

The most important changes indicated in the Anti-Crisis Shield





Changes within the scope of conducting construction works (Article 12 of the Act)

- Obliging the investor to immediately inform the architectural and construction administration authority about construction works and about any changes to the intended use of the building or its part that occurs in connection with counteracting COVID-19. In the case of construction works, it includes specifying the type, scope and manner of performed construction works and the date of their commencement. In turn, to change the intended use, it is necessary to indicate the current and intended use of the building object or its part.
- If the conduct of the above construction works endangers human life or health, the architectural and construction administration body shall immediately determine the requirements regarding the necessary securities for the continuation of these works through a decision subject to immediate execution,
- Obliging the investor to ensure the supervision and management by the persons possessing appropriate construction permits for construction works carried out in connection with COVID-19 counteracting, the commencement of which, in accordance with the provisions of the Building Law, requires a building permit.



Changes to trade on Sunday (Article 15i of the Special Act)

- during the period of epidemic emergency or epidemic status and within 30 days following their cancellation, the trade ban does not apply on Sundays for the trade-related activities, consisting of unloading, receiving and displaying essential goods and entrusting employees such tasks.
- The above provision does not apply on holiday Sundays.



Amendments postponing the date of payment of perpetual usufruct fees and fees for transforming the perpetual usufruct right into ownership (Articles 15j and 53 of the Special Act)

- All perpetual usufruct fees for 2020 shall be paid by 30 June. This period may be extended by a regulation of the Council of Ministers.
- Payments for the conversion of perpetual usufruct have been moved from "until 30th March" to "until 30 June 2020".



Changes in the scope of tourist event contracts (art. 15k of the special act)

- The traveler's withdrawal from the contract for participation in a tourist event before the start of the event (pursuant to Article 47 (4) of the Act on Tourism Events) or termination of such a contract by the organizer (pursuant to Article 47 (5) (2)) is effective by virtue of rights after 180 days from the date of notification by the traveler of the withdrawal or notification of termination by the tour operator, if this withdrawal or termination was directly related to the outbreak of the epidemic.
- Withdrawal from or termination of the agreement is not effective if the traveler agrees to receive from the tour operator a voucher for the implementation of future tourist events within a year from the day on which the tourist event was to take place. Vouchers are protected against the insolvency of the tour operator.
- (Art. 31h of the Special Act - transitional provision regarding withdrawal from contracts): in cases where the contract for participation in a tourist event has already been withdrawn or terminated, and the deadline for reimbursement of fees or payments has not yet expired, referred to in art. 47 section 4 or in art. 47 section 5 of the Act on tourist events, art. 15k shall apply accordingly.

5

Changes in obtaining a permit for regular and special regular transport (Article 15n of the Act).

- During the epidemic, the conditions set out in the authorization for regular and special regular services shall not apply to:
 - the necessity to take action related to counteracting COVID-19;
 - lack of profitability of carried out transport, resulting from circumstances beyond the control of the entrepreneur, related to counteracting COVID-19.
- This change will mean that failure to comply with the conditions set out in the permit for regular and special regular services will not be punishable by a fine pursuant to art. 92a of the road transport act.

6

Changes in property tax (Articles 15p and 15q of the Special Act):

- The local (gmina) council may introduce exemptions from property tax for part of 2020 by way of a resolution on: land, buildings and structures related to conducting business activity to indicated groups of entrepreneurs whose financial liquidity has deteriorated due to negative economic consequences caused by COVID -19.
- the local council is allowed to extend the deadlines for payment of property tax installments payable in April, May and June 2020 by way of resolution - no longer than until 30 September this year. In the case of natural persons, this solution will apply to the installment of the tax payable by May 15, while in the case of legal persons, to installments of the tax payable by: April 15, May 15 and June 15, 2020.

7

Change in determining the maximum prices and margins for goods and services (8a-8f specifications)

- The Minister of Economy, in consultation with the Minister of Health and the Minister of Agriculture and Rural Development, may, by regulation, set maximum prices or maximum wholesale and retail margins used in the sale of goods or services that are significant for the protection of human health or safety or household maintenance costs.

- **It is forbidden to apply prices or margins higher than the maximum set in accordance with the regulations on the territory of the Republic of Poland.**

- Control of compliance of this prohibition by entrepreneurs is exercised within their jurisdiction by:

- 1) Pharmaceutical Inspection;
- 2) Commercial Quality Inspection of Agricultural and Food Products;
- 3) Sanitary inspection.

- Within the scope unspecified for inspection in the above inspections, the compliance control of the prohibition shall be exercised by the Trade Inspection.

