

A branch of a foreign entrepreneur

The possibility to create a branch in Poland is subject to the application of the principle of reciprocity, which is to provide the Polish entrepreneurs with similar powers in the country of origin of the foreign entrepreneur, who is forming a branch in Poland. This means that the foreign person may undertake and carry out economic activities on the territory of Poland on the same terms as a Polish entrepreneur, if in the country of origin of the foreign person Polish economic entities are guaranteed such privilege. After the accession, the principle of reciprocity does not apply to companies from the European Union and European Economic Area. Through a branch, a foreign entrepreneur may conduct economic activity in Poland only to the extent in which it carries on its business in the country of the registered office. However, the entrepreneur is obliged to appoint a person authorized to represent its interests. The branch has no legal personality, legal capacity, or the capacity to engage in judicial and legal proceedings. The foreign entrepreneur can commence its business within the branch after obtaining the entry of the branch in the register of entrepreneurs.

Representation of foreign entrepreneur

Another form of business for foreign entrepreneurs is representation. Its characteristic feature is clearly limited in function, which enables foreign entrepreneurs to perform activities only in respect of advertising and promotion. As a result, the representation constitutes an internal organizational unit of the entrepreneur, formed in order to implement a particular portion of its business. The representation in Poland may also be created by foreign entities who are not entrepreneurs, or set up the company to promote the economy of their country. The establishment of a representative office requires the entry into the register of foreign companies.

The representation does not have legal personality, legal capacity, or court and judicial capacity, thus does not have the status of an entrepreneur. For this reason, the establishment of a representation only requires an entry in the register of foreign companies. As in the case of a branch, it is necessary that the representation appoints a person authorized to represent the interests of the founder of the representative office.

Source: Analysis of investment attractiveness of Lublin Voivodeship, taking into consideration potential of the region to attract foreign direct investment compiled by AGERON Polska at the request of The Marshal's Office of Lublin Voivodeship, Warsaw, June 2015

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