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## **Poland - withholding tax 2019 – pay and refund for payments exceeding PLN 2mln (0,46 mln Euro) per year postponed again!**

On July 1<sup>st</sup>, 2019, the revised rules for collecting withholding tax [**WHT**] on payments (including dividends, interest, royalties, intangible services) exceeding PLN 2 million annually for a single non Polish contractor should have been applied - the so-called "pay and refund" system. Under the new rules, WHT remitter would be, in principle, required to collect WHT at a standard rate (19% or 20%) on payments exceeding PLN 2 million and pay the collected tax to the relevant tax office.

However, **just before the new rules should have come into force, on June 28<sup>th</sup>, 2019, the Minister of Finance published a second postponing Regulation** (the first one was published on December 31<sup>st</sup>, 2018 – from January 1<sup>st</sup>, 2019 to July 1<sup>st</sup>, 2019) **postponing these new WHT rules for another six months**. It means, that until the end of 2019, the existing WHT collection rules will be applied (i.a. obligation to exercise a special WHT due diligence).

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If you are interested in obtaining further information, or would like to discuss the impact of the above on your business activity please contact:

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