

CHANGES REGARDING THE SIGNING OF FINANCIAL STATEMENTS AND ANNUAL REPORTS

As of 1 January 2022, significant changes related to the signing of financial statements and annual reports entered into force. They allow these documents to be signed with a so-called qualified electronic signature by only one member of the management board, provided that the other members of the management board submit an appropriate declaration in traditional written form. In practice, this may improve the process of the signing of such documents, which, in particular in the case of management board members residing abroad, was often time-consuming and burdensome. The changes shall apply starting from the financial statements and annual reports prepared for 2021.

Signing of financial statements

Pursuant to the Accounting Act (the "Act"), financial statements are prepared in electronic form and must bear: (a) a qualified electronic signature; (b) a trusted signature; or (c) a personal signature. This has to be provided by all the members of the relevant body (e.g. the management board for a corporate entity).

A qualified signature is an electronic signature which is certified by a special qualified certificate that allows verification of the signatory. A qualified signature is purchased from a certified supplier. In Poland, the list of such suppliers can be found on the website of the National Certification Centre (*Narodowe Centrum Certyfikacji*).

A Trusted Profile (*Profil Zaufany*), in turn, is a free tool that confirms the identity of a person in electronic administration systems. The Trusted Profile can be used to sign any electronic document with a trusted signature. To set up a Trusted Profile, however, it is necessary to have a Polish PESEL identification number, which makes it difficult for foreigners to obtain.

A personal signature is an advanced version of an electronic signature that can be used by holders of a Polish e-ID card. Thus, it is not an option for foreigners.

In accordance with the current wording of the Act, financial statements were signed, in addition to the person entrusted with keeping the entities accounting

records, by all members of the management board using one of the above-mentioned methods.

According to the new wording of the Act, it suffices if at least one member of the management board signs the financial statements in this way, so long as other members of the management board submit statements in wet ink that the financial statements meet the requirements provided for in the Act or a written justification for their refusal to sign them.

These amendments also apply to annual reports. However, in the case of an annual report, there is no requirement that it must be signed by the person entrusted with keeping the accounting books.

Conclusion

The amendment to the Act, to the extent that it introduces changes in relation to the method of signing financial statements and annual reports, may constitute a significant help in the case of entities where the management board is composed of at least one foreigner without a PESEL number.

The purchase of a qualified electronic signature entails the incurring of additional costs by the business unit and is a time-consuming process, which may in certain situations cause a delay in the submission of the financial statements, and in the worst case the imposing of penalties on the management board. If at least one of the members of the management board is a holder of a PESEL number or has a qualified electronic signature, the risk of non-compliance with the reporting obligation may be lower following the entry into force of the new regulations, and the process of signing the financial statements should generally be simpler.

It is nevertheless worth remembering that after the amendments are introduced all of the members of the management board will still need to put signatures in connection with the financial statements, it will only be possible to sign different documents and in a different form than up to now.

CONTACTS

Agnieszka Janicka
Partner

T +48 22 627 11 77
E agnieszka.janicka
@cliffordchance.com

Tomasz Dreda
Counsel

T +48 22 627 11 77
E tomasz.derda
@cliffordchance.com

Julia Piotrkowicz
Advocate Trainee

T +48 22 627 11 77
E julia.piotrkowicz
@cliffordchance.com

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

www.cliffordchance.com

Clifford Chance, 10 Upper Bank Street,
London, E14 5JJ

© Clifford Chance 2022

Clifford Chance LLP is a limited liability partnership registered in England and Wales under number OC323571

Registered office: 10 Upper Bank Street,
London, E14 5JJ

We use the word 'partner' to refer to a member of Clifford Chance LLP, or an employee or consultant with equivalent standing and qualifications

If you do not wish to receive further information from Clifford Chance about events or legal developments which we believe may be of interest to you, please either send an email to nomorecontact@cliffordchance.com or by post at Clifford Chance LLP, 10 Upper Bank Street, Canary Wharf, London E14 5JJ

Abu Dhabi • Amsterdam • Barcelona • Beijing •
Brussels • Bucharest • Casablanca • Delhi •
Dubai • Düsseldorf • Frankfurt • Hong Kong •
Istanbul • London • Luxembourg • Madrid •
Milan • Moscow • Munich • Newcastle • New
York • Paris • Perth • Prague • Rome • São
Paulo • Shanghai • Singapore • Sydney •
Tokyo • Warsaw • Washington, D.C.

Clifford Chance has a co-operation agreement with Abuhimed Alsheikh Alhagbani Law Firm in Riyadh.

Clifford Chance has a best friends relationship with Redcliffe Partners in Ukraine.