

Poland's Code of Commercial Companies Undergoes Key Amendment for Domestic Reorganisations

Warsaw, 16. October 2023 – The amendment to the Code of Commercial Companies (CCC), which came into force on 15 September 2023, has brought significant changes to the process of company reorganisations within Poland. The amendment primarily introduced the possibility of dividing commercial companies by separation – that is, in essence, the creation of subsidiaries within which property can be transferred using the principle of general succession. A number of changes have also been introduced with regard to international and domestic mergers.

The key highlights of the amendment include the introduction of the modality of division by separation for commercial companies, enabling the transfer of company assets to existing or newly established entities in exchange for shares. This amendment specifically facilitates the reorganisation processes, both domestically and within the European Union, by providing entrepreneurs with expanded options and simplified procedures.

Regarding the practical implications, the new division procedure streamlines the process of transferring assets by enabling the company to utilise the principle of general succession, thus reducing complexity and time requirements. Moreover, the amendment opens up opportunities for M&A projects, providing a simplified route for entities looking to sell their businesses or parts thereof to interested buyers. Furthermore, the recent amendment addresses the issue of partnerships, allowing for the division of limited joint-stock partnerships and facilitating mergers beyond previous limitations. The introduction of the possibility of conducting a merger without allotting shares in the acquiring company further simplifies the process, particularly in cases where shareholders hold shares in the same proportion across multiple merging companies.

These amendments aim to facilitate concentrations, streamline procedures, and align with international standards, ultimately fostering a more conducive environment for business development and growth.

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