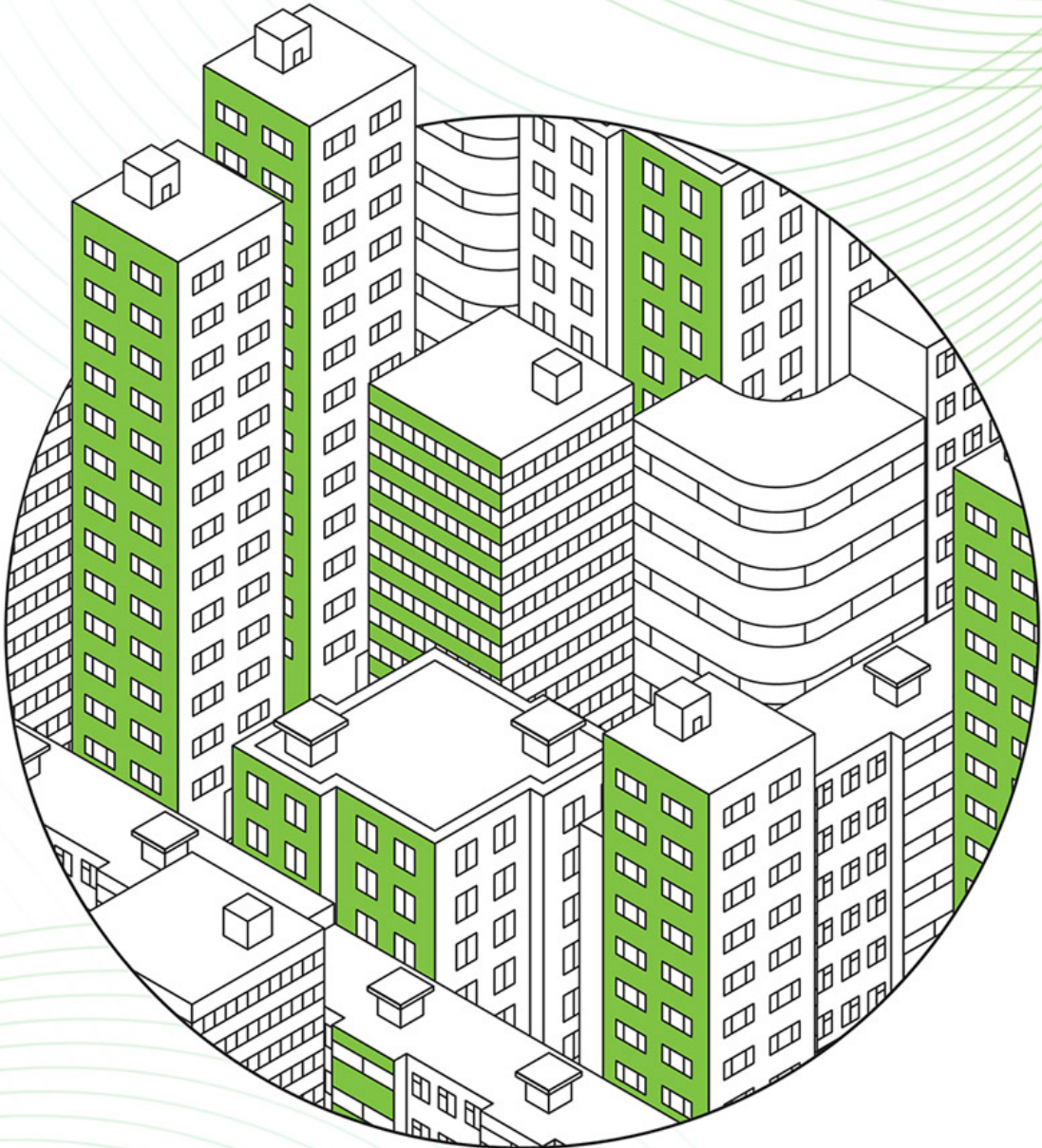


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End of the state of epidemic emergency

In the beginning of May 2023 a draft regulation was published under which the state of epidemic emergency would be repealed as of 1 July 2023. If the regulation comes into force, it will bring several changes for taxpayers regarding certain fiscal deadlines, currently suspended or extended in relation to COVID-19.

Reporting of domestic tax schemes (MDR)

The repeal of the state of epidemic emergency ends the period of relief regarding reporting of tax schemes classified as domestic ones introduced in the end of March 2020 (the suspension regarding cross-border ones was cancelled much earlier). **After 30 days** from the date following the date of cancellation of the epidemic emergency, **the formerly suspended deadlines to fulfil obligations regarding domestic schemes will be restored.**

The above means that in many cases, in order to avoid potential penalties under the Fiscal Penal Code, the time to report tax schemes that benefited so far from the "COVID-related suspension" **will end at the end of July 2023.** In practice, the fulfilment of MDR-related obligations in the above period should allow for a significant reduction of the inconvenience related to the entire process (reporting of schemes "in arrears" often involves the necessity to multiply the filed reports and to precede

them with voluntary disclosure (in Polish: "czynny żal"), which makes the process considerably longer and more complex.

Restoring of the reporting deadlines for domestic tax schemes coincides with the increased activity of tax authorities, which verify the correctness of fulfilling MDR-related obligations. Thus, prompt identification of potentially unfulfilled obligations in this respect becomes crucial.

The repeal of the state of epidemic emergency will among others also result in the following changes:

- 1. Validity of tax residence certificates:** after 2 months following the date of epidemic emergency repeal, i.e. as of 1 September 2023, tax remitters using both certificates for 2019 or 2020, and certificates that do not contain a validity period, for which a period of subsequent 12-month period elapsed during the state of epidemic emergency, **should obtain valid certificates of tax residence.**
- 2. Change in the deadline for filing ZAW-NR forms:** as of the repeal date, the deadline to file ZAW-NR form i.e. the notification of payment to a bank account not included in the "white list" of VAT payers **will be shortened to 7 days** (during the state of epidemic emergency the deadline was extended to 14 days).
- 3. Deadline to issue individual tax rulings:** as of the repeal date, the basic deadline of **3 months** for issuing individual tax ruling will be restored. Please remember that under Article 14o of the Tax Ordinance, if the Director of the National Fiscal Information fails to issue a tax ruling within this deadline, the taxpayer obtains the so-called "silent tax ruling", being protected with the position presented in its motion, provided that the taxpayer complies with it.
4. One year after the repeal date, the traditional form of stationary hearings should be restored in administrative courts. However, currently some court departments declare to resume online hearings from July 2023 (in the "hybrid" version).

If you need more information, you are welcome to contact the author of the article:

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