

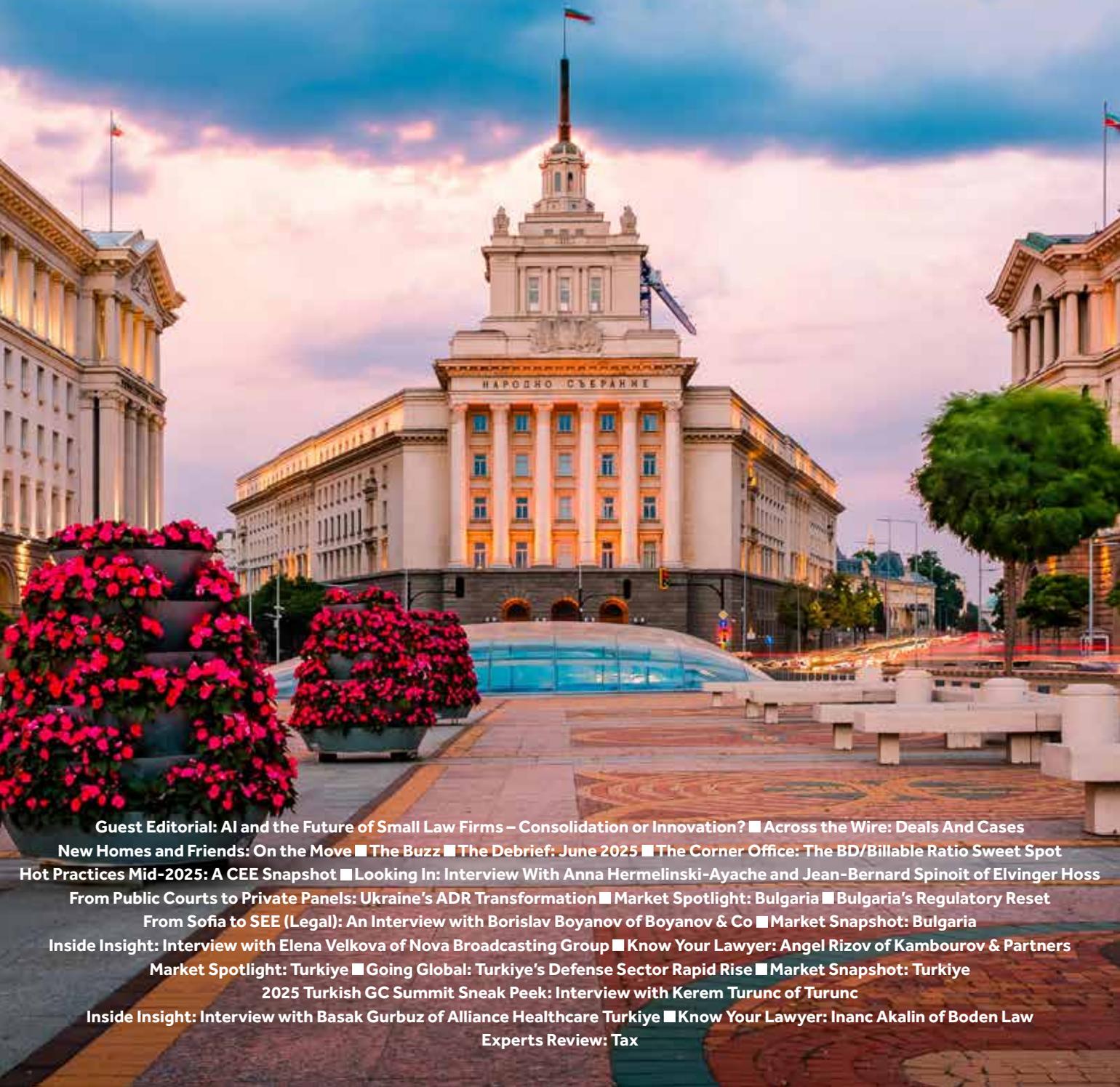


CEE

YEAR 12, ISSUE 5
JUNE 2025

LEGAL MATTERS

IN-DEPTH ANALYSIS OF THE NEWS AND NEWSMAKERS THAT SHAPE
EUROPE'S EMERGING LEGAL MARKETS



Guest Editorial: AI and the Future of Small Law Firms – Consolidation or Innovation? ■ Across the Wire: Deals And Cases

New Homes and Friends: On the Move ■ The Buzz ■ The Debrief: June 2025 ■ The Corner Office: The BD/Billable Ratio Sweet Spot

Hot Practices Mid-2025: A CEE Snapshot ■ Looking In: Interview With Anna Hermelinski-Ayache and Jean-Bernard Spinoit of Elvinger Hoss

From Public Courts to Private Panels: Ukraine's ADR Transformation ■ Market Spotlight: Bulgaria ■ Bulgaria's Regulatory Reset

From Sofia to SEE (Legal): An Interview with Borislav Boyanov of Boyanov & Co ■ Market Snapshot: Bulgaria

Inside Insight: Interview with Elena Velkova of Nova Broadcasting Group ■ Know Your Lawyer: Angel Rizov of Kambourov & Partners

Market Spotlight: Turkiye ■ Going Global: Turkiye's Defense Sector Rapid Rise ■ Market Snapshot: Turkiye

2025 Turkish GC Summit Sneak Peek: Interview with Kerem Turunc of Turunc

Inside Insight: Interview with Basak Gurbuz of Alliance Healthcare Turkiye ■ Know Your Lawyer: Inanc Akalin of Boden Law

Experts Review: Tax

Impressum:

CEE Legal Matters Kft.
Lágymányosi u. 12, fszt. 2.
1111 Budapest, Hungary
+36 20 961 9599

The Editors:

Radu Cotarcea: radu.cotarcea@ceelm.com
Teona Gelashvili: teona.gelashvili@ceelm.com
Andrija Djonovic: andrija.djonovic@ceelm.com

Letters to the Editors:

If you like what you read in these pages (or even if you don't), we really do want to hear from you. Please send any comments, criticisms, questions, or ideas to us at: press@ceelm.com

GUEST EDITORIAL: AI AND THE FUTURE OF SMALL LAW FIRMS – CONSOLIDATION OR INNOVATION?

By Matjaz Ulcar, Managing Partner, Cerha Hempel Ulcar & Partnerji



Artificial intelligence (AI) is reshaping the legal profession at an unprecedented pace, offering efficiencies and capabilities that were scarcely imaginable a decade ago. For law firms in smaller jurisdictions like Slovenia, this transformation presents both unique challenges and opportunities. The adoption of

AI tools, while promising enhanced efficiency and competitiveness, also raises questions about the sustainability of small firms, the potential for consolidation, and the evolution of training for junior lawyers.

AI Adoption and the Viability of Small Firms

In larger legal markets, AI tools have been widely adopted to streamline operations, reduce costs, and improve client service. However, in smaller jurisdictions, where law firms often operate with limited resources, the high cost of implementing AI can be prohibitive. Beyond cost, the effectiveness of AI tools heavily depends on the quality and quantity of data they are trained on. Large, established firms typically have robust internal databases and templates that feed their AI systems with reliable training data. Small firms, by contrast, often lack the volume and consistency of data needed to fully leverage these technologies.

This dual challenge – financial barriers and limited access to reliable data – often drives smaller firms to consider mergers or alliances with larger regional entities. Such consolidation could lead to a more homogenized legal market, potentially diminishing the distinctive client relationships and nuanced understanding of local markets that small firms provide.

As the managing partner of a boutique M&A firm in Slovenia, I faced this dilemma firsthand. Our decision to align with a larger regional firm wasn't just about size – it was about staying competitive. We needed access to cutting-edge AI tools that were simply out of reach for a small, independent shop. Even with the ambition and budget to invest, we lacked the data backbone needed to make AI truly effective. That realization was a key factor in our pivot to join a larger firm with the infrastructure to begin implementing AI and, we expect, to fully unlock its potential in the near future.

Many other firms in small jurisdictions will likely face similar decisions. The combination of high implementation costs and the need for meaningful data could drive significant consolidation. Smaller firms may increasingly merge with or be absorbed into larger regional players to share resources, pool data, and access technology that would otherwise remain out of reach.

Consolidation may be the most obvious path forward, but it's not the only option. Small firms still have ways to remain competitive

and independent. Their inherent agility allows them to make quick decisions and adapt to technological change faster than larger, more bureaucratic organizations. By strategically investing in AI tools with the highest return on investment – such as advanced legal research platforms – small firms can enhance efficiency without overextending financially. Moreover, by focusing on niche areas of law or specialized services, these firms can carve out a distinctive market position, using AI to enhance the high-quality, tailored legal solutions they already provide.

Training Junior Lawyers in the Age of AI

Traditionally, junior lawyers honed their skills through tasks like drafting documents, conducting research, and reviewing case law – activities that AI can now perform with increasing proficiency. This shift necessitates a reevaluation of how young lawyers are trained. Relying solely on AI for these foundational tasks may impede the development of critical thinking and legal reasoning skills.

One promising approach is supervised AI interaction. Rather than delegating tasks entirely to AI, junior lawyers should use AI tools as assistants – drafting documents or conducting research under the guidance of experienced mentors. In this model, AI augments the junior lawyer's skills rather than replacing them. However, Partners chasing billable time may find it challenging to invest in proper supervision – after all, even the most advanced AI can't (or at least shouldn't) bill hours on its own (yet!). This, too, could be a driver for consolidation, as larger firms may be better equipped to structure and support comprehensive training programs that integrate AI tools effectively.

Conclusion

The advent of AI in the legal sector presents a pivotal moment for small law firms, including in CEE. While the financial and operational challenges are significant, they are not insurmountable. For some, consolidation into larger regional firms may provide access to infrastructure, data, and mentoring. For others, innovation and targeted adoption of AI tools – plus a pinch of creativity – might keep them agile and competitive.

As the Latin proverb goes, *tempora mutantur, et nos mutamur in illis* – times change, and we change with them. Whether by joining forces or thinking outside the (AI) box, the key is to adapt, balancing technology with the human touch that keeps lawyers indispensable.

(Disclaimer: This editorial was drafted (and redrafted about 27 times) by an AI tool under the instruction and watchful eye of a managing partner – and then completely redone the old-fashioned way, with pencil on paper, late at night, 30 minutes before the deadline, over a glass of fine red wine from Goriska Brda.) ●



High-powered, laser-targeted, dynamic business development for CEE lawyers and law firms. And it's free.

CEELM Direct: The only dynamic legal directory of its kind, powered by CEE Legal Matters.

www.ceelmdirect.com

TABLE OF CONTENTS

3	Guest Editorial: AI and the Future of Small Law Firms – Consolidation or Innovation?
6	Across the Wire: Deals And Cases
11	New Homes and Friends: On the Move
16	The Buzz
16	Increased Interest in Bosnia and Herzegovina: A Buzz Interview with Nebojsa Maric of Maric & Co
19	Booming Greece: A Buzz Interview with Panagiotis Sardelas of Sardelas Petsa
20	Keeping Things Fresh in Hungary: A Buzz Interview with David Kiss of Ban, S. Szabo, Rausch & Partners
21	Serbia's Protests, Slowdown, and First Issuance: A Buzz Interview with Maja Jovancevic Setka of Karanovic & Partners
22	The Tax Burden in Slovenia: A Buzz Interview with Pia Florjancic Pozeg Vancas of Peterka Partners
23	An Uptick Despite Ongoing Turbulence in Georgia: A Buzz Interview with Ketti Kvartskhava of BLC Law Office
24	Keeping It in The Family in Croatia: A Buzz Interview with Matea Gospic Plazina of Gospic Plazina Stojs
25	Streamlining Regulations in Poland: A Buzz Interview with Piotr Szelenbaum of Fieldfisher
26	The Debrief: June 2025
30	The Corner Office: The BD/Billable Ratio Sweet Spot
32	Hot Practices Mid-2025: A CEE Snapshot
34	Looking In: Interview With Anna Hermelinski-Ayache and Jean-Bernard Spinoit of Elvinger Hoss
36	From Public Courts to Private Panels: Ukraine's ADR Transformation
38	Market Spotlight: Bulgaria
40	Bulgaria's Regulatory Reset
42	From Sofia to SEE (Legal): An Interview with Borislav Boyanov of Boyanov & Co
44	Market Snapshot: Bulgaria
44	A Promising Future for Bulgaria's Energy Mix
45	Bulgarian M&A Market in 2025 – A Modest H1 with an Eye on Euro Integration
46	Bulgaria: An Attractive Destination for Technology-Driven Businesses and Investors
47	Practicalities of Data Incidents Involving EU Data Subjects and Non-EU Companies
49	Bulgaria's Renewables Market Catches Second Wind
50	Inside Insight: Interview with Elena Velkova of Nova Broadcasting Group
52	Know Your Lawyer: Angel Rizov of Kambourov & Partners
54	Market Spotlight: Turkiye
56	Going Global: Turkiye's Defense Sector Rapid Rise
58	Market Snapshot: Turkiye
58	No Tolerance for On-Site Inspection Obstruction – TCA Slaps Record EUR 33 Million Fine on BIM
59	2025 Turkish GC Summit Sneak Peek: Interview with Kerem Turunc of Turunc
60	Inside Insight: Interview with Basak Gurbuz of Alliance Healthcare Turkiye
62	Know Your Lawyer: Inanc Akalin of Boden Law
64	Experts Review: Tax
66	Czech Republic: Key Changes to VAT on Real Estate Effective from July 1, 2025
67	Turkiye: Recent Developments in Tax Audits and Compliance
68	North Macedonia: VAT Representatives for Foreign Companies
69	Lithuania: 2026 Tax Reform – A Strategic Direction or a Risky Experiment?
70	Ukraine: Increased Scrutiny Over Application of Double Tax Treaties
71	Moldova: Environmental Taxation as a Fiscal Instrument
72	Poland: The 2025 Property Tax Reform – Clarity or Complexity?
73	Bulgaria: Stability in Transition – Addressing Legal and Fiscal Predictability in the Oil and Gas Sector
74	Hungary: The Long Arm of US Tax Law – How Section 899 Could Impact Hungarian Businesses
75	Serbia: Streamlined Tax Procedures Make Everybody's Lives Easier
76	Montenegro: Taxation of Profit Share Agreements

ACROSS THE WIRE: DEALS AND CASES

Date	Firms Involved	Deal/Litigation	Deal Value	Country
17-Apr	Cerha Hempel; Schoenherr; Sidley Austin	Cerha Hempel advised Flughafen Wien on a joint venture with international logistics company Bradford Airport Logistics to establish Vienna Airport Logistics GmbH. Sidley Austin and Schoenherr advised Bradford Airport Logistics.	N/A	Austria
24-Apr	Dorda; Schoenherr; Studio Legal	Schoenherr advised Austrian health-tech startup Hi.health and its shareholders on the sale of the business to Pliant. Studio Legal and Dorda advised Pliant.	N/A	Austria
6-May	Brandl Talos; Dorda; Oberhammer	Dorda advised Emmi AI on a EUR 15 million seed financing round led by 3VC, Speedinvest, Serena, and PUSH, alongside a syndicate of other venture capital investors. Oberhammer advised Emmi AI shareholder NXAI. Brandl Talos advised investors 3VC, Speedinvest, Serena and PUSH.	EUR 15 million	Austria
7-May	DLA Piper	DLA Piper advised TAG on the refinancing of its syndicated credit facilities, outstanding Schuldschein notes, and bilateral credit lines.	N/A	Austria
7-May	CMS; Gorrissen Federspiel	CMS, working with Bech Bruun, advised Alder Investment III on its acquisition of TriVision from VPK Fond I K/S and founders Neckelmann Holding, Claus Gramkow Holding, Hauge Holding, J. Bach Holding, and Jesper Bach. Gorrissen Federspiel reportedly advised the sellers.	N/A	Austria
7-May	Herbst Kinsky	Herbst Kinsky advised Biogena on its EUR 10 million bond issuance.	EUR 10 million	Austria
8-May	CMS; Oberhammer	CMS advised the founders and shareholders of Coorum Informationstechnologie on the sale of 100% of shares to Kendox. Oberhammer advised Kendox.	N/A	Austria
9-May	DLA Piper; Wolf Theiss	DLA Piper advised UBM Development on the issuance of its first deeply subordinated green hybrid bond, raising EUR 65 million under UBM's Green Finance Framework. Wolf Theiss advised Raiffeisen Bank International as sole structuring adviser, bookrunner, paying agent, and dealer manager for the buy-back offer.	EUR 65 million	Austria
9-May	DSC Doralt Seist Csoklich; Schoenherr	Schoenherr advised Saller Unternehmensgruppe on its acquisition of FMZ Kapfenberg from LLB Immo KAG. DSC advised the sellers.	N/A	Austria
9-May	Dorda; Schoenherr	Schoenherr advised AI ophthalmology spin-off RetInSight and its founding shareholders on the sale to Topcon Healthcare. Dorda advised Topcon Healthcare.	N/A	Austria
5-May	Kambourov & Partners; PHH Rechtsanwälte	PHH Attorneys at Law, working with Kambourov & Partners, advised European growth investor RM Equity Partners on its acquisition of a majority stake in Carista.	N/A	Austria; Bulgaria
24-Apr	CMS	CMS advised Nikan Agro on the licensing process before the Bulgarian Energy and Water Regulatory Commission for its 50-megawatt Blatska photovoltaic project.	N/A	Bulgaria
5-May	CMS	CMS advised Shell Exploration and Production 96 on winning the tender and concluding the prospecting and exploration agreement for Block 1-26 Han Tervel offshore Bulgaria.	N/A	Bulgaria
14-May	Clifford Chance; Djingov, Gouginski, Kyutchukov & Velichkov; Linklaters; Tsvetkova Bebov & Partners	Djingov, Gouginski, Kyutchukov & Velichkov, working with Linklaters, advised joint lead managers Citigroup, ING Bank, J.P. Morgan, and UniCredit on the dual-tranche EUR 4 billion sovereign bond issuance by the Republic of Bulgaria under its EUR 27 billion global medium-term note program. At the same time, DGKV advised arrangers and dealers BNP Paribas, HSBC, and Societe Generale on the update of the Republic of Bulgaria's GMTN Program to EUR 27 billion. Tsvetkova Bebov & Partners, member of Eversheds Sutherland, and Clifford Chance advised the Republic of Bulgaria.	EUR 4 billion	Bulgaria
9-May	Arendt & Medernach; Kinstellar; Koutalidis; Milbank; Potamitis Vekris; White & Case	Kinstellar and Potamitis Vekris, working alongside Milbank, advised Advent on its acquisition of TBI Bank from 4finance Holding. Koutalidis, working with White & Case, advised 4finance Holding. Arendt reportedly advised Advent as well.	N/A	Bulgaria; Greece; Romania; Turkiye
12-May	Vukmir & Associates	Vukmir and Associates advised Maslinica Hotels & Resort in the negotiations with the Trade Union of Istria, Kvarner, and Dalmatia, culminating in the signing of an annex to the company's Collective Agreement.	N/A	Croatia
17-Apr	CMS; Dentons	CMS advised a consortium of Czech banks including Komerční Banka, Ceska Sporitelna, UniCredit Bank Czech Republic and Slovakia, and Vseobecná Uverova Banka on a new term loan facility for NET4GAS. Dentons advised the borrower.	CZK 4 billion	Czech Republic
17-Apr	Nedelka Kubac Advokati	Nedelka Kubac Advokati successfully represented Orlen Unipetrol RPA in cassation proceedings before the Supreme Court against a judgment rendered by the Municipal Court in Prague.	N/A	Czech Republic

