

## The deadline for the submission of MDR-3 is approaching

With the deadline for submitting the CIT-8 declaration and IFT-2R information for 2020, the deadline for reporting CIT-related tax schemes is approaching. This applies in particular to the so -called other specific hallmarks for which the reporting obligation results from the mere breach of value thresholds.

Reporting may include, for example, income (revenues) achieved by a Polish permanent establishment of a non-resident or payment of dividends exceeding the threshold of PLN 25 million.

### OTHER SPECIFIC HALLMARKS

Polish MDR regulations introduced an obligation to report tax schemes resulting from the so-called other specific hallmarks. They include situations (arrangements) in which:

- the value of the actual or expected impact on deferred tax may exceed PLN 5 million,
- the payer would be obliged to collect withholding tax in excess of PLN 5 million in a calendar year, if double taxation avoidance agreements or tax exemptions did not apply, e.g. payment of a dividend (also between Polish entities) exceeding PLN 25 million or payment to a non-resident of receivables indicated in art. 21 sec. 1 or 22 sec. 1 of the CIT Act,
- the value of the non-resident's income (revenues) in the calendar year would exceed PLN 25 million, e.g. income from operations conducted by a permanent establishment located in Poland, income from real estate,
- the difference between a hypothetical tax in Poland and a tax to be paid by a non-resident in another country exceeds a total of PLN 5 million during a calendar year.

In case of the above-mentioned hallmarks, there is no need for any tax benefit for the reporting obligation to occur. It is enough if the value threshold and the so - called qualified user criterion (e.g. the entity's income/costs or the value of its assets in the financial year exceeds EUR 10 million or the entity is related to such entity) are in place.

### WHICH REPORTS?

Entities for which the above-mentioned hallmarks are present should ensure that appropriate MDR reports are submitted. In particular, it may be necessary to submit:

- MDR-1 report (information on the tax scheme)
- MDR-3 report (information on the application of the tax scheme) - the deadline for submitting MDR-3 is correlated with the deadlines for CIT declarations (until March 31 for taxpayers whose tax year is in line with the calendar year).

## HOW CAN WE HELP YOU?

### ANALYSIS OF MDR OBLIGATIONS

Using our own experience and market knowledge, we offer you an analysis of possible MDR reporting obligations.

### SUPPORT IN REPORTING

We will also guide you through the entire reporting process. We will indicate what reporting obligations should be met, collect the necessary data, prepare and submit documents.

**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.**

### CONTACT US



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