

## LEGAL WAYS TO REDUCE THE EFFECTS OF LATE PAYMENTS ON THE OPERATIONS OF ENTERPRISES IN POLAND

Anna OLKIEWICZ

Technical University of Koszalin; [anna.olkiewicz@tu.koszalin.pl](mailto:anna.olkiewicz@tu.koszalin.pl), ORCID 0000-0002-0142-4548

**Purpose:** The aim of the publication is to analyse a problem of late payments on the European Union market and in Poland, analyse the solutions that are available to entrepreneurs in the event of a difficult financial situation, assess the scope of their application in practice and find solutions to reduce the negative effects of delays.

**Design/methodology/approach:** The conducted research used an analysis of domestic and foreign literature concerning finances, law, methods of protecting against risk. Data on the problem of late payments in the activities of entrepreneurs in Poland and selected European Union countries were obtained and analysed. As part of the conducted works, the following research hypotheses were raised: In Poland and Europe, there is a problem with delayed payments. Failure to pay by the contractor on time has negative consequences for the company's finances. These effects can be minimized thanks to the risk mitigation tools used.

**Findings:** Research would show that entrepreneurs are particularly often unable to meet their financial obligations on time. These delays in Poland amount to over 40 days, more than average in EU. Late payment affects the financial result of enterprises and their financial liquidity. However, business practice and legislation have developed instruments that can significantly reduce the negative effects of late payment or fully compensate for them.

**Research limitations:** Limitations in the research concerned the lack of access to entrepreneurs' financial data and actual payment dates, as this is often an element of entrepreneurial secrecy and its competitive advantage.

**Originality/value:** The content of the study confirms that the problem of late payments occurs in Poland and Europe. The article indicates possible legal instruments for minimizing this risk and protecting against it. The paper is dedicated to people dealing with financial and organisation management.

**Keywords:** late payment risk, payment security, terms of payment, receivables, obligations.

**Category of the paper:** Research paper.

## 1. Introduction

The Polish economy based on the freedom of economic activity has been developing since 1989, when significant political changes took place. These changes consisted, in particular, in indicating the right of ownership as the basic right vested in entities operating in Poland. The economy was based on the fundamental principle of freedom of economic activity. This resulted in an avalanche increase in the number of entities conducting this activity to over 4.9 million entities at the end of 2022. These entities operate in various branches of the economy, produce, sell, and provide services. This is associated with the emergence of liabilities on this account. Statistical studies show that liabilities resulting from the sale of goods and services of entrepreneurs are constantly growing. Despite many legal regulations in this area, the average payment term in commercial transactions in Poland in 2019-2022 was 57.5 days. Entrepreneurs are also late with payments to their contractors. The average deadline for late payment of an invoice in Poland in 2019-2022 is 53 days, while in Germany in the same period this period is only 10.5 days. This means that it is necessary to analyse the available instruments that will limit delayed payments or protect companies against the risk of non-payment from the counterparty.

## 2. Business risk

Every company operating on the market is exposed to risk. It concerns many aspects of the functioning of the business. The concept of risk is defined in various ways and in different aspects. Differences in the interpretation of this term are manifested in such issues as the relationship between risk and uncertainty, the types of deviations that arise – unidirectional, multidirectional, the object of reference, the possibility of measurement by applying the theory of probability. Table 1 contains a selection of definitions of uncertainty presented in the literature.

**Table 1.**  
*Summary of selected definitions of uncertainty*

Definition of uncertainty
The possibility of deviations from the expected state, which cannot be measured, because the theory of probability cannot be applied (F. Knight)
Immeasurable uncertainty to which statistical measures cannot be applied (O. Lange)
State of mind, measured by the degree of faith (I. Pfeffer)
An immanent feature of reality, resulting from: a large number of complex and changing subjects; the significant relationship between them and the environment; limited ability of people to control the factors shaping reality (K. and T. Jajuga)
Condition – a situation characterized by the lack of full knowledge of the parameters of the intended project and their distributions in a set of alternative events (E. Kulwicki)

Cont. table 1.

Uncertainty manifests itself in mistakes made and assessments of future events; it is immeasurable; its results cannot be predicted; occurs in long periods (E. Hołowska)
It is the beginning of many human reflections and considerations and an inseparable element of decision-making processes (S. Nahotko)
Its source is the complexity and dynamism of the situation and the mental processes of the decision-maker

Source: Own study based on: Kaczmarek, pp. 11 ff.

The first definitions of the concepts of risk and uncertainty were found in the work of F.H. Knight (Knight, pp. 19-20). According to this author, risk means the possibility of deviation from the expected or planned state, which can be calculated using the calculus of probability, while uncertainty occurs when such a possibility cannot be assessed more precisely, because it is not possible to use the theory of probability.

Representatives of the defensive trend treat risk as a negative phenomenon – a source of losses that should be taken into account in the company's operations (Gup, p. 355); the danger of negative deviation from the target (Brühwiler, p. 40); the threat of a decrease in profit (Sahl, p. 292).

