

Poland Legal Framework Analysis: Key Highlights

This one-pager aims to provide a brief overview of the most notable features of Poland's national cooperative legal framework, based on the work of the national legal expert and the contributing member organisations.

In Poland, the cooperative is a separate legal entity from commercial companies and associations and is regulated by the **Cooperative Law Act of 16 August 1982**. The Cooperative Law applies to all types of cooperatives, with special provisions for the regulation of cooperatives that operate in certain sectors, such as agricultural production.

In addition to this Cooperative Law, there are also separate laws for specialised types of cooperatives. Examples include housing cooperatives, cooperative banks, savings and credit unions, social cooperatives and energy cooperatives. Notwithstanding numerous minor changes to the legal framework, the last significant amendment to the Cooperative Law took place in July 1994. Since then, although four attempts have been made to enact a new cooperative law, no major reform of the Act has taken place.

Polish cooperative law does not refer to the ICA principles. However, the principles are applied in practice to a large extent through Polish law in a way that is consistent with their content and purposes. In this sense, the cooperative laws can therefore be said to implement the ICA principles.

Cooperative Friendliness: The general law on cooperative law was adopted in a different period to the current political and economic context. In the view of the national expert, there are many areas in which cooperative law has not yet adapted to the current challenges that cooperatives are facing. To remedy this, the Polish cooperative law requires modernisation, as well as the creation of a coherent legal and tax system that is relevant to the current economic and social reality of cooperatives.

Key recommendations for improvement: Several areas for reform are highlighted by the national expert. The future structure of new cooperative legislation requires careful consideration, in order to coherently address the many special laws that regulate cooperatives. For instance, in the area of tax regulation, it is necessary to distinguish between surpluses arising from transactions with members and profits from transactions with third parties. Cooperative audit also requires reform that in order to make it more effective. In addition, the expert highlights that promotion of cooperatives is not yet a public function.

Conclusions: Cooperatives in Poland have a stable, comprehensively defined legal framework for their activities in accordance with ICA principles, as well best practices which are explored in the full report. However, in selected areas, such as the precise definition of the cooperative's purpose or the facilitation of cooperative capital, the modernisation and reform of the legal framework is urgently required.