FURTHER DECISIONS OF THE PRESIDENT OF UOKIK ON PAYMENT GRIDLOCKS

* **Tomasz Chróstny, President of the Office of Competition and Consumer Protection, issued four decisions in cases of payment gridlocks.**
* **He imposed a fine of more than PLN 266 thousand on Astaldi company.**
* **He also waived financial penalties against three entities.**

**[Warsaw, 18 August 2021]** Tomasz Chróstny, President of UOKiK, issued further decisions on payment gridlocks. The first one concerns an entrepreneur dealing with road construction. The company in question is Astaldi Societa Per Azioni, which operates in Poland through **Astaldi S.p.A. Spółka Akcyjna Oddział w Polsce with its registered office in Warsaw.**

*"Astaldi failed to pay remuneration to many Polish subcontractors who built roads and highways in a timely manner. In three months of 2020 alone, the company did not pay 858 invoices on time, which in total covered over PLN 61 million due to 255 contractors. The average length of delay was 18 days, but individual delays were much longer, even 119 days,"* says President of UOKiK, Tomasz Chróstny*.*

*"This phenomenon is all the more dangerous because the information received from the market indicates that the percentage of companies declaring problems with overdue payments in Poland varies between 80-90 percent****.*** *Micro, small and medium-sized entrepreneurs are particularly harmed when stronger market players impose extended payment terms or fail to pay on time. Late payments, as well as too long payment terms, negatively affect the financial liquidity and development of enterprises, increasing the costs of conducting business and the risk of bankruptcy,"* emphasises the President of UOKiK*.*

The investigation conducted against Astaldi showed that within three months covered by the investigation alone, i.e. in February, March and April of 2020, the company was in delay with the payment of more than PLN 61 million. The largest amount of delayed payment due to one contractor – a Polish entrepreneur operating in the construction industry – amounted to PLN 11,636,741.65 under six invoices.

At the same time, the Office's experience to date indicates that both the disproportion in economic potential and smaller suppliers' dependence on debtors who are late with payment may constitute a form of unfair credit for entrepreneurs at the expense of weaker market players. Measures, including the imposition of administrative fines to motivate timely payment of liabilities, are being undertaken against such dishonest entrepreneurs to combat payment gridlocks.

According to the regulations, the method of calculating the administrative penalty consists in adding individual penalties imposed for each delay. The amount of individual penalties depends on the amount of the delayed payment, the duration of the delay and the amount of statutory interests for late payment in commercial transactions.

In the case of Astaldi, after applying the statutory formula, the sanction amounted to **more than PLN 266 thousand (266,530.02).**

**Three waivers of penalties**

The regulations on payment gridlocks provide that the President of the Office of Competition and Consumer Protection automatically waives the penalty if the value of benefits that the entrepreneur did not receive or received with a delay during the examined period exceeds the amount of liabilities that the entrepreneur did not pay or paid with a delay.

That was the case of three entrepreneurs: company operating in the transport industry **PKC Group Poland**, food producer **Storteboom Hamrol** and wholesale distributor of household appliances **Amica Handel i Marketing**.

The President of UOKiK has determined that **PKC Group Poland** failed to settle liabilities amounting to PLN 28 million during the period under review (February-April 2020). In the same period, **Storteboom Hamrol's** total delayed liabilities amounted to over PLN 33 million, and in the case of **Amica Handel and Marketing** – to PLN 88 million. Entrepreneurs also indicated that in the surveyed period they had not received, or had received after the deadline, receivables covering larger amounts, the biggest one involving Amica Handel i Marketing – over PLN 151 million.

**Excessive delays in monetary payments and the method of payment calculation**

In cases concerning payment gridlocks, the intervention of the President of the Office is possible if the total amount of all monetary payments not made by an entrepreneur to its counterparties or monetary payments made by an entrepreneur after the expiry of the time limit exceeds the amount of PLN 5 million within 3 subsequent months.

**Visit the website dedicated to payment gridlocks**

Examples of penalty calculation concerning specific debt amounts and the most important information about the powers of the President of UOKiK in the area of payment gridlocks can be found on a dedicated website. What is a gridlock, when can the President of the Office address it, how to report that an entrepreneur is not paying due remuneration, and who can do it? These, as well as many other questions and answers can be found on [zatoryplatnicze.uokik.gov.pl.](http://www.zatoryplatnicze.uokik.gov.pl/)