In insurance science, risk is defined as the possibility of a specific event, accident or random damage. The term risk is identified here with any danger threatening the facilities in question or persons referred to as fortuitous events. The theory of decision-making under conditions of uncertainty and risk is based on the assumption of quantification. R.D. Luce and H. Raiffy distinguish three types of decisions that can be made (Jędralska, p. 51):

- under conditions of certainty - if it is known that a particular action leads to,
- to this and not another result,
- in risk conditions – when the action leads to an outcome from a certain set of possible outcomes, each of which has a probability of occurrence known to the decision-making entity,

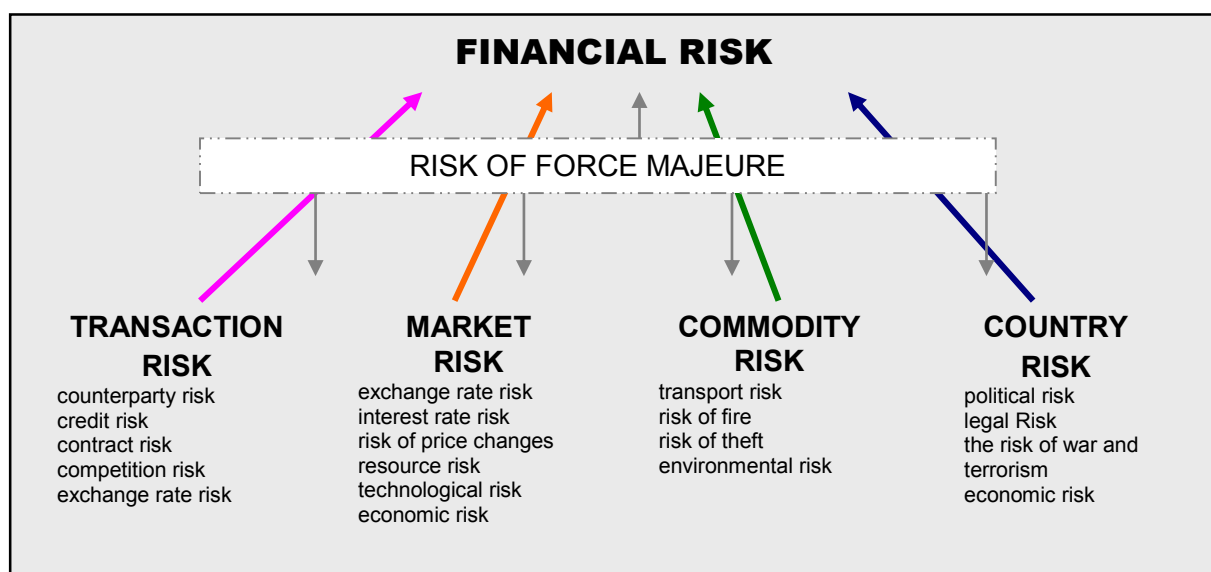
Under conditions of uncertainty – we do not know the distribution of the probability of achieving the goal.

A similar concept of risk and uncertainty is presented by R.L. Ackoff, who distinguishes areas of certainty, risk and uncertainty in the area of decision-making. Uncertainty as to the final result of an action is the cause of entrepreneurial behavior, because the set of possible results includes expected and undesirable actions. Achieving the most desirable effect often presents a significant difficulty that must be overcome. In this way, uncertainty gives rise to entrepreneurship and the entrepreneur struggling with uncertainty, i.e. fighting against adversity for a result that would give him maximum satisfaction (Grzybowski, p. 22).

The concepts presented above show that the risk is, on the one hand, the result of the uncertainty experienced by the decision-making entity, and on the other hand, it depends on the amount of capital involved in the implementation of the decision. Risk is a function of uncertainty, and this function is a simple relationship: the greater the extent of uncertainty, the greater the risk, and vice versa – as unspecified and uncertain factors decrease, so does risk.

It follows that there is no risk where there is no uncertainty and where some capital has not been involved. It is obvious that the risk increases with the amount of capital employed. It should also be noted that since the main attribute of risk is uncertainty, the value of risk will also be significantly affected by time. This means that as the time horizon of predictions increases, their uncertainty will increase.

The literature distinguishes many types of risks to which enterprises are exposed. Figure 1 schematically presents the most important of these risks. It is obvious that each company is different, among other things, in terms of finance, organization, subject of activity, industry, size, scope of activity, number of customers, rules of cooperation. Therefore, it may happen that not all risks will occur in a specific company. It may also be that there will be additional risks in a particular company.



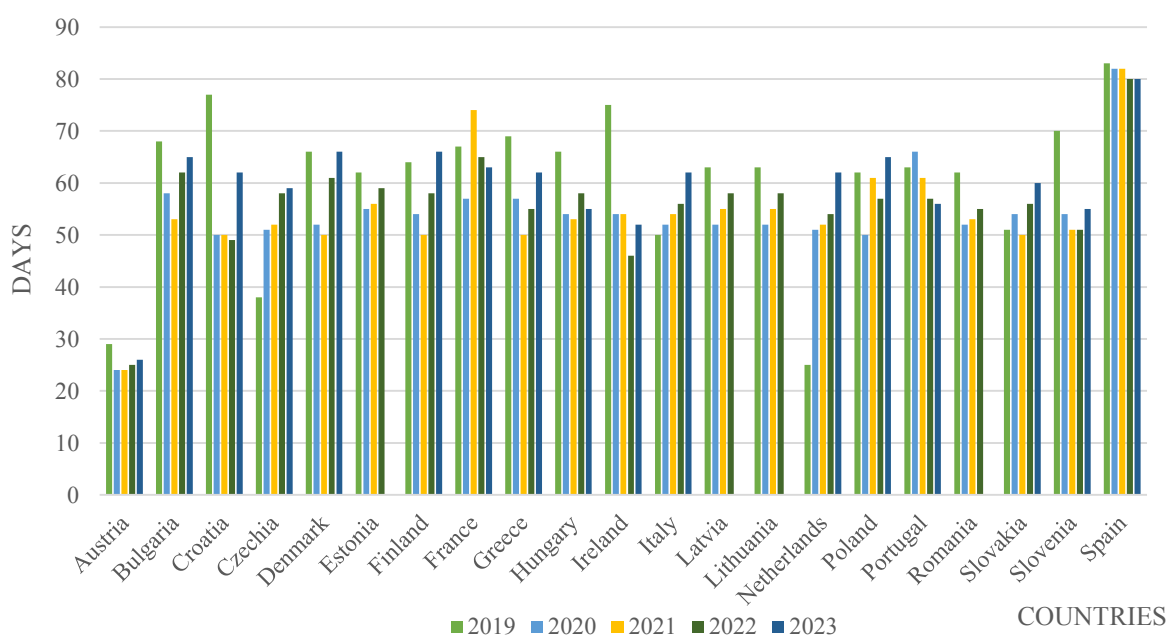
**Figure 1.** Financial risk in trading activities.

