

## On 13 June 2019, the Sejm adopted a civil procedure reform. In this respect, entrepreneurs will be mostly interested in the significant increase in court fees.

In accordance with the statement of reasons for the bill, the reform aims to adjust amounts of court fees to the current purchasing power and value of money, as well as current prices of goods and services, reduce the costs incurred by the State Treasury to maintain the judicial system, rationalise the fee system and reduce the unneeded case load of courts.

Some of the amendments discussed include:

- **Higher rates** – In cases involving property rights with the disputable amount exceeding PLN 20,000, the proportionate fee will be 5%; however, no more than PLN 200,000, which is twice as much as before. In the initial version of the amendment, the maximum fee was to be as much as PLN 500,000. This is the legislature's response to the growing value of adjudicated claims.
- **Conciliation hearing and securing claims** – A motion to set a conciliation hearing that used to be inexpensive until present will be subject to a fee of one-fifth of the fee due on the value of the object of proceedings, which is even as much as PLN 40,000, which is supposed to prevent such institution from being overused. In addition, a motion to secure a claim will be subject to a proportionate fee calculated on the value of the case (one-fourth of an amount of fee on a statement of claim), which is a significant change given that until present, a fixed fee amounted to as little as PLN 100. This fee will be, however, credited toward a fee due on the statement of claim, provided it is filed within two weeks.
- **Summons of a witness** – A motion to summon a witness, expert witness or a party to appear at a hearing will be subject to a fixed fee of PLN 100 per person to be summoned; if it is filed after the hearing plan has been approved. The fee aims to encourage parties to file motions for evidence at the proper stage of the trial and to think more carefully about whether taking evidence from a witness statement is actually necessary.

- **Service of statement of reasons** – The amendment also provides for a fixed fee of PLN 100 per motion for the service of a ruling together with the statement of reasons, of which the motion had been previously free of charge. This is to prevent the filing of such motions without considering whether it is really necessary to do so.
- **Improperly paid appeal measure** – After the enactment of new provisions, the court will reject the improperly paid appeal measure (e.g. an appeal) filed by a professional attorney without requesting that the fee be paid. In order to change this situation, a party concerned will be able to pay the missing fee plus an additional fee equal to the due fee within one week from the date of service of a judicial decision on the rejection of the appeal measure. This means that if the amount of the fee is incorrect even by PLN 1, this will result in a double fee to be paid on the appeal measure. The cost of the additional fee shall be borne by the party, notwithstanding the outcome of the trial.
- **Exemption of business entities from court costs** – A company or partnership requesting exemption from court costs will have to prove that its shareholders or partners have no sufficient funds to increase the company's or partnership's assets or extend a loan to the same. The author of the bill believes that since shareholders or partners derive benefits from a company or partnership, they should support it with respect to court costs. In practical terms, this change will render it virtually impossible for business entities to be exempt from court costs.

The work over the act has not been completed yet; however, one may expect that it will be completed this summer. Please remember that amendments regarding court fees are subject to special *vacatio legis* and will apply as early as 14 days from the date of publication of the act.

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