

Debt Collection in Poland

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Kraków 15.6.2018



Poland

Population: 38 500 000

GDP (nominal): \$510 000 000 000

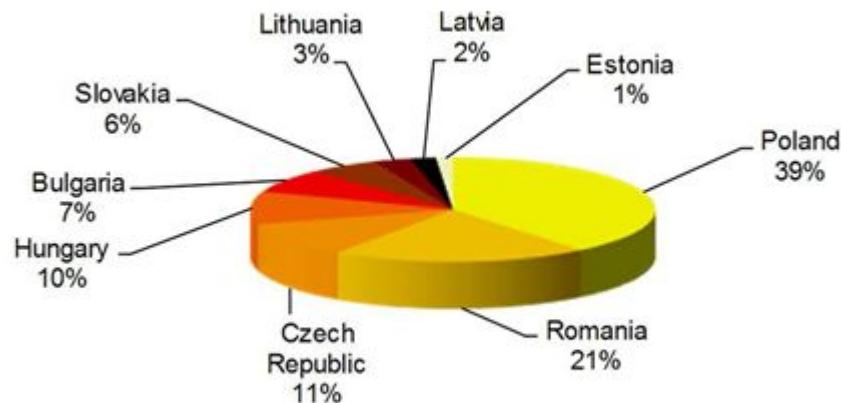
Students: 1 400 000

57 thousand foreign students

30% of society has higher education

Poland in EU

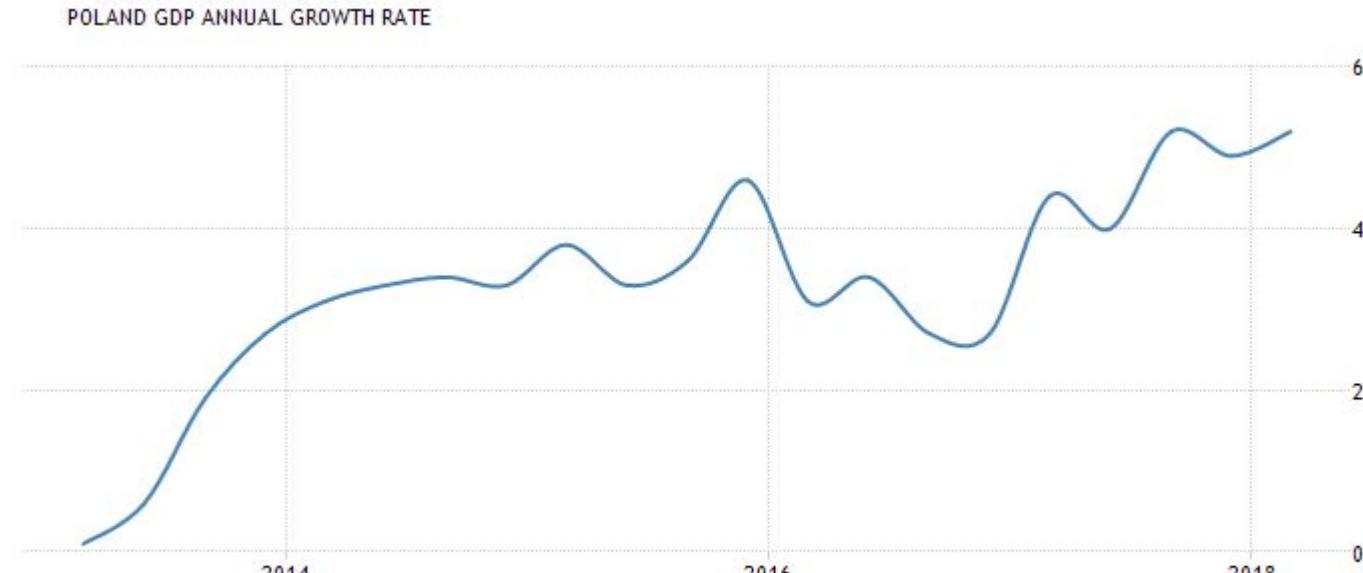