Figure 1 shows that business risk can be divided into transactional, market, commodity and country risks. Transaction risk refers to all events causing the partner to fail to meet the obligations undertaken in the concluded agreement. Market risk includes the risk of changes in the value of market instruments such as the exchange rate, interest rate, prices of raw materials, production materials and changes caused by the development of technology and the economic situation on the markets. Commodity risk consists in the danger of loss or damage to goods, changes in their quantity, quality and commercial condition, and the areas of its occurrence are related to the storage and transport of goods. Country risk is a fairly broad concept that may be related to political issues in a given country or the economic situation and the economic and legal conditions for doing business.

Undoubtedly, one of the biggest risks faced by entrepreneurs is the risk of delayed payment by the partner to whom the company sells goods or services.

### 3. Risk of delayed payments on the European Union market and in Polish enterprises

The risk of late payments consists in the inability of the debtor to fail to perform a monetary obligation on time. Unfortunately, this risk affects all entrepreneurs and is quite common on the European Union market. Figure 2 presents the average payment terms in selected EU countries in 2019-2023.



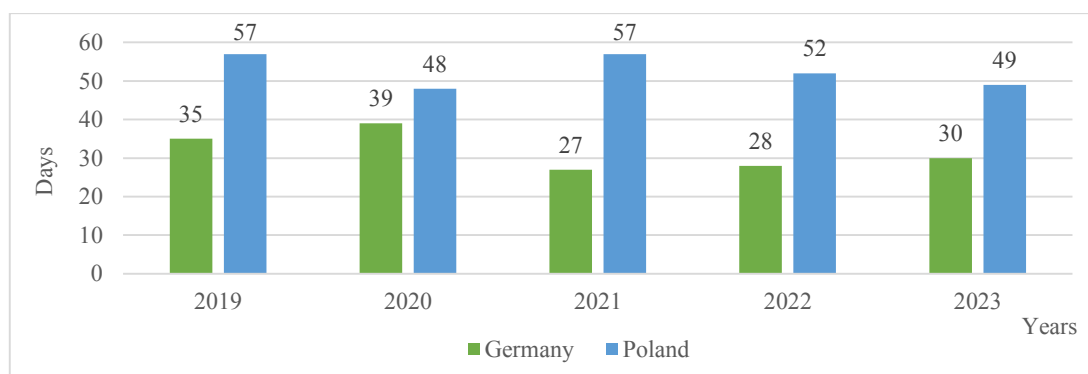
**Figure 2.** Average payment period in number of days in selected European countries, years 2019-2023, B2B.

Source: own elaboration based on EU Payment Observatory, 2024 Luxembourg: European Innovation Council and SMEs Executive Agency (EISMEA), Sector I-02-2 - Competitiveness and Internationalisation, Unit I-02 - SMP / SME Pillar, Internal Market and Support to Standardisation.

The data presented in the figure 2 show that average payment terms in EU countries are long. They are about 50 days. However, in some countries these deadlines exceed even 80 days (Spain), and in some entrepreneurs wait for payment for a short time (e.g. Austria – less than 30 days). In addition, worryingly, in almost all EU countries, payment terms increased in the last audited period, i.e. in 2022-2023. In Poland, it has increased from 57 to 65 days, in Greece from 55 to 62. This period has been slightly shortened only in France and Portugal

It needs to be clarified that each day of waiting for payment in business activity means crediting its contractor and incurring the costs of this financing by the seller/supplier. This, of course, has an impact on the situation of the company granting trade credit. It usually increases the company's operating costs and reduces the result of operations.

Statistics on delays in payment for commercial transactions are also worrying for entrepreneurs. Data for Polish and German countries are presented in Figure 3.

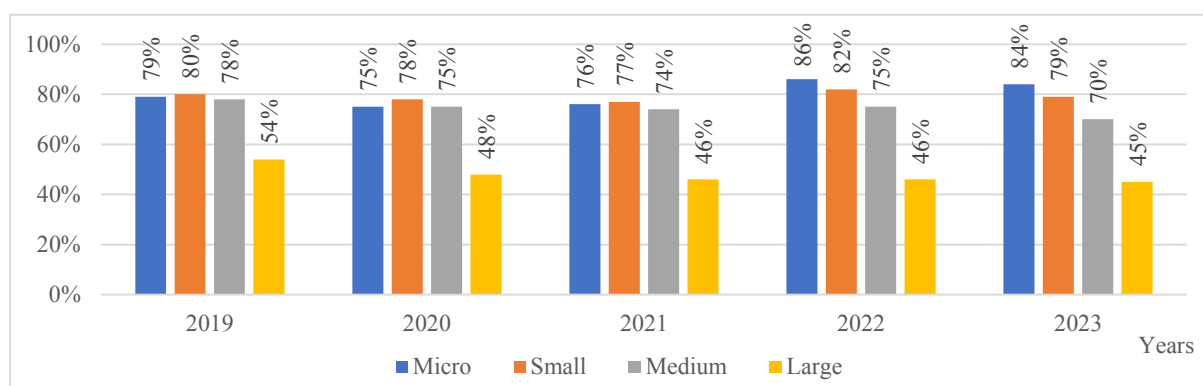


**Figure 3.** Average payment period in number of days in selected European countries, years 2019-2023, B2B.

Source: own elaboration based on EU Payment Observatory, 2024 Luxembourg: European Innovation Council and SMEs Executive Agency (EISMEA), Sector I-02-2 - Competitiveness and Internationalisation, Unit I-02 - SMP / SME Pillar, Internal Market and Support to Standardisation, Germany Corporate Payment Survey 2023: On the way back to the bad old time, <https://www.coface.com/news-economy-and-insights/on-the-way-back-to-bad-old-times-in-2023-s-germany-payment-survey>, 30.05.2025.

