

Commercial property management across borders

Poland



What can a landlord do when its tenant doesn't pay the rent?

Landlord's action for failure to pay rent	Covid-19 restrictions	What can the landlord do now?
Forfeiture of the lease		
<p>The landlord may forfeit the lease with immediate effect in the event of a default in the payment of rent for at least two full payment periods (usually each period equals one month) after granting the tenant an additional one-month period.</p> <p>After the lease is terminated by the landlord, the landlord is entitled to demand surrender of the premises.</p>	<p>Covid-19 related legislation does not modify the scope of the landlord's rights in the event of the tenant's payment default under commercial leases (ie with a tenant carrying out business activity).</p>	<p>The landlord may pursue their standard termination right.</p>
Payment and demand interest on outstanding rent		
<p>The landlord is entitled to demand payment of the rent, which can be increased by the amount of interest for each day of delay. The interest rate is contractually agreed or otherwise stems from statutory law.</p>	<p>No legal restrictions.</p>	<p>The landlord can demand overdue payment with interest at the standard rate.</p>

Landlord remedy for failure to pay rent	Covid-19 restrictions	What can the landlord do now?
Pursuing security from guarantee		
<p>Payments under Polish leases are usually secured by a bank guarantee, or deposit or a parent company guarantee. In the event of the tenant's default in payment, the landlord may direct its claims against the guarantors or utilise the deposit, as the case may be.</p>	<p>No legal restrictions.</p>	<p>The landlord may consider utilising deposits and pursuing rights under the bank or parent company guarantee, as the case may be.</p>
Seeking court judgment		
<p>The landlord can bring a lawsuit to court demanding to settle outstanding payments increased by interest. It may also claim compensation for damages caused by the debtor's delay.</p>	<p>No legal restrictions.</p>	<p>The landlord may use the standard court procedure but due to the practical consequences of Covid-19 there are significant delays in court actions.</p>



Key Contacts

Please do not hesitate to get in touch with any of the A&O contacts listed below if you have any questions on any of the matters discussed in this note.

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