EU Population



Poland is the **6th** largest country in the EU in terms of population

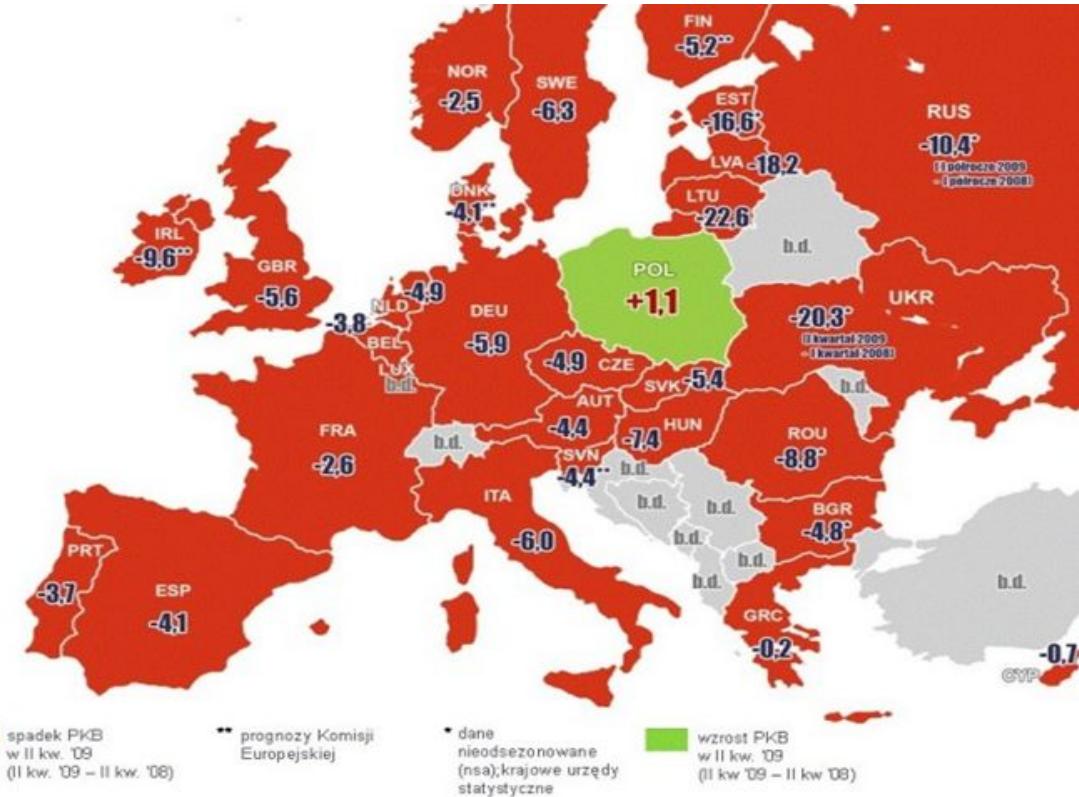
Poland is the biggest country among CEE members of EU

GDP Growth Rate

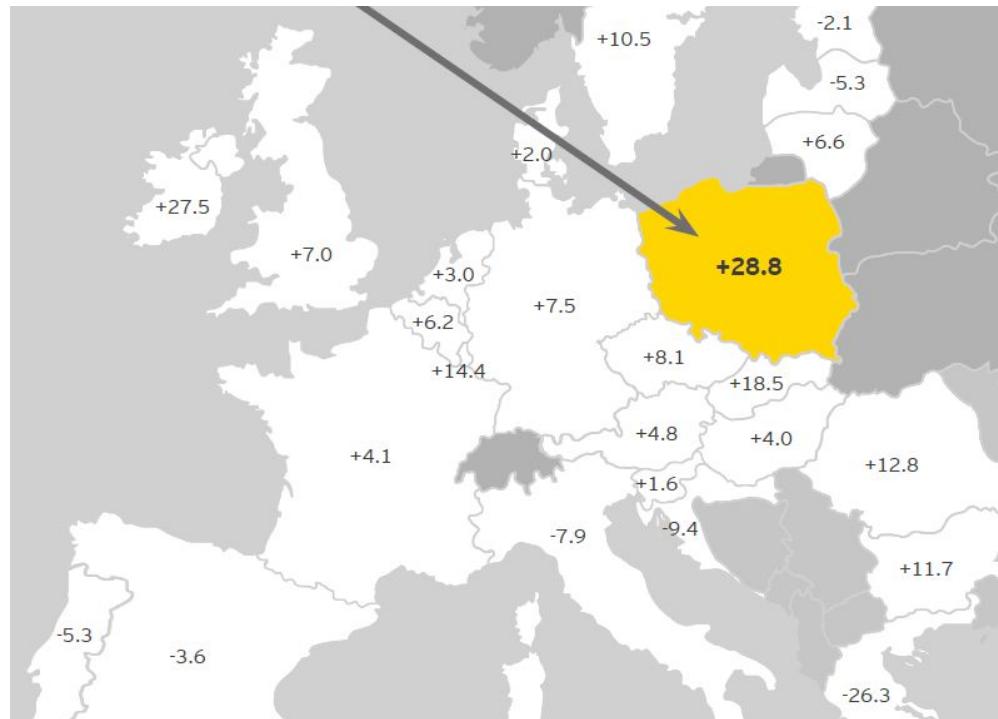


SOURCE: TRADINGECONOMICS.COM | CENTRAL STATISTICAL OFFICE OF POLAND (GUS)