Figure 3 shows that the average time of late payment in Poland has been decreasing in the last three years and in 2023 it amounted to 49 days. In Germany, this period has been extended to 30 days in the same period. However, it is still shorter than in Poland. Delays in payment for goods and services are particularly difficult for entrepreneurs, because this deadline is unexpected by them and they usually have no impact on its length. Entrepreneurs set payment deadlines and they are usually the result of an agreement/consensus. Therefore, the entrepreneur has the opportunity to prepare to grant a loan to his contractor. Unfortunately, in the case of delays in payment, entrepreneurs are surprised by the lack of payment. This means that they are forced to look for financing themselves to pay their contractors.

The data presented in Figure 4 are also worrying.



**Figure 4.** Average payment period in number of days in selected European countries, years 2019-2023, B2B.

Source: own elaboration based on EU Payment Observatory, 2024 Luxembourg: European Innovation Council and SMEs Executive Agency (EISMEA), Sector I-02-2 - Competitiveness and Internationalisation, Unit I-02 - SMP / SME Pillar.

Figure 4 shows that the greatest risk of late payments in Poland is linked with cooperation with large entrepreneurs, and the lowest with small and medium-sized enterprises. The presented chart clearly shows that, for example, in 2023, only 45% of large companies paid their liabilities resulting from commercial transactions on time, while at the same time, 84% of micro-entrepreneurs paid their liabilities in accordance with the contract. This creates a greater risk, because usually transactions made by large entrepreneurs are of higher values than those made with micro or small companies.

All these data confirm that it is necessary to support entrepreneurs in various fields to ensure that the effects of delays in payment of business activity are minimized.

#### **4. Counteracting excessive delays in commercial transactions**

In business practice and law, there are many instruments that limit losses related to late payments.

One of the best instruments to minimise the effects of excessive delays in payment and to counteract such delays are the provisions of the Act on Counteracting Excessive Delays in Commercial Transactions. This act introduces maximum payment terms in B2B transactions, stating that they cannot exceed 60 days. An exception to this rule is a situation in which the parties to the agreement have expressly agreed on a different deadline, and the creditor is not a micro-, small-, or medium-sized entrepreneur and setting a longer term is not grossly unfair to the creditor. The payment deadline in transactions in which the debtor is a public entity may not exceed 30 days. In addition, the Act introduces the principle that in each case of delay in payment of an invoice, the creditor who has fulfilled his obligation is entitled to statutory interest for delay in commercial transactions and, without a separate request, compensation for the recovery of receivables, which amounts to EUR 40 (transaction up to PLN 5,000), EUR 70 (transaction from PLN 5,000 to PLN 50,000), and EUR 100 (transaction over PLN 50,000). Unreliable debtors are therefore aware of the additional costs associated with failure to pay their liabilities on time. These costs will often exceed the value of a possible bank loan. The value of interest for delay in commercial transactions and compensation is therefore intended to encourage contractors to pay their liabilities on time.

Table 2 shows that the value of interest on liabilities in commercial transactions was constant in the years 2016-2017. This is similar in the case of statutory interest for late payment, which can be applied to any delay in payment. In Poland, there are no other legal regulations regarding interest on late payments to energy companies. However, they may introduce contractual interest in contracts, different from those provided for by the legislator. However, the condition for their introduction is the consent of the contractor. The list clearly shows that the amount of interest in commercial transactions is much higher than the statutory interest for

delay. This is a nod from the legislator to entrepreneurs who can apply this interest in settlements with unreliable debtors, but they do not have to. On the other hand, a significant increase in interest is noticeable in 2022–2023, when in Poland, according to the Central Statistical Office of Polish, the year-on-year price increase was greater than 18%.

**Table 2.**

*Statutory interest for delay in commercial transactions (p.a.) in Poland*

Period	Statutory Interest for Delay in Commercial Transactions p.a.	Statutory Interest for Delay p.a.
2016	9,50%	7%
2017	9,50%	7%
2018	9,50%	7%
2019	9,50%	7%
1 January–30 June 2020	11,50%	6%
30 June–31 December 2020	10,10%	5,6%
1 January–31 December 2021	10,10%	6%
1 January–30 June 2022	11,75%	7,75%
1 July–31 December 2022	16,00%	12,5%
2023	16,75%	11,5%
2024	15,75%	11,25%
2025	15,75%	10,75%

Source: own study.

The second instrument introduced in Polish legislation aimed at encouraging debtors to pay their liabilities on time are the provisions of the procedure before courts in civil cases. According to the wording of the Polish Code of Civil Procedure, the court will issue an order for payment in order for payment to proceed if the facts justifying the pursued claim are proven by a bill attached to the statement of claim accepted by the debtor, a request for payment by the debtor and a written statement of the debtor on the recognition of the debt, and on the basis of an agreement attached to the statement of claim, proof of mutual non-monetary performance, proof of delivery of an invoice or bill to the debtor, and if the plaintiff seeks payment of a monetary benefit under the Act on Counteracting Excessive Delays in Commercial Transactions (Piaskowska, 2024; Zieliński, 2024). Such a prohibition on payment is a security and the creditor may seize a bank account, a claim, or establish a mortgage on its basis even before the final conclusion of the court dispute (Piaskowska, 2024; Manowska, 2022; Koecher, et al., 2015). This, in turn, will allow enforcement of the debt when the case is over.

