



Polish Investment
& Trade Agency
PFR Group

Polish IT and Technology Sector. Incentives for Spanish companies in Poland.

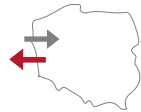
Wojciech Jakub Lopatkiewicz
February 25th, 2019.



Why Poland?

Over the last few years, the Polish IT industry has become one of the most critical sectors of the national economy, with strong fundamentals and promising growth prospects.

Location & Economic Stability



- Strategic location in the heart of Europe
- Part of the trans-European transportation corridor
- Stable economic situation
- Rapidly growing internal market

Mature Business Environment



- Variety of manufacturing sectors
- Dense network of suppliers and subcontractors
- Thriving business services sector
- High availability of clusters and industrial/technology parks

Attractive Labor Market



- Young, well-educated workforce
- ca. 10% of university students in the EU
- English language proficiency
- Increasing labor productivity
- Developers in Poland are ranked 3rd in the World on Hackerrank

Globally known IT brands

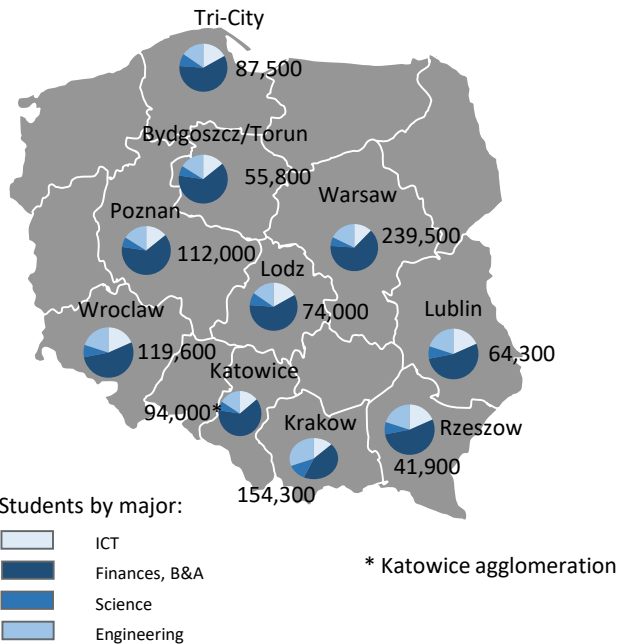


- Companies experienced in working with international clients
- Over 49% of companies deliver their services globally.



Students and Graduates

Students	Graduates
1,347,481	364,399

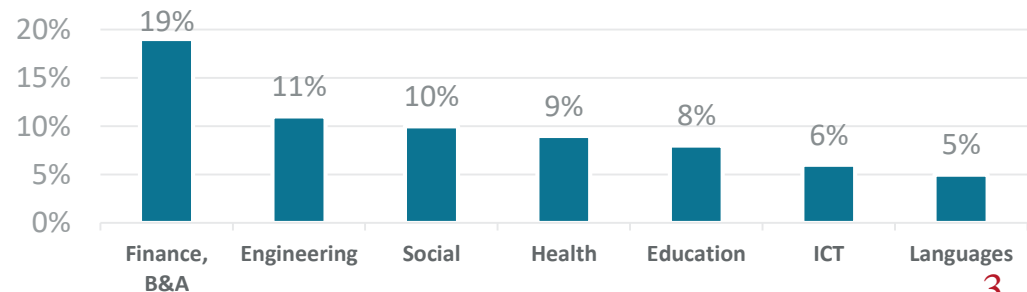


General number of students from chosen majors

	2015	2016	Δ
Business & Administration	261 738	252 484	-3,5%
Social sciences	136 810	141 638	3,5%
ICT (networks, soft dev)	70 057	73 869	5,4%
Mathematics and statistics	12 037	11 038	-8,3%
Physical sciences	22 583	24 498	8,5%
Engineering	153 587	146 125	-4,9%
Architecture & construction	77 242	67 846	-12,2%
Manufacturing & processing	50 836	45 606	-10,3%
Humanities	22 794	23 377	2,6%
Languages	73 470	70 217	-4,4%
TOTAL	1 403 794	1 347 481	-4,0%

Green – absolute or relative increase

Most popular majors (2016)



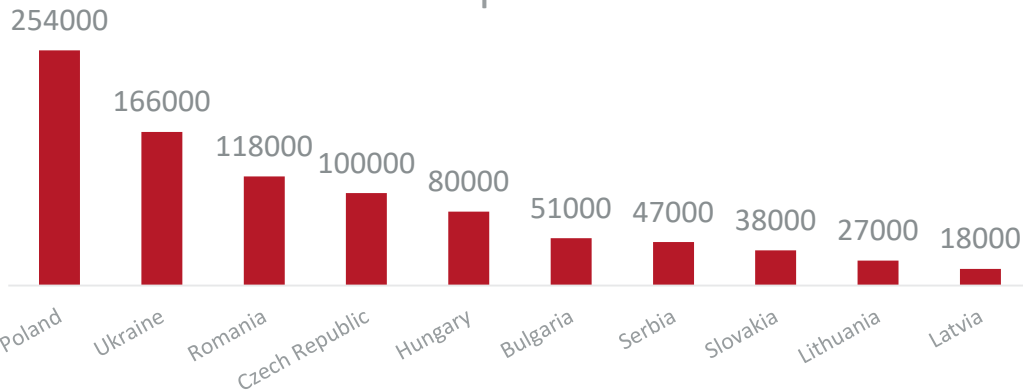
Source: Central Statistical Office, May 2018

