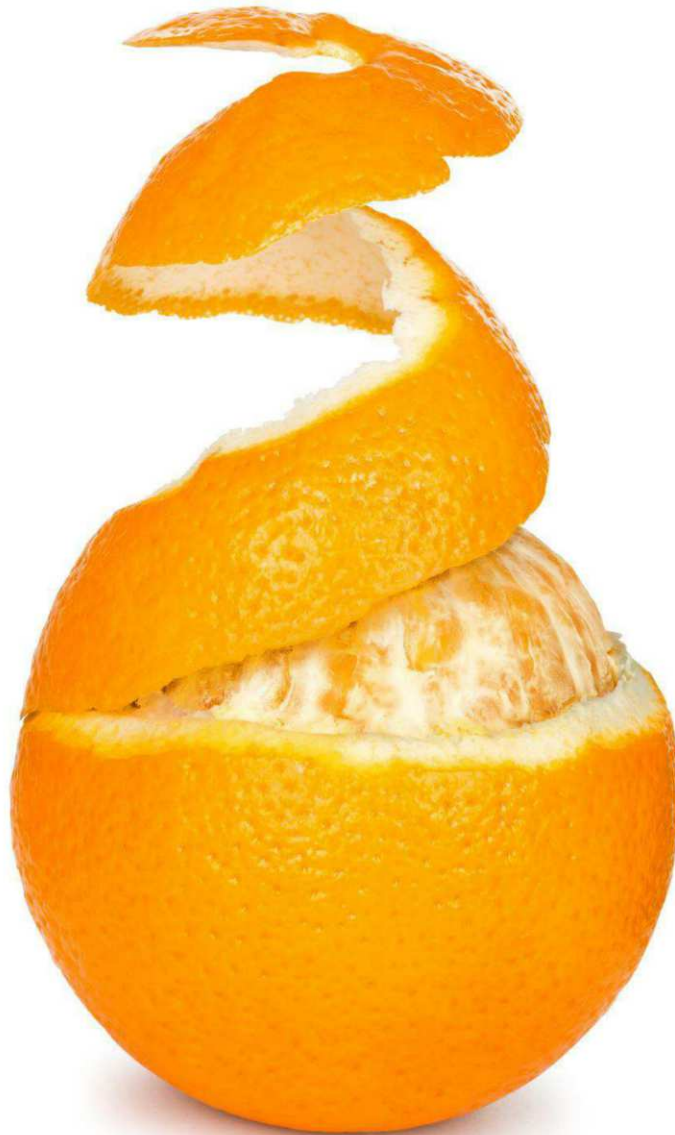


## Piercing the corporate veil: An Overview of 23 Jurisdictions.



### Dates/Events

- Int. Litigation & Arbitration Group Meeting in Milan  
06.05.2016
- Int. Litigation & Arbitration Group Meeting in Shanghai  
21.10.2016

## POLAND: Corporate Entities - when may courts disregard corporate structures to make owners personally liable?

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In Poland it is generally impossible to hold shareholders of a corporate entity personally liable by disregarding corporate structures. In particular, there is no legal instrument similar to corporate veil piercing, which has been developed in the United States of America. This distinguishing mark of corporate entities is one of the main reasons of their huge popularity in Poland.

However, the fact that, as a rule, shareholders in Poland are not liable for the obligations of the company does not mean that such liability is always out of the question.

In Poland there are two types of corporate entities (companies) in which, as a rule, shareholders may not be held personally liable: limited liability company (spółka z ograniczoną odpowiedzialnością) and joint-stock company (spółka akcyjna). The activity of these companies is regulated by different provisions of the Commercial Companies Code (Kodeks Spółek Handlowych). However, it is possible to point out some general similarities in potential exceptions connected with the liability of owners.

Firstly, a shareholder of a company in organisation (a company before it is registered in the National Court Register) shall be liable up to the amount of their unmade contribution for payment towards the shares they have obtained. What is more, when a shareholder acts on behalf of a company in organisation, he is liable without limitation for the obligations of the company.

Secondly, a shareholder of a company is obliged to compensate the company for the difference between the value assumed in the company deed and the transfer value of the contribution actually made if the shareholder made a defective non-cash contribution. In such situations the company deed may

also impose additional obligations on shareholders.

Moreover, a shareholder of a limited liability company shall be held liable to make up the deficit to the company when the value of his non-cash contribution was substantially overestimated relative to its transfer value on the date when the company deed was drawn.

Special provisions making it possible to disregard corporate structures, and so make owners personally liable, are included in Polish tax law, in particular in the Tax Ordinance Act (Ordynacja podatkowa). According to its provisions, when a company in organization has no management board, a shareholder is personally liable for tax debts of the company, if he does not file a bankruptcy petition or does not indicate company property which can be executed against.

Finally, a shareholder is fully responsible for the obligations of the company when he acts as a member of the management board at the time when debt enforcement proceedings against company property prove ineffective. A shareholder may be released from personal liability if he proves that the bankruptcy petition was filed on time, recovery proceedings were ongoing, he is not responsible for not filing the bankruptcy petition or the creditor did not suffer any damage.

