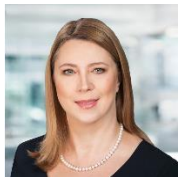


ORD-U form – the deadline is approaching

One of the tax reporting obligations regarding entities belonging to capital groups is submitting the **ORD-U form**. This form concerns the indication of information on agreements concluded with non-residents. The deadline for its filing expires within **three months** from the end of the tax year for which the information is submitted.

Below are the most important issues related to the ORD-U form.

REPORTING OBLIGATION	<p>The obligation to file the ORD-U form in relation to contracts concluded with non-residents applies to situations where:</p> <ul style="list-style-type: none"> ■ one of the parties to this agreement, directly or indirectly, participates in the management or control of the other party to the agreement or holds at least 5% of its capital, or ■ another entity, not being a party to the agreement, at the same time participates, directly or indirectly, in the management or control of entities being parties to the agreement or holds at least 5% of shares in the capital of such entities, or ■ a non-resident who is a party to the agreement has an enterprise, branch or representative office in the territory of the Republic of Poland. <p>The form should include agreements concluded in a given tax year, as well as transactions carried out in a given year on the basis of contracts concluded in earlier years, which exceed the following materiality thresholds:</p> <ul style="list-style-type: none"> ■ the total amount of receivables or liabilities resulting from contracts concluded with the same non-resident is EUR 300,000 - in the first two cases indicated above, or ■ the one-time value of receivables or liabilities amounts to EUR 5,000 - in the third case indicated above. <p>A template for information on agreements concluded with non-residents is published on the website of the Ministry of Finance.</p>
DEADLINE	<p>The deadline for filing information on agreements concluded with non-residents is three months from the end of the tax year for which the information is submitted. In practice, this means that for most taxpayers, the deadline for reporting ORD-U form for 2020 is <u>March 31, 2021</u>.</p> <p>In the previous year, taxpayers could count on postponing the deadline to five months after the end of the tax year for which the information was submitted (due to the COVID-19 pandemic), while the legislator did not provide such a solution with respect to reporting for 2020.</p>
NO EXEMPTION	<p>Until recently, taxpayers could benefit from an exemption from submitting ORD-U form if they were required to report information on related party transactions on the CIT-TP or PIT-TP forms (this exemption applied to taxpayers who did not enter into transactions with entities having their place of residence, seat or management in the territory of a tax haven). Nevertheless, as of January 1, 2019, when the CIT-TP (or PIT-TP) form was replaced by the TPR-C (or TPR-P, respectively) form, the possibility to use the exemption in ORD-U reporting was eliminated.</p>

	Thus, taxpayers were required to submit the ORD-U form for 2019 (within five months from the end of the tax year) and are required to submit the ORD-U form for 2020 (within three months from the end of the tax year), regardless of the obligation to file the TPR-C (or TPR-P) form.
LEGAL BASIS	<p>The obligations regarding reporting information on agreements concluded with non-residents (ORD-U form) are specified in the following legal acts:</p> <ul style="list-style-type: none"> ■ Tax Ordinance Act of 29 August 1997 (Journal of Laws 2019.1553), and ■ Decree of the Minister of Finance of 24 December 2002 on tax information (Journal of Laws 2017.68.tj).
CONTACT US	<p>This document has been prepared for information purposes only and covers general nature. Before taking any action based on the above information, we recommend that you obtain a valid opinion of TPA experts.</p> <div>  <p>Joanna Kubińska <i>Associate Partner, Head of Transfer Pricing</i> +48 502 184 882 joanna.kubinska@tpa-group.pl</p> </div>

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