Date	Firms Involved	Deal/Litigation	Deal Value	Country
17-Apr	Clifford Chance; Wilsons	Clifford Chance advised Finep on the sale of its Stodulky Residential rental project to Reico Nemovitostni. Wilsons reportedly advised Reico Nemovitostni.	N/A	Czech Republic
17-Apr	BBH; Dentons	BBH advised PPF Real Estate on a joint venture with Michal Strnad aimed at acquiring the Four Seasons Hotel in Prague. Dentons advised Northwood Investors as the seller.	N/A	Czech Republic
22-Apr	Reals; Steinwicht	Reals advised Conseq Realitni on the sale of the former brewery in Prague's Holesovice district, known as A7 Office Center. Steinwicht reportedly advised the buyers.	N/A	Czech Republic
24-Apr	BBH	BBH advised PPF Group on the disposal of its residual 30% interest in LEAG Holding to EP Group.	N/A	Czech Republic
30-Apr	Dentons; Wilsons	Dentons advised Fio Realitni Fond SICAV on its acquisition the Czech company owning Stara Celnice, from BVK Europa-Immobilien-Spezialfonds. Wilsons reportedly advised BVK Europa Immobilien Spezialfonds.	N/A	Czech Republic
30-Apr	PRK Partners	PRK Partners advised GoOut on its acquisition of Ticketstream.	N/A	Czech Republic
7-May	Allen Overy Shearman Sterling; Svoboda & Koubkova	Allen Overy Shearman Sterling advised Wolters Kluwer on its acquisition of Inisoft Group. Svoboda & Koubkova advised the sellers.	N/A	Czech Republic
14-May	Baker McKenzie; Latham & Watkins	Baker McKenzie advised Georg Fischer on its acquisition of the VAG Group from Aurelius for approximately CHF 200 million. Latham & Watkins reportedly advised Aurelius.	CHF 200 million	Czech Republic
9-May	Clifford Chance; Greenberg Traurig; Kinstellar; Lakatos, Koves & Partners	Kinstellar and Greenberg Traurig advised CCC on its recent PLN 3.66 billion (approximately EUR 850 million) financing increase provided by a consortium including mBank, the EBRD, Bank Pekao, BNP Paribas Bank Polska, PKO Bank Polski, Santander Bank Polska, and Bank Handlowy w Warszawie, alongside Santander Factoring, mFactoring, PKO Faktoring, and BNP Paribas Faktoring. Clifford Chance and Lakatos, Koves and Partners advised the banks.	PLN 3.66 billion	Czech Republic; Hungary; Romania; Poland
17-Apr	TGS Baltic	TGS Baltic successfully represented Neverhack Estonia in a dispute arising from the North Estonia Medical Centre's Cybersecurity Services and Platform 2 public procurement.	N/A	Estonia
30-Apr	TGS Baltic	TGS Baltic advised 2C Ventures on leading a EUR 400,000 investment round in Esgrid that also saw the participation of Lemonade Stand, Startup Wise Guys, and Greenco Ventures.	EUR 400,000	Estonia
7-May	TGS Baltic	TGS Baltic advised SEB on the lease of its future Baltic headquarters in the Talsinki quarter of central Tallinn.	N/A	Estonia
7-May	Ellex (Raidla)	Ellex advised Finterest Eesti on obtaining a credit intermediary license from the Estonian Financial Supervision Authority.	N/A	Estonia
7-May	Sorainen; TGS Baltic	Sorainen advised Estonian defence-technology startup Wayren on a EUR 7.9 million investment from the EFA Group. TGS Baltic advised the EFA Group.	N/A	Estonia
7-May	Sorainen	Sorainen advised Edel Offshore Wind on developing offshore wind farms in Estonia, including participation in the auctions for superficies licenses in the Liivi 1 and Liivi 2 sea areas.	N/A	Estonia
9-May	Sorainen	Sorainen advised Wildix and its founders on Livonia Partners' decision to increase its equity stake in the company.	N/A	Estonia
9-May	Eversheds Sutherland; Pohla & Hallmagi	Pohla & Hallmagi advised SMH Group on the acquisition of the business of Tallinna Kommunalaateenused. Eversheds Sutherland advised the sellers.	N/A	Estonia
13-May	Sorainen	Sorainen advised Digmatix on its acquisition of BCS Itera.	N/A	Estonia
25-Apr	Sorainen	Sorainen advised Eiffel Investment Group on a EUR 20 million debt financing provided by the Eiffel Energy Transition III fund to Envolve Capital.	EUR 20 million	Estonia; Latvia; Lithuania
9-May	TGS Baltic	TGS Baltic advised Vilnius Prekyba on the sale of its subsidiary Delano to Defood.	N/A	Estonia; Lithuania
15-May	Zepos & Yannopoulos	Zepos & Yannopoulos advised the Aktor Group of Companies on the acquisition of Aktor Concessions.	EUR 367 million	Greece
7-May	Kinstellar	Kinstellar advised Hungary's state-owned energy company MVM Group on the public procurement and development of a new nearly-1-gigawatt combined-cycle gas turbine power plant at Tiszaujvaros in North-East Hungary.	N/A	Hungary
13-May	DLA Piper; Kinstellar	Kinstellar advised MVM on the sale of its entire stake in telecommunications subsidiary MVM NET to Pro-M. DLA Piper advised Pro-M.	N/A	Hungary
14-May	Wolf Theiss	Wolf Theiss advised GoldenPeaks Capital on the commissioning of its 64.56-megawatt Bodroghalom solar power plant in Hungary.	N/A	Hungary
9-May	Ellex (Klavins)	Ellex advised FIFAA Latvija on its acquisition of the concept store and online retailer Bang Bang Shop & Coffee from RB Projekts.	N/A	Latvia
25-Apr	Ellex (Valiunas)	Ellex advised Nordic Solar on securing EUR 24.15 million in financing from Swedbank for the completion of its 80-megawatt photovoltaic park in the Svencionys district in Lithuania.	EUR 24.15 million	Lithuania

Date	Firms Involved	Deal/Litigation	Deal Value	Country
13-May	TGS Baltic; Walless	Walless advised Lithuanian biotech startup Vugene on its EUR 1 million investment round led by Superhero Capital, with participation from NGL Ventures, Coinvest Capital, and a syndicate of angel investors. TGS Baltic reportedly advised Superhero Capital and Coinvest Capital.	EUR 1 million	Lithuania
17-Apr	Hengeler Mueller; White & Case; Wolf Theiss	Wolf Theiss, working with Hengeler Mueller, advised Grenke on the sale of its factoring business to Teylor. White & Case advised Teylor.	N/A	Poland
17-Apr	KWKR; LSW	KWKR advised BidFinance, as well as its founders and existing shareholders, on financing amounting to PLN 7 million raised from venture capital funds including 4growth VC, FundingBox Deep Tech Fund, and a group of individual investors. LSW reportedly advised 4growth VC.	PLN 7 million	Poland
17-Apr	Deloitte Legal; Greenberg Traurig	Greenberg Traurig advised Merity on the acquisition of a real estate property located near the S8 motorway, close to Warsaw. Deloitte Legal advised Panattoni on the development side of the deal.	N/A	Poland
17-Apr	Allen Overy Shearman Sterling; CMS	Allen Overy Shearman Sterling advised CityFit Group on the sale of CityFit fitness clubs chain to Medcover. CMS advised Medcover.	N/A	Poland
17-Apr	Compliance Partners; Gessel; Misiewicz, Mosek i Partnerzy; Schoenherr	Schoenherr advised BPM Capital on providing mezzanine financing for a management buy-in acquisition of Medical Mazella while Gessel advised BNP Paribas Bank Polska on its co-investment in the buyout. Reportedly, Compliance Partners advised co-investor MedPack and Misiewicz, Mosek i Partnerzy advised Medical Mazella.	N/A	Poland
22-Apr	Schoenherr	Schoenherr advised Bank Pekao on the financing granted to Prime PV Group.	N/A	Poland
23-Apr	Mannheimer Swartling; Vinge; Wardynski & Partners; Wolf Theiss	Wardynski & Partners, working with Vinge, advised Scania on its acquisition of assets from Northvolt Systems' Industrial Division. Wolf Theiss and Mannheimer Swartling advised the sellers.	N/A	Poland
23-Apr	Crido Legal; Gessel	Gessel advised the shareholders of ELA Wyrob Folii i Opakowan on its sale to TEP Capital. Crido reportedly advised TEP Capital.	N/A	Poland
25-Apr	Wolf Theiss	Wolf Theiss, working with Morrison Foerster, advised SoftBank Group Corp on its planned all-cash acquisition of Ampere Computing from lead investors Carlyle and Oracle Corp.	N/A	Poland
30-Apr	Gessel	Gessel advised DP Polska Spolka Akcyjna on the sale of Mastergrupa to Domino's Pizza Poland.	N/A	Poland
5-May	BNT Attorneys; Greenberg Traurig	Greenberg Traurig advised mBank on the PLN 118 million refinancing of three operational photovoltaic projects developed by European Energy in Poland. BNT Attorneys advised European Energy.	PLN 118 million	Poland
5-May	Clifford Chance; CMS	Clifford Chance advised Hillwood Polska on the EUR 25 million provided by mBank for the refinancing of its acquisition of Hillwood Gdansk I logistics park. CMS reportedly advised mBank.	EUR 25 million	Poland
5-May	Allen Overy Shearman Sterling; Greenberg Traurig; Linklaters	Greenberg Traurig advised American Heart of Poland Group on EUR 200 million second-lien financing from CVC Credit Funds, arranged alongside the group's existing senior syndicated facility of approximately PLN 1.9 billion. Linklaters and Allen Overy Shearman Sterling reportedly advised on the transaction as well.	EUR 200 million	Poland
6-May	Linklaters	Linklaters advised Zabka BS, part of the Zabka Group, on the acquisition of undeveloped land and on a EUR 35 million design-and-build agreement with Dekpol Budownictwo to deliver a 42,000-square-meter warehouse and production facility near Lodz.	EUR 35 million	Poland
6-May	Andersen Partners; Kochanski & Partners	Kochanski & Partners advised PIB Group Poland on its acquisition of RCU Ubezpieczenia and Ramius. Andersen Tax & Legal Srokosz i Wspolnicy reportedly advised the sellers.	N/A	Poland
6-May	CMS; Schoenherr	Schoenherr advised ID Energy Group on the project financing for the Biopark Dolice biogas plant in Poland from mBank. CMS reportedly advised mBank.	N/A	Poland
7-May	Greenberg Traurig; Rymarz Zdort Maruta; Wolf Theiss	Greenberg Traurig advised Banco Santander on its agreement with Erste Group Bank to sell a 49% stake in Santander Bank Polska for EUR 6.8 billion alongside 50% of its Polish asset management arm, Santander TFI, for EUR 200 million. Rymarz Zdort Maruta and Wolf Theiss advised Erste Group Bank.	EUR 200 million	Poland
7-May	Schoenherr	Schoenherr advised Sunrise Real Estate on the sale of a warehousing development site near Warsaw.	N/A	Poland
7-May	Bird & Bird; WKB Wiercinski Kwiecinski Baehr	WKB advised Greenvolt Group on the sale of VRW 11 to Energa Wytwarzanie. Bird & Bird advised Energa Wytwarzanie.	N/A	Poland
7-May	Kwasnicki, Wrobel & Partners	RKKW advised closed-end investment fund Value on its investment agreement and conditional purchase of PLN 100 million of series A bonds convertible into shares of Cognor Holding from 4Workers.	PLN 100 million	Poland

Date	Firms Involved	Deal/Litigation	Deal Value	Country
7-May	Soltysinski Kawecki & Szlezak; WKB Wiercinski Kwiecinski Baehr	WKB advised Greenvolt Group on the sale of Radan Nordwind to Enea Nowa Energia for approximately PLN 750 million. SK&S reportedly advised Enea Nowa Energia.	PLN 750 million	Poland
7-May	DLA Piper	DLA Piper advised Guidewire Software on its acquisition of Quantee.	N/A	Poland
7-May	Bajno, Dubij, Pasternak; Rymarz Zdort Maruta	Rymarz Zdort Maruta advised Finnish energy group Fortum on the acquisition of Orange Energia for a total consideration of approximately PLN 120 million. BDP Legal advised Orange Polska as the seller.	PLN 120 million	Poland
7-May	Wardynski & Partners	Wardynski & Partners advised the minority shareholders of Rolmex on their share-redemption exit from the company.	N/A	Poland
8-May	DLA Piper; Schoenherr	Schoenherr advised Enterprise Investors on the acquisition of a 100% stake in Centrum Medyczne Internus. DLA Piper reportedly advised the sellers.	N/A	Poland
9-May	Grzesiak & Partners; Solivan Pontes	BTA Solivan advised Catalyst Capital on the sale of two shopping centers in Poland – Pasaz Swietokrzyski and Galeria Swidnicka – to EKO GP and GP1. Grzesiak & Partners reportedly advised the buyers.	N/A	Poland
9-May	Addleshaw Goddard; Dentons	Addleshaw Goddard advised Develia on a preliminary agreement to acquire 100% of the shares in Bouygues Immobilier Polska from its French parent, Bouygues Immobilier, for EUR 66.5 million. Dentons advised Bouygues Immobilier.	EUR 66.5 million	Poland
13-May	Baker McKenzie; Greenberg Traurig	Greenberg Traurig advised Benefit Systems on its accelerated book building process for 280,000 Series H new-issue shares raising PLN 742 million (approximately EUR 173 million) with Jefferies, Santander Bank Polska – Santander Biuro Maklerskie, Banco Santander, and WOOD & Company Financial Services as the joint global coordinators. Baker McKenzie advised the joint global coordinators.	PLN 742 million	Poland
13-May	Eversheds Sutherland; Solivan Pontes	BTA Solivan advised Celtic Park Piaseczno and Celtic Park Lomianki on the financing and refinancing of warehouses and office complexes located near Warsaw by mBank. Eversheds Sutherland reportedly advised mBank.	N/A	Poland
13-May	Dentons; Gide Loyrette Nouel	Dentons advised BNP Paribas Bank Polska, mBank, and Santander Bank Polska on a PLN 760 million (approximately EUR 181.8 million) senior loan facility to Noho Warszawa for the construction of Noho One. Gide advised Noho.	PLN 760 million	Poland
14-May	JDP	JDP advised Apleona Group on reorganization of its Polish companies.	N/A	Poland
14-May	White & Case	White & Case advised Bank Polska Kasa Opieki on the issuance of PLN 750 million (approximately EUR 175.5 million) subordinated capital bonds.	PLN 750 million	Poland
15-May	MKS Partners Michaliszyn Koska Saluda; SSW Pragmatic Solutions	SSW advised United Clinics on its acquisition of Tarabula and Bellodent dental clinics. MKS Partners advised the family foundations that sold the clinics.	N/A	Poland
15-May	Schoenherr	Schoenherr advised mBank on a financing package for NU-MED.	N/A	Poland
17-Apr	360Competition; Legal Ground; Schoenherr	Legal Ground and 360Competition advised APS Holding on its acquisition of IMO Property Investments Bucharest and its portfolio from Eurobank. Schoenherr advised Eurobank.	N/A	Romania
17-Apr	Legal Ground; Nestor Nestor Diculescu Kingston Petersen	Nestor Nestor Diculescu Kingston Petersen assisted MedLife on increasing its syndicated loan by EUR 50 million, reaching a total financing amount of EUR 330 million. Legal Ground advised the banking syndicate involved.	EUR 50 million	Romania
17-Apr	DLA Piper	DLA Piper advised Autoliv on two Virtual Power Purchase Agreements with renewable electricity producers Alight and Eurowind Energy.	N/A	Romania
23-Apr	Berechet Rusu Hirit; Schoenherr	Schoenherr advised Verbund Wind Power Romania on the acquisition of a 272-megawatt wind project from Monsson. Berechet Rusu Hirit reportedly advised Monsson.	N/A	Romania
5-May	Dentons; Schoenherr	Dentons advised Hartmann Packaging on its acquisition of Dentas Romania. Schoenherr advised Dentas Romania.	N/A	Romania
5-May	Vlasceanu & Partners	Vlasceanu & Partners advised Turkish renewables investor Ozkoyuncu Enerji on its first solar energy project in Arad County, Romania.	N/A	Romania
7-May	Dentons; RTPR	RTPR advised the syndicate of banks including mandated lead arrangers Banca Transilvania and Banca Comerciala Romana and lenders Raiffeisen Bank, BRD – Groupe Societe Generale, CEC Bank, ING Bank, and Intesa Sanpaolo Bank Romania on a RON 3.1 billion syndicated loan facility granted to Electrica with Raiffeisen Bank also serving as a sustainability agent. Dentons advised Electrica.	RON 3.1 billion	Romania
9-May	Dentons; Leroy si Asociatii	Dentons advised Sousol Holdings on the sale of its 54-megawatt ready-to-build wind project in Constanta County, Romania, to Engie Romania. Leroy si Asociatii advised Engie Romania.	N/A	Romania
12-May	Popovici Nitu Stoica & Asociatii; Radu Smochina si Asociatii	Popovici, Nitu, Stoica & Asociatii advised Romania Education Alliance on the acquisition of a majority stake in Little London International Academy. Radu Smochina si Asociatii reportedly advised the sellers.	N/A	Romania

Date	Firms Involved	Deal/Litigation	Deal Value	Country
13-May	Filip & Company	Filip & Company advised Amstar Management on the sale of the Duke Romana and Duke Armeneasca hotels in Bucharest.	N/A	Romania
6-May	CMS	CMS advised the European Bank for Reconstruction and Development on a EUR 120 million regional loan to AFI Europe to support its development pipeline across Serbia, Poland, Romania, and the Czech Republic.	EUR 120 million	Romania; Poland
17-Apr	Schoenherr	Moravcevic Vojnovic and Partners in Cooperation with Schoenherr advised Elixir Group on its recent green bond issuance totaling RSD 4.1 billion (approximately EUR 35 million).	RSD 4.1 billion	Serbia
23-Apr	AP Legal	AP Legal advised AikBank Beograd on its merger with Eurobank Direktna.	N/A	Serbia
6-May	ZSP Advokati	ZSP Advokati advised NLB Komercijalna banka on the financing of Elleven Office Building in Novi Sad, Serbia.	N/A	Serbia
7-May	Cvjeticanin & Partners	Cvjeticanin & Partners successfully advised the Institute of Technical Sciences of the Serbian Academy of Sciences and Arts on its patent strategy under the ISEC research program.	N/A	Serbia
7-May	JSP Law; NKO Partners	NKO Partners advised Levante HC on the acquisition of Megapharm Beograd. Joksovic, Stojanovic & Partners reportedly advised Megapharm.	N/A	Serbia
15-May	ZSP Advokati	ZSP Advokati advised Unija ETL on its acquisition of a majority stake in Serbian accounting firm Klaris NS. Sole practitioner Strahinja Selakovic reportedly advised the sellers.	N/A	Serbia
23-Apr	Baker McKenzie; Baker McKenzie (Esin Attorney Partnership); White & Case; White & Case (GKC Partners)	White & Case Turkish affiliate law firm GKC Partners advised Zorlu Enerji on the USD 100 million tap issuance of senior guaranteed sustainability-linked notes due 2030. Baker McKenzie and its Turkish affiliate law firm Esin Attorney Partnership reportedly advised on the transaction as well.	USD 100 million	Türkiye
6-May	Ege Cakirca; KECO Legal	KECO Legal advised the shareholders of Teknochem & Atech Proses Group in the sale of their industrial water treatment business to Aquaprox Group. Ege advised Aquaprox Group on the deal.	N/A	Türkiye
7-May	Turunc	Turunc advised Lycian Capital and Maxis on their joint investment in Sneaks Up. Sole practitioner Ebru Kiper Demirhan advised Sneaks Up.	N/A	Türkiye
7-May	Latham & Watkins; Paksoy; White & Case; White & Case (GKC Partners)	White & Case and its Turkish affiliate GKC Partners advised Dream Games on an equity investment from CVC. Latham & Watkins and Paksoy advised CVC.	N/A	Türkiye
7-May	Paksoy; Willkie Farr & Gallagher	Paksoy, working with Willkie Farr & Gallagher, advised CEVA Logistics on its USD 440 million acquisition of Borusan Tedarik.	N/A	Türkiye
9-May	Baker McKenzie; Baker McKenzie (Esin Attorney Partnership)	Baker McKenzie and its Turkish affiliate Esin Attorney Partnership advised Sunset Hospitality Group on a financing round led by Goldman Sachs.	N/A	Türkiye
13-May	Moral Kinikoglu Pamukkale	Moral, Kinikoglu, Pamukkale advised Alkima Partners on a minority investment in Kabtek.	N/A	Türkiye
15-May	Paksoy	Paksoy advised Bahceci Health Group on the sale to FutureLife.	N/A	Türkiye
24-Apr	Baker McKenzie	Baker McKenzie advised Kingspan Group on the pre-construction phases of its EUR 280 million building technology manufacturing campus near Lviv, Ukraine.	N/A	Ukraine



Deals and Cases

- Full information available at: www.ceelegalmatters.com
- Period covered: April 16, 2025 - May 15, 2025

Did We Miss Something?

We're not perfect; we admit it. If something slipped past us, and if your firm has a deal, hire, promotion, or other piece of news you think we should cover, let us know. Write to us at: press@ceelm.com

NEW HOMES AND FRIENDS: ON THE MOVE

Hungary: Jalsovszky Unveils New Legal Technology Team

Jalsovszky has launched a Legal Technology Team led by Head of Technology Geza Jalsovszky.

According to the firm, Jalsovszky will be supported by two junior colleagues, Tamas Kmety and Anita Acelvari.

Jalsovszky, who joined the firm in April 2025, worked as a Senior Manager with Deloitte Legal between 2018 and 2025. Earlier, he worked for EY as a Consultant between 1999 and 2005 and as a Manager between 2005 and 2018.

“We are convinced that one of the biggest challenges that legal service providers are going to face in the coming years will be the technological transition,” said Managing Partner Pal Jalsovszky. “The team’s task is to take the lead in this process: our goals include both the adoption and further development of logic-based technological tools, as well as the implementation of AI-driven solutions. Our aim is not only to improve the efficiency of legal work but also to elevate the entire business operation of the firm – all while continuing the innovative mindset that has characterized Jalsovszky for years.” ●

Ukraine: Sergiy Denisenko and Pavlo Byelousov Join Forces to Set Up Bono Legal

Former Aequo Partners Sergiy Denisenko and Pavlo Byelousov have established the Bono Legal law firm.

Core practice areas of Bono Legal are antitrust and competition, commercial and regulatory, and dispute resolution. Aside from Denisenko and Byelousov, the new firm also includes Counsel Yevgen Blok and Senior Associate Anna Litvinova.

Before setting up Bono Legal, Denisenko was with Aequo as a Counsel between 2014 and 2020 and a Partner between 2020 and 2025. Earlier, he worked for Vasil Kisel & Partners as an Associate between 2008 and 2014.

Byelousov was with Aequo as well, first as a Counsel between 2014 and 2018 and then as a Partner between 2019 and 2025. Earlier, he worked for Vasil Kisel & Partners too, as an Associate between 2006 and 2012 and as a Senior Associate between 2012 and 2014.

“At Bono Legal, our mission is to bring together experienced, knowledgeable, and responsible Ukrainian lawyers who continue delivering high-quality legal services to our clients, despite the ongoing war,” said Byelousov. “Our partners are actively and directly involved in every aspect of the legal process, ensuring quality, creative and strategic advice.” ●

Hungary: SimpLegal Opens Doors for Business

Daniel Necz has founded the SimpLegal law firm in Budapest.