## 5. Tax solutions

Another instrument that reduces the negative effects of late payment is the so-called bad debt relief, which is provided for in the Polish tax law. This instrument allows for the recovery of tax on unpaid revenue invoices. An entrepreneur can use this institution when he is a taxpayer of value added tax or income tax (PIT and CIT). The possibility of using these solutions is



provided for in the Goods and Services Tax (VAT) Act, the Corporate Income Tax Act and the Corporate Income Tax Act.

In the case of VAT, this relief consists in the possibility of adjusting the tax base and the tax due on the supply of goods or services in the case of receivables whose uncollectibility has been substantiated. The adjustment also applies to the tax base and the amount of tax attributable to the part of the amount of the receivable, the uncollectibility of which has been substantiated. The legislator has assumed that a bad debt is when it has not been settled or disposed of in any form within 90 days from the date of expiry of the payment deadline specified in the agreement or invoice. In order to take advantage of the relief, you must be a registered active VAT taxpayer and no more than 3 years have elapsed from the date of issue of the invoice documenting the receivable, counting from the end of the year in which it was issued. This relief allows you to recover VAT, for example. Unfortunately, in the event of non-payment, the principal amount will have to be applied to the court (Article 89a of the VAT Act).

The provisions of the VAT Act also provide for a domestic sanction for a debtor who has not paid the amount due under an invoice documenting the supply of goods or services in the territory of the country within 90 days from the date of expiry of the payment deadline specified in the contract or on the invoice. He is obliged to correct the deducted amount of tax resulting from this invoice in the settlement for the period in which the 90th day has elapsed from the date of expiry of the payment deadline specified in the agreement or in the invoice (Article 89b of the VAT Act).

In income taxes, the mechanism of the relief is very similar to that in VAT. However, it has minor differences. The creditor may reduce the tax base by the amount resulting from invoices (bills) and contracts that have not been paid for 90 days from the expiry of the payment deadline. However, here the relief is included in the annual tax return. In addition, the legislator requires that additional conditions be met jointly, i.e. the debtor as at the last day of the month preceding the month in which the tax return is filed, cannot be in the course of restructuring, bankruptcy or liquidation proceedings, and no more than 2 years have passed since the end of the calendar year in which the invoice was issued or the agreement was concluded. The debtor, on the other hand, if the creditor has taken advantage of the relief, is obliged to show the value of the relief as his income.

## **6. Joint enforcement of claims by creditors**

Polish law also provides for two specific proceedings, i.e. bankruptcy and restructuring proceedings, which are aimed at joint enforcement of claims against an insolvent debtor, with the outcome of the proceedings being different. In the first case, the goal is to satisfy creditors in the best possible way and liquidate the debtor. On the other hand, restructuring

proceedings are aimed at avoiding the debtor's declaration of bankruptcy by enabling him to restructure by concluding an arrangement with creditors, and in the case of reorganization proceedings – also by carrying out remedial actions, while securing the legitimate rights of creditors (Article 3 of the Restructuring Proceedings Act).

Both laws currently cover insolvent entrepreneurs. On the other hand, the Restructuring Law may also be applied to entrepreneurs threatened with insolvency (Restructuring Law, Art. 1). It should be noted that solutions similar to those in Poland are regulated by the legislator of European countries and the law in force in the United States of America (Renssen, 2017, p. 20). The Act considers an entrepreneur to be insolvent who has lost the ability to pay his monetary obligations, whereby a debtor is presumed to have lost the ability to meet its monetary obligations due if the delay in payment exceeds three months. At a case of a debtor who is a legal person or an organizational unit without legal personality, which is granted legal capacity by a separate statute, is also insolvent if its financial liabilities exceed the value of its assets, and this state of affairs persists for a period exceeding twenty-four months.

First of all, it is worth noting that each creditor may file a petition for the debtor's bankruptcy or for its restructuring. Polish law has adopted the principle of the primacy of restructuring law. This means that if several applications for restructuring or bankruptcy of a given debtor are submitted, the possibility of restructuring will always be considered first. This means that Polish law gives debtors a chance to negotiate with creditors in order to determine the repayment of their liabilities in a multilateral manner. Only if such a possibility is not used by the parties, the bankruptcy procedure will be conducted.

Table 3 presents legal possibilities that can be used by entrepreneurs in the event of losing the ability to settle due liabilities or when there is a threat of such difficulties.

**Table 3.**

*Types and objectives of proceedings concerning insolvent entrepreneurs*

<b>Bankruptcy proceedings</b>	
May be carried out by insolvent entrepreneurs	<b>Objectives of the procedure</b>
	The proceedings should be conducted in such a way that the claims of creditors can be satisfied to the greatest extent possible and, if reasonable considerations allow, the debtor's existing business is preserved.
<b>Restructuring proceedings</b>	
may be carried out by entrepreneurs: – Insolvent, – Threatened with insolvency.	<b>General Purpose</b>
	Avoiding the debtor's bankruptcy by: 1. allowing it to restructure by concluding an arrangement with creditors, 2. and, in the case of sanation proceedings, also by carrying out remedial actions, securing the legitimate rights of creditors.
<b>Types of restructuring proceedings</b>	
<b>Procedure for approval of the arrangement</b>	1) enables the conclusion of an arrangement as a result of the debtor's own collection of creditors' votes without the participation of the court, 2) may be conducted if the sum of disputed claims entitling to vote on the arrangement does not exceed 15% of the sum of claims entitling to vote on the arrangement.

