



EMN Legislative Mapping Report POLAND



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The aim of this series of EMN legislative mapping report is to provide a snapshot of the various legislative frameworks regulating the provision of microcredit across EU countries.

The national factsheets cover the following thematic areas:

- 1 Regulation of lending activity
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- 3 Products
- 4 Incentives and support
- 5 Development of existing framework for non-bank microcredit provision
- 6 Inclusive entrepreneurship and microenterprise development

1

Regulation of Lending Activity

In Poland, there is no specific regulatory framework for microcredit provision but non-bank financial intermediaries are allowed to directly provide loans to businesses and legally constituted organizations under the Civil Code (Chapter XIX). The provision of loans to individuals (regardless of the aim of the loan) falls under the Banking Law or the Law on Consumer Finance whereby financial institutions need authorization from (or registration with) the financial supervisory body and are required to follow specific rules. These requirements make it more complicated for non-bank financial institutions to deliver loans to individuals.

In this regulatory environment, a variety of non-bank actors – from regular companies to cooperatives, associations and foundations – are involved in the disbursement of (micro)loans to businesses. A specificity of the Polish market is the presence of a network of loan funds. These organizations specialize in the provision of loans to MSMEs and the social economy.

Credit unions are also present in Poland and are regulated under the Law on Credit Unions of 2009.

2

Supervisory Framework for Non-Bank Lending

The business lending activity of non-bank financial intermediaries, contrary to that of banks, is not supervised by the financial regulator (the Financial Supervision Authority or KNF).

However, business lending activities, regardless of provider, is subject to AML-CFT regulations. Non-bank financial intermediaries are supervised by the General Inspector of Financial Information (GIIF), which is part of the Ministry of Finance. GIIF supervision is limited to anti-money laundering and countering the financing of terrorism. Non-bank financial intermediaries are required to conduct due diligence and screening before entering into a business relationship with customers. Screening also continues during the term of the business relationship.

For non-bank financial intermediaries offering business loans, there are no requirements regarding minimum liquidity and the financial reporting requirements are the same as non-financial business activities.

Non-bank financial institutions are not obliged to share clients' data with credit bureaus: Non-bank lenders are only requested to share data if they want to access the data shared by other institutions. Moreover, every company providing loans can access the data of the National Credit Bureau. The National Credit Bureau is a private company since the Polish Central Bank does not run a credit bureau. Apart from basic access, usually Non-bank financial intermediaries receive information on borrowers only when they share such information as well.

1. This is different from credit line provision which is regulated under the Polish Banking Law.
2. See as a reference the Polish Association of Loan Funds.

3

Products

Providing loans to businesses does not require a specific legal form. Loans to individuals can only be disbursed by banks, consumer finance institutions and credit unions.

There is no maximum amount or term for the disbursement of (micro)loans to businesses by non-bank intermediaries. Loans to individuals fall under the same rules, although their provision is limited to the actors mentioned above.

There is an interest cap on both loans to businesses and individuals, which is set at twice the discount rate of the Polish Central Bank. Both types of loans are subject to laws on usury.

4

Incentives and Support

In Poland, there are no national or regional funds dedicated to the support of microcredit provision by non-bank financial intermediaries. There are no tax deduction schemes available to individuals or organizations to help promote financial support for microcredit provision.

5

Development of the Existing Framework for Non-Bank Microcredit Provision

The main challenges that non-bank financial intermediaries currently face in Poland is the absence of a regulatory framework, which generates a high level of uncertainty related to future interpretation of current regulation. This is particularly relevant for the loan funds (and microfunds) that are the main actors in the microfinance market.

Allowing microcredit providers to deduct unrecovered loans would be helpful in improving the fiscal framework for the provision of non-bank microcredit.

6

Inclusive Entrepreneurship and Microenterprise Development

In Poland, the current framework for the development and fostering of microenterprises works as follows: simplified accounting and fiscal regulations are in place, as well as simplified reporting. Publicly subsidized business development services are also widely available to micro-entrepreneurs. In terms of public support, however, there is no welfare bridge to support unemployed people in the transition towards self-employment, and entrepreneurship education is not a part of mandatory secondary education curricula.

When it comes to initiatives, the Polish central government has not been actively running any awareness initiatives for inclusive entrepreneurship, which are also not present elsewhere in the public sector.



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