Before setting up SimpLegal, Necz worked for Eversheds Sutherland in Dublin as an Associate between 2023 and 2025. Earlier, he worked for DLA Piper as a Senior Associate in 2022 and for CMS as a Lawyer between 2017 and 2019 and as an Associate between 2019 and 2020.

“We’re deeply engaged with the evolving landscape of AI, technology, privacy, and intellectual property – and ready to support clients as they navigate these complexities with clarity and confidence,” commented Necz. ●

Croatia; Poland; Serbia: Horizons Alliance Announces Gessel, Lovric Novokmet & Partners, and NKO Partners as New Members

Horizons Alliance has announced an expansion of its international legal network with the addition of Gessel in Poland, Lovric Novokmet & Partners in Croatia, and NKO Partners in Serbia.

“By welcoming these esteemed firms to our network, we are significantly bolstering our regional expertise within the CEE,” commented Managing Partner Gabor Erdos. “Gessel, LNP, and NKO Partners bring with them invaluable local market knowledge, established relationships, and a proven track record in their respective jurisdictions. This expansion allows us to offer our clients a truly comprehensive suite of legal solutions across Central and Eastern Europe. Whether they are pursuing mergers and acquisitions in Poland, navigating real estate ventures in Croatia, or engaging in energy projects in Serbia and Montenegro, our strengthened network provides access to top-tier specialists in key practice areas.” ●

Serbia: AKT Joins Forces with PR Legal

AKT Todorovic & Partners has joined forces with PR Legal with Ivan Todorovic becoming a Partner. At the same time, Ivana Ruzicic has taken over as sole Managing Partner.

PR Legal stated that “this merger significantly strengthens PR Legal’s Corporate and Commercial Law practice while expanding our expertise in Intellectual Property, Dispute Resolution, and Insolvency and Reorganization Law. We are particularly excited to grow our practice in Sports Law, a dynamic and rapidly developing area, allowing us to further establish PR Legal as a leading player in these vital sectors.”

Finally, with Ruzicic taking over as the sole Managing Partner of PR Legal, the firm stated that Senior Partner Milan Pet-

rovic will “remain a key figure in the firm, bringing years of invaluable experience and a strong network of client relationships that continue to support our growth. His ability to build lasting client partnerships and handle challenging legal matters ensures that PR Legal stays on a strong path forward.” ●

Turkiye: Ege Attorneys at Law Joins Forces with Tuna Cakirca to Form Ege Cakirca

Ege Attorneys at Law has joined forces with former Cigdemtekin Cakirca Aranci Partner Tuna Cakirca and her team to form Ege Cakirca.

The Ege Cakirca team is led by Partners Ozlem Ege Polat and Tuna Cakirca.

Before joining forces to form Ege Cakirca team, Cakirca was a Partner with Cigdemtekin Cakirca Aranci between 2018 and 2025 as well as with Cigdemtekin Dora Aranci between 2014 and 2018. Earlier, she worked for Chadbourne & Parke as an Associate between 2011 and 2014 as well as for Kinstellar as an Associate between 2010 and 2011. Earlier still, she was an Associate with White & Case between 2006 and 2010.

According to Ege Cakirca, “with two decades of experience on both sides, this collaboration brings together deep and diverse expertise. Ege has been a trusted advisor in all aspects of energy law, while Cakirca’s team brings leading insight in M&A, capital markets, and the IT sector.” ●

Ukraine: Integrites Announces Establishment of Military Law Practice

Integrites has established a new practice dedicated to advising Ukrainian defenders and military units on military law. The new practice is headed by Partner Oleksandr Onishchenko who is also the Head of the Domestic Litigation practice.

According to Integrites, the most frequent matters concern assistance to military personnel, war veterans, and their families in the areas of “social security and how to obtain it, state guarantees and how to implement them, defense in courts and advice on prosecution, including for the unauthorized abandonment of a unit.” Integrites also stated that it “works with military units and their patronage services, assisting them with contractual matters, processing of documents for the wounded and killed soldiers, payment of allowances and benefits. Additionally, the team consults charities and volunteers on the import, customs clearance, and documentation of humanitarian aid.”

“Since the beginning of the full-scale war in Ukraine, our team has been devoting about 2,000 pro bono hours annually to

advising military personnel and their families,” said Managing Partner Oleksiy Feliv. “Over the past three years, our lawyers have helped more than 150 clients with various issues related to their service in the Armed Forces of Ukraine. Given the experience gained, we decided to take a logical step and form a military law practice as a full-fledged structural unit. For us, this is a manifestation of responsibility to the Ukrainian society and gratitude to the defenders of our country.” ●

Poland: Fieldfisher Enters Poland With Offices in Warsaw and Krakow

Fieldfisher has announced the launch of its Polish operation with offices in Warsaw and Krakow with a team led by Rafal Stroinski and Piotr Szelenbaum as joint Country Managing Partners.

According to the firm, Fieldfisher Poland initially consists of five Partners – Stroinski and Szelenbaum together with Roman Iwanski, Marcin Huczowski, and Krzysztof Marzynski – one Senior Counsel, six Counsel, 13 lawyers, and a further seven business services team members, with a total headcount of 32 people.

Before joining Fieldfisher Poland, Stroinski was a Senior Partner with B2RLaw between 2020 and 2025. Earlier, he was at the helm of JSLegal between 2011 and 2020. Earlier still, he was a Partner with CMS between 2007 and 2011. His primary areas of focus are M&A, private equity, and VC law.

Szelenbaum was a Partner with LSW between 2023 and 2025. Earlier, he was a Partner with B2RLaw between 2022 and 2023 as well as with SPCG between 2017 and 2022. Earlier still, he was a Local Partner at White & Case between 2013 and 2014 and a Partner between 2014 and 2017. Szelenbaum focuses on M&A, private equity, and corporate areas of law.

Iwanski’s primary areas of focus are commercial law, litigation, arbitration, and employment. Before joining Fieldfisher, he was a Partner with B2RLaw between 2020 and 2025. Earlier, he worked for JSLegal as a Counsel between 2014 and 2020. Earlier still, he was an Associate with Dentons between 2013 and 2014, with White & Case between 2011 and 2013, and with CMS between 2007 and 2011.

Huczowski focuses on intellectual property, TMT, and personal data. Before the move, he was a Partner with LSW between 2023 and 2025 as well as with B2RLaw between 2020 and 2023. Earlier, he was a Partner at Zieba & Partners between 2019 and 2020 and also worked for its legacy firm Kochanski, Zieba & Partners as a Senior Associate between 2017 and 2018 and as a Counsel between 2018 and 2019. Earlier still, he was an Associate between 2009 and 2013 and a Legal

Counsel between 2013 and 2015 at WKB. He began his career working as an Associate for Gessel between 2007 and 2009.

Marzynski’s areas of primary focus are commercial real estate, construction, and renewables & infrastructure. Before joining Fieldfisher, he was a Partner with LSW between 2023 and 2025, with B2RLaw between 2020 and 2023, and with Crido between 2017 and 2020. Earlier, he worked for Dentons as an Associate between 2010 and 2013 and as a Senior Associate between 2013 and 2017. Earlier still, he worked for Clifford Chance as an Associate between 2007 and 2010 after starting his career working for PwC as a Tax Consultant between 2004 and 2007.

“Piotr and I are extremely pleased to be joining the Fieldfisher network and leading the firm’s offering in Poland,” commented Co-Managing Partner of Fieldfisher Poland Rafal Stroinski. “Working alongside our colleagues across the network, we can combine our local experience and knowledge with Fieldfisher’s global reach, offering a truly comprehensive service to our clients. We look forward to growing the firm’s presence in Poland going forward.”

Two years ago, Fieldfisher opened its Vienna office (as reported by CEE Legal Matters on June 2, 2023). ●

Serbia: Ikonik Stikovic Launches in Belgrade

Dragan Ikonik and Mladen Stikovic have established the Ikonik Stikovic law firm in Belgrade.

The new firm focuses on corporate, commercial, civil, and criminal law as well as litigation and disputes and white-collar crime.

Stikovic has been working as a private practitioner since 2021. Earlier, he worked for Borovic Law Firm as an Attorney at Law between 2017 and 2021. His primary areas of focus are criminal and civil law.

Ikonik worked as a private practitioner as well since 2019. Earlier, he worked with the First Basic Court in Belgrade between 2017 and 2019.

“When we founded Ikonik Stikovic, our aim was to build a firm rooted in professionalism, open communication, and an unwavering dedication to every client,” commented Managing Partner Mladen Stikovic. “These principles remain at the heart of everything we do. We treat every client like a partner and every mandate as a shared mission.”

The Ikonik Stikovic team also includes Associates Predrag Petric and Ilija Loncar. ●

PARTNER MOVES

Date	Name	Practice(s)	Moving from	Moving to	Country
17-Apr	Maja Mayrhuber	Tax	Private Practice	Kinstellar	Austria
7-May	Markus Taufner	Litigation/Disputes	Wolf Theiss	Kinstellar	Austria
14-May	Galya Gugusheva	White Collar Crime	Supreme Cassation Prosecution	Gugushev & Partners	Bulgaria
5-May	Olga Kaizar	Real Estate	PwC Legal	Rowan Legal	Czech Republic
30-Apr	Daniel Necz	TMT/IP	Eversheds Sutherland	SimpLegal	Hungary
30-Apr	Camiel van der Meij	Tax	PwC	Drzewiecki Tomaszek & Partners	Poland
7-May	Filip Balcerzak	Litigation/Disputes	SSW	Independent Arbitrator	Poland
8-May	Rafal Stroinski	Corporate/M&A; Private Equity	B2RLaw	Fieldfisher	Poland
8-May	Piotr Szelenbaum	Corporate/M&A; Private Equity	LSW	Fieldfisher	Poland
14-May	Dragan Ikonc	Corporate/M&A	Private Practice	Ikonc Stikovic	Serbia
14-May	Mladen Stikovic	Corporate/M&A	Private Practice	Ikonc Stikovic	Serbia
30-Apr	Merve Akkus	Corporate/M&A	CMS	Tunc, Firat, Dereli	Turkiye
28-Apr	Sergiy Denisenko	Competition	Aequo	Bono Legal	Ukraine
28-Apr	Pavlo Byelousov	Litigation/Disputes	Aequo	Bono Legal	Ukraine

IN-HOUSE MOVES

Date	Name	Moving from	New Company/Firm	Country
9-May	Christopher Fischer	Accenture	DenizBank	Austria
17-Apr	Martin Seda	Home Credit International	CME	Czech Republic
28-Apr	David Kolacek	Clifford Chance	KKCG	Czech Republic
14-May	Peter Sukosd	eMAG Hungary	Auchan Retail Hungary	Hungary
30-Apr	Eda Yuksel	Turcas Petrol	Dogan Holding	Turkiye
30-Apr	Elif Yaver	Coca-Cola	Tunc, Firat, Dereli	Turkiye
5-May	Basak Gurbuz	Visa	Alliance Healthcare Turkiye	Turkiye



On the Move

- Full information available at: www.ceelegalmatters.com
- Period covered: April 16, 2025 - May 15, 2025

Did We Miss Something?

We're not perfect; we admit it. If something slipped past us, and if your firm has a deal, hire, promotion, or other piece of news you think we should cover, let us know. Write to us at: press@ceelm.com

PARTNER APPOINTMENTS

Date	Name	Practice(s)	Firm	Country
5-May	Nina Mitterdorfer	Real Estate	DSC Doralt Seist Csoklich	Austria
5-May	Fabian Liebel	Banking/Finance	DSC Doralt Seist Csoklich	Austria
30-Apr	Jan Lehky	ESG	Kinstellar	Czech Republic
6-May	Daniel Vejsada	TMT/IP	PRK Partners	Czech Republic
6-May	Jan Ditrych	Banking/Finance	PRK Partners	Czech Republic
6-May	Robert Reiss	Real Estate; Infrastructure/PPP/Public Procurement	PRK Partners	Czech Republic
6-May	Shiyang Zhang	Corporate/M&A; Banking/Finance	PRK Partners	Czech Republic
7-May	Michal Hrabovsky	Competition	Eversheds Sutherland	Czech Republic
30-Apr	Gabor Simon	Banking/Finance	DLA Piper	Hungary
9-May	Kamran Pirani	Corporate/M&A	Dentons	Hungary
24-Apr	Joanna Ostojaska-Kolodziej	Labor	JDP	Poland
24-Apr	Mariusz Nowakowski	Litigation/Disputes	JDP	Poland
30-Apr	Michal Gajdus	TMT/IP	DLA Piper	Poland
30-Apr	Piotr Miller	Corporate/M&A	DLA Piper	Poland
7-May	Monika Krzyszkowska-Dabrowska	Labor	Addleshaw Goddard	Poland
7-May	Joanna Gawlicka	Banking/Finance	Addleshaw Goddard	Poland
9-May	Karolina Cotronei	TMT/IP	Dentons	Poland
30-Apr	Magda Raducanu	Banking/Finance	Kinstellar	Romania
30-Apr	Florin Tinghe	Real Estate	DLA Piper	Romania
7-May	Tomas Bury	Corporate/M&A	Allen Overy Shearman Sterling	Slovakia
9-May	Ali Can Goren	Real Estate	Dentons	Turkiye
9-May	Baris Yuksel	Competition	Dentons	Turkiye

OTHER APPOINTMENTS

Date	Name	Firm	Appointed To	Country
7-May	Marija Zrno Prosic	CMS	CEE Partner	Croatia
25-Apr	Geza Jalsovszky	Jalsovszky	Head of Technology	Hungary
9-May	Andras Orban	DLA Piper	Head of Equity Capital Markets	Hungary
9-May	Viktor Romsics	DLA Piper	Head of Infrastructure, Construction, and Transport	Hungary
28-Apr	Anna Szymanska	Dentons	Head of Public Procurement	Poland
30-Apr	Georgiana Enache	KPMG Legal Toncescu & Associates	Head of Litigation	Romania
17-Apr	Jelena Bjelanovic	Gecic Law	Head of Finance and Executive Management Committee Member	Serbia
15-May	Dejan Plamenac	Vukovic & Partners	Managing Partner	Serbia
25-Apr	Markiyan Malsky	Arzinger	Managing Partner	Ukraine
7-May	Oleksandr Onishchenko	Integrites	Head of Military Law	Ukraine

THE BUZZ

In **The Buzz** we check in on experts on the legal industry across CEE for updates about developments of significance. Because the interviews are carried out and published on the CEE Legal Matters website on a rolling basis, we've marked the dates on which the interviews were originally published.

Increased Interest in Bosnia and Herzegovina: A Buzz Interview with Nebojsa Maric of Maric & Co

By Teona Gelashvili (May 12, 2025)



Bosnia and Herzegovina is experiencing a notable shift in its investment climate, marked by a rise in foreign direct investment and a more dynamic economic landscape, according to Maric & Co Managing Partner Nebojsa Maric. While the country's complex political system and heavy regulatory environment have historically made investors cautious, the interest in the areas of manufacturing, renewable energy, and infrastructure is growing.

"Bosnia and Herzegovina has a rather complicated political system," Maric explains. "It's a politically busy country, and that complexity often translates into a regulatory environment that can seem overwhelming to investors."

Still, Maric highlights that foreign direct investment has continued to rise, "with around BAM 2 billion recorded in 2024. Over 60% of that represents reinvested earnings, which is a strong signal of investor confidence." There is "a growing presence of foreign companies, particularly from Germany, Austria, Croatia, Slovenia, the USA, and the UK," he adds. "These investors are most active in sectors such as manufacturing, financial services, trade, IT, and energy."

"There's been a lot of movement – more this year than in previous years – and it's coming not only from abroad but also from local entities and regional private funds," Maric notes. "Interestingly, this activity is not being driven by large international funds, but by local or Eastern European ones, especially those looking to make strategic moves in Southeastern Europe."

On the manufacturing side, Maric points out that "Bosnia and

Herzegovina is seeing increasing attention due to its strategic location bordering the EU. In recent months, there have been notable inquiries about moving manufacturing facilities from Southeast Europe to western Bosnia, particularly in sectors like furniture and metals. The proximity to Croatia makes this a logical consideration for businesses aiming to stay close to the EU." According to him, the country has a very competent labor force, which adds to its appeal.

Maric also stresses that production activities are diverse. "We're active in car manufacturing, furniture production, and various types of wood processing. The country also has large natural resources and is increasingly inclined towards renewables," he notes. "The south receives a lot of sunlight, and there's a strong push in developing power plants. Additionally, wind farm construction is ongoing in the west, and the country's largest solar power plant is under development in the southeast. Bosnia and Herzegovina remains one of the leading electricity exporters in the region, which provides a solid base for further green energy investment."

Beyond energy and manufacturing, Maric says that other sectors are expanding as well. "The healthcare sector, for example, is seeing growth, with the recent opening of the ASA Hospital in Sarajevo," he points out. "Global food and retail chains such as Taco Bell, KFC, and Burger King are also entering the market, signaling a broader economic diversification. Tourism is steadily increasing, driven by visitors from Turkiye, Arab countries, and the EU."

Finally, "last year, on the legal and regulatory front, there was a lot of discussion around the EU's CBAM and how it could impact Bosnia and Herzegovina's exports, particularly metals and cement," Maric emphasizes. "Although last year was full of concerns and conferences warning that the country wasn't ready, this year the conversation has quieted, possibly influenced by global political shifts like the US elections, leading to a noticeable slowing of the ESG push." ●



MARIĆ & CO

**LOCAL INSIGHT,
INTERNATIONAL REACH**
in Bosnia and Herzegovina

www.mariclaw.com

Clear Focus Across Markets.
Beyond Today.



SARDELAS PETSΑ
LAW FIRM

8 Papdiamantopoulou Str.
11528, Athens, Greece
+30 210 7296550
office@sardelaslaw.gr

WWW.SARDELASLAW.GR

Booming Greece: A Buzz Interview with Panagiotis Sardelas of Sardelas Petsa

By Andrija Djonovic (May 26, 2025)



Greece is booming in 2025, with robust investments across construction, hospitality, and energy sectors, according to Sardelas Petsa Managing Partner Panagiotis Sardelas, who stresses that digital infrastructure and capital markets are also gaining momentum.

“2025 has sustained the strong momentum of previous years, particularly in construction, hospitality, and energy,” Sardelas begins. “These sectors remain dominant, with peak activity levels. In construction, market consolidation continues, with mergers between major companies. Financing is strong, especially for hospitality and commercial property developments, as well as renewable energy-linked projects.”

Moreover, Sardelas reports that hospitality is thriving due to record-breaking tourist intake, generating substantial foreign revenue. “Project financing and development remain central,” he observes. “In energy, major players actively acquire smaller projects, while foreign investors show keen interest – the Masdar-TERNA deal exemplifies this trend.” Additionally, Sardelas posits that digital infrastructure is emerging as a high-potential sector, with a focal point especially on data centers. “Public Power Corporation and Damac have partnered on a major project in Northern Greece, likely setting a precedent for further developments,” he notes.

Turning to capital markets, Sardelas notes that IPO activity is increasing, with the Athens International Airport IPO being a prime example. “Greek banks are expanding credit activity and moving past post-crisis struggles,” he says. “The banks

are diversifying beyond traditional commercial banking into wholesale and investment banking. For instance, Alpha Group acquired FlexFin and entered Cyprus via AstroBank, while Eurobank acquired Hellenic Bank in Cyprus, as part of its strategy to expand toward the Middle East and Asia,” he explains. “We expect other systemic banks, like Piraeus Bank, to follow suit.”

Moreover, Sardelas reports that Greece’s government is actively implementing legislative reforms to modernize tax and regulatory frameworks, attracting investment and startup activity. “New laws ease SME access to capital markets, including waiving the prospectus requirement for listings under EUR 8 million. Tax incentives have expanded, such as a 100% super-deduction (up to EUR 200,000) for listing SMEs from 2025-2027,” he outlines. Moreover, Sardelas reports that “withholding tax on bond interest was reduced from 15% to 5%, and angel investor benefits now allow up to 50% deduction on equity investments.” Lending-side reforms include lower stamp duty costs for non-bank financing, alongside exemptions for high-tech startups. “Additionally, a new startup investor residence permit facilitates golden visas through capital investments starting at EUR 250,000, including debt transactions,” Sardelas observes.

Finally, Sardelas turns to renewable energy growth, indicating a particular popularity of photovoltaic sources. According to him, this growth has “outpaced the country’s grid capacity, causing curtailments. To address this, Greece introduced a 2025 reform establishing a regulatory framework for standalone Battery Energy Storage Systems, targeting 4.3 gigawatts in capacity by 2030,” he explains. “With clearer rules and streamlined procedures, developers can now more easily secure financing and move forward with their projects as this reform significantly alleviates grid pressure and unlocks new opportunities in the sector,” Sardelas concludes. ●



Greek banks are expanding credit activity and moving past post-crisis struggles. The banks are diversifying beyond traditional commercial banking into wholesale and investment banking. For instance, Alpha Group acquired FlexFin and entered Cyprus via AstroBank, while Eurobank acquired Hellenic Bank in Cyprus, as part of its strategy to expand toward the Middle East and Asia.

Keeping Things Fresh in Hungary: A Buzz Interview with David Kiss of Ban, S. Szabo, Rausch & Partners

By Andrija Djonovic (May 26, 2025)



Hungary's real estate sector remains strong despite regulatory changes and delays in digital systems, according to Ban, S. Szabo, Rausch & Partners Partner David Kiss. Industrial projects and planned infrastructure around the nationalized airport may boost the economy, though growth is uncertain amid frozen EU funds.