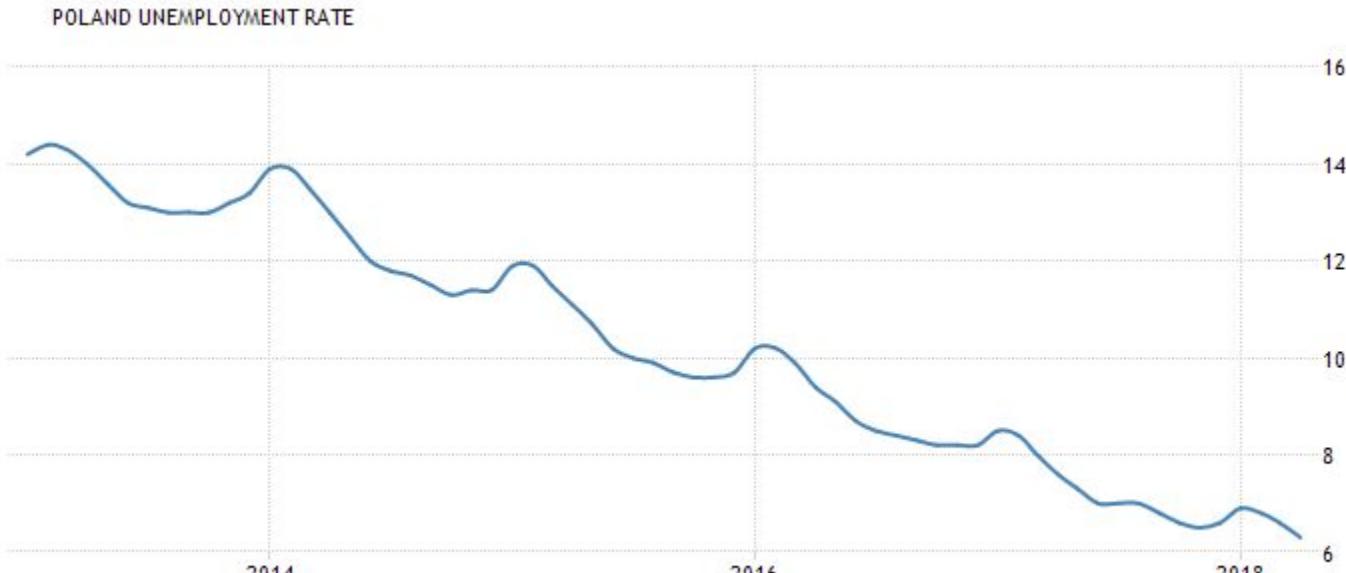
GDP in 2009



GDP Cumulative Growth 2008-2015



Unemployment Rate



SOURCE: TRADINGECONOMICS.COM | CENTRAL STATISTICAL OFFICE OF POLAND (GUS)

Women at work

Gender pay gap in Poland is 7,2%

EU Average 16,2%

Germany 21,5%

The proportion of women managers in Poland (36%) is one of the highest among OECD countries.

Eurostat 03/2018

Polish History

966 - 1370	The Piast Polish Dynasty
1382 - 1572	The Jagiellonian Dynasty
1572 - 1795	The Royal Republic
1596	Capital moved to Warsaw
1795 - 1914	Partition of Poland
1914-18	World War I
1918 - 1939	Independence - Second Republic
1939 - 1945	World War II
1989	End of Communism - Third Republic
2004	Poland joins EU



Kraków



Cracow is the second largest city in Poland.

Population: 754 056 (2015 data; population of city outskirts and students not included).

