

# Legal Bulletin

## Government adopts draft amendment to law on laundering dirty money

The inclusion in the Polish legislation of EU directives on counter-acting the laundering of dirty money has been okayed by a related government draft amendment. The Council of Ministers has adopted the draft amendment to the law that bans trading in financial gains earned on illegal or undisclosed sources and on counter-acting the financing of terrorism. New solutions are to increase the transparency of the flow of finances in the Polish economic system. Proposed regulations will considerably strengthen the system counter-acting dirty money laundering and will cut possibilities of financing terrorism..

The draft proposes that a catalogue of institutions obliged to report about transactions to the General Financial Information Inspector (GIIF) be broadened by all financial and credit-granting institutions including those dealing with money transfers and institutions rendering book-keeping services.

New regulations also embrace business running associations and businessman accepting payments in cash of the equivalent of at least 15,000 euro. In line with the amendment the failure to register a transaction or the failure to notify GIIF about transactions will be penalised by fines set by the GIIF.

## Draft amendment to public benefit and volunteer work law

The Council of Ministers has adopted a draft amendment to the public benefit and volunteer work easing the mode of ordering public benefit tasks to non-governmental organisations.

The draft, submitted by the labour and social policy ministry allows for departing from the procedure of open tenders of offers while ordering the execution of public tasks to non-governmental institutions (NGOs) in cases of natural disasters, catastrophes or technical failure. The power of making the abo-

## The president of the Republic of Poland has signed following documents:

- Amendment to law on commercialisation and privatisation  
*President Lech Kaczyński has signed a law on commercialisation and privatisation and on principles of acquiring shares from the state treasury in the process of consolidation of the electric-engineering sector. The amendment passed by the Sejm at the end of November is to equip the treasury minister with instruments for effective privatisation policy. The amendment introduces the principle of transparency with information about privatization to be made public. Owing to the said above regulations Polsteam, the largest Polish shipowner will remain the state enterprise.*
- Amendment to the Commercial Companies' Code  
*The president has signed an amendment to the commercial companies' code and another amendment on trading in financial instruments in a move to adjust the Polish law to the requirements of EU directives on companies' shareholders.*
- Amendment to public-private partnership  
*The law is to speed up investments in infrastructure. Public-*

ve decision will be vested in the prime minister if people's health life or an important public interest are in danger.

New regulations will also allow the interior and administration minister to skip the tender procedure for naming special purpose associations and the Red Cross as units authorised to protect people and carrying out rescue actions. Besides, in the line with the draft local government will be entitled to order a NGO to execute a public benefit tasks without a tender if the amount of subsidy or the entire value of finances involved does not exceed 10,000 zloty and the deadline for the task execution is set at no longer than 30 days.

The status of the public benefit institution will be granted to an organisation running its operation incessantly for at least two years. Under the draft members of the managing institution, inspection or supervision institution will bear responsibility for damage caused by actions incompatible with the law or the statutes.

### **Left works out draft law regulating the ersatz drugs**

A total ban on advertisements, licenses for sale and the specification of the selling site of ersatz drugs (the so called dopalacze), quasi drugs still legal in Poland are included in a draft law limiting the sale of said substances that is being worked out by the Left caucus. Under the draft law on principles of trading in and advertising of psychotropic and intoxicating substances retail and wholesale sales of ersatz drugs would be possible only with a license issued by the speaker of the local government assembly. Commune councils would specify the number and the location of shops. Banned would be the sale of ersatz drugs in schools and other educational institutions, work places, during mass gathering. The council of a given commune could also introduce a total or temporary ban on ersatz drug sale in sites not specified in the law.

The sale of ersatz drugs to people younger than 18 and those under the influence of alcohol would be banned.

*private partnership companies are formed by private and state-owned companies to deal with the development of infrastructure and construction. They are involved in the construction of roads, parking lots, sport facilities, hospitals, schools.*

### **More funds for communal housing, shelters**

The Sejm has agreed to increase the amount of subsidy for communal houses and shelters under an amendment to the law on financial support for said above premises. The Sejm decision increases the subsidy from 20-40 pct to 30-50 pct.

### **Courts to deal with petty cases via the Internet**

The Sejm has adopted most of the Senate's remarks to an amendment to the civil proceedings code envisaging the introduction of the electronic system of dealing with petty cases.

### **Support for financial institutions**

The Sejm has okayed a law on granting assistance to financial institutions by the state treasury. The law is to improve liquidity on the financial market.

### **Law on insurance agents amended**

The Sejm has passed a law on insurance operations that allows for establishing new financial institutions, insurers of the insurance institutions.

The draft okays only the direct sale of ersatz drugs and bans mail orders and internet sale. The draft also envisage steep fines for illegal sale of ersatz drugs and their illegal purchase.

### **Convicts under e-supervision as of September**

The justice minister has signed an agreement with Comp Safe Support SA - LIDER consortium for the creation and exploitation of the Electronic Supervision System (SDE) for convicts. The system is to be operative as of September 1, 2009. Therefore Poland will become Europe's 7th country with the e-supervision system for people convicted for no more than 12 months in prison. This type of penalty will not last longer than 6 months.