

# DUDKOWIAK KOPEĆ & PUTYRA

## Offshore Software Development in Poland

Poland is one of the top localizations for Offshore Technology and Software Development due to selection of well-educated employees with good English skills and at comparably low cost.

# Software and Technology Development in Poland

Number of International Development Centers in Poland is still increasing mainly due to the constant inflow of well-educated workforce. This is not only about Polish domestic workforce but also about talents coming to work in Poland from its Eastern neighbours. Citizens of Russia, Ukraine, Belarus, Moldova, Georgia and Armenia are benefiting in Poland from simplified visa procedures and as a result are eagerly strengthening Polish Developments Centers.

Cost of workforce in Poland is still significantly lower than in Western EU countries and US. Just as an example, according to PayScale junior developer cost in Poland is of approx. 4 times less than in US.

In software and technology development lower cost of workforce does not mean lower quality. It is commonly known that it is the quite opposite. Polish graduates are proficient in English and well-educated by Polish and EU Universities. Polish developers are considered, by independent Hacker Rank survey, as the top three best in the world.

Political and economic stability, membership in EU, favorable country location allowing to work with most Americas and Asia time zones are just another advantages that should convince you to invest and kick off your business in Poland.

Michał Dudkowiak  
Barrister at Law, Partner

# About us

## Dudkowiak & Kopeć Law Firm was established in 1992

as a response to the thorough economical transformation which Poland was undergoing at that time. The rich experience of the founders, who had formerly been **commercial judges**, enabled to provide high-quality legal services to a wide variety of international corporations, which entered a new re-created Polish market.

**The accession of Poland to European Union** was a new challenge for the Law Firm. At that time the Law Firm was rebranded and strengthened by **new Partners orientated to provide legal services to European corporations conquering Polish market.**

Soon afterwards the Firm opened **9 affiliated international offices** running under Dudkowiak brand.

Free European market and affiliation with foreign attorneys boosted the Law Firm which expanded to **5 major cities of Poland.**

Recently the team of **20 lawyers** operating within **8 legal practices** is fully committed to comfort and the legal security of international clients investing in Poland.

Core values that guide our work are professionalism, efficiency and fluid communication in English.

### SPECIALIZATION

- ▶ Companies and corporate law
- ▶ Mergers and Acquisitions (M&A)
- ▶ Contracts and business transactions
- ▶ Employment law and social security
- ▶ Litigation and arbitration
- ▶ Debt collection
- ▶ Antitrust and competition law
- ▶ Personal data protection
- ▶ Concessions, licenses and permissions
- ▶ Public procurement
- ▶ IP and Copyrights
- ▶ Tax, customs and excise

### INDUSTRIES

- ▶ IT / E-commerce
- ▶ Construction & Real Estate
- ▶ Transport, forwarding, logistics
- ▶ Trade (including international)
- ▶ FMCG, Retail
- ▶ Energy and the environment
- ▶ Mining
- ▶ Banking and payment services
- ▶ Insurance
- ▶ Telecommunication
- ▶ Private Equity and Venture Capital
- ▶ Food industry and agriculture

# Foreign Investment Practice



**Michał Dudkowiak**  
Barrister at Law  
Investment Practice  
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Foreign Investment Practice of **Dudkowiak & Kopeć Law Firm** is one of the oldest practices that in early 90's boosted the Firm to the recent level.

For over **25 years** Dudkowiak & Kopeć is advising to multinational technology and software corporations in their investment ventures in Poland. We successfully completed numerous greenfield projects consisting of **establishment of technology or software centers in Poland**, as well as brownfield projects consisting of **acquisition of whole companies or selected departments** of companies operating in IT, e-commerce, payment service and technology sectors.

**The Foreign Investment Practice** headed by Mr Michał Dudkowiak advises to Foreign Investors in Offshore Software Development i.e. on:

- choice of corporate form of investment (entity vs branch)
- commercial and corporate structure of investment
- business plan and total cost of investment
- financing of the investment
- securities of the investment
- regulatory framework
- investment tax effects
- representation & negotiation of acquisition deals

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# Why Poland?

Poland is a perfect place for investment and business expansion. The World Bank's forecast in 2018 showcase Poland as a **strong economy despite Brexit turbulences and the European refugee crisis**. The government of Poland is eager to boost the economy by providing incentives for foreign investors.