- The provisions of chapter 5 of the Act of March 6, 2018 - Entrepreneurs' Law, with the exception of art. 47, art. 48, art. 49 section 7 point 5, art. 50, art. 54, art. 55, art. 58 and 59 of this Act. - this means above all: no notification of the initiation of the inspection, no requirement for the presence of the entrepreneur or a person authorized by him during the inspection, no restriction on the conduct of more than one inspection, there is no limit on the duration of all inspections in a calendar year, no prohibition of re-inspection to the same extent, no possibility to raise an objection to the inspection.



Changes in consumer loan costs. (8d specifications)

- The maximum amount of non-interest consumer credit costs was introduced within the meaning of the Consumer Credit Act for loans with a repayment period of not less than 30 days and less than 30 days, which is calculated according to the formula provided in the draft act.

- Non-interest consumer loan costs may not exceed 45% of the total loan amount.



Changes regarding the functioning of courts (Articles 14a-14h)

- In the event of complete cessation of action by a common court or military court, the president of the court of appeal may designate another equivalent court, located in the same appeal area, as competent to hear urgent matters falling within the jurisdiction of the court which ceased to act.

- In the event of complete cessation of actions by all common or military courts in the area of appeal, the First President of the Supreme Court upon the request of the president of the court of appeal designates another equivalent court in the area of the neighboring appeal.

- In the event of complete cessation of operations by a voivodship administrative court, the President of the Supreme Administrative Court may designate another PAC as competent to hear urgent matters falling within the jurisdiction of the court which has ceased operations.

- A catalogue of urgent matters has been introduced - it relates in particular to matters related to minors, parental responsibility and imprisonment.

- The president of the court of appeal may delegate a district court judge, regional court judge or court of appeal judge, with his consent, to perform the duties of a judge in another district court, regional court or court of appeal, for a limited period, to hear urgent cases, if due to COVID-19 the interests of justice require this. The President of the Supreme Administrative Court may delegate judges to the Supreme Administrative Court and the Supreme Administrative Court in the same way.

10

Changes in the scope of leasing areas in commercial properties (Article 1 point 10 - [Article 15ze of the Act on special solutions] + us.)

- During the ban on business operations in commercial facilities with sales areas of over 2,000 sqm, in accordance with the relevant provisions, the mutual obligations of the parties of the lease, tenancy or other similar agreement by which the commercial space (contract) is put into use shall expire.
- The (entitled) holder of the commercial space should submit to the access provider an unconditional and binding offer of extension of the term of the contract, on current terms for the duration of the ban, extended by six months; the offer should be submitted within three months from the day the ban was lifted. The provisions of paragraph 1 cease to be binding on the submitter at the time of ineffective expiry on submitting the offer.
- The provisions of paragraph 1 shall enter into force from the date of the ban, and the provisions of paragraph 2 from the date of lifting the ban.
- The provisions of paragraph 1-3 do not violate the relevant provisions of the Act of 23 April 1964 - Civil Code regulating the obligation relationship of the parties in states in which legal restrictions on the freedom of economic activity are introduced.

11

Change in the termination of the agreements of organization of events due to force majeure (Article 1, point 10 - [Article 15zp of the Act on special solutions] + us.)

- The deadline for reimbursement of customer payments is extended in the event of termination of the contract due to force majeure - SARS-CoV-2 virus epidemic, which causes the obligation to refund funds due to the inability to organize the event.
- Concerned activities related to the organization of exhibitions and congresses + cultural, entertainment, recreation and sports activities, or the organization of themed exhibitions or outdoor events.
- The statutory deadline for reimbursement is 180 days.
- At the same time, the customer may agree to collect the voucher in exchange for withdrawing from the cancellation of the contract - the value of the voucher may not be lower than the amount of the customer's payment.
- The proposed regulations should be applied accordingly in the hotel industry, but only if the withdrawal from the contract is actually associated with the SARS-CoV-2 virus outbreak. Therefore, the withdrawal cannot be based on the individual conviction of the customer, and should be supported by a real cause-and-effect relationship.

12

Introduction of the right to ceasing allowance (Article 1, item 10 - [Article 15zp - 15 of the Act on Special Solutions] + amendment)

- a ceasing allowance is payable to persons living and legally residing in the territory of the Republic of Poland;
- the allowance is due when there has been a stoppage in conducting of business activity as a result of the occurrence of COVID-19;
- A ceasing allowance is due if, as a result of COVID-19, there has been a stoppage in conducting of business activity, respectively by a person conducting non-agricultural business activity or by the principal or the ordering party with whom a civil law contract has been concluded,
- The following parties possess the right to the allowance:
 - a person conducting non-agricultural business activity conducting non-agricultural business activity, provided that it commenced before February 1, 2020, when their income in the month preceding the submission of the application for an allowance was reduced by at least 15% compared to the previous month and was not higher than 300% of the average monthly salary from the previous quarter announced by the President of the Central Statistical Office,
 - a person conducting non-agricultural business activity who suspended their activities, provided that they started their operations before February 1, 2020 and suspended their operations after January 31, 2020;
 - persons performing civil law contracts (mandate contract, agency contract, specific task contract), provided that the contract was concluded before February 1, 2020 and the remuneration under the contract was not higher than 300% of the average monthly remuneration from the previous quarter announced by the President of the Central Statistical Office.
- the allowance is payable in the amount of 80% of the minimum wage in force in 2020 ($2,600 \times 80\% = \text{PLN } 2,080$).

