VAT Groups in Poland as of 1\textsuperscript{st} July 2022

The VAT Group may be created by the taxpayers established in Poland or branches of the foreign entities opened in Poland for a period of minimum 3 years. The entities forming the VAT Group must be related financially, economically and organizationally. The VAT Group members will have to sign an agreement and register the Group as a separate taxpayer. Transactions performed between members of the VAT group will not be VAT taxable.

Other benefits resulting from forming a VAT group includes:

- one SAF-T file to be submitted on behalf of the group;
- no need to issue invoices (and correction invoices) documenting transaction within the group, although a proper evidence of these transactions has to be kept;
- no need to determine GTU codes for transaction within the group;
- no obligation to apply the split payment mechanism or to verify the contractor in relation to transaction within the group;
- better cash-flow – surplus of input VAT over output VAT indicated by some group member will be settled on the ongoing bases within the group’s settlement.

The VAT Group must appoint an entity – one of the group’s member – which will act as the Group’s representative. This entity will also be required to fulfill the obligations of the VAT Group, including submission of VAT settlement documents.

Members of the VAT group will be jointly and severally liable for its VAT liabilities for the period of the group’s existence as well as after the group seize to exist.

The information contained in the alert are general and do not represent the opinion of tax and are not everything changes resulting from the proposed regulation. Before making any decision or action, as well as in case of any questions or concerns, please contact our tax advisers, tel. +48 22 250 31 00.