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Legal Alert

August 2025 | www.skslegal.pl

# Significant Amendments to Polish Restructuring Law

We present this urgent legal alert regarding very important changes in the Polish restructuring law which came into force as of 22 August 2025.

## New Requirements Strengthen Creditor Protections and Procedural Safeguards

The Polish Restructuring Law has undergone comprehensive amendments that introduce enhanced documentation requirements, strengthen creditor protections, and establish new procedural safeguards. These changes will significantly impact how restructuring proceedings are conducted and require immediate attention from both debtors and creditors.

## Enhanced Restructuring Plan Requirements and New Assessment Tools

### Comprehensive Documentation Standards

The law now mandates that restructuring plans include detailed enterprise descriptions with market analysis, comprehensive analysis of economic difficulties, future strategy presentations with risk assessments, full descriptions of planned restructuring measures and costs (particularly employment effects and employee consultation arrangements), implementation timetables, production capacity information, financing methods and sources descriptions, five-year profit/loss projections, asset and liability summaries with estimated values, and identification of responsible persons.

A notable addition requires that enterprise descriptions specify whether the debtor was classified as a micro-entrepreneur, small entrepreneur, or medium-sized entrepreneur on the date of restructuring application submission. This classification will determine applicable procedural requirements and exemptions.

### Introduction of Mandatory Satisfaction Tests

A new satisfaction test requirement has been introduced, requiring supervisors or administrators to prepare comprehensive valuations including enterprise value assuming restructuring plan implementation versus bankruptcy asset values, information on expected creditor satisfaction degrees in bankruptcy proceedings (including asset values, expected bankruptcy duration and costs, and creditor satisfaction categories), and assessments of whether arrangement-covered claims will be satisfied to a higher degree through arrangement execution or bankruptcy proceedings.

Importantly, micro-entrepreneur debtors are exempt from satisfaction test requirements, providing procedural relief for smaller businesses.

### State Aid Assessment Obligations

When restructuring may involve state support (including debt reduction, instalment spreading, enforcement suspension, loans, credits, or guarantees), restructuring plans must include private creditor/investor tests assessing whether support constitutes state aid, plus de minimis aid assessments. These tests must evaluate whether public creditors behave like private creditors under normal market conditions and whether support terms would be acceptable to private investors, including assessments of expected returns, comparable investment risks, and market conditions.

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## Strengthened Creditor Rightsand Voting Procedures

### Enhanced Claims Inventory Requirements

Claims inventories must now separately list arrangement-covered claims by law versus creditor consent, including detailed creditor identification information (names, PESEL/court register numbers, business details, addresses, tax numbers), claim amounts and voting calculations, security information, conditional claim status, specific circumstance indicators, justifications, creditor consent information for voluntary inclusion, and total claim sums by group.

### Improved Cross-Class Cram-Down Protections

New provisions allow arrangements to be accepted despite some groups voting against if creditors with two-thirds of total claims vote in favour and dissenting groups receive no less favourable treatment than in bankruptcy, or if specific group majorities vote in favour (including at least one higher-priority group) with at least half of voting creditors supporting, whilst ensuring higher-ranking creditors receive full satisfaction if lower-ranking creditors receive any satisfaction.

### Secured Creditor Protections

New rules establish that arrangement proposals for secured creditors must provide satisfaction no less favourable than in bankruptcy proceedings unless creditors agree to less favourable terms, may not provide different satisfaction methods than in security agreements unless creditors agree, and may provide for collateral subject changes or sales with creditor consent.

## Procedural Enhancements and Timeline Modifications

### Expanded Supervisor and Administrator Authority

Supervisors and administrators must now assist debtors and creditors in arrangement negotiations and, with debtor consent, may adopt mediators to assist in these negotiations. Supervisors can commission third parties for restructuring plan preparation, valuations, mediator agreements, and opinions, performing these actions on their own behalf for the debtor's account without liability for incurred obligations.

### Court Amendment Powers

Courts now have explicit authority to amend arrangements if amendments don't violate material provisions and result in court approval, providing greater flexibility in the approval process whilst maintaining legal protections.

### Enhanced Equal Treatment Provisions

More favourable conditions are now permitted for creditors who provide post-opening financing, provide necessary services for business continuation, or are micro-entrepreneurs, if necessary for restructuring objectives and won't unfairly treat other participants.

## What This Means for You

These amendments represent a significant shift towards enhanced creditor protections and procedural rigour in Polish restructuring proceedings. The changes balance the need for effective business rescue mechanisms with stronger safeguards for creditor interests.

**For Debtors:**

- Prepare for substantially increased documentation requirements, particularly regarding enterprise valuations and satisfaction tests;
- Budget for potential mediation and third-party expert costs;
- Consider the impact of enhanced secured creditor protections on restructuring strategies;
- Ensure compliance with state aid assessment requirements where public support is involved.

**For Creditors:**

- Benefit from enhanced information rights through detailed claims inventories and satisfaction tests;
- Understand new cross-class cram-down protections and voting procedures;
- Consider opportunities for preferential treatment when providing post-opening financing or essential services;
- Review security positions in light of strengthened secured creditor protections.

**Immediate Action Required**: We strongly recommend reviewing existing restructuring strategies and pending proceedings against these new requirements. Our restructuring team is available to assess the impact on your specific circumstances and ensure full compliance with the enhanced procedural framework.

For further guidance on how these amendments may affect your business or legal matters, please contact our restructuring and insolvency team.

### Contact us!

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