



Anti-Crisis Shield 4.0 – real estate

- On 24 June 2020, a number of provisions of the **Act of 19 June 2020 on subsidies to interest rates on bank loans granted to entrepreneurs affected by COVID-19 and on simplified procedures for the approval of an arrangement in connection with COVID-19 ("Shield 4.0") entered into force**. This Act introduces amendments to, among others, the Geodesy and Cartography Law, the Act on spatial planning and land development, and the Act on special arrangements for the prevention, counteracting and combating of COVID-19, other infectious diseases and crisis situations caused by them (the "**Shield Act**"), and introduces a number of new solutions applicable during a state of epidemic. Below, we present the most important changes regarding real estate matters resulting from Shield 4.0 and its implementation:

Geodesy and cartography

- For the duration of the state of epidemic threat or state of epidemic, the following amendments are introduced:
- **suspension of the obligation to notify surveying works** regarding the demarcation of a building or the network of technical infrastructure on developed land and to provide the authorities with the results thereof;
 - **suspension of fees and charges** for State surveying and cartographic resource materials (e.g. orthophotomaps);
 - **extension of the deadline to report other surveying works** to 10 working days from their commencement.

Spatial planning and land development

- Enabling **public discussions** and the submission of **comments to, among others, the study and local land development plan**, as well as to their drafts, to also occur in **electronic form** (including by e-mail or through forms on websites), or other forms as specified by the relevant authority.
- Submission of draft studies and local land development plans**, as well as draft landscaping resolutions, must also occur by their publication in **the Public Information Bulletin**.

Property taxes / charges

- The deadline for the payment of annual fees** for the perpetual usufruct of property for 2020 is deferred until **31 January 2021**.
- Possibility to **reduce annual fees for the perpetual usufruct** of property used for business purposes by entrepreneurs, non-governmental organizations, public benefit organizations and state legal persons which reported a decline in revenue as a result of the COVID-19 outbreak.
- Possibility to **waive the collection of lease and tenancy rent, as well as fees for the use of public property** for business purposes by entrepreneurs, non-governmental organizations, public benefit organizations and state legal persons which reported a decline in revenue as a result of the COVID-19 outbreak, **for up to 3 months**.

- » Owners and holder of perpetual usufruct of property exempt from stamp duty for the issue of decisions on land use and development conditions concerning their property; for other entities, the stamp duty for the issue of such decisions has gone up, from PLN 107, to PLN 598.

OTHER CHANGES INTRODUCED BY SHIELD 4.0

» Definition of commercial space

Shield 4.0 introduces a definition of the term "**commercial space**" used in Art. 15ze of the Shield Act, which concerns the possibility of lowering rent for space in large commercial facilities. According to the new provisions, commercial space is to be understood as space located in a commercial facility with a sales area exceeding 2,000 m², irrespective of the purpose for which the space is intended to be used, in particular for the sale of goods, provision of services, as well as for the serving of foods and beverages.

» Extension of the priority purchase right for agricultural property belonging to the Treasury Agricultural Property Stock

Managers of special economic zones have been granted priority rights regarding the purchase of property designated in the local land development plan for industrial, service or industrial-service purposes, located outside the boundaries of special economic zones in areas where they perform tasks in support of new investments.

» Additional disclosure obligations for investors using the simplified investment procedure provided for in Art. 12 of the Shield Act.

An investor who intends to construct, reconstruct, renovate, change the purpose or demolish facilities necessary to maintain the continuity of essential services, excluding the application of provisions of the Construction Law, will be required to submit a declaration on their right to dispose of the property for construction purposes and to provide reasoning demonstrating that the planned works are necessary to maintain the continuity of essential services and directly serve to counteract and combat COVID-19.