



A **revolution** that will affect business in Poland is around the corner! Are you ready for it?

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The current buzz across the European business world may be GDPR compliance, but other substantial and wide-ranging regulatory changes will also soon apply, with an impact on every sector of the Polish market.

Is your business prepared for these revolutionary changes?

The most significant new regulations that will affect businesses in the Polish market:

- New anti-corruption measures
- The obligation to introduce effective compliance procedures
- Significant fines for those found in breach of the regulations (up to PLN 10,000,000.00)
- Sanctions excluding businesses from bidding for public contracts
- Individual responsibility and liability for managers and officials
- New responsibilities for businesses and people performing public functions
- Legal protection for whistleblowers



Introducing strong and effective anti-corruption mechanisms in Poland

Under the new law, to be introduced as soon as the second half of 2018, any organisation failing to implement effective anti-corruption measures may be fined by the Office for Competition and Consumer Protection (UOKiK) up to 2.5M euros and be excluded from bidding for public contracts for 5 years. Furthermore, not just businesses but individuals responsible for these offences may be charged.

The new law imposes stricter obligations on medium and large enterprises by implementing or strengthening anti-corruption measures in the following ways:

1. Developing an ethical business code for all employees
2. Periodic training for all employees about criminal liability for corruption offenses
3. Identifying and analysing roles potentially vulnerable to corruption and developing preventative internal measures
4. Implementing clear restrictions on the receipt of gifts and other related benefits
5. Developing internal procedures for employees concerned about possible corruption in their organisation
6. Implementing preventive and reactive procedures to counter any corruption threat



Avoiding conflicts of interest by persons performing public functions

The new regulations will oblige persons in public office to avoid any conflicts of interest, i.e. any activity which may arouse suspicion of partiality or directly acting in the interests of a third party. Provisions will also be introduced that place limits on public officials starting and running businesses. The Commission for the Settlement of Conflicts of Interests will have the authority to adjudicate in such cases and it may also impose a three-year ban on employment at a company on a person in public office found to have made decisions unfairly in favour of that company. The new legislation provides for fines and imprisonment of up to two years for persons found to have breached the conflict of interest regulations. Furthermore, businesses that employ a person found to have contravened the regulations may be liable to fines of up to 20,000 Euros.



Register of Benefits

The new legislation introduces a Register of Benefits, to record benefits received by persons performing public functions, e.g. Ministers, Secretaries of State, officials and their spouses. Specified entities will be obliged to register information such as: positions and duties in public administration and the private sector, and any donations received above a certain value. Concealment, false or late reporting will be sanctioned with imprisonment of up to 5 years.



Register of Contracts

Another key change is the introduction of a Register of Contracts which will oblige organisations such as public finance departments, private and state enterprises, and research institutes to register all contracts which involve monetary donations.



More People will be obliged to submit a statement of assets

The group of people obliged to submit an annual statement of assets has been significantly expanded and the Central Anti-Corruption Bureau is now entitled to demand a statement of assets from anyone.

People whose statements are deemed incomplete or untruthful will be obliged to submit a detailed written justification and the Bureau may further investigate the veracity of the statement. Any suspicions about the sources of income or assets may also be investigated by the tax authorities.



Measures to protect whistleblowers

Most importantly, the legislation introduces new protections for whistleblowers who, while employed at a business, provide reliable inside information about crimes involving corruption, such as bribery, fraud, protection and money laundering, etc. If a Prosecutor classifies someone as a whistleblower, the following protections will apply:

1. Protection against dismissal
2. Protection against damaging changes to the terms of the whistleblower's employment contract
3. Where there is no employment contract, the Public Prosecutor's consent will be required to change any contractual relations in place
4. Compensation in the amount of a two-year gratuity payable in the event of termination of the employment contract without the consent of the Prosecutor
5. In the event of termination of a contract other than an employment contract, the employer will be obliged to pay compensation in the amount of the total payment due to the whistleblower based on the concluded contract
6. Reimbursement to the whistleblower of any legal costs incurred by the notification of an offense, and in the event of a conviction, the court may order a gratuity in favour of the whistleblower

Prepare your firm for upcoming changes!

In this environment, it is vital that businesses are fully informed about the new legislation and how to ensure full compliance. Our team would be happy to discuss how we can assist in preparing your business for the coming changes.



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