

**A PARTNERSHIP LIMITED BY SHARES IS TREATED AS A CAPITAL COMPANY
FOR TRANSACTION TAX PURPOSES**

This is to alert you to a public tax ruling given by the Finance Minister ("FM") on 27 October 2015 (ref. PL-LM.831.22.2015) in relation to the treatment of a partnership limited by shares ("PLS") for Polish transaction tax purposes.

The ruling refers to the judgement of the Court of Justice of the European Union ("CJEU") dated 22 April 2015 in the case of a Polish company Drukarnia Multipress Sp. z o.o. (case no. C-357/13). The case is about the levying of transaction tax on a transaction that involved the conversion of a limited company into a PLS, followed by contribution of non-cash assets (shares of another PLS and of other capital companies) as further capital into the PLS.

According to Drukarnia Multipress, a PLS is a capital company within the meaning of Directive 2008/7/EC and should therefore be treated as such also for the purposes of Polish transaction tax legislation, which implements Directive 2008/7/EC into Polish law. CJEU went along the Company and ruled that a PLS must be considered a capital company for the purposes of the directive and, hence, also for the purposes of Polish Transaction Tax Act.

MF's public ruling explains that if a PLS is a capital company within the meaning of Directive 2008/7/EC, it must be taxed as per that directive. Consequently, the restructuring exemption which was implemented into Polish law in Article 2.6 (b) and (c) of the Transaction Tax Act will apply also to a PLS.

Moreover, MF ruled that CJEU's judgement pertains to the relevant Transaction Tax Act provisions as of their effective date and is applicable to legal relationships from before the judgement date, i.e. those which arose on or after 1 January 2009.

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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