"The situation in Hungary is not without challenges," Kiss explains. "From a legal perspective, one of the most difficult aspects is the constantly changing regulatory landscape. It can be tough to keep up, especially for law firms and individual lawyers who need to adapt to these changes on an ongoing basis. At the same time, this constant flux adds a layer of complexity and makes our work more dynamic – we're not doing the same thing we did yesterday or even the day before."

Focusing just on the recent period, Kiss notes that one of the most significant changes has been the new act on real estate law. "It has made it harder to navigate our daily work," he adds. "We're keeping up with the changes, of course, but one of the biggest concerns for us as lawyers is the government's attempt to introduce an electronic system for handling real estate cases. The issue is that this system isn't operational yet, even though regulations tailored for digital processing have already been in force since January. It's understandably hard to comply with rules designed for an online system that doesn't exist in practice."

Despite these hurdles, Kiss says, the real estate sector is per-

forming quite well compared to others. "The construction sector, on the other hand, is facing a downturn, particularly residential and office construction, which has really slowed down. There aren't many new projects at the moment, and this decline is noticeable in the broader economy." Interestingly, he continues, "despite the stagnation in construction, the real estate sector remains active, especially in the industrial segment. Thanks to Hungary's geographical location, warehousing and factory-related developments are thriving. Built-to-suit warehouses and factory buildings are now a significant driver of the real estate economy."

Looking ahead, Kiss believes that "one potential driver of economic growth is the nationalization of Hungary's only international airport, which happened last year. It was a major transaction involving several shareholders who had to come to an agreement." Now that the airport is under national control, he says, "we expect to see major infrastructure developments – public roads, railways, and hotels, that will improve connectivity to the airport. At least, that's the government's plan. In parallel, there has also been a noticeable increase in hotel capacity, particularly in Budapest but also across the country, which could give a boost to tourism."

"As for the rest of the year, summer is typically a slower period, and it's hard to predict how things will progress," Kiss points out. "We hope to see some growth, but the signs are not too encouraging. There's only a small chance the Hungarian economy will grow significantly this year. One key factor here is the continued freeze on EU funds, which have traditionally been one of the main drivers of our economy. However, with elections coming up next year, there is a chance the government will introduce measures aimed at stimulating spending. That pre-election boost could end up supporting the economy, at least temporarily." ●



From a legal perspective, one of the most difficult aspects is the constantly changing regulatory landscape. It can be tough to keep up, especially for law firms and individual lawyers who need to adapt to these changes on an ongoing basis. At the same time, this constant flux adds a layer of complexity and makes our work more dynamic – we're not doing the same thing we did yesterday or even the day before.

Serbia's Protests, Slowdown, and First Issuance: A Buzz Interview with Maja Jovancevic Setka of Karanovic & Partners

By Teona Gelashvili (June 5, 2025)



Serbia's economy remains stable despite slower growth, with signs of renewed M&A activity, ongoing regulatory reforms, and progress in renewables and the capital market, according to Karanovic & Partners Partner Maja Jovancevic Setka.

"Serbia has seen six months of student-led protests, resulting in a new government in April," Jovancevic Setka notes. "The most recent news is that students are calling for early parliamentary elections. In terms of the broader economic context, official data for the first part of the year is still limited, but a certain slowdown in growth indicators is noticeable, which corresponds with the stagnation of the main European economies." That said, she adds that in the past few months, there have been signs of renewed activity, "with an increasing number of M&A transactions, with the key sectors being technology, IT, manufacturing energy, and real estate. The banking sector remains strong, with ongoing consolidation – most recently the AIK Banka's acquisition, followed by the merger of Eurobank Direktna – and continues to be well-capitalized and profitable."

Jovancevic Setka adds that the past few months have been marked by several legislative changes. For example, she says, "amendments to the *Law on Banks* have increased regulatory oversight. There have also been updates to anti-money laundering legislation to further align with EU standards. Additionally, interest rates on individual loans have been fixed under the new *Law on Protection of Users of Financial Services*. Another interesting development is the amended *Law on Foreign Exchange Operations*, which brought stricter National Bank controls and sanctions."

An especially interesting development, according to Jovance-

vic Setka, is Serbia's ongoing effort to join SEPA. "A decision on the country's accession was made on May 22. Serbian payment service providers will need to perform some steps, with May 2026 being the earliest expected date of operational readiness," she says. "On another front, the finance ministry is leading a project to boost the development of Serbia's capital market and diversify sources of finance by supporting corporate bond issuances on the Belgrade Stock Exchange, backed by a loan from the World Bank to cover transaction costs. The first successful issuance took place in April, with Elixir Group issuing EUR 35 million in green bonds. This marked the first primary trading on the Belgrade Stock Exchange in over a decade."

"There is also consistent interest in renewables and energy," Jovancevic Setka continues. "In February, Serbia held its second state auction for wind and solar projects, which was oversubscribed, with all quotas for contracts for difference fully allocated," she emphasizes.

"One of the important issues currently impacting the market is the situation involving US sanctions on NIS, Serbian multinational oil and gas company co-owned by Gazprom Neft and the Republic of Serbia," Jovancevic Setka points out. "The sanctions process targeting Russian gas companies captured NIS in January, with multiple extensions approved delaying their implementation. At the moment, NIS has secured an extension until the end of June. The government is actively working to find a solution with the Russian shareholders, as the outcome will have significant implications for the market."

Finally, according to Jovancevic Setka, infrastructure remains a key focus area for the government, "with numerous projects planned for the coming year, especially those aligned with green goals. A particularly ambitious project is Serbia's preparation for EXPO 2027, which is expected to involve the construction of hotels, a national stadium, and other facilities. That said, the project is still in the early stage with a considerable amount of work to be done." ●



In terms of the broader economic context, official data for the first part of the year is still limited, but a certain slowdown in growth indicators is noticeable, which corresponds with the stagnation of the main European economies.

The Tax Burden in Slovenia: A Buzz Interview with Pia Florjancic Pozeg Vancas of Peterka Partners

By Andrija Djonovic (June 5, 2025)



Slovenia's dynamic political environment is keeping the legal market on its toes, with pressing developments in taxation, employment law, cybersecurity, capital markets, and infrastructure all demanding close attention, according to Peterka Partners Senior Associate and Head of Slovenian office Pia Florjancic Pozeg Vancas.

"There's certainly no shortage of activity in Slovenia," Florjancic Pozeg Vancas begins. "Politics has been quite dynamic lately, and that is naturally echoed in the legal sphere. I'd highlight a few hot issues that lawyers and businesses are currently dealing with, starting with what is perhaps the most pressing, the high taxation of salaries."

"According to the OECD, Slovenia had the second-highest growth in Europe for tax burdens on salaries, surpassed only by Italy," Florjancic Pozeg Vancas reports. "The situation has worsened following the replacement of supplementary health insurance with a new mandatory health contribution." She adds that this is not the end of it, "as of June 2025, a new contribution of 1% of gross salary will be introduced, which will apply not only to employers of traditional employees separately, but also to pensioners and the self-employed." According to Florjancic Pozeg Vancas, this trend is already undermining Slovenia's competitiveness. "We're seeing foreign investors act more cautiously, while domestic investors are increasingly looking abroad. This is especially unfortunate given Slovenia's geographic position and potential to serve as a regional hub for investment."

Taking aim at legal issues in the area of employment practices, Florjancic Pozeg Vancas says that "salary practices and remuneration policies have become an emerging flashpoint. One issue is the rising use of annual leave allowances as a way to reward employees, a relatively rare type of payment in comparison with other legal systems, that is mandatory under Slovenian legislation. Annual leave allowances and, for example, Christmas bonuses as tax-efficient payments are being used more widely and we can see the trend of blurring

the line between regular compensation and performance bonuses." Moreover, she says that this development gained momentum after a notable Supreme Court decision, "which ruled that reducing a female employee's Christmas bonus due to her justified absence from work constituted discrimination. More recently, the scope of that ruling was broadened to cover individual performance-based bonuses as well, meaning employers can no longer adjust bonuses based on personal absences that are legally justified, like sick or maternity leave."

As for regulatory developments in other areas, Florjancic Pozeg Vancas reports that Slovenia adopted a new Information Security Act in May, "which transposes the EU's NIS2 Directive. This significantly enhances our national cybersecurity framework, outlining both the organizational and operational infrastructure. A new National Cybersecurity Strategy is also expected to be adopted soon, with the aim of reducing vulnerability to cyberattacks and establishing a more resilient digital infrastructure across both public and private sectors. The adoption of this act also represents an important normative response to recent intrusions."

Focusing on capital markets, Florjancic Pozeg Vancas reports positive developments, especially in terms of financial literacy and public participation. "The government issued a second round of retail bonds in 2025, targeting natural persons with minimum subscriptions of EUR 1,000 and a cap of EUR 250,000. This follows a similar issuance in 2023 and led to the creation of over 600 new investor accounts." She adds that these measures offer people an alternative to traditional bank deposits, help diversify public savings, and strengthen the state's financial strategy. "In parallel, a new draft act on individual accounts has been proposed. It aims to simplify tax procedures, provide more flexibility, and improve investor protection, all steps in the right direction."

Finally, Florjancic Pozeg Vancas reports on a large infrastructure project currently underway to "build a railway between two key Slovenian cities, intended to improve connectivity and boost national competitiveness. Unfortunately, the project has faced media scrutiny, particularly regarding the Turkish construction company as the main contractor." As she reports, "their frozen bank accounts have led to employee's payments being delayed, and negotiations are already underway for subcontractors to be paid directly by the investor." ●

An Uptick Despite Ongoing Turbulence in Georgia: A Buzz Interview with Ketti Kvartskhava of BLC Law Office

By Andrija Djonovic (June 5, 2025)



Georgia's legal and business landscape remains heavily influenced by political turbulence, according to BLC Law Office Managing Partner Ketti Kvartskhava, who reports ongoing instability, controversial legislation, and heightened uncertainty surrounding the country's EU integration prospects.

"It has been a very difficult political period in Georgia, with considerable turbulence both before and after the recent elections," Kvartskhava begins. The controversy began with the adoption of what became known as the "Russian Law," a highly criticized piece of legislation targeting NGOs. "It resembled the Russian model in that it sought to label NGOs as 'agents,' later, the word 'agent' was replaced by 'the subject carrying out the interests of the foreign power' if they received more than 20% of their funding from abroad. This was perceived as an attack on civil society and, rightly, provoked strong public opposition because it threatened Georgia's aspirations for EU membership."

Furthermore, Kvartskhava says that the elections themselves lacked credibility, and for "several months afterward, we saw daily protests on Rustaveli Avenue, not only against the election results but also in response to the government's decision to suspend negotiations with the EU. This political instability has had a clear impact on Georgia's international standing and on the legal and investment climate." She adds that "many deals were paused or did not go forward because of the unpredictability of the situation. Right now, it remains uncertain where Georgia is headed strategically if EU integration is no longer clearly on the table."

Continuing, Kvartskhava says that after the "Russian Law" failed to be implemented, with most NGOs refusing to register under it, the government "introduced a new version mod-

eled after the US *FARA Act*. However, this version was also problematic, as it introduced potential criminal liability and left a number of questions unanswered. For us as lawyers, a key concern was whether *FARA* would apply to legal services." As she explains, the wording of the law was ambiguous, but "we have since received assurances from the government that *FARA* will not apply to law firms unless they are engaged in political activity or lobbying. This has provided some clarity, but the situation remains fragile."

Compounding the uncertainty, Kvartskhava reports that the government also recently adopted harsher administrative regulations targeting freedom of speech and assembly. "These new laws impose steep penalties for activities such as blocking streets during protests. As a result, many of my colleagues in the legal community are now working *pro bono* to defend individuals targeted under these new restrictions. It's a worrying trend that continues to impair our ability to advise clients with certainty." Additionally, a number of protesters have been arrested on charges that may lack sufficient evidence, raising concerns about the integrity and independence of law enforcement and the judiciary, as well as the proportionality of the penalties imposed.

That said, she does note that while some foreign direct investment deals did not go through in the past several months, the economy isn't at a complete standstill. "While investor caution remains, there has been a noticeable uptick in activity since March, particularly in financing and expansion projects that continue to move forward. The most severe slowdown occurred between October and February, but the market is now showing tentative signs of recovery. Still, some investors remain hesitant to commit new capital or reinvest in the local economy until there is greater political clarity."

Finally, Kvartskhava reports that, at this moment, no new major legislative initiatives are expected to pass "that would improve the situation. The positive development we can point to is that, at least for now, *FARA* will not apply to lawyers, and that clarity was badly needed." ●



Many deals were paused or did not go forward because of the unpredictability of the situation. Right now, it remains uncertain where Georgia is headed strategically if EU integration is no longer clearly on the table.

Keeping It in The Family in Croatia: A Buzz Interview with Matea Gospic Plazina of Gospic Plazina Stojs

By Andrija Djonovic (June 11, 2025)



Croatia's transactional and legal landscape is heating up, with a strong pre-summer push across multiple sectors and a growing alignment with international standards, according to Gospic Plazina Stojs Partner Matea Gospic Plazina, who reports that this environment is driving fresh momentum in capital markets, M&A, and the increasingly layered world of family wealth

management.

"The market is genuinely buzzing right now, we're seeing a significant push to close transactions before the summer break, and there's a palpable sense of momentum across multiple sectors," Gospic Plazina begins. "Croatia's legal and business environment is maturing, with increasing alignment to global standards, which is attracting both domestic and international activity."

Specifically, Gospic Plazina stresses that 2025 has marked a renewed momentum in Croatia's capital markets. "After several years of limited activity, there is finally a positive shift. The Croatian government, together with the EBRD, introduced a *Strategic Framework for Capital Market Development* aimed at strengthening regional integration, improving corporate governance, digitalization, and boosting market participation." According to her, "this is particularly significant for a market like ours, where traditional bank financing has long been dominant. What we're now seeing is a deliberate move toward diversified financing sources, which is creating more investment opportunities and encouraging broader capital market participation."

Moreover, Gospic Plazina reports that IPOs are making a comeback, with names like Zito Grupa and ING-GRAD leading the way. "More companies are also increasingly turning to the debt markets through corporate bond issuances. This rising trust in the debt capital markets is a very welcome development and a signal of a more sophisticated financial landscape in the making." Zeroing in on the M&A market, Gospic Plazina reports that it has "remained active, especially in the mid-market segment. Notable transactions such as Podravka's acquisition of Fortenova's agricultural division and Bosqar's acquisition of Mlinar have made headlines, but beyond those, sectors such as energy, infrastructure, retail, and food continue to drive steady deal flow."

Gospic Plazina stresses the growing involvement of strategic investors and, increasingly, family offices. "The latter reflects a broader global pattern, wealth consolidation, intergenerational transfers, and the sale of family-owned businesses – all feeding into heightened activity from family offices across the region. This shift is fundamentally changing deal dynamics and bringing new capital into the market."

Expanding on this family wealth trend, Gospic Plazina says that it has introduced a whole new layer of legal complexity, "especially around estate and succession planning. As more wealth accumulates and changes hands, we're seeing a rise in demand for structures that support long-term preservation and governance. In Croatia, there have historically been gaps in this area, but we're now seeing real momentum to address them." Crucially, she points out that there are ongoing discussions between private sector stakeholders and the Croatian government about introducing legal frameworks to support the creation of private foundations. "That would be a game-changer in terms of wealth structuring and long-term philanthropic or legacy planning. It's still in the early stages, but it is a promising development that we're watching closely," Gospic Plazina concludes. ●



Croatia's legal and business environment is maturing, with increasing alignment to global standards, which is attracting both domestic and international activity.

Streamlining Regulations in Poland: A Buzz Interview with Piotr Szelenbaum of Fieldfisher

By Andrija Djonovic (June 16, 2025)



Poland's legal market is in flux, shaped by international activities and sweeping regulatory reforms, according to Fieldfisher Partner Piotr Szelenbaum, with local and global developments fueling momentum across different sectors, from AI and cybersecurity to crypto and capital markets.

“The last few months have been dynamic, and you can look at the changes through both local and global lenses,” Szelenbaum begins. “Locally, one of the major developments was Fieldfisher’s own entry into the Polish market, part of a broader trend toward increased internationalization. We’ve seen several major firms like Osborne Clarke and Addleshaw Goddard enter, and in some cases exit, the market. It’s a reflection of how the legal landscape is shifting, with more emphasis on mid-market work and sectoral specialization.” Szelenbaum goes on to say that he is hopeful this trend will prove to be a game-changer, demonstrating that the Polish market is mature and attractive enough to support long-term international investment.

“Another key local theme is the discussion around deregulation,” Szelenbaum continues. “While still mostly conceptual, there’s a growing recognition that overregulation is a problem, not just in Poland, but across the EU. We’ve seen the first steps toward change, with several legislative initiatives aiming at streamlining regulatory burdens. It’s still early days, but there is hope that after the presidential elections in Poland, the government’s initiative in this regard will translate into tangible reform.”

Focusing more on the global factors impacting Poland, Szelenbaum says that “the rapid development of digital industries is shaping everything. Two major regulatory initiatives stand out: the *AI Act* and the new cybersecurity framework.” According to him, Poland is currently working on draft legislation for both, and it is expected that the implementation will happen in the coming months. “The scale of impact is enormous, around 15,000 entities in Poland alone will be affected. These changes won’t just generate compliance work; they’ll likely transform the way legal services are structured, especially in the IP and TMT sectors. Lawyers in these fields will be very busy.”

Additionally, Szelenbaum says that while cybersecurity is not a new issue, “the net is widening. More entities are coming under compliance obligations, creating fresh challenges around cost, process, and internal procedures. These changes are also bleeding into adjacent sectors, from defense and healthcare to entertainment and financial services. Compliance efforts and regulatory costs are expected to rise, which will have a knock-on effect on M&A activity as companies adjust structures, raise capital, or consolidate operations.”

Finally, Szelenbaum underlines a few final items that stand to impact the market in the months ahead. “First, crypto, as it’s time we accept that digital assets are here to stay. The implementation of new crypto regulations will fundamentally change how the financial services sector operates,” he says. “Then there’s the *AI Act* and the broader digitization agenda, which will create an entirely new compliance environment. Lastly, I’m curious to see how the amended Prospectus Regulation will affect equity capital markets in Poland. It could inject fresh energy into the Warsaw Stock Exchange which in recent months has been performing very well and lead to a more active ECM landscape, something we’ve been waiting for. Whether that happens or not remains to be seen, but the building blocks are certainly being laid,” Szelenbaum concludes. ●



Another key local theme is the discussion around deregulation. While still mostly conceptual, there’s a growing recognition that overregulation is a problem, not just in Poland, but across the EU. We’ve seen the first steps toward change, with several legislative initiatives aiming at streamlining regulatory burdens. It’s still early days, but there is hope that after the presidential elections in Poland, the government’s initiative in this regard will translate into tangible reform.

THE DEBRIEF: JUNE 2025

In **The Debrief**, our Practice Leaders across CEE share updates on recent and upcoming legislation, consider the impact of recent court decisions, showcase landmark projects, and keep our readers apprised of the latest developments impacting their respective practice areas.



This House – Implemented Legislation

Labor law in the Czech Republic entered a new chapter this month with the implementation of the long-anticipated Flexi-Amendment. “On June 1, 2025, the Flexi-Amendment to the *Czech Labor Code* came into being,” Peterka & Partners Partner Adela Krbcova reports. “Training sessions are ongoing, and businesses are exploring the new opportunities offered.”

The good news, according to Krbcova, is that “this time, employers are not overwhelmed with paperwork when adapting to the new rules. It is more about processes and considering which novelties are useful for businesses and therefore worth implementing internally. For example, not all companies want to extend trial periods or employ 14-year-olds who are still in compulsory schooling during the summer holidays.”

According to her, “in brief, the most important thing is to remove clauses that prevent employees from disclosing their salaries to co-workers or other people. Also, the new rules regarding the length, start, and end of the notice period are subject to not having another agreement with employees in individual contracts or specific rules adopted internally.”

Aside from the changes to the labor legislation, Krbcova says that “the government has also updated the rules on granting paid or unpaid days off for various personal occasions. These rules now also cover not only employees’ spouses, but also their partners. Up to five additional unpaid days off may be taken by employees grieving for late relatives. The number of days off for job seeking now depends on the reason for termination, with additional days granted to job seekers who use the advisory services of labor offices.”

This House – Reached an Accord

Poland is amending its employment framework, particularly regarding the regulation of foreign workers. According to Wolf Theiss Associate Marta Wasil, “on May 12, 2025, two statutes were published in the *Journal of Laws of the Republic of Poland*: the *Act on the Conditions for Permitting the Employment of Foreign Nationals in the Territory of the Republic of Poland* (the Act on the employment of foreign nationals) and the *Act on the Labor Market and Employment Services* (the Act on the labor market).” Wasil explains that “these acts adapt and consolidate several existing solutions that were previously regulated under the April 20, 2004, *Act on Employment Promotion and Labor Market Institutions*, while introducing new provisions.”



Adela Krbcova,
Partner,
Peterka & Partners



Carolina Parcalab,
Legal Manager,
ACI Partners



Denys Medvediev,
Partner,
Redcliffe Partners



Kostadin Sirleshtov,
Managing Partner,
CMS Bulgaria

According to Wasil, the new legislation establishes “the principles that govern foreign nationals’ access to the labor market, the relevant authorities, and the applicable procedures. Notably, the Act on the employment of foreign nationals fully digitizes the procedures related to the legalization of the employment of foreign nationals. Applications for work permits and related documentation must be submitted via an electronic system. Applications submitted through any other means will be left unprocessed.”