The exception:

- entrepreneurs who pay tax in the form of a tax card and benefit from VAT exemption. Due to the lack of revenue records, they will be entitled to a ceasing allowance in the amount of 50% of the lowest remuneration in force in 2020 ($2,600 \times 50\% = \text{PLN } 1,300$), irrespective of the proceeds obtained;
- if the sum of revenues from civil law contracts obtained in the month preceding the submission of the application is less than 50% of the amount of the minimum remuneration for work applicable in 2020, the ceasing allowance is in the sum of remuneration for the performance of these civil law contracts.
- the benefit is paid by the Social Security Institution (ZUS) on the basis of a successful application;
- in case of overlapping of rights to more than one ceasing allowance, only one ceasing allowance can be received;
- the benefit paid is exempt from income tax and is not contributory,
- no deductions or enforcements are made from the ceasing allowance.



Ceasing allowance for entrepreneurs (Article 1, point 10 - [Article 15zzb of the Act on special solutions] + us.)

- Starosta (local governor) may grant the entrepreneurs within the meaning of the Entrepreneurs' Law co-financing of a part of employee remuneration costs and social security contributions due on such remuneration, in the event of a decrease in economic turnover as a result of COVID-19.

- Co-financing may also be granted accordingly to the remuneration of persons employed on the basis of an outwork contract or mandate contract or other service contract, to which, pursuant to the Act of 23 April 1964 - Civil Code, the provisions on mandate shall apply or which perform paid employment on the basis of a contract other than an employment relationship for an employer who is an agricultural cooperative or other cooperative engaged in agricultural production, if he is subject to the obligation of retirement and disability pensions, with the exception of domestic help employed by a natural person.

- A decrease in economic turnover = a decrease in the sale of goods or services, in quantitative or valuable terms, calculated as the ratio of total turnover in any of the two subsequent calendar months indicated in the period after January 1, 2020 to the day preceding the day of submission of the grant application, compared to the total turnover from the corresponding 2 subsequent calendar months of the previous year.

- In the event of a decrease in turnover by:

- at least 30% - max co-financing: the sum of 50% of the salaries of individual employees covered by the application together with insurance premiums, but no more than 50% of the minimum remuneration amount for each employee

- at least 50% - max co-financing: the sum of 70% of the salaries of individual employees covered by the application together with insurance contributions, but no more than 70% of the minimum remuneration amount for each employee;

- at least 80% - max co-financing: the sum of 90% of the salaries of individual employees covered by the application together with insurance premiums, but no more than 90% of the minimum remuneration amount for each employee.

- Co-financing may be granted for a period no longer than 3 months for micro, small and medium-sized entrepreneurs.

- The entrepreneur is obliged to maintain employment of employees covered by the contract referred to in paragraph 1, for the period of co-financing and, after the end of co-financing, for a period equal to this period. In the event of failure to comply with this condition, the entrepreneur shall reimburse the grant without interest, proportionally to the period of failure to maintain the worker's employment, within 30 days from the day of receiving the of the local governor's payment request.

- Co-financing on a similar basis may also be granted to an entrepreneur who is a natural person and who does not employ employees, in the event of a decrease in turnover by:

- at least 30% - it can be granted in the amount of 50% of the minimum wage per month,

- at least 50% - can be granted at 70% of the minimum wage per month,

- at least 80% - can be granted at 90% of the minimum wage per month

for a maximum of 3 months.



Loans for micro-entrepreneurs (Article 1, point 10 - [Article 15zzd of the Act on special solutions] + us.)

- For micro-entrepreneurs who conducted business activity before March 1, 2020, to cover the current costs of conducting this activity.

- Up to 5,000 PLN, for a period no longer than 12 months, fixed interest - on an annual basis 0.05 rediscount rate of bills of exchange accepted by the National Bank of Poland.

- Loan repayment begins after a grace period of three months.

- The loan with interest will be subject to remittance provided that for a period of 3 months from the date receiving the loan, the micro-entrepreneur, will not reduce the employment level, calculated as a full-time employee in relation to the employment level as of 29 February 2020. The remittance will constitute aid granted in accordance with with the conditions for the admissibility of de minimis aid.

15

Provision for granting loans to SMEs (Article 1, point 12 - [Article 31f of the Act on special solutions] + us.)