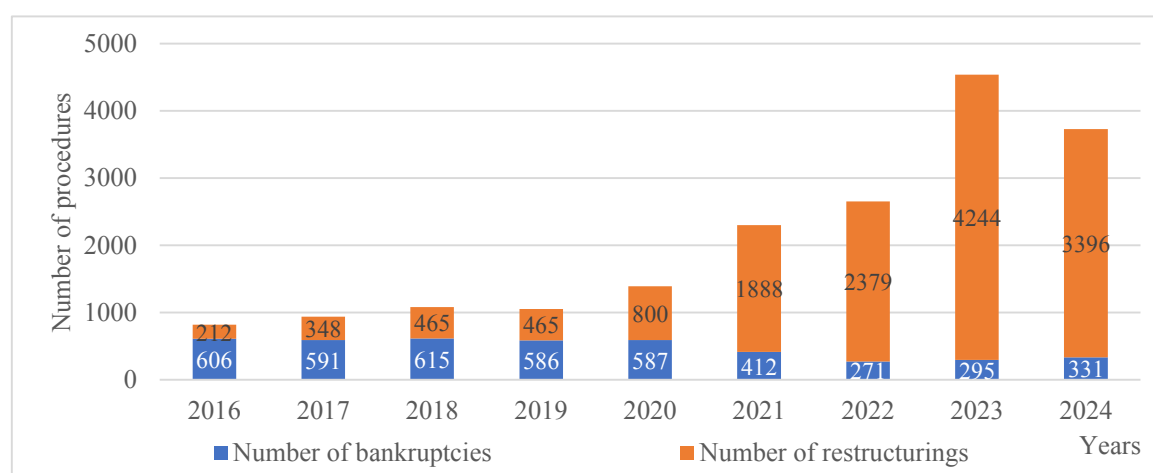
Cont. table 3.

<b>Accelerated arrangement proceedings</b>	1) enables the debtor to conclude an arrangement after the list of claims has been drawn up and approved in a simplified manner, 2) may be conducted if the sum of disputed claims entitling to vote on the arrangement does not exceed 15% of the sum of claims entitling to vote on the arrangement.
<b>Arrangement proceedings</b>	1) enables the debtor to conclude an arrangement after the list of claims has been drawn up and approved, 2) may be conducted if the sum of disputed claims entitling to vote on the arrangement exceeds 15% of the total amount of claims entitling to vote on the arrangement.
<b>Remedial proceedings</b>	It enables the debtor to carry out remedial actions and conclude an arrangement after the list of receivables has been prepared and approved. <b>Remedial actions</b> are legal and factual actions, which aim to improve the economic situation of the debtor and are aimed at restoring the debtor's ability to perform its obligations, while protecting it from enforcement.

Source: In-house analysis based on the Bankruptcy Law and the Restructuring Law.

Table 3 shows that both creditors and debtors in Poland have a choice between procedures concerning the principles of debt recovery/repayment of liabilities. All proceedings listed in the table are conducted under the control of the court with the participation of a specially appointed entity, i.e. a restructuring advisor, who supports debtors and creditors in conducting the proceedings. In some cases, he takes over the management of the debtor's assets, and in some cases supervises his activities.

Statistical data show that currently restructuring proceedings in Poland are constantly replacing bankruptcies in terms of numbers.



**Figure 5.** Number of initiated bankruptcies and restructurings in Poland in 2016-2024.

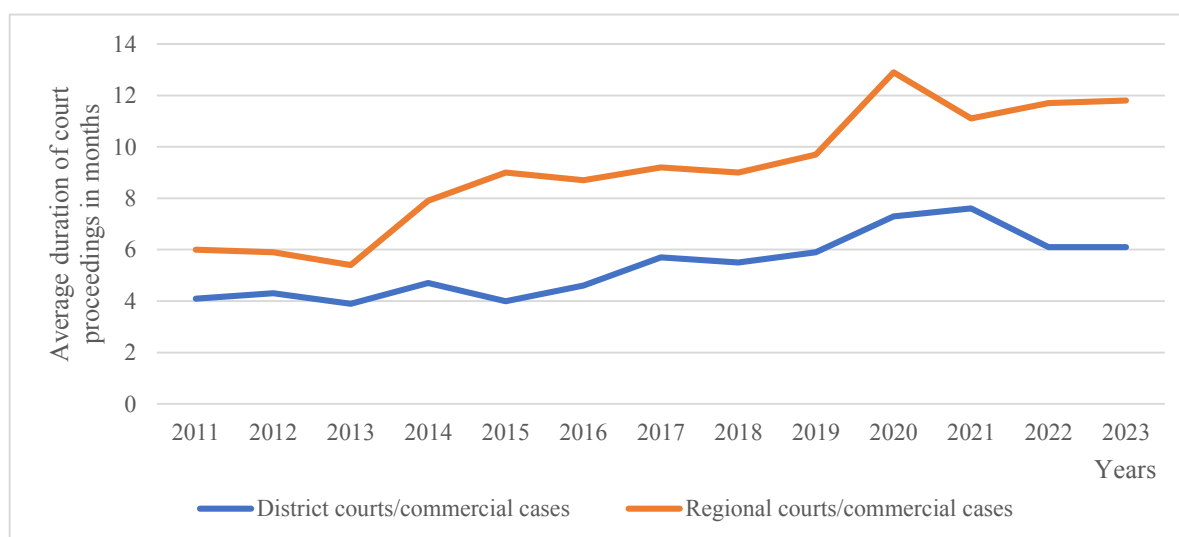
Source: own elaboration based on: [https://www.coig.com.pl/2024-upadlosci-firm\\_wrzesien.php](https://www.coig.com.pl/2024-upadlosci-firm_wrzesien.php), 30.05.2025.

Figure 5 presents a collective number of initiated bankruptcy and restructuring proceedings. The list clearly shows that Polish entrepreneurs are facing financial problems, as the number of proceedings increased steadily in 2016-2023, with a slight decrease compared to the previous year in 2024. So far, the record year in terms of the number of restructuring proceedings was 2024, in which 4244 proceedings were initiated. The data also clearly show that restructuring proceedings are much more popular.

