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## subjectively important pieces of information about MDR

The purpose of the MDR regulations is the provision to the Tax Administration of information which is going to be used by the tax authorities to improve the quality of the tax system.

**A tax scheme is a certain arrangement**, in which at least one party is a taxpayer, and in which the undertaken activities have or may have an impact on the amount of tax obligation.

**The arrangements which fulfil the criteria** provided for in the Tax Ordinance (the so-called identifying features) **are subject to the reporting obligation**.

### The scale of MDR reporting in 2019:

1



The provisions concerning the mandatory reporting of tax schemes came into force on 1 January 2019.



2



In Poland, up to 31 December 2019 from **5 to 6 thousand** MDR-1 information documents had been submitted, of which around **700** had been accepted and issued with tax scheme numbers (NSP) by the Head of the Polish Tax Administration.

**In 2020 MDR-3 information are going to be submitted for the first time.**

### The main reporting obligations:

3



As a rule, the promotor is obliged to submit the **MDR-1 within 30 days** from providing the tax scheme.

Three categories of entities which participate, or may participate, in tax schemes are distinguished: a beneficiary, a promotor and a supporting entity.

4



In the case of implementing of a tax scheme or obtaining a benefit from it, the taxpayer is obliged to **submit the MDR-3 information together with the tax return for a given year or other settlement period**.



5



### The deadlines for submitting MDR-3 information for 2019.

Due to the epidemic there is **no obligation to submit MDR from 31 March until its end**. Further suspension of the deadline for reporting MDR is still currently proceeded in the legislature. **However**, in the case of **cross-border schemes** the reporting **obligation** shall still be suspended **no longer than until 30th June 2020**.

There is only **one way of submitting MDR-3** – digitally, in the form of a computer file **in the format strictly specified by the Minister of Finance**.

6



### A procedure is required

Beneficiaries, who are promotors themselves, employ promotors or in fact pay their remuneration, and whose revenue and costs exceed in the previous financial year the threshold of **PLN 8 million**, have the obligation to prepare and implement an internal MDR procedure.



### Sanctions

7



In 2020 the penalty for non-compliance or late compliance with reporting obligations, the perpetrator is subject to a **penalty from PLN 866 to PLN 24.9 million**.

8



In respect of minor offences, in the above-mentioned cases the perpetrator is subject to a penalty from **PLN 260 to PLN 52 000**.

**Art. 80f of the Penal and Fiscal Code - Failure to comply with the information obligations concerning the tax scheme**

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### Steps to be taken

Taxpayers should conduct an **analysis of the transactions** which may be subject to reporting, verify whether a given arrangement has already been reported on the basis of the MDR-1 information and **subsequently submit** the MDR-3 information, at the time of submission of the tax return for the given period.

