimal income tax in the country, thanks to corporate structures that channel profits to other jurisdictions. The digital services tax is intended to address this imbalance.

The new levy will apply exclusively to the largest global entities that meet two cumulative criteria:

- global revenues exceeding EUR1 billion; and
- revenues generated in Poland exceeding PLN25 million.

The proposed rate is no more than 3% of revenues from the provision of digital services in Poland. To avoid double taxation, the draft provides for an offset mechanism that reduces the digital services tax by the amount of corporate income tax actually paid in Poland. Polish start-ups, online shops selling their

own goods, insurance companies and financial institutions will not be affected by this regulation. The draft is currently at the governmental stage of preparation and its final shape and date of entry into force will depend on both domestic conditions and arrangements with the European Commission.

In the Tax Authorities' Sights: Where to Expect Scrutiny

Legislative changes are only one side of the coin. Equally important for businesses is knowing where the tax authorities will focus their attention in 2026. Based on publicly available information on the National Tax Administration's (*Krajowa Administracja Skarbowa*) priorities, several clear trends merit careful attention.

Combating VAT fraud has been the principal goal of the tax administration for years and there are no signs of that changing. In 2026, particular focus is being placed on e-commerce and trade in goods imported from Asia, where a growing pattern of irregularities linked to the rapid expansion of online shopping platforms has been observed. A separate area of interest for the authorities is transfer pricing, ie, the prices charged in transactions between companies belonging to the same corporate group. The tax administration is intensifying its scrutiny of the largest groups and regulations currently being prepared may introduce mandatory periodic reviews in this area for entities with the highest turnover. Finally, with the introduction of new electronic accounting reporting obligations, the tax authorities have gained a tool enabling the automated analysis of companies' financial data and the swift identification of candidates for inspection. This is likely to translate into a rise in the number of proceedings in the months ahead.

Summary

The year 2026 in Polish tax law is primarily one of digitisation and heightened scrutiny, accompanied by a cautious effort to reduce regulatory burden. Electronic invoicing via KSeF is fundamentally reshaping the way commercial transactions are documented; new requirements for electronic accounting records are raising the standard of financial record-keeping; and the tax authorities are equipped with increasingly powerful analytical tools to verify compliance. These changes are enduring, being part of a long-term transformation of the Polish tax system towards full digitisation; they are not a temporary episode. For companies operating in the Polish market, this is not a time to wait and see, but to prepare thoroughly.

CHAMBERS GLOBAL PRACTICE GUIDES

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