- The bank may change the terms or repayment terms specified in the contract of a loan granted under the Act of 29 August 1997 - Banking Law of a micro, small or medium-sized entrepreneur if:
 - the loan was granted before March 8, 2020 and
 - **such change is justified by the assessment of the borrower's financial and economic standing made by the bank not earlier than on September 30, 2019.**
- the change cannot cause a deterioration of the borrower's financial and economic standing.
- application is in line with a cash loan granted by the bank.

The provision aims to create the possibility of extension (support) of the working capital loans previously granted by banks to customers, who after 30 September 2019 were subjected to credit assessment processes. The goal is to enable the entrepreneurs to maintain their current financing (mainly revolving loans) despite significant or even complete, but temporary, termination of activities due to epidemiological threat.

16

The dates assigned by the regulations civil and administrative law (Article 15 of the Act on Special Solutions)

- During the period of validity of the epidemic threat or epidemic status, the dates of administrative law:
 - on whose preservation the granting of legal protection before a court or authority is dependent,
 - to perform the activities that will determine the rights and obligations of the party,
 - the limitation
 - which the failure to comply results in the expiration or modification of rights in rem and claims as well as in the occurrence of a delay,
 - violations, the non-observance of which is associated with negative effects on the party,
 - to be carried out by entities or organizational units subject to entry in the relevant register of activities that result in the obligation to report to this register, as well as deadlines for the performance by these entities of their obligations under the provisions of their political system

do not start, and the already started ones are suspended during this period.

Actions performed to exercise the right or obligation during the suspension of the start or suspension of the above deadlines are effective.

- The suspension does not apply to:
 - matters indicated in art. 14a paragraph 5 -
 - cases in which the Act sets a deadline for their consideration by the court and cases for suspension of an act or other action - in the event of complete cessation of activities by a voivodship administrative court due to virus, the President of the Supreme Administrative Court may designate another voivodship administrative court as competent to hear cases of urgent matters belonging to the jurisdiction of the court which has ceased operations - ensuring the right to court and organizational conditions of the courts. The designation is made for a specified period of time, resulting from the expected cessation period.
 - and matters of procedure and conditions for elections to the Sejm and Senate, election of the President of the Republic of Poland, elections of local government bodies and deadlines for requests and legal questions to the Constitutional Court.
- The competent authority, court or entity may summon the person obliged to perform actions resulting from legal provisions, if failure to act could cause a threat to the life or health of humans or animals, serious harm to the public interest or due to imminent material damage. In such a case, the obligated person should perform the obligation within a specified period.



The course of court dates (Article 15z of the Act on special solutions)

- The course of court dates in:
 - court proceedings, including administrative court proceedings,
 - enforcement proceedings,
 - criminal, criminal and fiscal proceedings, in cases of offenses,
 - administrative, enforcement in administration,
 - customs and tax inspections,
 - proceedings in cases referred to in art. 15f paragraph 9 of the Act of 19 November 2009 on gambling,
 - other proceedings conducted pursuant to acts

does not start, and it is suspended for the period of epidemic threat / epidemic.

The suspension does not apply to time limits in cases referred to in Article 14a(4) and (5) which are pending before the courts - inter alia:

- on applications for applying, extending, amending and revoking provisional detention;
 - in which detention is applied;
 - the hearing of a person by a court in the course of the preservation of evidence or in respect of whom there is a fear that he or she will not be able to be heard at the trial,
- and matters of procedure and conditions for elections to the Sejm and Senate, election of the President of the Republic of Poland, elections of local government bodies and deadlines for requests and legal questions to the Constitutional Court.

The suspension does not apply to the inspections and proceedings indicated in Section V, Chapter 3, Section 3 and Section VI, Chapter 2 of the Act of 29 January 2004 respectively - of Public procurement law. The President of the Public Procurement Office or the President of the National Appeal Chamber may determine, by order, the detailed conditions for the organisation of the work of the National Appeal Chamber related to ensuring the proper conduct of its office and the security measures to be applied, bearing in mind the need to take measures to prevent, counteract and combat COVID-19.

During this period:

- the provisions on the inactivity of organs and on the obligation of the authority and entity to notify a party or participant in the proceedings of failure to settle the matter within the time limit shall not apply;
- bodies or entities are not punished, fined or ordered to pay sums of money to the applicants for failing to issue decisions within the time limits specified by law.

The cessation of action by a court or authority during the period of the epidemic emergency status or the epidemic status announced due to COVID-19 cannot be the basis for deriving legal measures regarding inaction, lengthiness or violation of the party's right to hear the case without undue delay.

