



This document has been provided by the International Center for Not-for-Profit Law (ICNL).

ICNL is the leading source for information on the legal environment for civil society and public participation. Since 1992, ICNL has served as a resource to civil society leaders, government officials, and the donor community in over 90 countries.

Visit ICNL's **Online Library** at
<http://www.icnl.org/knowledge/library/index.php>
for further resources and research from countries all over the world.

Disclaimers

Content. The information provided herein is for general informational and educational purposes only. It is not intended and should not be construed to constitute legal advice. The information contained herein may not be applicable in all situations and may not, after the date of its presentation, even reflect the most current authority. Nothing contained herein should be relied or acted upon without the benefit of legal advice based upon the particular facts and circumstances presented, and nothing herein should be construed otherwise.

Translations. Translations by ICNL of any materials into other languages are intended solely as a convenience. Translation accuracy is not guaranteed nor implied. If any questions arise related to the accuracy of a translation, please refer to the original language official version of the document. Any discrepancies or differences created in the translation are not binding and have no legal effect for compliance or enforcement purposes.

Warranty and Limitation of Liability. Although ICNL uses reasonable efforts to include accurate and up-to-date information herein, ICNL makes no warranties or representations of any kind as to its accuracy, currency or completeness. You agree that access to and use of this document and the content thereof is at your own risk. ICNL disclaims all warranties of any kind, express or implied. Neither ICNL nor any party involved in creating, producing or delivering this document shall be liable for any damages whatsoever arising out of access to, use of or inability to use this document, or any errors or omissions in the content thereof.

***NEWS FLASH *** NEWS FLASH *** NEWS FLASH *** NEWS FLASH ***

On Wednesday, March 13, 2002 Poland's Supreme Court reversed a ruling of the Supreme Administrative Court which required that monies invested by foundations in securities be subject to corporate income tax.

The case before the Supreme Court stemmed from an attempt by Poland's Treasury Chamber to tax revenues that the Foundation for Polish Science invested as part of its endowment during the years 1995-1997. The amount of assessed tax was in excess of \$20 million.

Last year, Poland's Supreme Administrative Court sided with the Treasury Chamber, ruling that "an expenditure" of funds to purchase securities could not be considered a furtherance of the Foundation's statutory purposes. Inexplicably, the Supreme Administrative Court ruled that the only place where a foundation could invest its funds was a bank. Any other type of investment, according to the Court, would constitute "an expenditure" inconsistent with a foundation's statutory purposes and thus taxable under Poland's corporate income tax law. Wednesday's Resolution of the Supreme Court reverses this ruling.

According to Gazeta Wyborcza, Poland's most popular daily newspaper, the Supreme Court, deciding the case in its complete complement of seven justices, deliberated for approximately 90 minutes, before rendering the decision. "In a short justification of the resolution, the leader of the panel, Walerian Sanetra, confirmed that the acquiring of securities by the Foundation falls within its statutory purposes." A written justification of the resolution should be available within a few weeks.