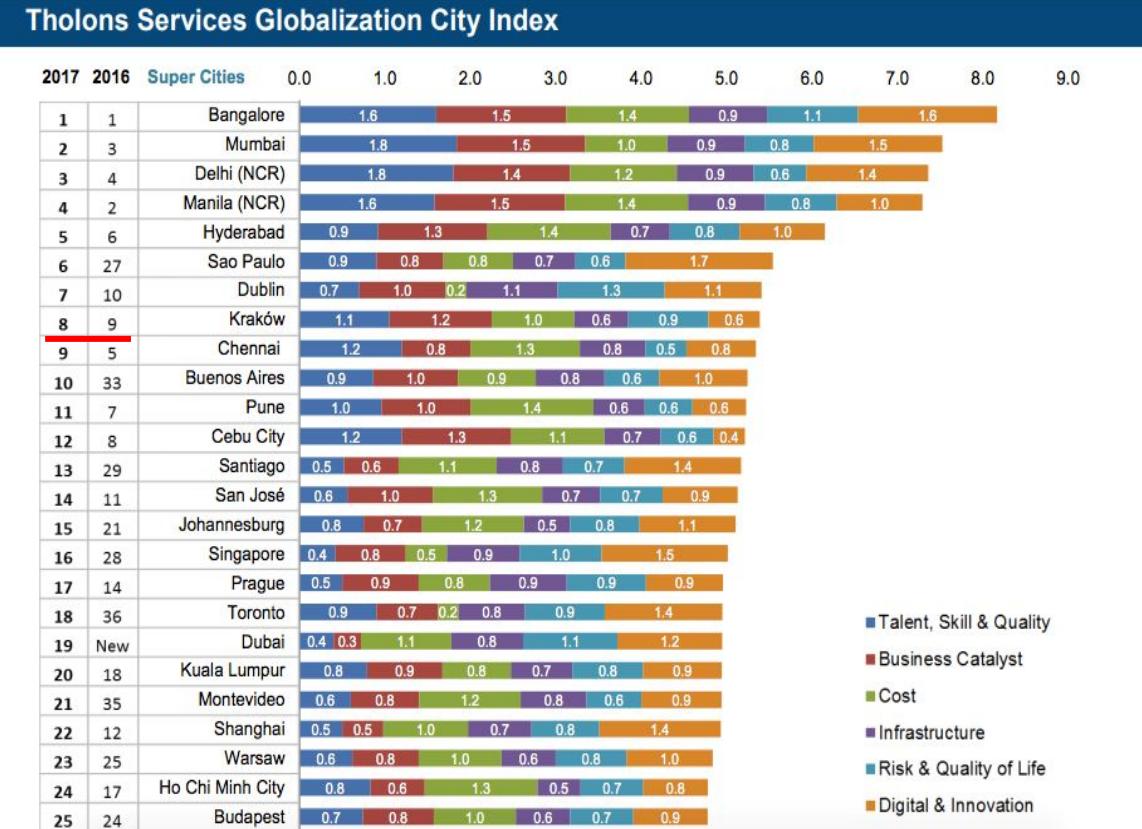
Cracow is a major centre of higher education in Poland. 21 institutions of higher education offer courses in the city. **Student population:** 160 808

Jagiellonian University - established 1364

Number 8 in “Top 100 Outsourcing Destinations”

In 2017 Cracow earned 8th place in the Tholons Services Globalization Index of 100 best locations for providing international outsourcing services in the world. Meanwhile, Warsaw is at 23rd place.

In creating this Index, many factors have been taken into consideration – e.g. business costs, infrastructure, workforce skill and talent, risk and quality of life, innovation.



Tholons “Top 100 Outsourcing Destinations”

Krakow is attracting international companies (all sectors)

