

Warsaw, December 20th, 2016

TOP 10 AMENDMENTS IN LAW IN 2016

We are nearing the end of the year and – which comes within – the time of conclusions. Our Law Office introduces once again legal summary - this time, of the year 2016. The publication includes the ranking of the most crucial – according to our Law Office – amendments of legal acts in force and new acts that came into force in passing 2016.

1st place in the TOP 10 ranking is taken by **the Act of February 11th, 2016, the State Aid in Children's Upbringing Law (Journal of Laws of 2016, item 195)**, which came into force on April 1st, 2016 – **the act fulfils the government's program "Family 500+"**. The program's assumption stipulated the expectations of Polish nation's fertility's increase, economy boost, GDP increase and support for the large families. The aforementioned act introduced new kind of parental benefit, granted in the non-taxed amount of 500 PLN for each second child, whereas by applying the additional criterion of income, the benefit could be granted even for the first child. According to The Ministry of Labour, Family and Social Affairs' statistics, from the time the program was implemented there were almost 3 millions benefit's applications submitted and over 11 billions PLN were allocated for the payments, and those significantly exceeded the thresholds assumed in 2015. The discussed act definitely deserves the title of the most important change in polish law in years – its consequences are already visible in many aspects – legal, social and economic ones.

2nd place in the ranking is taken by **the Act of July 22nd, 2016, the amendment of Civil Procedure Code and other laws (Journal of Laws of 2016, item 1358)**, which came into force on September 8th, 2016 – the main purpose of the amendment was **the improvement of court's procedures, and, in the consequence, limitation of procedures' waiting time**. In this matter, the act introduced the opportunity of lodging and delivering procedural writs by electronic system in any case, limited the means of prolonging the procedure by the judge's exclusion, extended the catalogue of cases that can be heard on closed sessions or by the means of remote communication, and also introduced the alternative ways of documents' delivery, as long as it will be considered as necessary for trial's speed up. Furthermore, the changes embraced also the enforcement proceeding, in which the new procedure was introduced – intelligible, electronic auction of distrained movables. New provisions augur – in our opinion – positive changes for both, courts and citizens.

3rd place is taken by **the Act of May 15th, 2016, The Restructuring Law (Journal of Laws of 2016, item 978)**. The act came into force on January 1st, 2016, and it was aimed **at effective satisfying the creditors and aid for companies indebted by preserving them on market**. Aforesaid provisions introduced among others new forms of restructuring procedures and new, separated restructuring courts, introduced new definition of insolvency and created Central Restructuring and Bankruptcy Registry. Indicated act embraced also those proceedings, which started with bankruptcy writs lodged since January 2016.

4th place in the Top 10 ranking is taken by **the Act of June 25th, 2015, the amendment of Labour Code and other laws (Journal of Laws of 2015, item 1220)**, which came into force on February 22nd, 2016. It introduced new provisions aimed at **employee's protection and limitation of long-term employments based on contracts for specified periods**. The amendment stated that the types of employment contracts are now limited to the following three: employment contract for a trial period, a specified period and an indefinite period, moreover, it introduced provisions that partly limited using specified period's contracts and regulated the matter of terminations for contracts for specified and indefinite periods

5th place concerning its significance is taken by **the Act of August 5th, 2015, the amendment of Competition and Consumer Protection Law and other laws (Journal of Laws of 2015, item 1634)**. On the basis of that act, which came into force on April 17th, 2016, the alterations concerning collective consumer interests were implied. Within the new provisions, the act prohibited the practice based on using illicit terms in the agreement forms with consumers, that were listed by Civil Code. Furthermore, the power to issue decisions on recognising provision of contract's template illicit and prohibiting its use in case of finding out that it had been used in templates of contracts concluded with consumers, was granted to the President of the Office of Competition and Consumer Protection. The catalogue of practices infringing collective consumers' interests was extended, and new regulation was introduced on the basis of which the Office of Competition and Consumer Protection will be able to send the so-called "mystery shopper" to the audited entrepreneurs, meaning as conducting the purchase under controlled conditions.

6th place in the ranking is taken by **the already mentioned amendment of Civil Code, Civil Procedure Code and other laws (Journal of Laws of 2016, item 1358)** which came into force on September 8th, 2016. New regulations extended the catalogue of evidence that is respected in court proceedings. The act introduced the definition of the document, which implies that document is every media that enables acquaintance with its content. That implies that document's value will be granted to every kind of durable information, not necessarily fixed on paper. The only criterion is the kind of

content's fixation, which should allow to maintain or restore the data -with this provision, evidence value can be invoked by records, films, e-mail, sms or any electronic data. This amendment is a crucial change in the matter of civil procedure – all is left is to observe how it will be implied in jurisprudence and procedural practices.

7th place in the Top 10 ranking is taken by **the Act of October 9th, 2015, the amendment of Payment Deadlines in Commercial Transactions Law (Journal of Laws of 2015, item 1830)**. The act came into force on January 1st, 2016, and it introduced uniform mechanism of interest charging in civil law transactions and alterations concerning commercial transactions' payments. The amendment established definition of "statutory interest in commercial transactions", which are now applied in civil law transactions – they replaced standard statutory interest. Provisions also introduced distinction between capital statutory interest and default statutory interest, also regarding the amount of the interest.

8th place in the ranking is taken by **the Act of May 20th, 2016, the new Energy Efficiency Act (Journal of Laws of 2016, item 831)**, that came into force on October 1st, 2016 by annulling previous regulations on energy efficiency – new act extended the scope of controls of the President of Energy Regulatory Office and imposed the new obligations on large entrepreneurs. New regulations imposed large entrepreneurs with the obligation of conducting the energy audit every 4 years, and the first energy audit should be conducted within the September 2017. The report summarizing the audit should be filed at Energy Regulatory Office within the 30 days after the conduction and failure to conduct the audit shall be subject to a fine

9th place in the ranking is taken by **the Act of January 15th, 2016, the Tax on Certain Financial Institutions Law (Journal of Laws of 2016, item 68)**, that fulfils the election promise from previous year – act came into force on February 1st, 2016, and regulates taxation of assets of certain financial institutions. The tax was imposed on domestic banks, branches of foreign banks, branches of credit institutions, credit unions and other smaller institutions. The new act introduced the definition on the tax base concerning mentioned regulation and it also defined thresholds of assets' value that should be taxed regarding certain institution. The tax rate is 0.0366% of the tax base per month.

10th place in the ranking Top 10 is taken by **the Act of October 21st, 2016, the Concession contract for building works or services Law (Journal of Laws of 2016, item 1920)**. The act implements European Union regulations. It came into force on December 14th, 2016, and it aims at facilitation for projects conceived on a public-private partnership basis, concerning infrastructure and strategic services. New regulations are applied to those contracts, which value is equal or higher than 30 000 Euro. The act also

defined that the time limit for those kind of contracts is up to 5 years maximum – this limitation is purposed for preventing distortions of competition in market access. There are new procedures for concessionaires' selection and new catalogue of possible contract's changes, considering also so called "right of intervention", meaning the opportunity to enter into the contract for new concessionaire, if the previous one did not fulfil the obligation, without the need of conducting another selection procedures.

Among many amendments that came into force in 2016, we introduced above those, which, according to the our Law Office, seem to be particularly relevant for Polish legal system. We will observe its effects and the level of implementation of the assumed purposes, that were the foundations of the new regulations. That will allow to evaluate the regulations' real impact on both citizen and the practice of the legal institutions.

In case of any questions or doubts, we remain at Your service.

Yours faithfully,

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