Software Developers in Poland

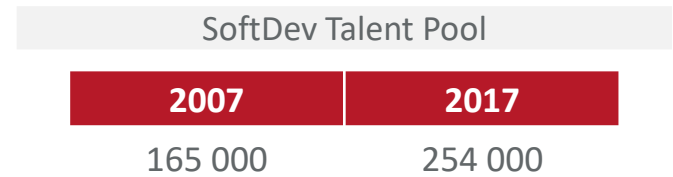


254 000 Software Developers Working in Poland

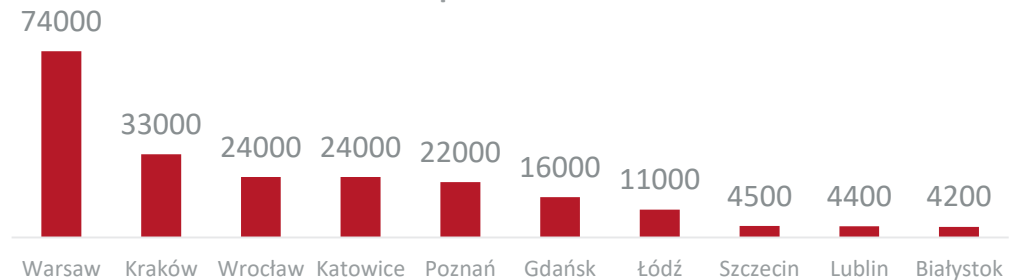
Developers in CEE



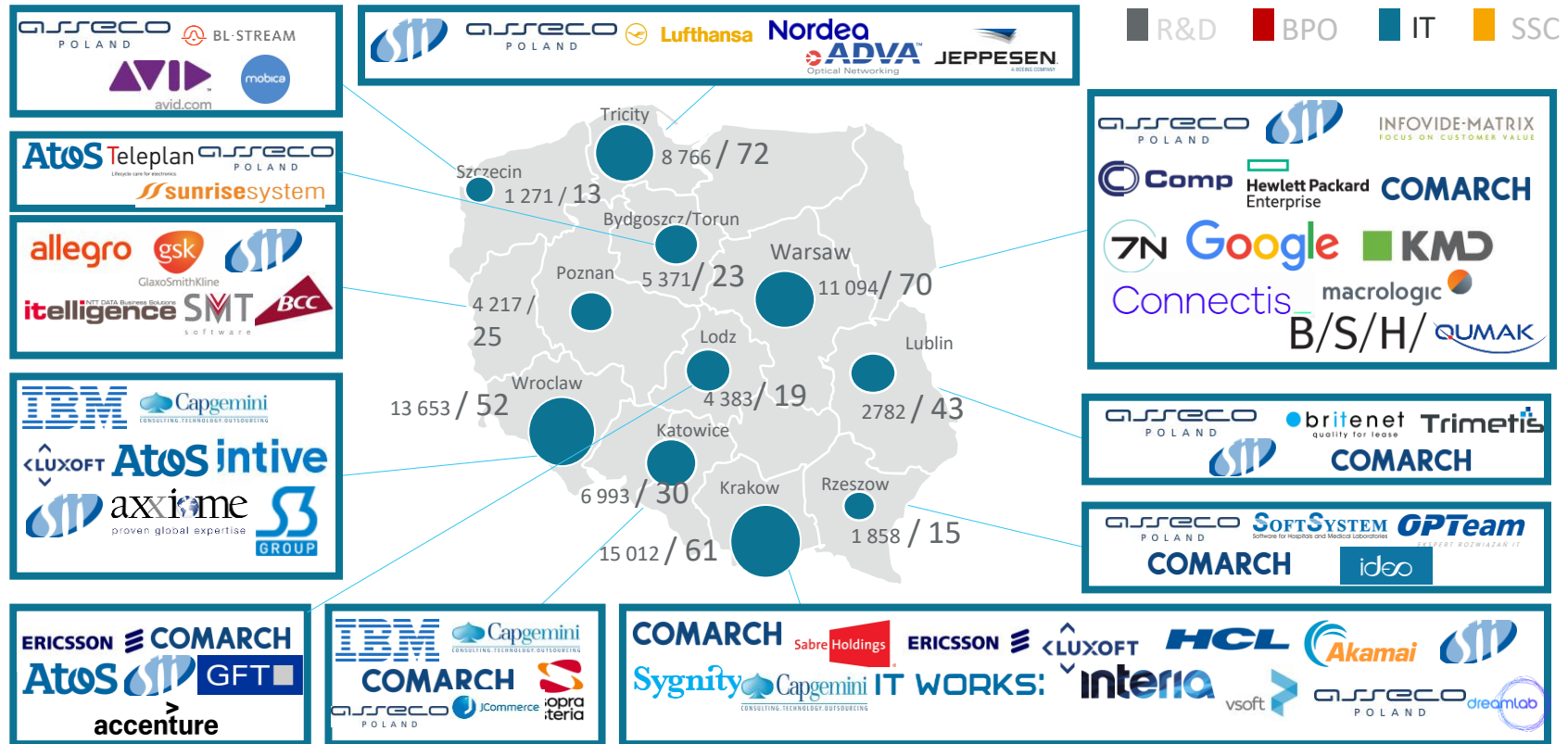
SoftDev Talent Pool



Developers in Poland



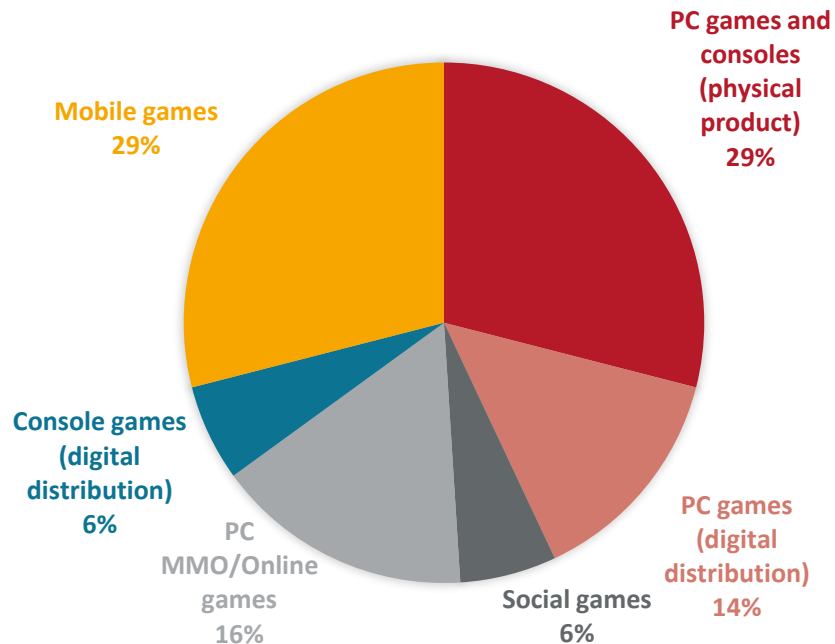
Polish IT map



Source: PAIH own study, 2018.

Polish Gaming Sector

THE FORECAST OF THE GAMING MARKET IN POLAND IN 2019 (PLN 2.23 BILLION)



POLISH VIDEOGAME INDUSTRY IN NUMBERS:

- Among all companies involved in the production of games, up to **99%** are **SMEs**
- Revenues of game producers in 2017 amounted to **PLN 1.14 bn (EUR 265 mln)**
- There are over **330 game producers** on the Polish market
- **95%** of the revenue of these companies comes from exports



R&D in Poland – Favorable Conditions for Spanish companies



R&D Center Status

- **Pursue R&D activities** and benefit from the official status of an R&D Center
- **Straightforward procedure** – one-stop-shop at the Ministry of Investment and Economic Development
- **Easier access** to funds for innovativeness development from public programs
- **Annual benefits** – R&D expenditures are **deducted from your tax base**



R&D Tax Cut

- **Easy-to-apply tax instrument** for R&D activity
- **Deductions of 200% and 250% for R&D Centers** – deduct costs 2 or 3 times!
- **Benefits regardless of the company size** – SMEs and MNCs treated equally
- **Long-term tax benefit** – apply the cut across **6 consecutive tax years**



Innovation Box

- **5% Tax Rate** for qualified income related to sale of IP rights
- **Invent & Commercialise** – sell it in Poland and enjoy a low tax rate
- **Covers most popular IP rights** – copyright in computer programs, patents, industrial designs
- **Long-term tax benefit** – applicable during the **entire lifespan of the rights**



R&D Tax Incentive - example



Revenues from business activities: **PLN 10**



Remuneration of R&D employees (costs of obtaining income): **PLN 2 mn**



Tax base: **PLN 8 m**



100% of R&D remuneration costs applicable for deduction: PLN 2 m



Tax base after deduction of R & D relief - **PLN 6 mn**



Tax calculated:

- regular terms: (PLN 8 mn x 19%): PLN 1.52 mn
- **including R&D Tax Incentive: (PLN 6 mn x 19%): PLN 1.14 mn**

**380 000
PLN
saved!**



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