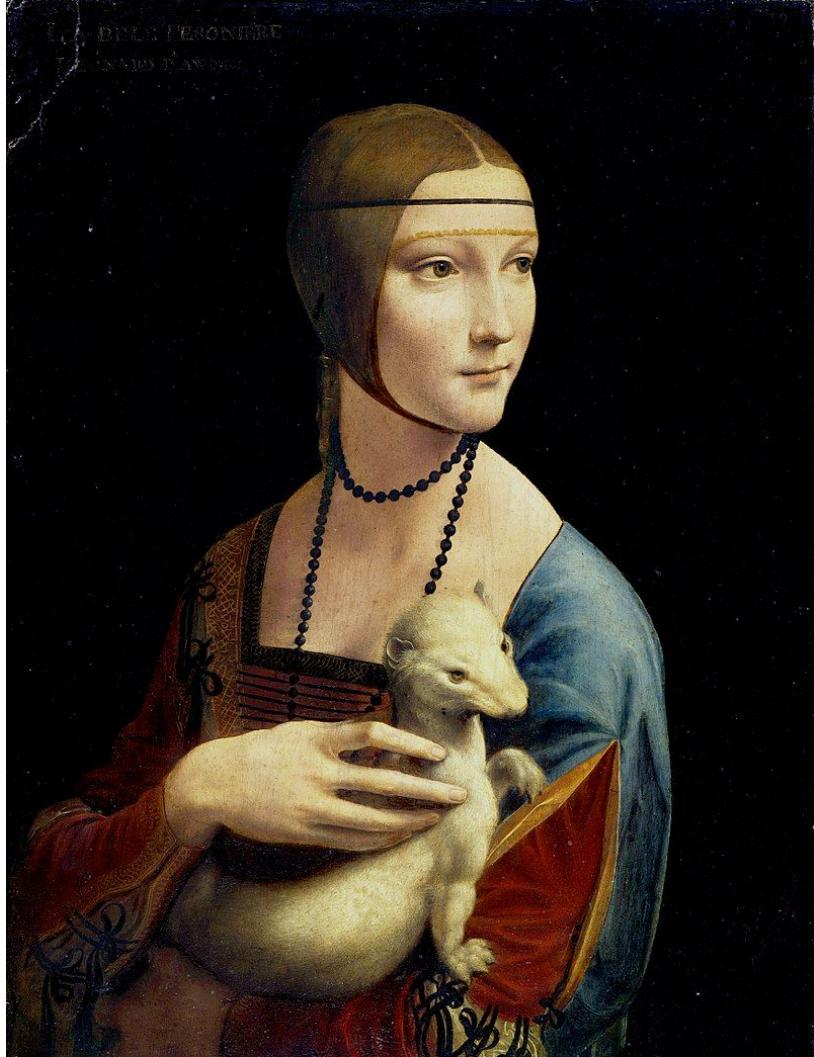
Czołowe MARKI w Krakowie



The Lady

Lady with an Ermine - Leonardo da Vinci

National Museum in Kraków



An Ermie



Debt Collection in Poland

Steps:

- Registration of the file
- Amicable stage
- **Out-of-court settlement**
- Written demand for payment
- Assets report
- Recommendation for legal action
- **Legal action**
- Bankruptcy and restructuring proceedings

Out-of-court stage - Objectives

- Written recognition of debt
 - Potentially enables faster and cheaper court proceedings;
 - If done in form of a notarial deed with a so called execution clause, enables direct execution of the claim;
 - May solve problem with jurisdiction or arbitration clause;
 - Often clarifies doubts on factual state;
- Secure the claim
 - Collateral on property or movable assets;
 - Guarantee by third party;
 - Notarial deed with execution clause (no court proceeding needed);

Jurisdiction / Conventions / Applicable law

Jurisdiction of Polish courts vs foreign or arbitration

CISG - United Nations Convention on Contracts for the International Sale of Goods

The Convention on the Limitation Period in the International Sale of Goods

Applicable Law

- Rome I (Regulation (EC) No 593/2008 - the law applicable to contractual obligations)
- Domestic Private International Law

Inefficiency of the legal system

Statistics of time needed to finish a court file:

Wykres 10. Średni czas trwania (dotychczas sprawność) postępowania sądowych wybranych kategorii spraw I instancji w sądach okręgowych



Wykres 11. Średni czas trwania (dotychczas sprawność) postępowania sądowych wybranych kategorii spraw I instancji w sądach rejonowych



Inefficiency of the legal system

Statistics of time needed to finish a court file:

- District courts: 4,6 months
- Provincial courts: 8 months
- **Commercial disputes: 15 months**

Inefficiency of the legal system

Statistics of time needed to finish a court file:

- District courts: 4,6 months*
- Provincial courts: 8 months*
- Commercial dispute: 15 months*

***including files dismissed on formal grounds**

Documents

Power of Attorney

- A bilingual text
- Signed by person authorized to represent the company
- Does not need to be notarized
- Excerpt from company's registration
- Obligatory translation of foreign documents

Regular court proceeding (commercial dispute)

Court fee: 5% of the value of the claim

Court hearings, witness statements, etc.

The court may decide to issue a payment order without court hearings

Takes **two - four years** in the court of first instance

Payment order proceeding

Ends with a payment order (no witness hearings or court dates)

Court fee: 1.25% of the value of the claim

Requires e.g.: a written recognition of debt, check or promissory note

To oppose the defendant needs to pay a court fee of 3.75% of the claim

Payment order serves as a collateral

Two - six weeks to obtain the payment order

Summary

Length of a payment plan vs. length of regular court proceeding

Secure the claim first

Let them default with the payment plan

Questions

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