



POLAND

CONTINUOUS TRANSACTION CONTROLS (CTC)

OVERVIEW

Early in 2021, Poland published the first continuous transaction controls (CTCs) framework for the country, the Krajowy System e-Faktur (KSeF). Full implementation is ongoing with the voluntary phase having begun on 1 January 2022.

KSeF aims to combat fraud and improve tax collection capabilities on sales transactions, thereby allowing the Ministry of Finance to accurately monitor activity. This is similar to the VAT systems and CTC requirements present in Italy.

With Poland's derogation from the e-invoicing provisions of the EU VAT Directive now decided, use of the KSeF system is expected to become mandatory from 1 April 2023. From this date only structured XML e-invoices issued via KSeF will be legally recognised for VAT purposes. Suppliers will still need to authorize the service provider or get an authentication token via the KSeF Taxpayer application, to be shared with and used by any service providers authorised to act on their behalf.

WHEN DO I NEED TO COMPLY?

2022
01
JANUARY

Poland's CTC voluntary period begins, and e-invoicing can be used in parallel with paper and non-structured e-invoices. During this period, there is no obligation to use the e-invoicing system in B2B transactions, however benefits include:

- Quicker tax refunds
- Exemptions from submitting the JPK_FA
- Ability to outsource to a third party

2023
01
APRIL

The CTC system is expected to become mandatory on 1 April 2023.

WHAT DO I NEED TO DO?

Data within KSeF must be submitted in a structured XML format with the appropriate API and schema specifications. A qualified electronic signature or seal (QES) is required to authenticate access to the portal.

The KSeF clearance system in more depth

E-invoices are sent to a centralised platform in a structured XML format (FA_VAT), according to the API and scheme specifications. The system validates the invoice, and if it passes validation, assigns a unique ID to the invoice, making it recognisable to the KSeF system. In many ways, it is similar to JPK_FA with 67 common fields – it provides the tax authority with the sufficient information from suppliers who issue structured e-invoices via KSeF, which is why there is a JPK_FA submission exemption for participants.

Businesses can authorise third-party suppliers through commercial programs (using API) or via the KSeF Taxpayer application to :

- Prepare and issue invoices (business or accountant)

- Receive, download and settle invoices (buyer or buyer's third party)

Businesses can issue structured invoices using:

- Outsourced tax compliance expert
- KSeF Taxpayer Application provided by the Ministry of Finance

The following entities can use the KSeF:

- VAT-registered entrepreneurs
- Tax-exempt entrepreneurs

Taxpayers identified for the special EU OSS procedure who have a Polish tax identification number (NIP)

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