Payment backlogs - a challenging year

* **The President of UOKiK, Tomasz Chróstny, has opened eight new proceedings against companies that have not paid their counterparties.**
* **He also addressed soft calls to 21 entrepreneurs.**
* **Throughout 2024, he initiated 31 anti-backlog proceedings and requested 79 entities to change their payment practices.**

 **[Warsaw, 3 February 2025]** The President of UOKiK has opened eight new investigations into cases of excessive delays in the payment of monetary benefits by companies: Gemini Apps, Colian Logistic, Nivea Polska, Stellantis Gliwice, Coty Eastern Europe, SPX Flow Technology Poland, Moto-Truck, Przedsiębiorstwo Produkcyjno-Handlowe Meliorex.

**Anti-backlog activities**

 - Our primary tool to counteract excessive delays in commercial transactions consists of our anti-backlog proceedings. As a result, administrative fines are imposed on entities that are in arrears with payments to their counterparties. In 2024, I initiated 31 proceedings - says the President of UOKiK Tomasz Chróstny.

**Soft interventions**

The President of UOKiK also continues to intervene at the level of soft measures with further entities whose payment discipline is questionable and may indicate a risk of payment backlogs.

In the letters, which are of a formalised nature, the President of the Office communicates to the companies the irregularities noticed in the area of their payment practices. At the same time, acting with the intention of disciplining entrepreneurs, he instructs them about possible negative consequences for them in the absence of noticeable improvement. Soft calls are part of prevention in the broadest sense, shaping the awareness and payment culture of entrepreneurs and enabling them to change their practices without the need to initiate proceedings. At the end of the year, the President of UOKiK notified a further 21 companies of perceived doubts about the timely payment of liabilities. Since the beginning of 2024, 79 entrepreneurs have received soft calls.

**Notifications from entrepreneurs**

In order to combat payment backlogs, the President of UOKiK actively monitors the market using a variety of information sources - both publicly available and its own analyses.

Notifications received by UOKiK from entities that suspect they have fallen victim to payment backlogs are also a source of information that forms the basis for conducting an analysis of the likelihood of delays.

In 2024, the President of the Office dealt with 28 notices of suspected excessive delay in the payment of financial obligations.

**What are the fines for entrepreneurs?**

Payment backlogs are a negative market phenomenon that arise when businesses do not receive their receivables from counterparties on time. Accumulated debts are passed on to further related parties in mutual business relationships, adversely affecting the liquidity of the entire business environment.

An excessive delay in the fulfilment of financial obligations occurs when, over a period of three consecutive months, the sum of all financial obligations unfulfilled or fulfilled after the deadline by a given entity amounts to at least PLN 2 million. If it is established in the course of the proceedings that such late payments have occurred, the President of UOKiK imposes an administrative fine on the entrepreneur, the amount of which depends primarily on the amount of the overdue payments and the length of the payment delays.

The value of the fine is established in two stages. As part of the first stage, a maximum fine is calculated based on a formula provided in the Anti-backlog Act. As part of the second stage, the President of UOKiK may reduce the fine on the basis on some additional circumstances referred to in the Act. The President of UOKiK takes into account not only the value of overdue payments and the length of delays, but also the severity and circumstances of the violation, actions taken by the entrepreneur on its own initiative to stop the violation as well as cooperation with the Authority during the proceedings.

**Visit the website on payment backlogs**

What are payment backlogs? When can UOKiK investigate them? How can I report a business partner who has failed to make a payment? Who may file such a report? Answers to these and many other questions can be found at <https://uokik.gov.pl/en/payment-gridlocks>