## 7. Pursuing claims before the court and securing receivables

Another instrument to support the creditor is specifically court procedures related to commercial proceedings regulated in the Polish Code of Civil Procedure, the court will issue an order for payment in order for payment to proceed if the facts justifying the pursued claim are proven by a bill attached to the statement of claim accepted by the debtor, a request for payment by the debtor and a written statement of the debtor on the recognition of the debt, and on the basis of an agreement attached to the statement of claim, proof of mutual non-monetary performance, proof of delivery of an invoice or bill to the debtor, and if the plaintiff seeks payment of a monetary benefit under the Act on Counteracting Excessive Delays in Commercial Transactions (Piaskowska, 2024). Such a prohibition on payment is a security and the creditor may seize a bank account, a claim, or establish a mortgage on its basis even before the final conclusion of the court dispute (Piaskowska, 2024; Manowska, 2022). This, in turn, will allow enforcement of the debt when the case is over.

In addition, in any case before a civil court in Poland, the creditor may demand security for his claim until the final conclusion of the proceedings. This is particularly important because court proceedings in Poland take a relatively long time. Data from the Ministry of Justice show a steady increase in the length of proceedings from a few months in 2011 to a dozen or so in 2023.



**Figure 6.** Average duration of court proceedings in months.

Source: own study based on data from the Ministry of Justice of the Republic of Poland.

The data presented in the figure 6 shows disturbing information for creditors that they wait longer for the resolution of their case from year to year. It is also worth noting that the presented data indicate the average duration of the proceedings. These data contain information on the duration of both simple proceedings such as the issuance of a payment order, as well as complex, long-term proceedings involving many witnesses and experts. In addition, the data

presents the duration of the investigation only before one instance. In the event of an appeal by the parties against the judgment, these periods are significantly extended, even up to several years or even longer.

These data confirm how important it is for the creditor to be able to secure its interests during the course of court proceedings, so that effective enforcement can be carried out after the dispute is over.

Polish law provides such instruments. As mentioned, in any civil case, including commercial one, security may be requested. The court establishes such injunctions, in justified cases, even before the commencement of the trial (filing of the lawsuit). Security may include, for example, attachment of the debtor's bank accounts, establishment of a mortgage, prohibition on the sale of a specific item, etc. The choice of the method of security depends on the creditor's choice and the court's decision.

It is also worth mentioning that there are economic information offices in Poland that collect information on unreliable debtors. Their activity will not guarantee the recovery of the receivables, but it may reduce the risk of concluding an agreement with an unreliable partner. These entities have the right to collect data on natural persons, including consumers and other entities that do not pay their due liabilities. The offices operate on the basis of the Act on the provision of economic information and exchange of economic data. Thanks to the provisions of this act, energy companies can enter their customers on the debtors' lists in these offices when the receivables are due, at least 30 days have passed from the date of sending the request to the debtor, and the debtor has not paid the debt within the deadline specified in the summons. In the case of consumers, an arrears of PLN 200 (approx. EUR 46) is sufficient, while in the case of entrepreneurs and other entities it is PLN 500 (approx. EUR 116). Placing the debtor on such a list usually makes it difficult to obtain sources of financing (loans, credits, leasing, etc.). This is a significant impediment for the person/entity that finds itself there.

## **8. Conclusions**

The research has shown that there is a risk of late payments in the European Union countries and in Poland. Payment terms are relatively long, and in addition, contractors do not pay their obligations on time. It leads to a deterioration of the economic situation of sellers/suppliers, because they are forced to credit their contractors. Despite the occurrence of these negative behaviours, there are instruments that in some cases compensate the entrepreneur for losses related to late payments. Such instruments are interest for delay in commercial transactions and the compensation for recovery of receivables due with them. In addition, entrepreneurs can report unreliable contractors to economic information offices, thanks to which unreliable debtors are eliminated from the market. In the case of a court dispute, which in Poland may last

several years, it is also possible to secure creditors' claims, so that the dishonest debtor does not get rid of his assets during court proceedings. All the instruments described in the article are used by entrepreneurs in the situation of overdue debt. It should therefore be emphasized that the proper fight against transaction risk begins from the moment of concluding the agreement with the client. At this stage, you can check the contractor, predict appropriate bakes and then use them. The instruments described in the article will be used only if none of the risk mitigation tools in the case of a specific counterparty has prevented the occurrence of arrears.

## References

1. Almquist Lewis, B. (2023). Creditor rights, collateral reuse, and credit supply. *Journal of Financial Economics*, Vol. 149, Iss. 3, pp. 451-472.
2. Balcaen, S., Ooghe, H. (2006). 35 years of studies on business failure: an overview of classic statistical methodologies and their related problems. *British Accounting Review*, Vol. 38, No. 1, 63-93.
3. Berk, J., DeMarzo, P., Harford, J. (2019). *Fundamentals of Corporate Finance*. Pearson.
4. Bielawska, A. (2006). *Finanse zagraniczne MSP. Wybrane problemy*. Warszawa: PWN, p. 33.
5. Brealey, R., Myers, S., Allen, F., Edmans, A. (2022). *Principles of Corporate Finance*. McGraw-Hill.
6. Brühwiler, B. (1980). *Risk Management – eine Aufgabe der Unternehmensfuehrung*. Bern: Verlag Paul Haupt., p. 40.
7. Burnes, B. (2004). *Managing Change: A Strategic Approach to Organizational Dynamics*. 4th Ed. Harlow, Essex: Prentice Hall.
8. Cai, Y., Chen, Y., Siqin, T., Choi, T., Chung, S. (2019). Pay upfront or pay later? Fixed royal payment in sustainable fashion brand franchising. *Int. J. Prod. Econ.*, 214, 95-105.
9. Cochran, A.B. (1981). Small business mortality rates: a review of the literature. *Journal of Small Business Management*, Vol. 19, No. 4, pp. 50-59.
10. Costello, A.M. (2019). The value of collateral in trade finance. *J. Financ. Econ.*, 134, 70-90.
11. EU Payment Observatory (2024). Luxembourg: Publications Office of the European Union, 2024, European Innovation Council and SMEs Executive Agency (EISMEA) European Innovation Council and SMEs Executive Agency (EISMEA).
12. EU Payment Observatory (2024). Luxembourg: European Innovation Council and SMEs Executive Agency (EISMEA), Sector I-02-2 - Competitiveness and Internationalisation, Unit I-02 - SMP / SME Pillar, Internal Market and Support to Standardisation.