“The most significant change introduced by the Act on the labor market is the implementation of a two-year waiting period for newly established employment agencies,” Wasil highlights. “According to the new regulations, conducting business activities in the fields of recruitment and temporary employment services for foreign nationals will only be possible after two years have passed since the date of entry into the employment agency register. In practice, this means that a newly established employment agency will be limited for two years to providing services in respect to: Polish citizens, EU citizens, and foreign nationals exempted from the work permit obligation.” This restriction, according to her, “aims to prevent the formation of agencies solely for obtaining rapid access to foreign labor. However, this measure will create a significant barrier to market entry and may strengthen the market position of larger, already-established entities.”

This House – The Latest Draft

ACI Partners Legal Manager Carolina Parcalab stresses that Moldova continues to align its competition framework with EU standards. “During a recent public event, the President of the Competition Council announced the upcoming amendments to the *Competition Law*, aiming to strengthen enforcement tools and align key legal definitions with European practices,” she says. “Notably, one of the proposed changes includes lowering the dominance presumption threshold from 50% to 40% market share. The amendments will also clarify the rules around the execution and suspension of the Council’s decisions, providing greater procedural transparency.”

Meanwhile, in Poland, “work on the long-awaited amendment to the *Act on the National Cybersecurity System*, aimed at implementing the *NIS2 Directive* in Poland, has accelerated,” Addleshaw Goddard Head of TMT/IP Szymon Sieniewicz reports. “The new draft law was published on June 6, but is dated April 16, suggesting its release may have been delayed, possibly due to the presidential elections in late May. Some of the amendments are technical, but the draft also introduces significant changes. These include a provision allowing the cybersecurity authorities to mandate external audits with immediate effect and enabling the Minister of Digital Affairs to provide financial support for projects such as developing and improving ICT products, services, and processes in cybersecurity.”

“The draft law was recently discussed by the Standing Committee of the Council of Ministers,” Sieniewicz adds. “It is now likely to proceed to the lower house of the Polish Parliament for further consideration, moving closer to the implementation of the *NIS2 Directive* in Poland. The new cybersecurity laws are expected to impact tens of thousands of Polish businesses, particularly those in critical sectors such as energy, transport, healthcare, banking, and digital infrastructure.”



Marta Wasil,
Associate,
Wolf Theiss

The Verdict

A recent case in Serbia has raised pressing questions about directors' fiduciary duties and minority shareholder rights. "The case involves a former director allegedly receiving illicit 'kickbacks' from suppliers in exchange for business, triggering civil proceedings," Pekic Law Office Partner Stefan Pekic explains. "Additionally, this matter has raised renewed attention to minority shareholder rights in LLCs, specifically the inability of minority members to enforce dividend payouts in the absence of majority support at the general assembly. This highlights the ongoing tension between legal formality and shareholder equity in closely held companies."

In the Works

CMS Bulgaria Managing Partner Kostadin Sirleshtov highlights that the Bulgarian energy sector remained very active in May with several key developments. "PPC Group, the leading Greek power utility, acquired an 88-megawatt solar PV plant in Bulgaria, marking its second project in the country," he notes. "The plant is located in the Karlovo region and is expected to be operational in the first quarter of 2026. This project, along with an existing 165 megawatt-peak solar farm and 25 megawatt/55 megawatt-hour energy storage facility in Stara Zagora, strengthens PPC Group's presence in the Bulgarian renewable energy market."



Stefan Pekic,
Partner,
Pekic Law Office

Similarly, he says, "one of the biggest Bulgarian operational photovoltaic investment companies – Aratiden Ltd. – signed an EPC contract on the construction of an EU-supported 40-megawatt/82.58 megawatt-hours facility paired with an existing 100-megawatt photovoltaic plant. It is expected that the BESS project will be operational in the first quarter of 2026."

Additionally, "at the beginning of May 2025, Shell Exploration and Production 96 concluded the oil & gas prospecting and exploration agreement for Block 1-26 Han Tervel offshore Bulgaria," Sirleshtov reports. "The two-stage EU tender process, launched in July 2024, comprised a qualification round followed by a bidding round. In December 2024, Shell was awarded the permit, and in May 2025, it finalized the agreement with the Bulgarian Government."



Szymon Sieniewicz,
Head of TMT/IP,
Addleshaw Goddard

Furthermore, "Bulgaria and Turkiye signed a Memorandum of Understanding in the energy field, following the first investment in the renewable sector of Bulgaria made by the largest Turkish construction company Enka," Sirleshtov points out. "It is expected that this investment will be followed by further Turkish investments in the Bulgarian energy sector in the coming months."

Done Deals

In terms of regional M&A, a standout transaction has reshaped the financial sector in the Western Balkans. Pekic highlights a significant deal in the Balkan region, impacting Serbia. "One of the most notable regional M&A develop-



Recent enforcement actions suggest a shift in how the competition council approaches competition analysis, with a greater focus on economic substance and market realities.

ments last month was the finalization of AIK Group’s acquisition of 74.9% of shares in Montenegro’s Hipotekarna Banka,” he notes. “This transaction not only expands AIK Group’s footprint in the Western Balkans but also strengthens its ambition to position itself as a leading financial player in the region, building on synergies across Serbia and Slovenia through its existing banking and leasing operations.”

Regulators Weigh In

In terms of competition developments, Redcliffe Partners Partner Denys Medvediev says that “the Antimonopoly Committee of Ukraine (AMCU) has intensified its enforcement efforts against misleading therapeutic claims, particularly in cosmetics and dietary supplements.” In recent years, “the AMCU has tended to prioritize cases showing measurable harm to fair competition. While technically deceptive claims were often overlooked when their market impact was negligible, the regulator maintained strict scrutiny of health-related cases, even those lacking clear evidence of market distortion. This selective enforcement approach reflects a deliberate policy of strengthening consumer protection in medically sensitive markets.”

“The latest enforcement actions highlight this strategic focus, with three particularly noteworthy decisions,” Medvediev notes. “On May 22, Bauer Medical’s Ukrainian subsidiary received a penalty for improperly marketing its Heparin Dr. Bauer cream as possessing ‘anti-varicose and toning’ medicinal properties,” he says. “On May 29, a state-owned pharmaceutical enterprise faced a penalty for making unsubstantiated claims that its Rotokan solution could effectively treat oral inflammations.” Finally, “on June 12, Delta Medikel incurred a substantial EUR 200,000 penalty for promoting its Lactofiltrum supplement as an effective treatment for allergies and acne.”

“Remarkably,” he stresses, “these decisions uniformly relied on expert evaluations from Ukraine’s Ministry of Health. While the first two penalties remained modest (under EUR

5,000), the substantial June fine clearly indicates a strategic pivot toward deterrence through more severe financial sanctions.”

“The case-specific enforcement approach, lacking broader industry guidance, may raise questions about optimal resource allocation,” Medvediev argues. “While the AMCU’s focus suggests further high-value penalties could follow, some argue that general compliance recommendations would enhance the preventive impact of enforcement. In this evolving landscape, businesses are advised to adopt robust compliance measures, including auditing product claims, revising marketing materials, and, where necessary, reviewing specific batches. In certain cases, it may be prudent to preliminarily negotiate specific packaging designs or marketing materials with the AMCU, using available legal instruments.”

Meanwhile, in Moldova, “recent enforcement actions suggest a shift in how the competition council approaches competition analysis, with a greater focus on economic substance and market realities,” Parcalab points out.

“The first example is a merger control case involving Moldretail Group and its intended acquisition of the Fourchette retail chain,” she says. “The case has moved to Phase II investigation, with the Council citing ‘serious doubts’ regarding the transaction’s compatibility with effective competition. The analysis defined relevant markets by store formats and calculated local catchment areas using walking distances of 10 to 30 minutes – a methodology inspired by the European Commission’s approach in retail mergers.”

“The second case concerned an unfair competition complaint filed by Calarasi Divin against Zolotoi Aist, alleging visual imitation of bottle design and branding,” she reports. “While similarities were noted in packaging, colors, and product naming, the Council found insufficient evidence of actual consumer confusion, underlining the need for tangible market impact rather than assumptions.”

Together, “these developments signal Moldova’s maturing competition regime – less formalistic, more economically grounded,” Parcalab says. “For businesses, the message is clear: compliance now demands a blend of legal accuracy and market insight. Whether dealing with branding or structuring M&A, economic analysis has become an essential part of the legal strategy.” ●

THE CORNER OFFICE: THE BD/BILLABLE RATIO SWEET SPOT

In **The Corner Office**, we ask Managing Partners at law firms across Central and Eastern Europe about their backgrounds, strategies, and responsibilities. This time around, we asked: **What is the ratio between business development activities and billable hours for Partners within your team, on average?**



Mykola Stetsenko, Avellum, Ukraine: Most of our partners roughly spend 30% of their time on business development efforts. The billable hours of partners are normally double the time spent on business development.



Kostadin Sirlishtov, CMS, Bulgaria: At Harvard Business School, they call this “the manager–producer dilemma,” and it is a dilemma because there is no solution. The famous “minders/finders/grinders” distinction is still very much in place in most law firms, with some clear distinction between the partners who are “externally oriented” (rainmakers) and the ones who are more “introverted” (grinders and minders). In a leading global law firm such as CMS, you need to take care of both the billable and business development elements of your practice.

The billable element varies between a firmwide minimum and a desirable level that allows for a healthy gross margin. Our team is very much in line with the roster of 1,000+ Partners globally, with billables between 1,000-2,000 hours (average of 1,400 hours). The business development activities are a bit more difficult to measure, but taking into consideration that some of the busiest partners in our team have 3,500-3,700 hours of annual time commitment, it varies between 200-1,000 hours. This includes pitches, attendance, and speaking at conferences, webinars, our own *Law-Now* blog, and other articles, guides, brochures, CSR campaigns, trade missions, publications, social media campaigns, etc.



Nenad Popovic, JPM & Partners, Serbia: The ballpark estimate would be 20% of the time at most, but not nearly enough. To be honest, there is no precise and reliable metric for me to get the precise number. On one hand, not all the work we do is based on billable hours, and trying to convert alternative earnings into billable hours would present an unnecessary burden. On the other hand, given the size of our markets, there is only so much business development activity that is practical and applicable from the cost-benefit perspective.

Thus, our approach to the analysis of this is quite different from the straightforward billable hours versus BD hours approach. We take into consideration quite a few more factors when reviewing this issue and the results of the Partners from all our offices. Even between them, due to different market factors and conditions, there are differences that must be considered and accepted when looking into the time dedicated by each of our Partners to BD activities.



Ivana Ruzicic, PR Legal, Serbia: On average, the ratio between business development activities and billable hours for Partners in our team is approximately 30% to 70%, respectively. Our Partners remain actively involved in client work, which is essential for maintaining strong, hands-on relationships and ensuring high-quality service. At the same time, they are expected to contribute meaningfully to the firm’s business development efforts, whether through client relationship management, networking, thought leadership, or participation in conferences and industry events.

For Managing Partners, this ratio naturally shifts more in favor of business development and strategic work. In my own case, the balance is closer to 50% BD and 50% billable, as I’m more heavily involved in firm-wide initiatives, key client relationships, and long-term growth planning.

We believe that maintaining a healthy balance between billable work and BD efforts is essential, not only for the firm’s sustainability but also for the individual professional development of our Partners.



Istvan Szatmary, Oppenheim, Hungary: At Oppenheim, we believe that everything our Partners do is, to a certain extent, business development. While the ratio of business development activities to billable hours may vary depending on an individual’s practice area and seniority, we do not apply strict rules regarding the expected number of billable hours or the amount of time spent on business development.

Nevertheless, business development is a key priority for all our partners and is integral to our long-term success.

Many of our Partners invest significant time in client relationship management, thought leadership, mentoring, and participating in industry events – activities that are not immediately billable, yet essential for sustaining and growing our client base. As a general rule, Partners are expected to dedicate as much time as necessary to cover their team’s capacities and to provide team members with meaningful and challenging tasks.

At the same time, we encourage a flexible approach tailored to the Partner’s role, the lifecycle of client matters, and market opportunities. In short, while billable work remains essential, our model places a strong emphasis on long-term business development as a core partnership function.



Oleksiy Didkovskiy, Asters, Ukraine: The firm-wide statistics without reference to a specific Partner show that, in 2024, every hour dedicated to business development equated to seven billable hours. In 2021, the year before the outbreak of the full-scale war, this ratio was 1 to 5.5.

While there is a positive trend in business development efforts and overall financial performance, both business development and billable hours have suffered a decline. This decline is primarily due to the ongoing war in Ukraine and its consequences, such as the economic downturn and a challenging investment, business, and legal environment.

In addition, many companies have had to cut their budgets for legal services, suspend or cancel projects until the war is over, and international business development initiatives have been largely hampered by restrictions on crossing the country’s border.



Milos Velimirovic, SOG in cooperation with Kinstellar, Serbia: Our firm takes a distinctive, entrepreneurial approach to business development that extends opportunities to all attorneys and staff, regardless of position. We recognize that when our lawyers develop their expertise and pursue their passions, the firm naturally grows alongside them. While we embrace flexibility, we do maintain baseline expectations. Partners are expected to allocate between 15% and 30% of their time to business development activities in some capacity, ensuring the firm’s continued growth trajectory.

This entrepreneurial approach creates a culture where business development becomes a shared responsibility rather than solely a partner’s obligation. It develops future rainmakers among Associates, diversifies our client development channels, and builds stronger client relationships through multiple attorney touchpoints. By moving away from traditional billable hour formulas and embracing individual strengths with an entrepre-

neurial mindset, we’ve created a sustainable model that benefits both our attorneys and our clients while driving consistent firm growth.



Pal Jalsovszky, Jalsovszky, Hungary: Among the Equity Partners, the average is 65/35, meaning 65% billable work and 35% business development. The ratio is, however, somewhat different at the level of the Managing Partner, where the proportion of billable work is substantially lower.



Christoph Mager, DLA Piper, Austria: In the competitive landscape of law firms, Partners face the challenge of balancing business development activities with billable hours. While business development is key for attracting new clients and retaining existing ones, our Partners need to ensure that they are working enough on client files to preserve our clients’ trust, but also to meet financial targets and support our profitability.

On average, the ratio between business development activities and billable work for Partners at DLA Piper in Austria is roughly 80:20. This means that Partners spend around 80 percent of their time on client advisory and 20 percent on activities such as networking, PR activities, practice development, seminars, and client development. A sufficient focus on business development activities is essential to grow and sustain our operations. However, it can also be quite time-consuming, and the time our Partners dedicate to these activities varies depending on their role and seniority.

I am a strong believer that one of the best business development tools for Partners is to deliver daily high-quality (billable) service to clients. Ultimately, balancing business development and billable hours is essential for our long-term success.



Djura Mijatovic, Zivko Mijatovic & Partners, Serbia: We treat business development as a core responsibility of a Partner, not a side activity. On average, the ratio of business development to billable hours for Partners on our team is approximately 30:70. We believe BD should be structured just like billable work: planned, tracked, and executed consistently. That’s why we encourage a set number of BD hours per week, rather than per month – it builds regularity and prevents the last-minute rush that often undermines BD effectiveness.

We also aim to maintain a 1:2 Sales-to-Marketing ratio to avoid the common pitfall of overinvesting in content and visibility while underperforming in actual client outreach. Tracking BD as a KPI – and treating it with the same importance as billable work – drives both accountability and results. ●

HOT PRACTICES MID-2025: A CEE SNAPSHOT

By Teona Gelashvili

As we pass the halfway mark of 2025, we asked Partners across the region to identify their hottest practice so far this year, explain the driver behind that surge, and share whether they expect the momentum to continue. Czech Republic-based PRK Partners Associate Partner & Head of AI and Digital Practice Daniel Vejsada, Georgia-based PwC Legal Director and Head of Legal Practice Vano Gogelia, Ukraine-based Avellum Partner and Head of Defense and Miltech Andriy Romanchuk, Bulgaria-based Schoenherr Office Managing Partner Alexandra Doytchinova, and Serbia-based Kinstellar Special Counsel and Co-head of the firm-wide Competition & State Aid service line Olga Sipka give us their take.



Alexandra Doytchinova,
Bulgarian Office Managing
Partner, Schoenherr



Andriy Romanchuk,
Partner,
Avellum



Daniel Vejsada,
Associate Partner,
PRK Partners



Olga Sipka,
Special Counsel,
Kinstellar



Vano Gogelia, Director and
Head of Legal Practice,
PwC Legal

AI & Digitalization Boom in the Czech Republic

“This year, we’ve seen the biggest interest in the area of AI and matters relating to digital acts,” Vejsada begins. “The legal framework for AI is developing very dynamically, whether it’s regulatory readiness, contractual arrangements, intellectual-property protection, compliance, or the impact of AI on labor law. We have decided to launch an AI legal practice to expand our services for clients from both technology and non-technology sectors.”

Explaining why this practice took off, Vejsada says that, “instead of merely formal document review,” they focus on providing “comprehensive support throughout the entire process of implementing digital and AI tools, from initial analysis and collaboration on solution design to assistance with implementation and process setup.”

Looking ahead, Vejsada feels the volume of work in this area will only grow. With the entry into force of the *AI Act*, “companies of all sizes will be looking for answers regarding compliance with new regulations, risk classification, implementation of compliance mechanisms, and setting up internal processes.”

An M&A Surge in Georgia

Despite regional political turbulence in Georgia, PwC Legal in Tbilisi has already closed multiple USD 100 million-plus deals this year.

“Despite some political turbulence, our legal practice in Georgia has been mostly driven by a strong boost in M&A work,” Gogelia says. “Normally, we have one large deal of over USD

100 million per year and have dozens of mid-size transactions throughout the year. But this year has been surprisingly different.” This year, there have already been two large transactions and a third one is in the works, “which could well be the largest deal this year in the country. Mid-size and small deals, mostly between local Georgian entities, are also on the rise year to date.”

Gogelia reports they “acted both on the buy-side and sell-side deals, and the work usually covered drafting and negotiations of initial transaction documents, transaction structuring advice, DDs, transaction documents, and post-merger integration matters.”

As for the road ahead, Gogelia is hopeful. “I expect that mergers between local companies will continue for the remaining part of the year. Probably deals that are driven by the inflow of foreign capital may not accelerate further, but we do observe interest from specific countries from the Middle East, China, and others willing to invest in various assets in Georgia.”

Defense & Miltech on the Rise in Ukraine

Ukraine’s defense-technology boom has made Avellum’s Defense & Miltech practice unusually busy this year, according to Romanchuk, who says that this has been “mainly because of a combination of factors: the rise of new defense-tech startups in Ukraine, foreign defense-tech companies entering the market, and an increase in VC investments.” Specifically, Avellum has “been particularly busy helping Ukrainian startups with their corporate structuring, regulatory advice, and negotiating VC investment transactions. Additionally, a significant part of

our work involves assisting foreign companies entering the Ukrainian market. We guide these companies on setting up local operations, structuring their businesses, and forming strategic collaborations with Ukrainian partners.”

Romanchuk explains that “the primary reason behind this growing workload is that Ukraine offers practical, battle-field-tested innovations. Working technologies developed with consistent feedback from the frontlines and with potential for future commercial use are increasingly attractive to investors.”

Looking forward, Romanchuk expects the workload to remain strong. “The defense-tech ecosystem in Ukraine is steadily developing. We anticipate that more advanced funding rounds, beyond Series A, will soon emerge. This, combined with the expected relaxation of export controls, should further accelerate the growth of the defense-tech sector.”

Energy Storage Going Strong in Bulgaria

Subsidies and EU funding have ignited a wave of battery-energy-storage projects in Bulgaria, keeping lawyers extremely busy, according to Doytchinova. “In 2025, the legal practice surrounding energy storage systems, particularly battery energy storage systems, has emerged as the hottest area in the renewables sector. This surge in activity is driven by several factors, including substantial funding opportunities, evolving regulatory frameworks, and the increasing importance of grid stability and energy security.”

Doytchinova explains that “the primary driver behind the heightened levels of activity in the storage development has been the availability of significant funding. Government initiatives, EU funding, and private sector investments have all contributed to the rapid development of energy storage infrastructure.” For instance, in 2024, the Bulgarian Ministry of Energy launched tenders under the *National Recovery and Resilience Plan* to support renewable energy generation co-located with electricity storage facilities for the first time. “These first tenders, with a total budget of approximately EUR 270 million, aimed to support both small and large-scale projects, providing grants that could cover up to 50% of eligible costs. Additionally, a new tender under the *RESTORE* program, financed within the *EU Recovery and Resilience* scheme, exclusively focused on standalone electricity storage facilities was issued in August 2024,” she says. “The scheme will support the construction and commissioning of energy storage projects with a total funding of approximately EUR 590 million spread across the projects, which will add up to 9,712.89 megawatt-hours of usable energy storage capacity. The grants will support up to 50% of the respective construction and commissioning costs. These funding opportunities have been instrumental in driving

the development and implementation of storage projects in Bulgaria since 2024,” Doytchinova explains.

Doytchinova expects the levels of work in the storage-driven practice to continue growing. “The investments in storage are just starting, and the first battery parks on a stand-alone basis have been taken into operation. If these initial projects prove successful, they will reconfirm to investors in renewables that storage should be planned as a standard part of each renewable energy development, as co-location, or on a stand-alone basis.”

Merger Control in the Western Balkans

“In our Kinstellar’s Belgrade office, the competition team was busiest in merger control cases so far this year,” Sipka reports. According to her, evolving competition rules in the Western Balkans have driven many clients to seek help in “navigating merger filings, and especially in coordinating with multiple Western Balkans competition authorities.”

