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will introduce
a tax settlement agreement
from 1 January 2028**

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On 4 May 2026, a bill amending the Tax Ordinance Act and the Act on the National Revenue Administration (KAS) was published on the website of the Government Legislation Centre. The bill introduces into Polish tax law the institution of a tax settlement agreement, classified as an alternative dispute resolution instrument.

Objectives and legal nature of the new institution

The primary objective of the tax settlement agreement will be to reduce the number and duration of tax disputes by preventing them from arising and by enabling their earlier resolution in conditions of mutual agreement between the parties. The settlement agreement will create the possibility of amicably resolving disputes between applicants and tax authorities, will reduce or eliminate sanctions for late payment of tax, and will reduce or eliminate default interest on tax arrears. The institution will complement the existing system of taxpayer support instruments, such as individual tax rulings, binding rate information, opinions on the application of preferences, and advance pricing agreements (APA – Advance Pricing Agreement).

Subject-matter and personal scope

An applicant authorised to initiate the conclusion of a tax settlement agreement may be a taxpayer, a remitter, or the heir of either of them, excluding third parties. The settlement agreement will apply exclusively to tax arrears arising from tax liabilities or remitter liabilities in taxes constituting revenue of the state treasury, excluding non-tax budgetary receivables of the state

treasury and revenues of local government units (LGUs). The institution will not permit negotiation of the amount of the tax liability or remitter liability. However, the parties will be able to make factual findings and agree on the interpretation of provisions giving rise to doubts. The minimum value of the liability covered by the settlement agreement will correspond to the equivalent of the statutory minimum wage.

Benefits from the conclusion of a settlement agreement

The conclusion of a settlement agreement will make it possible to defer the payment deadline for tax arrears or to pay them by instalments, and will also suspend the further accrual of default interest from the date of submission of the application for the conclusion of the settlement agreement. The default interest rate applicable to tax arrears covered by a tax settlement agreement will be reduced in comparison with the standard rate and will amount to between 50% and 70% thereof, with the rate being lower the earlier the applicant submits the application for the conclusion of the settlement agreement. The amount of the reduced rate will not be subject to negotiation. It will be determined by objective factors. With respect to tax arrears covered by the settlement agreement, the tax authority will not impose a prolongation fee. The conclusion of the settlement agreement will preclude the prosecution of the taxpayer for fiscal offences and fiscal misdemeanours within the scope covered by the agreement, provided that the repayment deadlines specified therein are complied with.



Bars to the conclusion of a settlement agreement

The bill excludes from the group of applicants taxpayers previously convicted of fiscal offences and selected common offences related to invoice falsification, participation in an organised criminal group, or perjury, as well as persons suspected of committing such offences after charges have been brought against them. The conclusion of a settlement agreement will also remain inadmissible with respect to taxpayers against whom the authority has issued a security order or ordered security measures, as well as those in respect of whom there are justified grounds to suspect aggressive tax optimisation which could result in the application of the General Anti-Avoidance Rule (GAAR) under Article 119a of the Tax Ordinance Act, the “small anti-abuse clause” under Article 5(5) of the VAT Act, or measures limiting treaty benefits. The exclusion will also apply to entities which were parties to a previous settlement agreement and failed to comply with its repayment terms, as well as cases in which the authority has resolved the matter by issuing a decision determining the tax liability or has granted relief in the repayment of tax liabilities.

Procedure for concluding a settlement agreement

Proceedings concerning the conclusion of a settlement agreement will commence exclusively upon application by an authorised entity submitted in the course of a tax audit, customs and fiscal audit, or tax proceedings. The deadline for submission of the application will expire on the last day of the seven-day period granted to the party to comment on the collected evidence pursuant to Article 200(1) of the Tax Ordinance Act. The authority competent in matters concerning the conclusion of a settlement agreement will be the Head of the Tax Office or, in the case of initiated customs and fiscal audit proceedings, the Head of the Customs and Revenue Office. Following a preliminary formal review, the tax authority will issue a ruling either ordering the conduct of settlement discussions or refusing the conclusion of the settlement agreement. The discussions will have an informal character and may include settlement meetings and evidentiary activities, while the 30-day deadline for issuing the ruling will be of an indicative nature.

Contents and conclusion of the tax settlement agreement

The final draft of the settlement agreement will be prepared by the tax authority, and its mandatory elements will include the designation of the parties, indication of the amount of the liability covered by the settlement agreement, the amount and rates of default interest, the form of relief granted in the repayment arrangement, the repayment deadlines for the tax arrears, the

statement of factual and legal grounds as well as information on the legal consequences. Following service of the settlement agreement, the applicant will have 14 days to accept its contents and to submit a tax return or correction of a tax return consistent with the arrangements made. The settlement agreement will be concluded on the date on which the applicant notifies the tax authority of its execution by submitting the signed settlement agreement in the prescribed form. As an act applying tax law, the settlement agreement will not constitute an assessment instrument, but will contain guidelines concerning the assessment of the liability, which the applicant will implement through a tax return or correction thereof.

Effects of the conclusion of the settlement agreement

The conclusion of the settlement agreement will permanently resolve the matter concerning the liability covered by it, excluding further corrections of tax returns and the initiation



of tax audits, customs and fiscal audits, and tax proceedings. It will also constitute grounds for terminating any audits and proceedings already initiated in relation to the liability covered by the settlement agreement, in the appropriate procedural forms. It will preclude the possibility of imposing penalties on the applicant for a fiscal offence or fiscal misdemeanour connected with the arrears covered by the settlement agreement, constituting both a circumstance excluding criminal liability and grounds for discontinuance of any proceedings already initiated. This solution will be consistent with the assumptions underlying the institution of voluntary disclosure operating under the Fiscal Penal Code (KKS). The permanence of the effects of the settlement agreement will remain conditional upon compliance with the repayment terms and deadlines specified therein.

Expiry of the settlement agreement and its consequences

The settlement agreement will expire in full if the authority granted a deferral of the payment deadline for the arrears, or in part if it permitted repayment by instalments. A settlement agreement providing for repayment of arrears by instalments will also expire in full in the event of failure to pay three instalments. The expiry of the settlement agreement will result in the withdrawal of all privileges arising therefrom with effect from the date of its conclusion (ex tunc), including restoration of the statutory payment deadline for the liability, calculation of default interest at the standard rate for the entire period, and restoration of the possibility of initiating audits and proceedings. In the event of expiry of the settlement agreement attributable to the fault of the applicant, a waiting period of three years for submitting further applications for the conclusion of a settlement agreement will apply, calculated from the end of the calendar year in which the expiry occurred. A decision declaring the expiry of the settlement agreement will remain the only ruling issued under the new provisions subject to the jurisdiction of the administrative courts.



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