13. Germany Corporate Payment Survey (2023). *On the way back to the bad old time*, <https://www.coface.com/news-economy-and-insights/on-the-way-back-to-bad-old-times-in-2023-s-germany-payment-survey>, 30.05.2025.
14. Gup, B.E. (1992). *The basics of investing*. J. Wiley & Sons Inc., p. 355.
15. Henderson, A.D. (1999). Firm strategy and age dependence: a contingent view of the liability of newness, adolescence and obsolescence. *Administrative Science Quarterly*, Vol. 44, No. 2, pp. 281-314.
16. Heropolitańska, I. (2023). *Prawne zabezpieczenia zapłaty wierzytelności*. Warszawa: WoltersKluwer.
17. Heropolitańska, I., Nierodka, A., Zdziarski, T. (2021). *Kredyty, pożyczki i gwarancje bankowe*. Warszawa: WoltersKluwer.
18. Hoyle, J., Whitehead, G. (1987). *Elements of Banking, Made Simple*. Elsevier Ltd., pp. 400-404.
19. <https://dane.gov.pl/pl/dataset/670,sprawnosc-postepowan-sadowych-sredni-czas-trwania-w-i-instancji/resource/53036/table>
20. [https://www.coig.com.pl/2024-upadlosci-firm\\_wrzesien.php](https://www.coig.com.pl/2024-upadlosci-firm_wrzesien.php), 30.05.2025.
21. Jaki, A., Kaczmarek, J., Rojek, T. (eds.) (2011). *Restrukturyzacja. Teoria i Praktyka w Obliczu Nowych Wyzwań*. Kraków: Wyd. UEK-Fundacja UEK.
22. Jones, G. (2010). *Organizational Theory, Design and Change*. New Jersey: Pearson Prentice Hall.
23. Kaczmarek, T.T. (2001). *Zarządzanie ryzykiem w przedsiębiorstwie eksportującym*. Gdańsk: ODDK.
24. Kücher, A., Feldbauer-Durstmüller, A., Duller, C. (2015). The intellectual foundations of business failure - a co-citation analysis. *Journal of International Business and Economics*, Vol. 15, No. 2, pp. 13-38.
25. Lukason, O., Laitinen, E.K. (2016). Failure processes of old manufacturing firms in different european countries. *Investment Management and Financial Innovations*, Vol. 13, No. 2, pp. 310-321.
26. Malačič, N., Malačič, I. (2016). *Key factors for successful financial and business restructuring with a general corporate restructuring model and Slovenian companies. Case studies*. Ljubljana: Institute for Economic Research.
27. Manowska, M. (2022). *Kodeks postępowania cywilnego. Komentarz aktualizowany. Tom II*. Art. 478-12172022. Warszawa: WoltersKluwer.
28. Mikos-Sitek, A., Zapadka, P. (2022). *Prawo bankowe. Komentarz*. Warszawa: WoltersKluwer.
29. Mooney, J.L. (1995). Letters of credit in the global economy: Implications for international trade. *Journal of International Accounting, Auditing and Taxation*, Vol. 4, Iss. 2, pp. 175-183.

30. Murfin, J., Njoroge, K. (2015). The implicit costs of trade credit borrowing by large firms. *Rev. Financ. Stud.*, 28, 112-145.
31. Nahotko, S. (1996). *Efektywność i ryzyko w procesach innowacyjnych*. Bydgoszcz: TNOiK, p. 23.
32. Pandey, R., He Xian, Zhang, D. (2024). Firms' gender composition, loan collateral, and sustainable finance. *Global Finance Journal*, Vol. 63.
33. Piaskowska, O. (2024). Kodeks postępowania cywilnego. Komentarz. Art. 1-505(39). Tom I, komentarz, stan prawny: 1 stycznia 2025 r. WoltersKluwer.
34. Pretorius, M. (2009). Defining business decline, failure and turnaround: a content analysis. *Southern African Journal of Entrepreneurship and Small Business Management*, Vol. 2, No. 1, pp. 1-16.
35. *Rocznik Statystyczny Rzeczypospolitej Polskiej* (2023). Warszawa: GUS.
36. Sahl, A. (1996). Integriertes Hedging von Risiken mit dem Portfolio – Ansatz. In: R. Eller (ed.), *Handbuch Derivativer Instrumente* (p. 292). Stuttgart: Schaeffer-Poeschel.
37. Schenker, J. (2019). *Financial Risk Management Fundamentals*. Prestige Professional Publishing.
38. Sierpińska, M., Jachna, T. (2018). *Ocena przedsiębiorstwa według standardów światowych*. Warszawa: PWN.
39. Teng, J.-T. (2009). Optimal ordering policies for a retailer who offers distinct trade credits to its good and bad credit customers. *Int. J. Prod. Econ.*, 119, 415-423.
40. Wierzbicki, P. (ed.) (2021). *Gwarancje bankowe i ubezpieczeniowe w praktyce i orzecznictwie*. Warszawa: WoltersKluwer.
41. Yang, S.A., Birge, J.R. (2017). Trade Credit, Risk Sharing, and Inventory Financing Portfolios. *Home Management Science*, Vol. 64, No. 8, 3667-3689.
42. Zieliński, A., Flaga-Gieruszyńska, K. (2024). *Kodeks Postępowania Cywilnego. Komentarz*. Warszawa: CH Beck.