

## **Good Practices on Investment Agreement Proceedings**

### **1. Prior submitting an application for an investment agreement**

- 1.1. If possible, the investor should apply for an investment agreement on the investment planning stage.

We encourage the investors not to hesitate with submitting application to the advanced investment stage. Thereby they can secure tax implications of the investment already on the planning stage.

If the investor has already commenced the execution of the investment, they can also apply for an investment agreement.

- 1.2. If possible, the investor should meet the authority staff before submitting the application for the investment agreement (within the preliminary meetings).

The purpose of the preliminary meetings is to prepare the investor for a potential application submission.

Submission of the application can be preceded by several meetings with the authority staff. During such meetings the competent authority staff can:

- get acquainted with the scope of the application (the investor can provide information of high degree of generality),
- indicate what documents should be submitted with the application for an investment agreement and what information should be provided within the application,
- provide information on proceedings and the investment agreement,
- make a preliminary assessment of the admissibility or inadmissibility of the application for the investment agreement,
- establish a preliminary proceedings schedule with the investor (under the assumption that the investor will timely deliver an exhaustive description of specific facts and future events with no need to replenish or clarify the doubts),
- establish a preliminary schedule for the investor (of i.e. providing documents and exhaustive description of specific facts),
- in case of a planned investment - evaluate the possibility of providing description of future events with several scenarios (e.g. when the investor cannot predict at this point if one of the investment stages will be implemented),
- pre-determine what activities of the authority will be possible to engage during the proceedings,
- pre-determine the amount of the main fee.

## **2. Application for Concluding an Investment Agreement**

- 2.1. Within the application the investor should indicate whether the scope of the agreement does not cover the issue that has been recognized by the competent tax authority, or is under consideration by such authority for the day of submitting the application.
- 2.2. Within the application, the investor should inform the authority of:
  - any ongoing tax proceedings, tax audits, or customs and tax controls,
  - obtained in the scope of the application: advance pricing arrangements, individual tax rulings with respect to anti-avoidance rules, tax rulings on top-up taxation, binding excise informations, binding rate informations, individual tax rulings, tax agreements, and submitted applications for those instruments.

## **3. Proceedings**

- 3.1. After application submission the parties should reaffirm or update the proceedings schedule developed earlier and specify the means of communication, including designation of contact persons.

Communication between the parties should be carried out by the designated contact persons. Contact can be established with the use of electronic means of communication or in person, depending on the needs and preference of the parties.

- 3.2. During the proceedings, the investor should inform the authority on any changes to the investment plans.

This will enable taking into account potential need for change in description of the specific facts or future events.

- 3.3. Both parties should strive for conclude the proceedings as quickly as possible.

The Investor should strive to provide the comprehensive description of the specific facts or future events, and exhaustive clarification of any doubts, and to supplement the application if necessary.

Both parties should strive for minimizing the number of official letters aimed at clarifying the specific facts or supplementing the application (the aim is to have no more than one letter after submitting the application).

- 3.4. Both parties should hold regular meetings in order to discuss current issues and exchange the information on current proceedings status, with the opportunity to update the schedule.

## **4. After Concluding the Investment Agreement**

- 4.1. The Ministry of Finance should designate a staff member for contact with the investor, also after concluding the investment agreement.

4.2. Both parties should cooperate after concluding the investment agreement.

The objective is not to solely conclude the investment agreement, but also provide assistance to the investor and ongoing cooperation on issues listed in the agreement after its conclusion.

4.3. After concluding the investment agreement, the description of specific facts or future events should be periodically verified for the purpose of identifying changes that may result in the need of amending the investment agreement.

The period of verification can be defined in the investment agreement content. The Ministry of Finance should assist the investor in the event of changes in specific facts, including the assessment of the need for amending the agreement.