

## **NEW LAW RESTRICTING CASH TRANSACTIONS HAS BEEN PUBLISHED**

The act to amend PIT Act, CIT Act and Freedom of Business Act to restrict cash transactions between businesses was published on 4 June 2016 in the official *Journal of Laws* (see our Newsletter 14/2016).

The new law brings down to PLN 15,000 (from EUR 15,000) the threshold for material B2B payments which triggers the duty to ensure that the payment is made via a bank account.

If, and to the extent that, a taxpayer makes a material payment (above PLN 15,000) otherwise than via a bank account, he will not be entitled to recognise for tax purposes the expense represented by that payment.

If, contrary to the above prohibition, the expense is nevertheless recognised for tax purposes, an adjustment will have to be made to reduce tax costs (or, where there are no tax costs, to increase taxable income). The adjustment will relate strictly to that part of the expense which represents the payment made otherwise than via a bank account, and will have to be made by reference to the month of such payment.

The new law enters into force on 1 January 2017 and will apply to payments made in any tax year commencing after 31 December 2016.

Pursuant to transitional provisions, the new law will not apply to payments representing expenses recognised for tax purposes before 1 January 2017.

If this issue pertains to your business and you are interested in our assistance, please contact your WTS&SAJA consultant or our office.

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