The interruption of proceedings and suspension of court dates does not apply to:

- deadlines in the cases considered by the courts referred to in art. 14a paragraph 4 and 5 (urgent cases- above)
 - deadlines for the selection or appointment of bodies whose terms of office are set out in the Constitution of the Republic of Poland and
 - deadlines for applications and legal questions to the Constitutional Tribunal.
- The authority, court or entity before which the proceedings referred to above are taking place may summon a party or participant in the proceedings to perform actions within a specified period of time resulting from legal provisions and to the extent this provision obliges to perform actions,
 - if failure to do so could endanger human or animal life or health, serious harm to the public interest or due to imminent material damage.
 - this is required by the public interest or an important interest of the party or controlled.

In such cases, the party or participant in the proceedings shall be obliged to carry out this activity within a specified period.

- During the period of the epidemic emergency or epidemic status, no hearings or open sessions are held, except for open hearings and meetings in matters specified in art. 14a paragraph 4 and 5 (urgent cases).
- Actions in the proceedings made during the period of the epidemic emergency or epidemic status are effective.
- Time limit:
 - to settle matters silently,
 - in another case in which the authority does not express an objection, issuance of a decision, order or other resolution, entitles a party or participant in the proceedings to take action, perform actions or affects the scope of rights and obligations of a party or participant in the proceedings,
 - for the authority to express a position or issue an individual interpretation
 - does not start, and an already started suspends for the period of epidemic emergency / epidemic status.

Before the expiry of this term, the governing body or subject may officially issue an adequate decision, with full consideration of the demands of the party or participant of the proceedings, a certificate confirming lack of grounds for objections, expressing their opinion or issuing an individual interpretation.

- The provisions on the running of civil, administrative and judicial law periods do not apply to terms related to the prevention, counteracting and eradication of COVID-19 and the emergencies caused by them.



Decree enforcing vacating of premises (Article 15 of the Act on Special Solutions)

- During the period of epidemic threat or epidemic status announced due to COVID-19, executive title enforcing vacating of premises shall not be exercised.

19

Receivables from the commissioning of real estate for rent, lease or use from the Real Estate Management Act) (art. 15zzze - 15zzzf of the Act on special solutions)

• Cash receivables from property management, attributable to the State Treasury, for the provision of real estate for rent, lease or use, related to the period of epidemic emergency or epidemic status, may be written off in whole or in part or their repayment may be deferred or spread over installments by the starosta of Powiat (regional governing body representative) or city president, performing government administration tasks, without the consent of the voivode (voivodeship representative).

- at the request of an entity whose financial liquidity has deteriorated due to negative economic consequences due to COVID-19.

• the decision-making body of a local government unit may, by resolution, decide to withdraw from the recovery of civil law claims attributable to a local government unit or its organizational units in relation to entities whose financial liquidity has deteriorated in connection with incurring negative economic consequences due to COVID-19 and who submit a request to waive recovery.

Until the decision of the local government unit determines the rules for granting discounts, these claims may be waived, their repayment dates may be postponed or payment of these claims may be divided into installments by the commune head, mayor, city president, regional board or voivodship board.

• The indicated concessions in the case of granting them to an entity conducting business activity within the meaning of the Law of Entrepreneurs, constitute public aid aimed at remedying severe disturbances in the economy.

This assistance may be provided:

- to entrepreneurs within the meaning of the Act of March 6, 2018 - Entrepreneurs' Law, who as of December 31, 2019 did not meet the criteria of a firm in difficult situation within the meaning of Art. 2 point 18 of Commission Regulation (EU) No 651/2014 of 17 June 2014 recognizing certain types of aid compatible with the internal market in application of Art. 107 and 108 of the Treaty (Official Journal of the EU L 187 from 26.06.2014, p. 1, as amended);

- not later than 31 December 2020.

- provided that its value does not exceed, together with other aid granted in accordance with Section 3.1 of the Provisional Framework for State Aid measures to support the economy in the context of the ongoing COVID-19 epidemic, the amount of EUR 800 000 per company.

This assistance can be combined with de minimis assistance.

20

Administrative financial penalties (Articles 8b and 15zzzj - 15zzzl)

• It is forbidden to use in commercial activity on the territory of the Republic of Poland prices or margins higher than the maximum prices or margins established by the ordinance of the Health Minister (the Minister may issue an ordinance).

Possible fine from PLN 5,000 to 5,000,000.

• The President of the Office of Competition and Consumer Protection may impose on the entrepreneur, by way of a decision, a financial penalty of not more than 10% of the turnover achieved in the financial year preceding the year of imposing the penalty, if the entrepreneur, even unintentionally, has repeatedly committed a violation of the above prohibition in several instances or on a large scale.

- The President of the Office of Competition and Consumer Protection may also impose on the entrepreneur, by way of decision, a financial penalty of up to 5% of turnover in the financial year preceding the year of imposing the penalty, but not more than PLN 50,000,000, if the entrepreneur, even unintentionally:

- failed to provide the information requested by the President of the Office of Competition and Consumer Protection or provided false or misleading information;

- prevents or hinders the President of the Office of Competition and Consumer Protection from starting or carrying out the inspection.

