

Statute of Limitations for Claims Arising From Construction Work Agreements – Changes in Computing Time Limits

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The Law amending the Law – Civil Code and some other laws of 13 April 2018 (Journal of Laws of 2018, item 1104), ("the Law") came into force on 9 July 2018, and introduced significant changes to the regulations governing the statute of general limitations periods for claims and also the general rules of counting the limitations periods.

Pursuant to the amended Art. 118 of the Polish Civil Code ("CC"), the general period of limitation has been reduced from ten years to six years. A three-year period of limitations for periodical payment claims and claims related to business activities has been preserved. In principle, claims arising from construction work agreements have limitations periods stipulated in Art. 118 of the CC. Accordingly, following the amendment of the Law, there is a time limit of six or three (regarding claims between business entities) years for these claims. However, the second sentence of the amended article establishes an additional general rule, according to which the end of the limitations period falls on the last day of the calendar year unless the limitations period is less than two years. For periods shorter than two years, the previous rules applicable to computing the limitations period remain in place. As for the limitations periods of two years or longer, i.e. the basic claims arising from construction work agreements, the end of the limitations period shall always be on the last day of the calendar year, according to the amended regulations. Given the lack of precise information as to which calendar year is referred to, it is taken for granted that the article refers to the last day of the calendar year in which the end of the statute of limitations for a given claim falls. As a result, the statute of limitations may be, in fact, longer than specified in the Law. The reason is that it will not end as previously immediately upon the lapse of six or three years but rather after the six- or three-year period plus the time left until the end of the respective calendar year.

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