Since 2024, Kinstellar, under its *Western Balkans Hub* (WBH) initiative, has been leveraging the combined expertise of its Zagreb and Belgrade offices, Sipka stresses. “The clients sought our support on competition aspects through the WBH platform in several transactions. Some of them were driven by legislative changes in the region that impacted clients’ business decisions related to M&A efforts, while others were related to sectors generally known for frequent M&A activity.” Specifically, she highlights the ICT sector, “which only in Serbia recorded a 20% year-on-year revenue increase, establishing it as one of the most attractive sectors for investment and new market entry.”

Sipka explains that “specific merger control rules applicable in the Western Balkans require assessing whether merger control thresholds are met for large international transactions. Merger control thresholds are mainly turnover-based and are, in principle, low-value both at the worldwide and the national level. Moreover, the domestic effects doctrine does not apply in Western Balkans jurisdictions, meaning that foreign-to-foreign transactions are subject to merger control rules based on meeting the applicable thresholds.” As she puts it, “low turnover thresholds combined with the possibility of fines in case of gun-jumping have kept our lawyers fully engaged in advising on the preparation of notifications and managing interactions with competition authorities.”

Looking ahead, Sipka says that these levels of work are expected to continue, “due to the nature of the local merger control rules and the increasing interest of parties, especially large multinational groups, in complying with competition regulations.” ●

LOOKING IN: INTERVIEW WITH ANNA HERMELINSKI-AYACHE AND JEAN-BERNARD SPINOIT OF ELVINGER HOSS

By **Andrija Djonovic**

In our Looking In series, we talk to Partners from outside CEE who are keeping an eye on the region (and often pop up in our deal ticker) to learn how they perceive CEE markets and their evolution. For this issue, we sat down with Elvinger Hoss Partner Anna Hermelinski-Ayache and Counsel Jean-Bernard Spinoit.

CEELM: What were your initial interactions with CEE?

Hermelinski-Ayache: My first interactions date back a few years, working on projects in Austria, the Czech Republic, and Poland. Although we've advised clients across the region, most of our work has been in those three jurisdictions, covering corporate, M&A, financing, securitization, and capital markets transactions. We also helped clients invest in CEE from Luxembourg, using its mature funds industry and advanced collateral-direction regime, where security interests remain insolvency-remote, to structure cross-border deals efficiently. Our clients span financial institutions, state bodies, private-sector companies, and banks, many of whom are active in media, sports, infrastructure, telecommunications, and real estate, particularly in the Austrian and Polish markets.

That said, some markets remain harder to penetrate, for example, Hungary, Slovakia, and Turkiye tend to pose significant structural or regulatory hurdles that make Luxembourg-based investment more challenging.

Spinoit: My first engagement was a financing deal in Austria, and since then, I worked on a consumer-loan securitization platform in Poland and, most recently, the Zabka IPO. We also handled smaller mandates out of Austria, the Czech Republic, and Poland, which has reinforced our focus on those strong CEE markets. Crucially, we often advise CEE-headquartered clients who use Luxembourg as their platform to invest abroad, leveraging its regulatory framework to reach multiple markets. Additionally, Luxembourg's attractive fund structures and lender-friendly collateral regime make it particularly appealing to financial institutions and private equity investors looking to efficiently structure their investments across multiple jurisdictions.

CEELM: What about your recent activities? What has kept you busy in the last 12 months?

Spinoit: The project that consumed most of my time was the Zabka Group IPO, which closed in October 2024. It was by far my largest and most time-intensive deal of the year. Beyond Zabka, we continued to see significant activity from private equity and real estate funds, particularly in securitization mandates, driven by Luxembourg's robust regulatory framework and flexibility across sectors.

Hermelinski-Ayache: I was deeply involved in Zabka's corporate reorganization alongside the IPO work. Beyond that, our M&A and financing pipeline has been driven largely by private equity funds and banks investing in real estate, media, telecommunications, and technology across CEE. Still, the Zabka transaction remains a standout; it essentially being a retail giant made the transaction quite interesting.

Luxembourg's infrastructure, with its broad scope, supports complex and large-scale operations across multiple business lines. Thus, we work across multiple sectors, and we're seeing appetite across multiple industries, with Poland in particular continuing to be exceptionally active.

Spinoit: As noted earlier, many of our mandates stem from PE and debt-fund clients on the securitization side. Because Luxembourg can accommodate virtually any sector, our work varies hugely depending on each client's CEE target. Polish lawyers and market participants are especially prominent, making it a booming environment. Austria and the Czech Republic also remain on our radar, and we expect continued inbound transactions as clients leverage Luxembourg's structures. We see a clear trend of increased integration between CEE companies and international financial markets, especially via Lux-



embourg's sophisticated structures and regulatory flexibility.

CEELM: What is your perspective on the international presence in the CEE region?

Spinoit: We're seeing a steady increase in global investors targeting CEE, and likewise, CEE companies using Luxembourg as a springboard into other markets. We frequently help issuers tap the Luxembourg Stock Exchange for debt financing – the world's largest debt market, in fact – where Polish and other CEE players are very active. Going forward, we anticipate increased activity originating from Eastern European and even Asian market participants as businesses seek to broaden their investor base and secure funding.

CEELM: Where are the CEE companies coming from, and where are they trying to invest?

Hermelinski-Ayache: Most of our CEE-facing clients are headquartered in the US or UK, though their investments span the region. US firms with existing CEE footprints are keen to deepen their presence, particularly in Poland and Austria. The Czech Republic is also growing more visible, and we expect those flows to continue. Luxembourg's mature and flexible funds industry is an essential tool for these clients, allowing them to optimize their investment structures and achieve greater efficiency across jurisdictions.



CEELM: What challenges and opportunities do you see in the region?

Spinoit: Geopolitics remains the primary challenge, above all, the war in Ukraine and shifting political alliances in the region, particularly regarding alignment with Russia, can dampen investor confidence. On the opportunity side, Eastern Europe, the Baltics, and the Balkans are registering strong economic trends, often outperforming many EU peers. We anticipate more investors entering those markets, but the key will be navigating local regulatory hurdles and adapting structures to each jurisdiction's nuances. The region's complexity requires sophisticated legal frameworks, something Luxembourg excels at, thus creating opportunities for market participants who can strategically leverage these tools.

Hermelinski-Ayache: Beyond the conflict's direct impact, political environments in countries like Hungary or Turkiye can make investors hesitant. Yet those same dynamics also create pockets of opportunities for those willing to manage the risks. Investors who adopt nuanced strategies, accounting for specific local regulatory landscapes and political environments, will find lucrative opportunities, particularly through Luxembourg's platform, which provides stability amid regional uncertainties. ●

FROM PUBLIC COURTS TO PRIVATE PANELS: UKRAINE'S ADR TRANSFORMATION

By Andrija Djonovic

As Ukraine grapples with geopolitical upheaval and economic uncertainty, private dispute-resolution mechanisms have emerged as vital alternatives to an overburdened court system. Kinstellar Partner Olexander Martinenko and Managing Associate Danylo Volkovetskyi explore recent legislative reforms, market fragmentation, wartime influences on institutional uptake, and the shifting preferences of businesses and state enterprises toward arbitration and mediation.

CEELM: How would you characterize the development of ADR in Ukraine over the past few years? Has there been a noticeable shift in how it's viewed or used?

Martinenko: At its core, ADR encompasses any dispute-resolution mechanism that lacks two fundamental attributes: universal due process and binding finality. Arbitration, which satisfies both criteria, now stands alongside state courts as a fully-fledged alternative forum. Whereas public courts offer adjudication by government-appointed judges, arbitration provides private adjudication before a panel chosen by the parties. In practice, there is no substantive difference between a final arbitral award and a state-court judgment – both are equally enforceable with the sole distinction lying in the composition of the decision-makers.

In Ukraine, arbitration is governed by two principal statutes: the *Law on International Commercial Arbitration* and the *Law on Domestic Arbitration*. The international framework has been modernized, approaching, though not quite matching, the benchmarks set by France or Germany, and today supports robust private dispute resolution. By contrast, domestic arbitration remains underutilized despite a sound legal foundation. The proliferation of multiple domestic arbitration centers has fragmented the market, and there is a perception that certain panels act as “pocket courts,” issuing biased decisions. Moreover, unlike many jurisdictions, Ukraine imposes a limited roster of arbitrators, which can undermine predictability and efficiency. Although proposals to align with international norms have been tabled, none have yet been adopted.

Since the outbreak of full-scale war in 2022, we've seen a significant shift: state-owned and state-controlled enterprises have begun to submit disputes to Western arbitral bodies such as the ICC in Paris and the LCIA in London, a practice that was rare before. Mediation has also received official recognition, with Ukraine having acceded to the *Singapore Convention*, but uptake remains low, as parties continue to perceive mediation as insufficiently conclusive and therefore default to courts

or arbitration.

Volkovetskyi: Our focus in Ukraine is overwhelmingly on commercial arbitration, since mediation has not yet matured for widespread contractual use. Over the past few years, arbitration's popularity has increased for two main reasons: legislative enhancements to the procedural codes and growing commercial awareness of arbitration clauses. At the same time, Supreme Court jurisprudence has become decidedly pro-arbitration: roughly every six months, the court issues new clarifications endorsing arbitration, which further strengthens parties' confidence in choosing this forum.

Notably, state-owned companies now routinely include arbitration clauses in their agreements, generating a significant share of the country's arbitration caseload.

CEELM: What are the biggest advantages of ADR for clients in your jurisdiction?

Volkovetskyi: First of all, expertise and independence. Then, of course, the freedom to choose the procedural timetable and instruments. Speaking about the Ukrainian ICAC, the overall timing to resolve the dispute can be less than in national courts.

Martinenko: Danylo correctly highlights arbitration's flexibility and speed. That said, some international arbitrations can extend beyond the duration of expedited Ukrainian court proceedings, which in certain instances resolve disputes remarkably quickly. For example, a case in a fast-track Ukrainian court may conclude much sooner than a typical Italian court proceeding, outlining clearly that 'faster' is relative to the chosen forum.

From a side-note perspective, and going beyond procedural autonomy, arbitration awards benefit from the near-universal enforcement regime established by the 1958 *New York Convention*, to which over 170 countries, including Ukraine, are parties. While Ukrainian court judgments are increasingly rec-



Olexander Martinenko,
Partner,
Kinstellar



Danylo Volkovetskyi,
Managing Associate,
Kinstellar

ognized under the 1971 *Hague Convention* and EU reciprocity instruments, arbitral awards enjoy a broader cross-border guarantee, enabling swift recognition with limited grounds for refusal. Moreover, arbitration proceedings are conducted in private, shielding sensitive commercial data from public scrutiny. This privacy preserves corporate confidentiality while also preventing reputational risks that can accompany high-profile litigation. Together, these features reinforce arbitration's appeal as a reliable, discreet mechanism for resolving complex international and domestic disputes, particularly where public exposure could compromise strategic negotiations or client relationships.

CEELM: What types of disputes tend to benefit most from ADR, and why?

Volkovetskyi: Arbitration offers the greatest value in complex commercial contract disputes and corporate shareholder conflicts – situations where specialized expertise and confidentiality are particularly important.

CEELM: Are there any recurring challenges you see when advising clients on ADR options?

Martinenko: Once parties agree to an arbitration clause, proceedings generally progress without institutional obstacles. Challenges tend to stem from the underlying commercial relationships rather than procedural law. In multifaceted disputes involving parallel arbitrations, conflicting awards can emerge, forcing parties to invest considerable time and resources in consolidation or annulment proceedings, efforts that detract

from resolving the substantive issues.

Moreover, despite Ukraine's well-crafted arbitration statutes, market fragmentation and inconsistent arbitrator rosters can undermine confidence in domestic institutions. Many domestic arbitration centers rely on loosely defined lists of "recommended" arbitrators, leaving parties uncertain whether these rosters are open, closed, or mandatory. Practitioners report that the obligation to choose from such open-ended lists, often populated by arbitrators from Seoul to Stockholm, creates procedural inefficiencies and unexpected disqualifications. In one high-profile attempt to appoint a globally recognized arbitrator, our firm was unable to secure a nomination, demonstrating how opaque selection processes can thwart party autonomy. Until clear, limited appointments are mandated, these institutional anomalies will remain a significant deterrent to domestic arbitration uptake.

CEELM: In your experience, how do businesses or individuals usually respond to the idea of mediation or arbitration? Is there still hesitation, or has trust in ADR grown?

Volkovetskyi: Commercial arbitration remains the predominant form of ADR in Ukraine, seeing as how mediation isn't yet widely used in contracts, as we have previously established. Growing legislative recognition of arbitration clauses, coupled with enhanced market awareness, has fueled increasing uptake among many businesses. State enterprises are now more willing to consent to cross-border arbitration, and favorable Supreme Court rulings issued roughly biannually continue to reinforce arbitration's credibility and encourage its adoption.

CEELM: Looking ahead, what trends or developments do you see shaping the future of ADR in Ukraine?

Volkovetskyi: I expect international commercial arbitration to maintain its upward trajectory. Over the next few years, domestic arbitration should secure similar acceptance as businesses develop confidence in its integrity. Mediation, too, is poised for wider adoption once parties appreciate its cost-effective, conciliatory benefits. We will likely see more disputes involving state-owned enterprises submitted to arbitration, and investor-state arbitration may emerge as a key venue for war-damage recovery claims.

Martinenko: I share Danylo's outlook. Accelerating legislative and institutional reforms during wartime is challenging, but history shows that leading arbitration regimes – France's is an excellent example – have evolved gradually. We remain committed to patient, incremental improvements that will strengthen Ukraine's ADR framework for the long term. ●

MARKET SPOTLIGHT: BULGARIA

ACTIVITY OVERVIEW: BULGARIA

The Firms with the most Deals covered by CEE Legal Matters in Bulgaria, between January 1, 2024, and June 15, 2025.

1.	CMS	29
2.	Djingov, Gouginski, Kyutchukov & Velichkov	16
3.	Kinstellar	13
4.	Wolf Theiss	9
5.	Boyanov & Co.	8

The Partners with the most Deals covered by CEE Legal Matters in Bulgaria, between January 1, 2024, and June 15, 2025.

1.	Kostadin Sirlishtov	24
2.	Georgi Tzvetkov	9
3.	Damyant Leshev	6
	Nikolay Bebov	6
5.	Antonia Mavrova	5
	Atanas Bengachev	5
	Gergana Monovska	5
	Katerina Kraeva	5



BULGARIA'S REGULATORY RESET

By Teona Gelashvili

With years of political instability in Bulgaria having stalled the appointment of key regulatory officials, Hristov & Partners Partner Dragomir Stefanov, PPG Lawyers Managing Partner Irena Georgieva, and Kambourov & Partners Managing Partner Yavor Kambourov discuss how it impacted the functioning of regulatory bodies.



The Impact of Political Deadlock

“The political crisis of the past four years significantly contributed to Parliament’s inability to appoint members to key regulatory bodies, inevitably affecting their functioning,” Stefanov says. “However, with the formation of a relatively stable coalition this year, united by closely aligned political views and ties, the situation has shifted. In theory, the election of new members should now reinvigorate the work of these bodies.”

Kambourov agrees, emphasizing that the Bulgarian National Assembly appoints key regulators. “From 2021-2024, repeated elections and interim governments delayed appointments and reforms,” he notes. As a result of some stability after four years of turnover, “key regulator positions were filled by parliamentary vote in spring 2025, whereas under prior caretaker arrangements, they had remained vacant or acting.”

Signs of Institutional Renewal

The long-awaited appointments have now begun to materialize, bringing renewed attention to institutional reform. “In recent weeks, Parliament has shown increased attention to appointing new members to key regulatory bodies, many of which had long operated beyond their statutory terms,” Stefanov notes. “This renewed focus may have been fueled by a decision of the European Court of Justice on April 30, 2025, which found that the continued operation of members of Bulgaria’s judicial disciplinary body beyond their terms violated the principle of judicial independence. Further, Bulgaria has



Dragomir Stefanov,
Partner,
Hristov & Partners



Irena Georgieva,
Managing Partner,
PPG Lawyers



Yavor Kambourov,
Managing Partner,
Kambourov & Partners

been catching up with other EU member states in implementing the EU FDI screening regime.”

This shift in tone is also reflected in the leadership changes across Bulgaria’s most prominent regulatory authorities. Kambourov draws attention to the fact that the Bulgarian Financial

Supervision Commission, the Energy and Water Regulatory Commission, and the Commission for Protection of Competition have new chairs since March 2025.

Questions Around Appointment Processes

As for the appointment criteria, Kambourov says that “regulatory candidates in Bulgaria are typically Bulgarian citizens with relevant higher education and at least five years of professional experience, appointed by the National Assembly, and must meet integrity, independence, and conflict-of-interest standards.”

Still, Georgieva notes that “while the law outlines basic eligibility requirements, such as legal or economic education and a certain number of years of relevant experience, the actual appointments are largely influenced by political negotiations in parliament. In recent cases, including the appointments to the Commission for Personal Data Protection (CPDP) and the Commission on Protection of Competition (CPC), there was limited public scrutiny. This has led to public concern about the competence and independence of the appointees.”

“There was considerable political controversy surrounding both appointments, along with comments regarding the competence of the selected chairpersons. It remains to be seen whether the choices were appropriate,” Georgieva continues. “There is no doubt that these changes were long overdue, as nearly 90 regulators (not just the CPC and CPDP) have been operating with expired mandates for years, effectively functioning on the edge of legality. The fact is that only the current parliament managed to gather the necessary majority and allocate the time to begin pushing through these long-delayed appointments.”

What’s Holding Regulators Back

Still, restoring proper leadership is only the first step in tackling deeper structural issues. One of the critical challenges that must be addressed, according to Stefanov, is “ensuring the independence and effectiveness of regulatory bodies. An example is the Competition Protection Commission, which has faced longstanding criticism for its inefficiency in investigating and sanctioning large-scale antitrust violations. At the same time, throughout the years, it has attracted public scrutiny for several high-profile and controversial decisions in merger control cases, raising questions about its consistency and transparency. Although a new commission has been appointed, skepticism remains about whether it will bring meaningful change.”

Addressing these issues will require a sustained effort that extends beyond leadership changes. “Despite the progress, challenges remain,” Georgieva agrees, adding that “maintaining independence from political influence continues to be a concern, particularly given the dynamic political landscape. Additionally, adapting to rapid technological advancements, such as AI and blockchain, poses significant challenges for the CPDP. Ensuring that regulatory frameworks keep pace with these innovations is critical.” She further states that “enhancing coordination between different regulatory bodies can streamline processes and reduce bureaucratic hurdles. Transparency can be further improved through regular public reporting and engagement. Speeding up decision-making processes without compromising quality is another priority. Finally, reinforcing the independence of these commissions is essential to ensure unbiased and effective regulation.”

Kambourov believes that political instability has a direct impact. “The past four years are a clear example – vacant or acting leadership positions left little room for progress on institutional reform,” he notes. “A different, but equally important challenge concerns the energy regulator. Its main task now is completing the long-postponed liberalization of the electricity market, allowing household consumers to enter the free market. The energy regulator will also need to ensure a smooth transition to a fully liberalized market, balancing stakeholder interests and meeting social expectations.”

Cautious Optimism, Looking Ahead

With the changes still fresh, observers remain cautiously optimistic about what lies ahead. In terms of what’s to come, “it is too early to make positive or negative assessments, as the changes have only recently taken place,” Georgieva says. “In particular, there are expectations for a swift response from the CPDP regarding the *EU AI Act*. The CPC needs to update some outdated practices and decisions. We will wait with hope – and a healthy dose of skepticism.”

“Creating joint information systems or a unified digital portal could streamline investor procedures and enhance inter-agency coordination,” Kambourov adds. “Regulators could also proactively publish decisions, criteria, and relevant data. Procedural reforms – such as stricter deadlines for approvals and wider use of e-government tools – would help improve the overall investment environment. Improving the professional training of staff is also crucial. In recent years, there has been a positive trend toward more stable staff retention, particularly at the energy regulator. This continuity strengthens the regulator’s capacity for coordination and responsiveness.” ●

FROM SOFIA TO SEE (LEGAL): AN INTERVIEW WITH BORISLAV BOYANOV OF BOYANOV & CO

By Teona Gelashvili

With 25 years of SEE Legal behind him and over four decades in the legal profession, Boyanov & Co Managing Partner Borislav Boyanov reflects on how the idea for the regional alliance first took shape, from early conversations with peers to building a network across borders.

CEELM: What sparked the idea to create SEE Legal, and what were some of the key thoughts behind putting it together?

Boyanov: Boyanov & Co was established back in February 1990, and from the very beginning, we worked with international clients and were sensitive about their needs. We also participated in global professional organizations and networks. In 2000, we organized on behalf of the IBA the first Balkan Legal Forum, which turned out to be a key event. There I met colleagues from the Balkan countries, and that is where the idea was born – not just to meet at events, but to work together for clients. The concept itself came from personal experience, showing that large legal networks worked very well for big markets like the US and UK, but law firms from smaller countries did not benefit a lot from them. That’s why we wanted a model tailored to our reality and our clients’ needs. We also studied similar regional approaches in Latin America and Europe.

So, at the Balkan Forum, I spoke with Ion Nestor from NND-KP in Romania and Perparim Kalo from Kalo & Associates in Albania. The vision was to create a leading structure that would cover the entire Southeast European region, with one first-tier law firm in each jurisdiction covered. We believed there was immense potential in the region, despite its historical complexities. At the time, the smell of gunpowder from the wars in the region was still in the air, but despite it, international clients were already operating here.