21

Change in regards to loans for entrepreneurs (art. 31f, 52l, 15zzzd, art. 75)

- The bank may change the terms or repayment schedule specified in the contract of a loan granted on the basis of the Act of 29 August 1997 - Banking Law, micro-entrepreneur, small or medium-sized entrepreneur, if:

- the loan was granted before March 8, 2020 and

- such a change is justified by the assessment of the borrower's financial and economic standing made by the bank not earlier than on September 30, 2019.

- This change is made on the terms agreed between the bank and the borrower, and it may not cause deterioration of the financial and economic situation of the borrower.

- The above shall apply to the cash loan agreement provided by the bank.

- The following income obtained in 2020 by taxpayers conducting non-agricultural economic activity is free from the income tax:

- support guarantees and credit grants admitted in accordance with the statute from ...,

- interest grants for credits admitted in accordance with the statute from ...,

- In connection with the effects of COVID-19, Bank Gospodarstwa Krajowego may grant, on its own behalf and on its own account, sureties and guarantees for repayment of loans taken out by entrepreneurs within the meaning of the Act of 6 March 2018 - Entrepreneurs' Law, excluding micro-entrepreneurs and small entrepreneurs, for the purpose of ensuring financial liquidity. The surety or guarantee covers no more than 80% of the outstanding loan amount covered by the surety or guarantee and is granted at the entrepreneur's request.

- The surety or guarantee may constitute state aid.

- The surety and guarantee are (subject to section 2 of the Act on sureties and guarantees granted by the State Treasury and some legal persons) timely and granted up to the amount determined in advance.

- In the event of payment of the amount of the guarantee or surety for repayment of a loan by Bank Gospodarstwa Krajowego, the bank shall take the rights of the beneficiary of the guarantee or surety up to the amount of payment made.

22

Changes in the protection of tenants (art. 31s - 31u)

- In the event that the duration of the tenancy agreement concluded before the date of entry into force of this Act expires after that date, and before 30 June 2020, this agreement shall be extended until 30 June 2020, on the current terms.

The contract is extended based on the tenant's declaration of intent. Declaration of intent, the tenant submits to the landlord at the latest on the date of expiry of this contract.

- The above does not apply:

- 1) to tenants who during at least 6 months of the tenancy agreement prior to the entry into force of this Act or for the entire duration of the tenancy agreement preceding the entry into force of this Act, if the contract was valid for less than 6 months preceding the date of entry into force of this Act, was in default of payment of:

- a) rent
- b) other non-rental fees for using the premises,
- c) fees independent of the landlord, but charged by him

- for at least one accounting period, if the total value of these overdue claims exceeded the amount of rent due for one month, or

- 2) if during the term of the lease of the premises the tenant utilised the premises in a manner contrary to this agreement or contrary to the purpose of the premises or neglected their obligations, allowing damage to the premises, or

- 3) if, during the term of the lease agreement, the tenant has rented, sublet or let the premises for free use or their party without the written consent of the landlord, or

- 4) to the tenant of a dwelling, who is entitled to a legal title to another dwelling located in the same or a nearby town, if this dwelling meets the conditions provided for the replacement premises, unless the tenant cannot use this premises for reasons beyond his control.

- Until 30 June 2020, the tenant does not terminate the lease agreement or the amount of rent.

- The above shall not apply in the case of terminating the lease agreement of a tenant of a dwelling:

- 1) pursuant to art. 11 paragraph 2 point 1, 3 or 4 of the Act of June 21, 2001 on the protection of the rights of tenants, the housing stock of the municipality and the amendment to the Civil Code, i.e.

- a) despite a written warning, continues to use the premises in a manner inconsistent with the contract or contrary to its intended purpose, or neglects their duties, allowing damage to occur, or destroys devices intended for shared use by residents or crosses the the home order in an offensive or persistent manner, making the use of premises oppressive to other residents, or

- b) is in default of payment of rent, other charges for the use of the premises or fees independent of the owner charged by the owner only in cases where the tenant does not have a contract directly with the media supplier or service provider, at least for three full payment periods despite prior notice in writing of an intention to terminate a legal relationship and set an additional monthly deadline for payment of overdue and ongoing claims, or

- c) has rented, sublet or let for free use premises or part thereof without the written consent of the owner, or

- d) uses premises that require emptying due to the need of renovation or demolishing of the building

- 2) who is entitled to a legal title to another dwelling located in the same or a nearby town, if it meets the conditions provided for a replacement premises, unless the tenant cannot use the premises for reasons beyond their control.