The 2018 Ernst & Young European Attractiveness Survey shows that Poland leaped to **5th place in top 20 European destination countries by FDI projects**. According to Economic Survey for 2018 made by OECD, economic growth in Poland remains strong and **the unemployment rate is at a record low level**.

Investors consider our country as **one of the most attractive investment destinations in Europe**. Tourists, in turn, are enchanted by Polish hospitality and friendliness, Poland's cultural heritage and the country's natural wealth.

Poland's **38-million strong consumer market** is one of the biggest in Europe. The country's favourable localisation, in the centre of Europe, where the main communication routes intersect, make it possible to export goods to all European countries and thus reach over 500 million consumers. Poland's major trade partners are, among others, Germany, Russia, France, Hungary, Ukraine, Spain and China.

Well-educated Polish economists, engineers, IT specialists and scientists are **highly sought and appreciated** employees who find employment in IT companies, R&D centres and scientific institutes. Every year a greater number of graduates leave Polish universities, among them graduates from faculties which are most popular among companies investing in advanced technologies. In the academic year 2016/2017 Polish higher educat-

## Advantages

- ▶ 38 mln Consumer Market
- ▶ Reboosting Economy
- ▶ Access to European Markets
- ▶ Relatively Low Cost Employment
- ▶ Well-educated Local Workforce
- ▶ Independent and Stable Currency
- ▶ Biggest Beneficiary of EU Budget
- ▶ Location at the very Heart of Europe
- ▶ Record low Unemployment Rate
- ▶ Membership in NATO
- ▶ Political Stability
- ▶ Steadily improving conditions for doing business

-ion institutions generated **387,000 graduates**. The number of people starting doctoral studies is on rise.

The Polish economy undergoes a **significant growth** which has solid institutional foundations and draws heavily on the country's democratic mechanisms thanks to which the country's economic system is considered to be **the best and most transparent economies among all the post-socialist states**. All the factors together with the country's international safety guaranteed by Poland's **membership in NATO and the EU** make Poland a credible and important business partner for foreign investors. Among the most important challenges to be faced by the country in the foreseeable future there are issues connected with the adoption of the single European currency and all criteria which the country has to meet in order to enter the eurozone.

# Pros of Software Development in Poland

## Selection of well-educated developers

- Number of programmers in the Central and Eastern European region equals to **1 million people**. About a quarter of them lives and works in Poland (250,000)
- About **40,000 workers in Poland are graduating each year** in Information and Communication Technologies
- **Facilitated access to Eastern Europe and Russian workforce** due to simplified work permit and visa procedures

## Education level of developers

- An independent survey (2016) from Hacker Rank shows that **Polish developers are among the top three best in the world**
- The survey made by Infoshare based on Stack Overflow data confirms that **Poland is the largest market of talented programmers in this region of Europe**

## Comparably low cost workforce

- Polish developers earn between **\$12,305 – \$45,644 per year according to PayScale** while in USA Software Developers earn \$48,542 – \$102,337, which is a few times more

## Easy communication

- **Poland is ranked 11 in the English Proficiency Index of 2017**, which is the world's largest ranking of countries regarding English skills

## Cultural similarities

- Poland belongs to the European Union and there are **no significant cultural differences compared to the USA or other European countries**

## Location and time zones

- Poland is centrally located in Europe between Germany, the Czech Republic, Slovakia, Ukraine, Belarus and the Baltic Sea, Lithuania and Russia
- Poland is **GMT + 1 time zone**, which allows to work with overlap with teams of Americas and Asia

## Boosting Economy

- The Polish economy has been growing steadily up from 2.7% **GDP** in 2016, to 3.3 percent in 2017 and estimated **3.2 percent in 2018**, according to the World Bank.

## International acknowledgment

- Global giants already have their R&D centers in Poland: Microsoft, Google, Oracle, Cisco, Samsung, Intel.

## Corporate and Commercial



**Michał Dudkowiak**  
Barrister at Law  
Investment Practice

Software and Technology Development Centers in Poland most usually form a part of international corporations and as a result, from management point of view, it is important that they fit into the corporate and commercial structure of international organizations they belong to.

