

MORE TIME TO PREPARE AND APPROVE FINANCIAL STATEMENTS FOR 2020

As in the previous year, due to the ongoing Covid-19 pandemic and in response to proposals put forward by non-government organisations and economic operators, deadlines for the preparation of financial statements for 2020 have been extended.

This three-month extension concerns reporting obligations of

- > commercial companies,
- > civil-law partnerships,
- > other legal persons (except for the State Treasury and the National Bank of Poland),
- > unincorporated organisational units,
- > branches and representative offices of foreign enterprises,
- > non-profit organisations,
- > **EXCEPTION:** for publicly financed corporations, the statutory deadlines have been extended by a month.

According to the principles set out in the Accounting Act, the above-mentioned entities prepare financial statements for a financial year within three months after it ends.

If the financial year corresponds to the calendar year, the financial statements are prepared by 31 March (electronically, in the required logical structure and layout) and approved no later than within six months after the financial year ends, that is by 30 June. If an entity is entered in the National Court Register, the statements are then submitted to the Repository of Financial Documents within 15 days following their approval, hence by 15 July. If entities do not carry on business activity and are not entered in the National Court Register, financial statements are submitted electronically to the head of the National Fiscal Administration within 10 days following their approval, that is by 10 July.

What are the deadlines?

The extension of deadlines by three months means that for commercial companies, civil-law partnerships and other legal persons (except for the State Treasury and the National Bank of Poland), unincorporated organisational units, branches and representative offices of foreign enterprises, and non-profit organisations whose balance-sheet date was 31 December 2020, deadlines for preparation of financial statements for 2020 are as follows:

- > the final date for preparing financial statements is **30 June 2021**;
- > financial statements shall be approved by relevant authorities **by 30 September 2021**;
- > for entities, which are entered in the National Court Register, financial statements shall be submitted to the Repository of Financial Documents within 15 days following their approval, that is **by 15 October 2021**, at the latest;
- > for entities, which do not carry on business activity and are not entered in the National Court Register, financial statements shall be submitted to the head of the National Fiscal Administration within 10 days following their approval, that is **by 10 July 2021, at the latest**.

The one-month extension for publicly financed corporations or entities

The aforementioned extension does not, however, concern publicly financed corporations or entities, which carry out the business activity, to which the provisions of Article 1.2 of the Act

of 21 July 2006 on Supervision Over the Financial Market apply.

What are the deadlines?

Due to the extension of reporting deadlines for publicly financed corporations by a month, reporting deadlines under the Accounting Act are as follows:

- > the final date for preparing financial statements is **30 April 2021**;
- > financial statements shall be approved by relevant authorities **by 31 July 2021**.

The changes laid out above are applicable to reporting obligations concerning the financial year ended after 29 September 2020, but no later than 30 April 2021, the deadline for the performance of which does not elapse before 31 March 2021.

Extension of deadlines for approving financial statements for housing cooperatives and some other entities

Moreover, the regulation includes a separate provision concerning the extension of deadlines for approval of financial statements for:

- > **housing cooperatives** – by six weeks following the end of the state of epidemiological risk or state of an epidemic; and
- > **certain entities (which are not a company, limited joint-stock partnership, registered partnership or limited partnership whose all partners or shareholders having unlimited liability are companies, limited joint-stock partnerships, or foreign partnerships with a similar form)** in which:
 - due to the number of members of approving bodies and lack of possibility of convening them due to epidemiological restrictions,
 - it is impossible to adopt resolutions with the use of means of direct remote communication,

it is impossible to perform this activity within the timeframe specified in the Accounting Act – by six weeks after the above-mentioned conditions cease to exist.

Notably, the change described above shall be applicable to the approval of financial statements for fiscal years ended after 29 September 2020, hence the provision is not limited to FY2020, and shall also apply to the following financial years, if the state of epidemiological risk or state of an epidemic and related restrictions are still in effect.

Extension of deadlines for submitting the CIT-8 return and tax payment

Additionally, works are currently carried out to extend the deadline for submitting the CIT-8 return and tax payment. According to the proposed regulation of the Minister of Finance, Funds and Regional Policy concerning the extension of the deadline for submitting a return on the amount of profit (loss) and payment of due corporate income tax, it is proposed to extend the deadline for submitting the return on the amount of profit (loss) in the fiscal year ended between 1 December 2020 and 28 February 2021 and paying the relevant tax for corporate income

taxpayers until 30 June 2021. This deadline would also concern taxpayers who have selected flat-rate tax on the profit generated by companies, in respect of which the first fiscal year begins between 1 January 2021 and 31 March 2021.

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Legal basis:

- Regulation of the Minister of Finance, Funds and Regional Policy amending the regulation of 26 March 2021 on defining other deadlines for performing obligations concerning recording as well as preparing, approving, disclosing and submitting statements of information to relevant register, entity or body.
- Regulation of the Minister of Finance, Funds and Regional Policy on the extension of the deadline for submitting a return on the amount of income earned (loss incurred) and payment of the tax due by taxpayers of corporate income tax of March 25, 2021.