

Treasury Management in Poland

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Poland Overview

Poland is a large European country located on the eastern edge of the Eurozone and the western edge of the former Soviet Union.

The unit of currency is the Polish zloty (PLN). It is divided into 100 groszy and commonly referred to as the zloty. The zloty is freely convertible with its value pegged to a currency basket consisting of the EUR and USD.

The Narodowy Bank Polski (NBP, or National Bank of Poland) is the central bank. The NBP is responsible for issuing currency, control of monetary policy, banking supervision and regulation of the payment mechanisms in the country.

There are three payment and clearing systems in Poland that relate to cash and treasury management.

1. SORBNET is a Real Time Gross Settlement (RTGS) system owned and operated by the NBP. SORBNET is used for high value interbank transactions which are generally submitted in electronic form via the Telbank network to the NBP. Third party payments are not permitted and there is no minimum or maximum amount which may be transferred through SORBNET. Participation in SORBNET is required for all banks holding accounts with the NBP.
2. The national clearing house is owned and operated by Krajowa Izba Rozliczeniowa SA (KIR). KIR is owned by the NBP, Polish Bankers' Association, and a number of commercial banks. In addition to the main office in Warsaw, there are 17 regional clearing houses (BRIRs). Electronic payments are handled by KIR through ELIXIR which enables participants to transmit payment instructions to each other through the system. These are settled on a net basis at the end of the same business day through participant accounts with the NBP.
3. KIR also operates a paper clearing system for checks and credit transfers called SYBIR. Paper items are presented to KIR at its main office or a BRIR by participants using an interbank courier system. Upon receipt at KIR the items are sorted and the net amount due to or from each participant is settled through participant accounts with the NBP on the next business day. Check clearing typically takes from two to seven days. Credit transfers clear in two days.

A company is considered to be resident in Poland if its registered office is in Poland. Resident companies are taxed on worldwide income while non resident companies are taxed on Polish source income. The general rate of tax on income for the year 2000 is 32%. For non resident companies where income cannot be determined, tax is assessed at varying rates on turnover, commissions, or other business activities.

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Political developments such as NATO membership and economic

Weblinks

Background information from the [Library of Congress](#), [USCIA](#), and [US State Department](#)

Country profile information from [Ernst & Young](#)

Summary tax information from [DTT WorldTax](#)

News and policies of the [National Bank of Poland](#)

General information from the [Government of Poland](#), [Poland](#), [Telbank](#), [Electronic Banking Council](#), and the [Polish Bankers' Association](#)

Commercial banking websites of [ABN AMRO Bank](#), [Przemyslowo - Handlowy Bank Slaski](#), [BRE Bank](#), [Big Bank](#)

developments such as joining the EU are part of an inexorable trend towards global integration. A growing internal market and relatively low cost base make Poland attractive as a market itself and as a source of manufactured goods. From a domestic standpoint it is now possible to operate an efficient cash management system to international standard using electronic systems. Integration into global structures still requires considerable manual intervention, particularly in currency exchange but this is likely to change within the next twelve months.

[Gdansk](#),
[Citibank](#), and
[ING Poland](#)

**Special
information**
[Firma 2000](#) and
[FT Survey](#)

Most common treasury management techniques are permitted in Poland. Multilateral netting is permitted with prior approval from the NBP as is notional pooling.

Historical ties to the Warsaw pact and the limited convertability of the PLN has limited its use in international commerce. Accordingly, traditional currencies of trade such as the US dollar, Euro, and JPY are often used for trade purposes in lieu of the PLN.

Multiple PLN accounts can be held to facilitate accounting objectives or as part of an overall treasury strategy.

Accounts

The basic PLN operating account is referred to as a current account and may be held by resident or non-resident corporations. Interest may be earned on current accounts and overdrafts are available subject to mutual agreement between bank and client.

Resident and non-resident corporations operating in Poland may hold accounts in Poland that are denominated in zloty, US Dollars, Euros, and other currencies without special approval from the NBP.

Interest is available on current accounts and on time deposits. Treasury bills and commercial paper are also available but bank deposits account for more than 75% of the short term market. Deposits in excess of PLN 500,000 for less than 3 months requires NBP permission.

Overdrafts are permitted, with the amount and rate determined by each bank. Other short term financing options include term loans, factoring, and supplier credit. In general, banks are the principal source of short term finance.

Payments and Receipts

Cash remains important in retail settlements but is rapidly being replaced by payment cards. Transfer orders which can be settled through ELIXIR or SYBIR are the principal form of non cash payment. Checks are not commonly used in Poland with paper based credit transfers in more common use.

Lockbox type arrangements are not prohibited but are not used because the BRIRs essentially function as clearing house operated lockboxes.

Controlled disbursement is not possible because of clearing system cutoff times.

Technology and Marketplace

Electronic banking products including access systems and balance reporting,

are readily available in Poland and commonly used. Poland has a rapidly developing telecommunications system having started from a small base of installed lines operated by a government monopoly. Bandwidth is available and reasonably priced for corporate users.

The NBP grants banking licenses and foreign exchange permits in addition to its other responsibilities and Poland is one of the fastest growing banking markets in Europe. There are currently more than 75 banks in Poland operating as commercial companies or under private ownership in addition to over 800 independent cooperative banks. More than 30 foreign banks operate in Poland including the traditional cash management players such as Citibank, Bank of America, ABN AMRO, and Deutsche Bank. Regional banks such as RZB (whose eleven branches in Poland operate as Raiffeisen Centrobank S.A.), Societe General, and Bank Austria/Creditanstalt also have major operations. Major indigenous banks include Bank Przemyslowo-Handlowy (owned by Bayerische Hypo Vereinsbank), Bank Slaski (owned by ING), and BRE Bank (owned by Commerzbank.)

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