Corporate and commercial team of **Dudkowiak & Kopeć** advises to Offshore Software Development Investors i.e. on:

- choice of **corporate form of Development Centers in Poland**
- compliance with **day-to-day corporate requirements**
- **alternative tools of financing operations** in Poland
- **owners corporate controlling and supervision tools** over Polish Development Centers
- **inter-group contracts** and relationships, incl. shared services center agreements (SSC)
- **contracts with third parties**, incl. contracts with customers

## Employment



**Alicja Myśluk -  
Landowska**  
Attorney at Law  
Employment Practice

Employment in Software Development in Poland is governed by specific rules and practices. It is not only due to the fact that highly skilled developers often prefer to work upon so called **B2B contracts** but also due to the fact that work in Software Development Centers is connected with specific rules on **IP or copyrights creation, IP Box tax benefits** or **flexible working time**.

Employment team of **Dudkowiak & Kopeć** i.e.:

- introduces the **Software Employment Set** - i.e. standardized, dedicated set of approx. 25 employment documents (starting from recruitment documents, employment contracts, ancillary statements and ending on termination letters)
- advises on **alternative employment forms in technology and software development**, their costs and related risks
- represents in **employment disputes** and **collective redundancies**
- drafts and introduces bilingual **Employment Handbooks, Employment T&Cs, Remuneration T&Cs**
- represents in relationships with **Trade Unions**, negotiates the **Collective Labour Agreements**
- advises and introduces PPK - **Employee Capital Plans** and **benefit schemes**
- advises on **IP and software development tax benefits**

## Data Protection



**Anna Szymielewicz**  
Attorney at Law  
Data Protection Practice

Technology and Software Development Centers are all about data. Data is everywhere (in the tools used for development, in the product itself, in the products that are designed to process data). Developers' personal data, as well as their work, is processed and supervised internationally within the corporate structure. All those processes need to be carried out within the framework of GDPR and Polish Data Protection Regulations.

Data protection team of **Dudkowiak & Kopeć** i.e.:

- audits, designs and introduces **internal data processing procedures** within Software Development Centers in compliance with GDPR
- advises and introduces internal regulations allowing **intercompany data exchange**, including data flows outside of EU,
- advises on **data disclosure to third parties**
- advises and drafts regulations allowing to **process data legally within the software products**

## IP and Copyrights



**Marcin Kręglewski**  
Barrister at Law  
IP & Copyrights  
Practice

Software development entails copyrights creation. In case of multi-personal and multi-teams projects it is particularly important to evidence carefully the copyrights creation process. Diligent procedures and well organized documents facilitate the product licensing and selling process, as well as protect the Development Centers against allegations of infringements.

Copyrights team of **Dudkowiak & Kopeć** usually:

- advises and designs **copyrights creation reporting procedures**
- drafts and introduces contracts templates **properly securing acquisition of copyrights** from employees and third party providers
- advises and drafts contracts for **intercompany transfers of the copyrights**
- drafts and negotiates **software license agreements** as well as **copyrights sales agreements**
- along with our tax attorneys advises on **copyrights related taxes** (e.g. withholding on license fees) and **tax benefits** (e.g. increased deductible expenses for copyrights creators)

# Tax



**Józef Dudkowiak**  
Tax Expert  
Tax Advisory Practice

Despite the fact that in software development the general taxation rules apply, there are some fields that are of utmost significance for development centers (e.g. IP Box tax incentives). Our tax advisors:

- advice on Corporate Income Tax (**CIT**) incl. amortization
- advice on Value Added Tax (**VAT**)
- advice on Transfer Pricing (**TP**) on intercompany transactions
- advice on international taxation of software development business (e.g. withholding tax (**WHT**) on license fees)
- advice on incentives for investment in Special Economic Zone (**SEZ**)
- advice on tax benefits from **IP and Innovation Box**
- advice on **copyrights creation tax benefits** (verify copyrights creation procedures and apply for binding tax interpretations)

# Regulatory and Fintech



**Piotr Putyra**  
Barrister at Law  
Regulatory Practice

Some of the Development Centers operate on the fields which are subject to regulatory restrictions in Poland or in EU (e.g. military technology development or FinTech in payment services). Others develop software for the customers operating in that regulated sectors. All investors struggling with regulatory requirements are supported by our regulatory team of attorneys who:

- advice on **regulatory requirements** and represent clients in the **license acquisition** processes
- draft and introduce internal **regulations and procedures** allowing to maintain the licenses
- **audit software and products compliance** with regulatory restrictions
- prepare and represent the clients during **regulatory audits** carried out by various public authorities.

# CONTACT US

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