- The above shall also not apply in the event of termination of the lease agreement for premises other than residential in connection with:

- 1) in violation by the tenant of the provisions of this lease agreement or the law regarding the intended use of these premises or

- 2) the necessity of demolishing or renovation of the building in which the premises are located.

- In the event that the landlord's termination of the apartment rental contract or termination of the rental amount has occurred before the date of entry into force of this Act, and the term of this notice expires after that date, and before 30 June 2020, the termination notice shall be extended until 30 June 2020. The extension of the notice period is based on the tenant's declaration of intent. The tenant makes a declaration of intent to the landlord at the latest on the date of this deadline.

23

Changes in qualification certificates based on the Energy Law statute: (31x.)

- The period of validity of qualification certificates (Article 54 (1) of the Act of 10 April 1997 - Energy Law), which expire in the period from March 1, 2020 to June 30, 2020, extends to December 31, 2020

24

Amendments to the Act on retail sales tax (Article 34)

- Amendment to the Act of July 6, 2016 on retail sales tax, consisting in further suspension of the operation of the Act on retail sales tax. The taxpayer will not have to pay tax for the July-December 2020 tax periods.

25

Amendments to the Act on export insurance guaranteed by the State Treasury (Art. 8):

- Article 1 paragraph 2 of the Act of 7 July 1994 on export insurance guaranteed by the State Treasury is replaced by the following: "Insurance provided by the Corporation under the Act, hereinafter referred to as "export insurance ", applies to:

1) financing instruments, understood as a contract or other activity aimed at financing, in whole or in part, an export contract, a contract of a subsidiary or a direct investment abroad, in particular:

- a) bank loans,
- b) loans,
- c) credit limits for issuing guarantees or letters of credit,
- d) purchase or underwritings of the issue of debt securities, in particular bonds,
- e) purchase of receivables,
- f) leases;
- g) export contracts;
- h) direct investments abroad;
- i) contracts of dependent undertakings.

- The amended point expands and opens the catalogue of instruments and cases that can be insured by the Export Credit Insurance Corporation (KUKE). Increasing this scope will allow for a wider use of insurance guaranteed by the State Treasury, and its opening will allow you to respond to all market changes on an ongoing basis, without the necessity of modifying the Act on export insurance guaranteed by the State Treasury.

- It should be noted that the project provides insurance for exports of:

- a) loans granted to subsidiaries in situations where such insurance will directly concern the sale of goods or the rendering of services by the subsidiary.
- b) working capital and investment loans, as well as other financial instruments indicated in the project, granted for the purpose of making or expanding the investments of foreign domestic entrepreneurs abroad.

So far, granting export insurance for this type of loans and other financial instruments has not been possible.

- It is assumed that if offering a new product in the KUKE's assessment requires prior notification to the European Commission and obtaining its consent, making it available to potential customers will be preceded by such notification and will depend on obtaining a positive decision of the European Commission.

. In connection with COVID-19, for example, insurance may cover loan portfolios of financial institutions for industries and enterprises whose main area of activity is the export of goods and services, for new financial lines. Thanks to this, new financing will be provided, which is necessary for maintaining the operation of many companies.

. Art. 2 clause 1a is added: "The purpose of export insurance is, in the case of insurance:

- 1) financing instruments - protection of financing units in the event of losses incurred in connection with the financing of export contracts;
- 2) export contracts - protection of domestic entrepreneurs in the event of losses incurred in connection with the implementation of an export contract, before shipment of goods or services (production risk) and after shipment of goods or services (credit risk);
- 3) direct investment abroad - protection of domestic entrepreneurs in the event of losses incurred in connection with the implementation of direct investment abroad;
- 4) sales contracts concluded by subsidiaries - protection of subsidiaries in the event of losses incurred in connection with the sale of goods and services that constituted domestic goods or services outside of Poland.

. The main purpose of export insurance guaranteed by the State Treasury (Article 2 (1)) - The goal is to extend the scope of insurance support. According to the assumption of the Strategy for Responsible Development, the goal is to develop not only export but also the foreign expansion of Polish entrepreneurs.

. Requirement of the policyholder to meet the nationality of goods or services exported abroad. Derogations from this requirement where:

- a) the export contract has been concluded for a risk period of less than two years;
- b) it is connected with the interest of the Republic of Poland.

. The catalog of situations in which withdrawal is possible (due to the special interest of the Republic of Poland) is open. In this context, the bill indicates the provision of sustainable socio-economic development, growth or retention of employment, increasing the competitiveness or innovation of the Polish economy.

. Art. 6: "The export insurance for both insurer and insured along with the insurance guarantees subject to Art. 5a, may be used by:

- 1) entrepreneurs with registered residence or office on the territory of the Republic of Poland, exporting domestic products and services, subject to paragraph 2, making direct investments abroad;
- 2) entities providing financing instruments;
- 3) entrepreneurs dependent to the scope of export insurance's range of goods and services that constituted domestic goods or services, subject to paragraph 2;
- 4) members of consortiums, which includes domestic entrepreneurs implementing export contracts within these consortiums.

