

How does the legal debt collection process in Poland look?**Learn 10 key steps of the legal debt collection.****BEFORE STARTING THE COURT PROCEEDING****1. Recommendation to take the case to the court**

Depending on the course of the amicable debt collection process, our experts decide on issuing a recommendation for you to take the case to the court.

Collectors take into account several factors, *e.g.* the information about Debtor's liabilities in Polish National Debt Register, the type of Debtor's economic activity, settlement attempts initiated by the Debtor etc.

2. Waiting for your decision.**PREPARATION FOR THE COURT PROCEEDING****3. Collecting all documents required to prepare the lawsuit**

Having received your approval on our recommendation, the Collector shall hand over the case to the Law Office. Afterwards we shall contact you with the request to provide us with all the documents necessary to prepare the lawsuit. We shall send you the draft of the Power-of-Authority (PoA).

4. Additional questions

During verification of obtained documents, further questions may arise. In such case we may contact you for further clarification.

5. Preparing and filing of the lawsuit

After receiving full documentation, our lawyers shall prepare the lawsuit, which is then filed with the competent court.

Additionally, this is the moment at which the following invoices shall be issued:



- Stamp duty for PoA
- Court fee
- First part of the legal representation fee

COURT PROCEDURE

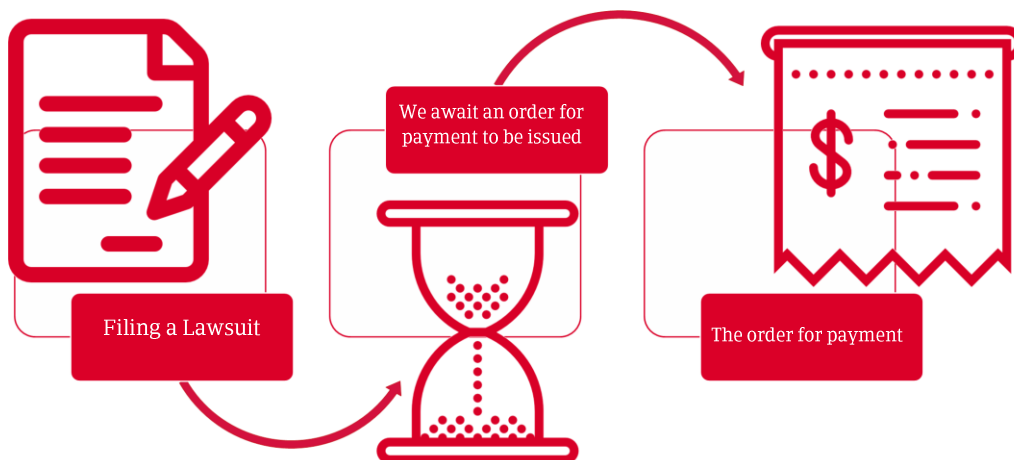
After filing a lawsuit, we await an order for payment to be issued – it is impossible to indicate precise waiting time due to several factors, including the complexity of the case. It is estimated to last about a few months.

6. Issuing an order for payment

Court issues an order for payment.

At this point the second part of legal representation fee is invoiced.

The order for payment is delivered to both the Law Office and the Debtor. At this stage the Debtor may file an objection with the court, otherwise the order becomes valid.



OPTION WITHOUT DEBTOR'S OBJECTION

7. (A) The order for payment becomes valid.

Should the order for payment become valid (the Debtor does not file a valid objection in due time), the Law Office files a motion for an issuance of a writ of execution to the order for payment with the court.

Receiving an execution title (i.e. order for payment with a writ of execution) may take 2-4 weeks.



OPTION WITH DEBTOR'S OBJECTION

7. (B) Debtor has filed an objection with the court

Should the Debtor file a valid objection in due time, the Law Office receives the copy of the Debtor's objection together with:

- a notification of the date of a court hearing (the most common option)

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the notification of mediation (in case of successful mediation, the settlement with the Debtor is reached, if the parties fail to reach an understanding the court sets a date of a court hearing)

or

- obligation for the parties to take a stance with regard to mediation.

The course of a court hearing

The court sets the court hearing date. Usually the judgement is delivered on the first hearing.

At this stage the additional costs included in the estimation are invoiced:



- The higher legal representation fee arising out of moving the case to regular trial
- The travel costs related to the court hearing

The court issues a judgement

At this point an appeal may be filed by the Debtor. Valid Debtor's appeal filed in due time moves the case to the court of the second instance.



Should such thing occur legal representation fee for representation in the appellate proceeding is invoiced

VALIDATION OF THE JUDGEMENT

After validation of the judgement (of the court of 1st instance or court of 2nd instance depending if the Debtor filed the appeal from the judgement issued by the court of 1st), the Law Office files a motion for an issuance of a writ of execution to the judgement with the court.

Receiving an execution title (i.e. valid judgement with a writ of execution) may take 2-4 weeks.



Bear in mind that it is possible to settle the claim at every stage of the proceeding. In-court settlement with a writ of execution is also an execution title that may be enforced by the bailiff.

Every case is individual, therefore this material indicates only the general outline of the typical proceeding.

ENFORCEMENT OF THE DEBT

8. Motion for the initiation of the enforcement

Once the Law Office receives an execution title (be it order for payment, judgement or in-court settlement either with a writ of execution) it files a motion for the initiation of the enforcement proceeding with the bailiff.

At this point following costs are invoiced



- The first part of legal representation fee in enforcement proceeding.
- Costs related to enforcement proceeding (e.g. down payment of bailiff costs)

9. Discontinuance / conclusion of the enforcement

It's difficult to estimate the timeframe of the enforcement proceeding as it ranges from a few months to several years (dependent primarily on the financial situation of the Debtor).

The enforcement proceeding is usually discontinued or concluded in two following cases i.e.:

- a. The enforcement proceedings is discontinued due to full recovery of the debt.
- b. When the full amount can't be recovered, the proceeding is concluded due to ineffectiveness of the enforcement.

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Regardless of the outcome of the proceeding, you are informed about the case closure and its result.

In case of the discontinuance of the enforcement due to its ineffectuality, you shall receive from us the scans of the bailiff's order for discontinuance as well as the enforcement title.



At the point of case closure, the last invoice is issued with regard the legal representation fee in the enforcement proceeding.