Our idea was not to focus only on referrals. We wanted to create a group with exclusive relations among the members to share knowledge, know-how, models, and contacts openly, to create joint business development strategies and marketing synergies. In time, we managed to build a solid infrastructure. Today, SEE Legal has regular meetings and effective management, including a coordinator with a US legal background, various practice groups, many publications, IT tools, etc. That is why some law firm management experts even call us a “virtual firm.”

At one of our early dinners, the IBA President at that time asked, “Who are these people from diverse countries who genuinely seem to enjoy each other’s company?” I told her these were my SEE Legal partners who, although they were coming from countries with difficult histories, liked and trusted each other very much. We had one goal – to build an innovative organization providing first-class services to its clients. She commented that we were a best-practice example for the politicians from our region.

I also remember a very experienced international partner from Allen & Overy once telling me, “If the members from your group do not merge in five years, you’ll disappear as an organization.” But here we are, 23 years later, still going strong with many ideas and a commitment to refresh ourselves and to grow. Others have even copied our model, name, or even logo, which confirms our approach works.

CEELM: As a Bulgarian lawyer and one of the co-founders, where did Bulgaria fit into the network at the time, and what was the relevance? Has the jurisdiction’s position changed within the network since?

Boyanov: To be honest, it wasn’t about any country, firm, or personality having a dominant role. What really mattered was the commitment and energy of individual leaders – their willingness to invest time and effort in building something unique that benefits all members. Of course, each country and its respective law firm are different. We have, for example, Turkiye and Montenegro in the group, different markets in terms of size, population, and economic development, but we found the proper balance that works.

The development is dynamic. Bulgaria, in certain periods, had a good number of multinational clients whom we referred to our partners. We also get referrals. Now we often work together, covering two or more jurisdictions from SEE. It’s always been about a shared mindset. We also gained some fun and unexpected insights, like when we were once discussing a historical event that happened 700 years ago and realized that



we had all learned completely different versions of the same story in school. We laughed about it, but it also underscored why this regional collaboration makes so much sense.

CEELM: When you first got started, what was the very first thing you focused on?

Boyanov: From the start, we wanted to provide services at international standards, with respective quality and speed. That is why we aimed to bring in only first-tier firms, although we made one exception, and it took that firm less than a year to join the leaders in the respective country. We were quite methodical – conducted inquiries among international clients, checked the legal directories, and traveled to all countries. We visited the majority of the leading independent national firms and held detailed discussions. It took about a year and a half to identify the right partners in all 12 countries and to build the infrastructure. The good news is that we are very satisfied with where we ended up. One of the best things of the last few years is that the younger generation within our firms has embraced this model – they believe in it, and they have built strong professional and personal ties across the firms.

CEELM: What did you see as the main value for members back then? Has that evolved in any way since?

Boyanov: Some years ago, on a Saturday, a partner from an international law firm called me. He had an important inquiry from an Asian client and needed answers from 10 of our

countries by Sunday lunchtime. We delivered. That effect of quick responsiveness showed that the system works. Now we have regular cases like that one.

The value was clear from the beginning, and it has only grown over time. We share knowledge, contacts, and business development. That openness enriches all of us. It works well – not just for our clients, but for us as professionals and people. We feel like one family. We treat each other with respect as equals, regardless of firm size, and genuinely enjoy working and parting together. It is a close community of good friends.

CEELM: Do you see SEE Legal growing in the upcoming years? If so, toward which jurisdictions do you see the network expanding?

Boyanov: Over the years, we have received inquiries from firms from Italy, Austria, Poland, Hungary, and other countries. However, we have always believed it is better to focus on deepening our existing coverage in Southeast Europe rather than expanding for the sake of expansion.

At the Balkan Legal Forum in Sofia last year, a well-known legal management expert shared his view that networks are useful, but in today's tech-driven world, they can lose relevance unless they are deeply integrated. What we have built takes lots of effort and personal commitment, but it works very well. I am not saying it is the only model – but it's the one we chose, and we're very satisfied with it. ●

MARKET SNAPSHOT: BULGARIA

A Promising Future for Bulgaria's Energy Mix

By Kostadin Sirleshtov, Managing Partner, and Borislava Piperkova, Partner, CMS Bulgaria



Bulgaria's energy sector has been undergoing deep and rapid reforms. The combination of the effects of the war in Ukraine and the related sanctions, the European *Green Deal* and the rapid decrease of investment costs for renewables, the commitments for a coal-free future, and the neighboring discoveries of natural gas in the Black Sea – all combined with the unprecedented support for nuclear energy – is putting Bulgaria on the global investment map.

The investment in photovoltaic plants is the most obvious change, as over the last three years Bulgaria added additional 5 gigawatt-peak new capacities to its existing 12 gigawatt fleet of electricity units. In the pipeline for 2026 are another 10 gigawatt-hours of battery storage (BESS) projects, some of which are stand-alone, while others are co-located to existing renewable facilities. In 2028-2030, we envisage the deployment of an additional 2-3 gigawatts of wind, which will complete the renewable energy transition of Bulgaria. In April 2025 alone, some 60% of the consumed electricity was produced by renewable energy sources.

Efforts toward the discovery of natural gas in the Bulgarian section of the Black Sea are fueled by the recent successes in Romanian and Turkish waters. Supported by major international energy players such as OMV, Shell, NewMed Energy, and others, Bulgaria is betting on a lesser dependence on imported natural gas. Following the recent completion of the Balkan Stream pipeline and the ICGB interconnector with Greece, Bulgaria has substantially increased its transit capacities and actively participates in the Northern gas corridor and BRUA projects.

The increase in renewables adds an extra complication for the balancing of the electricity system of Bulgaria. Therefore, the government is putting special focus on refurbishment of the existing Chaira Pumping Hydro power plant and on building four additional such facilities.

In the nuclear energy field, Bulgaria selected Westinghouse and Hyundai as leading international technology providers and EPC contractors for its intention to build Units 7 and 8 of Kozloduy Nuclear Power Plant, where the first four units

are being decommissioned, and units 5 and 6 are operational. As the largest project in the Bulgarian energy sector to date, it requires special regulatory focus and Bulgaria intends to step up to the challenge. Both the *Energy Law* and the related and secondary legislation will need to be updated to provide for the required regulatory support, allowing financing of renewable and nuclear projects of such magnitude. Contracts for difference are a much-needed instrument that would allow for more affordable prices and a predictable environment for upcoming investments.



The predictability and stability of the investment climate of Bulgaria is a prerequisite for the success of these plans. Bulgarian legislation therefore requires both the government and Parliament to prepare and adopt a *Strategy for Sustainable Energy Development by 2050*, which will be the legitimate basis for the deeper regulatory reforms. This strategy will follow from the recently adopted *Governance Program (2025-2029)*. The upcoming adoption of the euro in Bulgaria from January 1, 2026, will also provide benefits for the successful financing of the upcoming energy projects.

The independence and the increased administrative capacity of the regulator – the Energy and Water Regulatory Commission and the TSOs (ESO EAD and Bulgartransgaz EAD) are of fundamental importance for the success of the upcoming reforms. The timely adoption of the EU legislation and the involvement of the EU Commission in the upcoming projects are needed – an area where Bulgaria has been lagging behind in the past.

The transition of the Bulgarian coal regions is a key focus for both the Bulgarian government and civil society. The infrastructure, which has been built around the Bulgarian coal-fired thermal power plants, needs to be used as part of the transition to a carbon-free energy sector. With Bulgarian construction companies leading the way in renewable energy projects construction on five continents and with the availability of new technologies replacing coal, we are quite confident that the Bulgarian coal regions will see a much-anticipated revival. With the largest ESG renewable energy projects already being implemented there, the country is off to a promising start. ●

Bulgarian M&A Market in 2025 – A Modest H1 with an Eye on Euro Integration

By Pavel Hristov and Dragomir Stefanov, Partners, Hristov & Partners



The first half of 2025 in Bulgaria's corporate and M&A landscape has been characterized by a modest start amidst global economic and political uncertainties. Many export-oriented industries faced a challenging 2024, impacting the financial projections of potential targets. However, the outlook remains largely positive, fueled by major upcoming developments.

The Euro: A Catalyst for Confidence

A key driver for optimism is Bulgaria's steadfast preparation for Euro adoption, with critical convergence assessments released in June 2025. A positive evaluation paved the way for Bulgaria to replace the lev with the euro as early as January 2026. This move is anticipated to have several positive effects on the economy and, consequently, on M&A activity. Euro integration is expected to further reduce currency risk for foreign investors, enhance price transparency, and foster greater economic stability and predictability. This, in turn, should bolster investor confidence, potentially lowering borrowing costs for both the government and corporations, and making Bulgarian assets more attractive to international strategic and financial buyers, particularly private equity and venture capital funds.

Navigating the Evolving Regulatory Landscape

Despite the positive macroeconomic outlook, M&A participants in Bulgaria must remain cautious in a dynamic regulatory environment that introduces both new compliance requirements and facilitators for transactions.

FDI Screening Legislation: A significant new hurdle for foreign investors is the implementation of Bulgaria's FDI screening mechanism. While the legislation introducing this regime came into force in March 2024, the obligation for foreign investors to file for clearance did not become effective immediately. This is now expected to change in the second half of 2025, as the executive branch has recently re-published for public consultations draft amendments to the *Implementing Regulation of the Investment Promotion Act*. This is the final legislative piece which will introduce the necessary specifics on the implementation of the regime and will allow for the election of the Interdepartmental Council on FDI Screening.

Once fully operational, foreign investments that meet certain criteria (e.g., acquiring at least 10% of a target in specific sensitive sectors, or exceeding an investment amount of EUR 2

million) will require prior clearance when involving non-EU persons or entities controlled by non-EU persons. This new layer of scrutiny, especially given the expected limited transparency on the Council's decision-making process, will inevitably impact timing and structuring and will necessitate thorough strategic planning for affected transactions.



EU Accessibility Directive: Another regulatory layer to consider in M&A due diligence was introduced in April 2025 with the implementation of the *EU Accessibility Directive*. This directive significantly impacts a wide array of businesses that manufacture or provide products and services within the EU. It mandates that products like computers, smartphones, ATMs, and services such as e-commerce and banking services comply with specific accessibility requirements. Companies involved in M&A in these sectors will need to assess the target's compliance with these new regulations, as non-compliance can lead to financial penalties and reputational damage.

Investment Promotion Act Amendments: In May 2025, significant amendments to the *Investment Promotion Act* were passed, aiming to further ease investments in Bulgaria. These changes include, among others, a reduction of the threshold for an investor's minimum project co-participation with own capital or attracted financing from 40% to 25% when applying for an investment certificate. Additionally, the amendments introduce accelerated administrative services and streamlined procedures overseen by the Invest Bulgaria Agency and local mayors, further reducing bureaucratic hurdles for investors.

The Role of Key Regulatory Bodies: The Competition Protection Commission

The Bulgarian Competition Protection Commission (CPC) remains a crucial regulatory body in the M&A landscape. With new members recently elected, the market is observing how the CPC's approach might evolve. Historically, the CPC has been characterized by a tendency to approve transactions without extensive second-stage investigations or prohibited transactions. There have been very few controversial cases where a transaction was blocked. As of now, the new composition suggests a continuation of political consensus in appointments, meaning that major shifts in the commission's policy are not immediately expected. This predictability, while sometimes raising questions about the depth of assessment, offers a degree of certainty for M&A parties. ●

Bulgaria: An Attractive Destination for Technology-Driven Businesses and Investors

By Nikolay Zisov, Partner, Boyanov & Co



Bulgaria's Technology, Media, and Telecommunications (TMT) sector is continuing its steady and dynamic growth, reflecting the country's ongoing digital transformation and its increasing role as a regional technology hub.

In 2025, the Bulgarian ICT market, which encompasses the broader TMT sector, is reportedly valued at approximately USD 9 billion and is projected to reach USD 10 billion by 2030, with an expected annual growth rate of just over 3%. This growth is fueled by several converging trends and the active participation of both global and local players.

The Bulgarian telecommunications sector remains highly competitive, with major operators such as A1 Bulgaria, Yettel, and Vivacom leading the industry in infrastructure upgrades and service innovation. These companies are not only investing heavily in modernizing their networks but in recent years have been also actively expanding their market presence through the acquisition of smaller regional operators. As a result of these acquisitions, all three major operators now offer comprehensive packages that include high-speed internet, pay-TV, and mobile telecom services, positioning themselves as fully integrated providers for both residential and business customers.

Another key trend in the Bulgarian TMT landscape is the continuous adoption of cloud technologies. Businesses across industries are increasingly migrating to cloud infrastructure to enhance efficiency, scalability, and data security. This shift is supported by a heightened focus on cybersecurity and compliance, attracting investments from international technology companies and encouraging the development of local expertise. The expansion of cloud services is also closely linked to the growth in IT services, with demand rising for solutions in data analysis, software development, and managed services.

Digital transformation is a central theme in both the public and private sectors. The Bulgarian government, in partnership with the European Union, is investing in digital infrastructure, e-government initiatives, and digital literacy programs. This is complemented by private sector efforts to modernize operations and introduce advanced technologies such as artificial intelligence, automation, and remote work solutions. The result is a vibrant ecosystem that supports innovation and the growth of digital services.

Internet penetration in Bulgaria is among the highest in the

region, with nearly 89% of households having access as of 2023. This widespread connectivity underpins the growth of digital content consumption, including streaming, online gaming, and smart home technologies. Social media usage is also remarkably high, with almost all Bulgarians using platforms like Facebook, Instagram, and TikTok, which in turn drives significant data traffic and highlights the need for robust telecommunications infrastructure.

The competitive landscape in Bulgaria's TMT market features a mix of major international players and strong local companies. Companies such as IBM, Microsoft, SAP, DXC Technology, HP, VMware, Honeywell, and Oracle have established a significant presence, often collaborating with local partners and investing in research and development centers. The legal and regulatory environment is also evolving.

Despite an overall positive outlook, the sector continues to grapple with several significant challenges. Intensifying competition is putting sustained pressure on revenue growth. Additionally, the ongoing shift of consumers from traditional fixed-line and SMS services to mobile and over-the-top (OTT) messaging platforms is further eroding traditional revenue streams. Broader economic factors – including population decline and rising unemployment – also present potential headwinds that could constrain long-term investment and growth prospects for the industry.

In 2025, Bulgaria faces significant cybersecurity challenges, including a surge in AI-driven attacks, ransomware, and social engineering targeting both the public and private sectors. Delays in implementing the EU's *NIS2 Directive* have created regulatory uncertainty. Addressing these issues requires prompt government action, investment in talent, and stronger collaboration across sectors.

Nevertheless, the opportunities presented by digitalization, cloud adoption, AI, and the ongoing expansion of 5G are significant. Bulgaria is increasingly positioning itself as a regional hub for technology outsourcing and innovation, leveraging its skilled workforce, low taxes, and a competitive cost structure.

In summary, Bulgaria's TMT sector in 2025 stands out for its robust growth, technological advancement, and strategic importance in Southeast Europe. The convergence of digital transformation, telecom innovation, and strong market competition is creating a fertile environment for continued investment and development, making Bulgaria an attractive destination for technology-driven businesses and investors. ●

Practicalities of Data Incidents Involving EU Data Subjects and Non-EU Companies

By Mitko Karushkov, Partner, Karushkov Legal Solutions



The contemporary European market witnesses a large number of highly operational business models that target European consumers and are, simultaneously, managed outside the European Union. There are businesses whose central administration or decision-making hubs are not established in any EU member state. Some of them neither control nor process data of their consumers within the EU. At the same time, some of these businesses are also subject to strict and enforceable international regulations in addition to the applicable EU legislation.

While the above constitute legitimate forms of doing business in the EU, there are some matters related to the compliance status of such business models in terms of personally identifiable information.

These would include the compliance response commitments in case of data incidents. For example, if an international commercial passenger carrier to or from Europe suffers a breach of its databases, the carrier shall anyway be subject to the obligations provided in Article 33 of the GDPR. Such a carrier needs to serve a series of notifications no later than 72 hours after having become aware of the data incident. These notifications shall be served irrespective of a lack of any EU corporate presence of the carrier. The mere fact that the corrupted database contained personal data of EU citizens suffices for the notification commitment to trigger. The practical issue that comes up in such a scenario is which authority needs to be notified – which will be “the supervisory authority” if the carrier and its data processing contractors lack any EU establishment?

Common sense business thinking would be that, in such a scenario, no notification would be due if the incident was immediately fixed and no rights or freedoms of any clients were exposed to a high risk. While this might be the advisable approach with regard to notifying data subjects, it is highly unlikely that such silence is compliant with the GDPR when it comes to notifying the supervisory authority.

The advisable and GDPR-compliant approach in the mentioned scenario requires equanimity in order to identify the exact “supervisory authority” to notify. The key criterion is the nationality or residence of the consumers whose data was collected and processed in the attacked database. If the database contained data of EU citizens or nationals of third countries who reside in the EU, the supervisory authority shall be determined following such information.

If there is more than one nationality in the database, it would become necessary to notify the supervisory authority of each EU member state whose citizens’ data might have been exposed to risk as a result of the data incident. Given the national laws of some member states, it might become necessary to even notify more than one local supervisory authority. Multiple notifications to multiple supervisory authorities across the EU might sound disproportionate but might be the only legal vehicle available to save further regulatory interventions or financial exposures for the carrier.

The notification requirement is still applicable even if the incident was immediately fixed after the carrier became aware of it. The incident itself needs to be reported to the supervisory authority, factually considering the risks to the rights and freedoms of the clients.

As for notifying the clients, it is a general rule that those whose data identifies them as citizens or residents need to be notified. The lack of an EU establishment does not change this requirement. However, the possible disproportionate efforts required on the part of the carrier to do so or the mentioned immediate fix after the incident may serve as legitimate reasons for the carrier to not notify the clients/data subjects (unlike the supervisory authorities).

Determining the lead supervisory authority and the associated one-stop-shop mechanism seem to be a challenging exercise and would primarily depend on the facts of the case. The number of EU citizens affected by the data incident or other objective criteria – such as the predominant commercial routes within the EU – may be among the criteria to determine the lead supervisory authority. ●

Bulgaria's Renewables Market Catches Second Wind

By **Dimitar Kairakov, Co-Head of Energy, Schoenherr**



Bulgaria's renewable energy sector has seen significant growth in recent years.

In 2024, almost 1 gigawatt of new renewable energy capacity was connected to the grid, predominantly from solar energy. Notably, no new wind farms have been commissioned since 2012, primarily due to administrative barriers and local opposition. However, investor interest remains high, especially in the southern and northwestern regions. Projects like the 238-megawatt Tenevo hybrid solar plant in Yambol, which plans to integrate a solar park, wind turbines, and energy storage, exemplify this trend.

The M&A market for renewable energy projects is also growing rapidly. Numerous projects are advancing through the permitting process, with many nearing the ready-to-build status. However, local developers often lack the financial capacity to bring these projects to fruition independently and therefore actively seek external investment. As a result, both domestic and international investors are closely assessing opportunities for strategic entry. Transaction structures range from straightforward share purchase agreements to more sophisticated joint venture arrangements, depending on the specifics of each project and the parties involved.

In contrast to the last big wave of new renewable energy projects that came when feed-in tariffs were introduced approximately 15 years ago, the development of new renewable energy projects is happening on a market basis without operational state subsidies. Currently, the Bulgarian government has not announced any plans to reintroduce support schemes such as feed-in tariffs and long-term power purchase agreements.

With negative electricity prices increasingly appearing on the exchange, the development of electricity storage facilities by renewable energy investors has become another key market trend. To support the new investments in storage, the Bulgarian Ministry of Energy launched two auctions in 2024 under the *National Recovery and Resilience Plan* for investment aid for renewable energy projects co-located with a storage facility. The investment aid is only provided for the storage compo-

nents of co-located projects and is limited to 50% of eligible costs. The auctions were successful, and it is expected that the selected projects will bring more than 1 gigawatt of new storage capacities to the grid in 2026.

In addition to the development of new renewable energy projects, corporate power purchase agreements (PPAs) have become an essential component of the market. In the last few years, the corporate power purchase market has taken off, with the number of transactions increasing. There is no special regulatory framework for corporate PPAs in Bulgaria, so parties are free to draft contracts in accordance with their specific goals and requirements. Both physical and virtual PPAs may be executed. Generally, in the case of physical PPAs, the client will also have a contract with an electricity supplier (a licensed electricity trader), which delivers the extra electricity needed due to the differences in the production profile of the renewable producer and the consumption profile of the industrial consumer. Virtual PPAs are concluded as a contract for difference where the parties negotiate a fixed price under the contract and the financial flow depends on the actual electricity price on the organized exchange. The Energy Traders Europe standard corporate PPA is often used as a basis for a contract, but some revisions are always required due to local laws and project specifics. Cross-border corporate PPAs are also legally possible.

Solar and wind are not the only renewable energy technologies suitable for investment in Bulgaria. Geothermal energy is now defined in the renewable energy act, and pilot projects are already explored and realized. Pumped hydropower is another key technology for the balancing of the energy system, where investments are needed to upgrade the current infrastructure.

Looking ahead, Bulgaria is well-positioned to be a regional leader in renewable energy. With strong investor interest, a growing pipeline of advanced-stage projects, and a steadily evolving regulatory framework, the market holds substantial promise. ●

Straight to the point

With guided precision
and legal services tailored
to your needs, our teams
across 14 countries lead
you from start to finish.