. The above shall enable broader support for Polish companies when the exported service / good does not meet the current condition of nationality. The change will affect and enable Polish companies to be helped by:

- a) the possibility of insuring the sale of a wider range of products and services (e.g. clothing and footwear, electronics and all other industries dealing in re-export),
- b) the option of insuring the financing of national projects, including leasing insurance for the transport industry or investment loans for the hotel industry,
- c) the ability to insure the supply chain and "working capital" - the ability to provide liquidity to subcontractors of Polish companies implementing investment projects; the option of insuring the financing of projects whose components or services come from Poland,
- d) providing additional liquidity through factoring companies based on KUKE export receivables insurance.

. The wording of art. 6f. paragraph. 1: "If the entitled party in virtue of export insurance is a financing entity, the Corporation may conclude an agreement with a domestic entrepreneur or a subsidiary undertaking, in relation to which the financing entity is to obtain export insurance, specifying at least:

- 1) the maximum percentage share of components of foreign origin in the net income, enabling to classify the goods or services as domestic, as well as the method of documenting this share, enabling these goods or services to be considered as domestic;
- 2) the obligation of the domestic entrepreneur or subsidiary, related to execution of the export contract or subsidiary entrepreneur's agreement;
- 3) the obligation to comply with other requirements regarding the domestic entrepreneur or subsidiary arising from the applicable provisions of Polish law, European Union law and international law as well as the obligations arising from the membership of the Republic of Poland in the Organization for Economic Cooperation and Development and the Corporation's membership in the Berne Union;
- 4) provisions on civil liability in relation to the Corporation due to:
 - a) committing bribery or other offense of a similar nature when entering into an export contract or a contract of a subsidiary,
 - b) breach of the requirements referred to in points 1-3.

paragraph. 2. Violation of the provisions of the agreement referred to in paragraph 1 may not constitute grounds for refusing to pay compensation or the amount of the guarantee to the financing unit referred to in paragraph 1.

paragraph 3. In the event of the conclusion of the contract referred to in paragraph 1, the Corporation may make the granting of export insurance conditional on the obligation of the financing unit in the export insurance contract to immediately inform the Corporation about the circumstances that may constitute a breach of the provisions of the contract referred to in paragraph 1. 1, or result in civil liability towards the Corporation under this agreement.

- The provisions of art. 6f aim to not burden institutions financially with the risk of failing to comply with the nationality requirement, or breaching the prohibition on bribery, or failing to comply with other obligations regarding the exporter in a situation where financial institutions have no influence on their fulfillment. Under the new law, the Corporation will be able to conclude the direct agreement referred to above with the exporter, thus assuming the risk referred to above.
- All the records are designed to disseminate the topic of export finance among financial institutions, which in the face of COVID-19 is of particular importance.
- Change in art. 7 is primarily dictated by the need to ensure effective support for Polish entrepreneurs and to respond quickly to changing conditions and the consequent need for product solutions. Each day the company meets with exporters and financial institutions, including other export support agencies, and thus knows the market expectations and prevalent conditions, and is able to adapt the offer in response to the changing needs of Polish entrepreneurs.
- The amended provision of art. 10 allows the collection of additional administrative fees, which are normally charged by financial institutions to the Treasury. The introduction of the provision clarifies the rules for charging fees. The basic fees are insurance premiums and warranty remuneration. Administrative fees related to e.g. processing of an application, restructuring application.
- All other changes are primarily of order and complementary nature to the justification presented.
- It is planned to maintain these changes even after the cessation of the epidemic, which will allow better response to their needs also after its end and will allow to better prepare for subsequent economic crises, which are a natural consequence of the business cycle.



Public aid for employers in difficult economic circumstances: (Article 68ge)

- For the periods from March 2020, however, not longer than for the period up to the end of the 6th month from the date of cancellation of the state of epidemic threat or state of epidemic, public aid granted pursuant to art. 26, art. 26a, art. 26d, art. 32 and art. 41 for periods from March to December 2020 can be granted to employers in difficult economic situation as: as public aid aimed at remedying serious disturbances in the economy.

- Assistance may be provided:

- 1) to an entrepreneur who at December 31, 2019 did not meet the criteria of an enterprise in a difficult situation within the meaning of art. 2 point 18 of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain types of aid compatible with the internal market in application of Art. 107 and 108 of the Treaty;

- 2) no later than December 31, 2020;

- 3) provided that its value does not exceed, including other aid granted in accordance with Section 3.1 of the Commission Communication - Provisional framework for state aid measures to support the economy in the context of the ongoing COVID-19 epidemic, an amount of EUR 800,000 per enterprise.