



Annual settlements of foreign income

On 30th April 2020, the deadline expires for settling your 2019 tax liabilities.

You should already start to properly report any income you earned in 2019.

Any Polish taxpayer who owns a banking or investment account held at a **foreign financial institution** should remember that they are obliged to include foreign capital income in their annual tax return. The variety and volume of transactions performed within investment portfolios and the nature

of foreign investment products means that it can be more complex and timeconsuming to properly settle foreign capital income than domestic income.

NOTE: Failure to disclose such income may be considered as tax evasion and result in fiscal penalties.

Which foreign capital income should you include when drawing up your annual tax return?

- interest on funds located on bank accounts,
- interest (discounts) on securities,
- dividends,
- shares in capital funds,
- income from the sale of shares and stocks,
- income from the disposal or execution of financial instruments etc.

Which are the most common errors and problems when settling foreign capital income?

- lack of awareness regarding tax law and the obligation to include such income as part of Polish tax settlements,
- problems in properly categorising foreign investment products from the perspective of Polish tax law,
- applying incorrect exchange rates when calculating tax revenues and expenses,
- incorrectly associating tax revenues and expenses.

What else should be remembered?

Given the specific way of settling capital income, even if your 2019 investment portfolio ended with an overall negative result, it may be that certain transactions generated income that must be included in your annual tax return in Poland and that tax may still be payable.

Since 2018, bank accounts held at Swiss banks are disclosed to the Polish tax authorities.

The Ministry of Finance possesses information about all (banking and investment) accounts belonging to Polish citizens and held at Swiss banks, including the value of any deposited assets.

How can we help?

Based on reports compiled by foreign investment banks, we ensure that all of the transactions in your investment portfolios are properly categorized from the perspective of Polish tax law.

We ensure that the entire procedure for settling foreign capital income earned in 2018 is completed smoothly and efficiently.

We prepare your full tax return, including details of other sources of foreign and domestic income.

Contact us



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