Schoenherr Bulgaria
is known for advising
top domestic and foreign
corporate clients and
investors in various
sectors in CEE.



schoenherr

ATTORNEYS AT LAW

INSIDE INSIGHT: INTERVIEW WITH ELENA VELKOVA OF NOVA BROADCASTING GROUP

By Teona Gelashvili

Nova Broadcasting Group Chief Legal and Compliance Officer Elena Velkova reflects on her transition from advisory to in-house, building a specialized legal team, navigating technology-driven change and regulatory challenges, and assuming a more strategic role in the media industry.

CEELM: Tell us a bit about yourself and the career path that led you to your current role.

Velkova: I have over 20 years of professional experience as a General Counsel, and for the past 18 years, I've been focused on the media industry. I currently work for the Nova Broadcasting Group, the leading media company in Bulgaria. We operate 11 television channels, 4 radio stations, a number of websites and digital platforms, and two print editions. Nova is part of United Media, which spans operations across 8 countries and produces over 40,000 hours of original content annually.

Before joining Nova, I spent three rewarding years at Deloitte Legal. There, I worked on a wide range of projects across M&A, real estate, energy, and technology. That role shaped my strategic thinking and prepared me well for my current position.

CEELM: What was the biggest adjustment when moving in-house?

Velkova: For me, the shift felt quite natural. I had led a successful project involving the acquisition of television channels for foreign investors, and afterward, I was offered the chance to join the business itself. It was a completely new chapter – one I embraced fully.

I love my career as part of such a dynamic and fast-moving field. Joining television was a turning point, not only for my professional development but personally as well. I've always been passionate about media, and the constant evolution through technology keeps me engaged every day. The transition wasn't easy, of course. I approached it the only way I knew – analytically, carefully weighing all potential consequences. Over time, though, I developed something every in-house lawyer eventually needs: intuition. Being deeply immersed in one legal sphere helps you grow that instinct, and today, many of the decisions I support are made in close alignment with business leaders. That collaborative process, where legal doesn't just follow but helps shape strategy, is incredibly fulfilling.

CEELM: How is your in-house legal team structured today?

Velkova: When I joined Nova, I was alone as the General Counsel. Today, the legal team has grown significantly. We now have dedicated lawyers for each major area – television, radio, digital, and print – and specialists focused on IP, GDPR, and product development and distribution.

We've also recently started work on AI-focused projects, which we're excited to develop further. Early on, many of us had to be generalists, but that's no longer enough. The complexity of media law now demands deep specialization. General legal education is just the beginning. To succeed, our lawyers need to immerse themselves in at least one special field of the media world and grow from there. And honestly, the possibilities are endless.

CEELM: What kept you and your team busy over the past year, and what's on your radar for the coming months?

Velkova: Everything in media today is touched by technology. Television remains the dominant medium in Bulgaria, with over 50% market share, but the pace of change is relentless. We're seeing shifts in consumer behavior, the emergence of new business models, and the constant rise of streaming platforms. Traditional media, especially newspapers and magazines, continue to struggle, while radio is being rivaled by podcasts and audio platforms.

For us, the challenge is preserving television's role as a key democratic pillar. That means ensuring reliable, high-quality information keeps flowing. From a legal perspective, our work has become far more complex. We deal with everything from personal data in journalistic content to the cybersecurity of our digital assets and the legal implications of emerging AI tools.

One key area of focus has been adapting to legislative changes. Television is heavily regulated, particularly when it comes to advertising, what we can show, how often, and to whom. But



the same doesn't apply to streaming or online platforms, creating an uneven playing field. For example, in 2024, Bulgaria banned gambling advertisements in traditional media, but the same restrictions don't fully apply to some online and offline outlets. That kind of legal asymmetry creates real challenges for businesses like ours.

Another major concern is content piracy. It evolves faster than the law can keep up. We invest heavily in sports and entertainment rights, but content still leaks, especially football matches, which might be streamed illegally during their brief window of relevance. Enforcement can't always react quickly enough.

CEELM: How do you decide whether to keep legal work in-house or outsource it, and, when selecting external counsel, what are your top criteria?

Velkova: We've built a brilliant internal team, but external counsel remain essential. My past experience at Deloitte helped a lot here. It's usually an *ad hoc* decision made by management, and it starts with asking the right questions internally, framing the issue clearly, and managing expectations. Often, companies want simple answers to complex legal questions, and that's not always realistic.

One challenge is that external lawyers only get partial information about our work, which limits their ability to advise accurately. That's why we work with a carefully selected pool of law firms, both in Bulgaria and internationally. The final call depends on the complexity, the level of specialization required, and the value of having an outside perspective.

Expertise is key, of course, but we also look at commercial awareness. We want advisors who really understand the media sector and can help us navigate its unique challenges. Their previous experience matters a lot, especially if they've worked on similar issues or projects. That gives us confidence that we'll be speaking the same language.

CEELM: What do you see as the biggest upcoming challenges for GCs in Bulgaria?

Velkova: We're all grappling with the same global issues – streaming platforms drawing younger audiences away from traditional television, increasingly restrictive advertising rules, and the fight to protect intellectual property.

Our job is to develop the value of what we have: our platforms and content, while also adapting to new realities. Legislative change and technological updates are coming quickly, and we need to stay ahead of these developments.

CEELM: Finally, what advice would you give young lawyers hoping to build a happy and successful career?

Velkova: I have so much respect and affection for the younger members of my team. I always tell them: "Love what you do! Be curious! Be passionate!"

Try to understand the business deeply, not just the law. Your goal should be to help grow the business, and that means asking questions like "how" and "why" every day. Legal knowledge alone isn't enough anymore. You need to become a partner in the business and help shape its future. ●



**KNOW YOUR LAWYER:
ANGEL RIZOV OF
KAMBOUROV & PARTNERS**

Career:

- Kambourov & Partners; Partner; 2021-present
- Kambourov & Partners; Senior Associate; 2016-2021
- Kambourov & Partners; Associate; 2011-2016
- Kambourov & Partners; Legal Trainee; 2006-2011

Education:

- Sofia University; LL.M.; 2006

Favorites:

- Out-of-office activity: Bike riding and traveling
- Quote: “In the end, the truth always wins. Unfortunately, we are still at the beginning.” – Zarko Petan
- Book: *I, Claudius* by Robert Graves
- Movie: *12 Angry Men* (1957)

CEELM: What would you say was the most challenging project you ever worked on and why?

Rizov: The most challenging project I worked on was Vivacom’s sale to United Group in 2019-2020. It was the first big M&A transaction I was involved in, and at the time, I had been working mainly as a litigator at Kambourov & Partners. I was brought onto the deal team because there were several serious litigation-related issues that had to be carefully analyzed and handled. It was an all-hands-on-deck situation, and everything had to be done with precision. The scale of the deal was huge – Vivacom is the biggest telecom in Bulgaria and a former state-owned operator, so naturally, there were many layers to the process. It was high pressure, very intense, and completely outside my comfort zone – but also incredibly rewarding and the reason I am a transactional lawyer today.

CEELM: What was your main takeaway from it?

Rizov: Realizing the difference between litigation and transactional work. In litigation, something’s already gone wrong – you’re dealing with the fallout, and even when you win, it often feels hollow. In deals, you’re building something. You work through tough moments, negotiate, and even clash, but everyone is ultimately working toward the same goal. That sense of creation and collaboration really stayed with me and made me realize that this is the kind of work I want to do.

CEELM: What is one thing clients likely don’t know about you?

Rizov: One thing my clients probably don’t know about me is that I’ve been to over 80 countries. I travel light – just one backpack. It’s not about ticking boxes, it’s about really being there. What I enjoy most is diving into different cultures, meeting people, trying the food, and getting a feel for how life flows in each place. It’s my way of resetting, and it taught me to listen better, adapt quickly, and always stay curious – skills that help me just as much in law.

Top 5 Projects:

- Advising Vivacom, Bulgaria’s largest telecom, on its EUR 1.2 billion sale to United Group
- Advising United Group in its EUR 1.22 billion sale of 100% of its 4,800 mobile towers across Bulgaria, Croatia, and Slovenia to Tawal
- Advising United Group in its acquisition of Nova Broadcasting Group, one of Bulgaria’s top media companies with TV, radio, and digital platforms reaching the vast majority of the population
- Advising Energo-Pro Bulgaria on acquiring hydropower plants with a total capacity of 62.6 megawatts from a competing holding company
- Advising Strabag AG in two court proceedings over unpaid construction works under a public procurement contract, securing full payment through an out-of-court settlement with a Bulgarian municipality, and a successful claim against a consortium member

CEELM: Name one mentor who played a big role in your career and how they impacted you.

Rizov: My mentor is Yavor Kambourov, Founding Partner at the firm where I spent almost half of my life. We met on a rainy autumn day in 2006, and since then, his impact on my development – both professional and personal – has been significant. He has taught me about perspective, priorities, and values. What sets Kambourov & Partners apart is continuity. Many of us have worked together at the firm for a long time, and that naturally shapes how we collaborate. It’s a mix of professionalism, shared history, and a certain rhythm we built over time. There’s space for different styles, but there is a common understanding of how we do things. Yavor set that foundation. He believes in people first, and that’s something I carry with me every day in how I work and how I lead.

CEELM: Name one mentee you are particularly proud of.

Rizov: One mentee I’m particularly proud of is Stefani Bogomilova. She joined Kambourov & Partners seven years ago as a part-time receptionist while studying International Politics. Over time, through her work and exposure to the legal environment here, she decided to study law. She moved into our Business Development team and managed to balance full-time work with five years of law school – she’s now in her final year and preparing to qualify as a lawyer. Her path wasn’t planned, but it grew naturally – something I value in our culture, which recognizes potential and gives people room to find their direction. For me, it’s been especially meaningful to support her growth the way I was supported – through trust, responsibility, and room to learn.

CEELM: What is the one piece of advice you’d give yourself fresh out of law school?

Rizov: Trust your instincts, stay curious, and keep an open mind – even about things that sound strange at first, like crypto. ●

MARKET SPOTLIGHT: TURKIYE

ACTIVITY OVERVIEW: TURKIYE

The Firms with the most Deals covered by CEE Legal Matters in Turkiye, between January 1, 2024, and June 15, 2025.

1.	Paksoy	29
2.	GKC Partners	26
3.	Turunc	25
4.	Allen Overy Shearman Sterling	20
5.	Aksan Law Firm	18
	Baker McKenzie	18

The Partners with the most Deals covered by CEE Legal Matters in Turkiye, between January 1, 2024, and June 15, 2025.

1.	Kerem Turunc	24
2.	Esin Camlibel	12
3.	Muhsin Keskin	11
4.	Alper Onar	9
	Ates Turnaoglu	9
	Sait Eryilmaz	9



GOING GLOBAL: TURKIYE'S DEFENSE SECTOR RAPID RISE

By Teona Gelashvili

Turkiye's defense industry is undergoing a major shift, with accelerated domestic innovation, exports, and growing geopolitical relevance. Bezen & Partners Partner Aykut Bakirci, AECO Law Partner Emre Atayilmaz, Balcioglu Selcuk Eymirlioglu Ardiyok Keki Attorney Partnership Partner Kagan Dora, and Cakmak Partner Zeynep Cakmak discuss the sector's transformation.



Aykut Bakirci,
Partner,
Bezen & Partners



Emre Atayilmaz,
Partner,
AECO Law



Kagan Dora, Partner, Balcioglu
Selcuk Eymirlioglu Ardiyok Keki
Attorney Partnership



Zeynep Cakmak,
Partner,
Cakmak

A Sector Transformed

“Turkiye’s defense industry has been undergoing a remarkable transformation, both in terms of capability and global visibility,” Cakmak explains. “What was once a domestically oriented sector has now become an increasingly competitive player in the international arena.”

Atayilmaz highlights a significant acceleration of domestic production capabilities in a broad range of military products. “Notably, the successful launch and landing of the Bayraktar TB3 drone from the domestically produced amphibious assault ship TCG Anadolu marked a global first and a milestone in naval drone operations,” he says. “Meanwhile, Turkiye has also unveiled the KAAN fighter jet project, a fifth-generation aircraft intended to replace aging F-16s in the Turkish Air Force. The defense sector is further diversified with advanced projects such as the Altay main battle tank, MILGEM-class warships, the Hurkus ground attack aircraft, and the AI-supported Steel Dome air defense systems. Additionally, the Turkish Navy has begun design work on a new aircraft carrier (Project MUGEM), which is expected to surpass the TCG Anadolu in size and capacity.”

As a result, “Turkiye has reduced its foreign dependency in defense from around 80% to 20%, with 82% of systems expected to be locally produced by the end of 2025,” Bakirci adds.

Defense Budget on the Rise

Alongside technological development, Turkiye’s commitment is reflected in its growing defense budget. “The defense budget stood at approximately TRY 228.5 billion in 2023 and rose to TRY 431.5 billion for 2024,” Bakirci states, adding that “for 2025, the allocated budget is TRY 612.9 billion. These figures show that defense spending has increased by nearly 2.7 times in just two years, but this has to be evaluated also in light of high inflation over the past few years.”

A broader look at long-term trends reinforces the scale of investment. “Turkiye’s defense expenditures rose by 110% between 2015 and 2024,” Cakmak reports. “In 2024 alone, the national defense and security budget surged by 12% compared to the previous year. While this growth already reflects a substantial rise in defense spending, the allocation of TRY 1.608 trillion (approximately USD 41.28 billion, based on May 2025 exchange rates) for 2025 indicates that this upward trajectory is set to continue at an accelerated pace.”

Still, in comparative terms, Turkiye’s spending remains below key international benchmarks. “Despite the defense-related expenditures growth, defense spending as a share of GDP remains modest by NATO standards, rising from 1.5% in 2023 to a projected 1.8% in 2025, still below NATO’s 2% benchmark,” Dora adds. “Approximately one-third of this spending is directed toward procurement and modernization, underlining Turkiye’s commitment to long-term capability development despite currency fluctuations and inflationary pressure.”

Behind the Build-Up

This dynamic industry is being driven by a mix of public and private sector actors. “Key state actors include ASELSAN (electronics and systems), TAI (aircraft and satellite technology), Roketsan (missiles and munitions), and STM (naval platforms),” Atayilmaz notes. “In the private sector, Baykar stands out as the manufacturer of the globally renowned Bayraktar drones while BMC contributes with armored vehicles such as the Kirpi and the Altay tanks. Also, Sarsilmaz and Canik are well-known firearms producers. Ongoing projects include Baykar’s development of the Kizilelma unmanned fighter jet, Roketsan’s Tayfun long-range missile, and the expansion of MILGEM frigates and submarines for both domestic and export use.”

“The SSB (Secretariat of Defense Industries) is the prime entity in Turkiye that is responsible for setting policies regarding the establishment of the infrastructure of the defense industry, with the authority and responsibility to apply these policies,” Cakmak adds.

These companies, according to Cakmak, produce a variety of products. “The technologies attracting the most investment span air, land, and naval platforms, with a strong emphasis on unmanned systems, missile technologies, and next-generation combat vehicles. In aerospace, for example, investment focuses on the development of both manned and unmanned aircraft, including national fighter jets and unmanned combat aircraft programs, whereas on land, resources are directed towards modern main battle tanks and integrated air defense systems.”

Export Markets

The expansion of capabilities has gone hand-in-hand with a shift in client focus. “While the primary customers of Turkish defense companies were initially local administrations, such as the Turkish Armed Forces, Turkish Gendarmerie, and Turkish National Police, the sector has undergone a remarkable transformation, with exports now playing a dominant role,” Cakmak notes. “Baykar, for instance, has become the world’s largest exporter of armed UAVs, driven by the success of the Bayraktar TB2, which is actively used by countries including Ukraine, Qatar, Romania, and Poland.”

The export strategy continues to gain momentum, with strong figures and global outreach. “While the Presidency of Defense Industries and Turkish Armed Forces remain cornerstone clients, export markets are expanding rapidly. Foreign orders surpassed USD 7.15 billion in 2024, with continued growth expected,” Dora states. “Turkiye’s adherence to NATO standards, combined with its competitive pricing and operational

field experience, makes it an attractive supplier to both NATO and non-NATO countries.”

Legal Landscape: Navigating Change

As the industry grows in scale and complexity, regulatory discussions are gaining pace. “Although no sweeping legislative reform has been officially announced, there is a discussion around refining regulatory frameworks to accommodate the sector’s growth and foreign interest,” Atayilmaz says. “Enhanced export control mechanisms, stricter cybersecurity obligations for defense contractors, and updates to the *Presidential Decree on Public Procurement (Decree No. 3373)* may be anticipated in the long term. Moreover, as Turkiye deepens its defense ties with EU countries, alignment with EU dual-use and arms control regulations could gain attention. Practitioners should monitor potential changes concerning industrial participation requirements and domestic content thresholds in procurement contracts, especially related to IT infrastructure.”

“In the defense industry, export controls, licensing procedures, and the management of sanctions risks are at the forefront,” Bakirci notes. “However, due to the international reach of defense contracts, there is an increasing need for legal advice on contract structuring and regulatory compliance. In particular, international agreements concluded between the Republic of Turkiye and other countries in the field of defense, as well as proposed tax regulations targeting the defense industry, such as the draft legislation introducing a special tax on UAVs not intended for military use, should be monitored closely.”

“Turkiye recently introduced a new cybersecurity legislative framework, including the establishment of a national cybersecurity authority with jurisdiction over defense-related digital infrastructure,” Dora adds. “This is a notable step toward aligning national security with cyber resilience. Lawyers should also monitor prospective updates to procurement laws, defense offset regulations, and foreign direct investment screening, particularly as Turkiye works to align further with NATO and EU standards.”

The sector’s legal framework, however, still presents structural challenges. “Despite the sector’s rapid development, regulations concerning the defense industry in Turkiye remain scattered and may lack detail, as most issues are left to the broad discretion of the public administration,” Cakmak concludes. “The *Defense Industry Agency’s 2024-2028 Strategic Plan* acknowledges this fragmentation and identifies the preparation of a comprehensive defense industry law as a strategic priority. It highlights the need for new regulations in areas such as defense industry security, procurement, fund management, cybersecurity, AI, and intellectual and industrial property rights.” ●

MARKET SNAPSHOT: NO TOLERANCE FOR ON-SITE INSPECTION OBSTRUCTION – TCA SLAPS RECORD EUR 33 MILLION FINE ON BIM

By Bahadır Balki, Managing Partner, and Hanna Stakheyeva, Knowledge Counsel, Actecon



The integrity of on-site inspections remains a cornerstone of effective competition law enforcement. The Turkish Competition Authority (TCA)'s decision to impose a record-breaking fine on BIM Birlesik Magazalar A.S. (BIM), one of Turkiye's largest retail chains, has drawn considerable attention from international businesses and the legal community.

In February 2025, the TCA imposed an administrative fine of TRY 1.3 billion (approximately EUR 33.4 million) on BIM for actions considered to have obstructed an on-site inspection – a procedural violation that the TCA continues to take extremely seriously. The scale of the fine reflects the TCA's consistently strict approach to ensuring cooperation during inspections, particularly in relation to the preservation and integrity of digital evidence. The case serves as a strong reminder to all undertakings operating in Turkiye: any behavior perceived as interference with an ongoing inspection may result in serious consequences.

Background of the Investigation: The fine followed an unannounced on-site inspection carried out at BIM's headquarters on January 14, 2025. On-site inspections are a critical tool employed by the TCA under *Law No. 4054 on the Protection of Competition* (Competition Law) to determine whether undertakings have engaged in anti-competitive conduct. The Competition Law grants TCA officials the authority to examine company records, data, and communication systems, and allows for the imposition of significant administrative fines if this process is obstructed or hindered in any way. During the course of the inspection, it was reported that a company executive deleted certain electronic messages from a device after the inspection had already commenced. This deletion was assessed by the TCA as an act of obstruction, ultimately forming the basis for the financial penalty, which amounted to 0.5% of BIM's annual turnover.

The Company's Position and Public Explanation: Following the decision, BIM publicly stated that the penalty was unjust and disproportionate. According to the company's explanation, the messages in question were personal and unrelated to the investigation. BIM also noted that the individual associated with the deletion was officially on leave and not physically present at the workplace at the time of the inspection. Despite these assertions, the TCA concluded that the deletion of content from a professional device after the start of an inspection constitutes a procedural infringement.

Legal and Procedural Considerations:

Under Turkish competition law, the TCA's power to carry out on-site inspections is underpinned by strict procedural rules designed to ensure the effective functioning of investigations. One key aspect is the prohibition against altering or deleting any data – whether seemingly relevant or not – once an inspection has begun. This obligation applies to all company personnel, irrespective of rank or job title. The TCA has frequently reiterated that even minor deletions, such as removing WhatsApp messages or emails, may amount to obstruction. Inspections are increasingly supported by advanced digital forensic tools, allowing officials to detect attempted deletions or other forms of data manipulation in real-time. These capabilities played a central role in the BIM case, enabling the authority to uncover and document the incident that led to the administrative fine.



Broader Implications for the Business Community

The TCA's decision reinforces its unwavering approach to inspection-related compliance. The magnitude of the fine – TRY 1.3 billion – demonstrates that even isolated incidents may lead to serious financial repercussions, particularly for companies with significant market presence. Beyond monetary sanctions, procedural non-compliance can carry reputational risks, potentially impacting a company's credibility with regulatory authorities, business partners, and the broader public. The case highlights the growing importance of managing internal communications appropriately, including clarifying policies around the use of personal messaging applications for work-related matters.

Looking Ahead

This case is expected to influence corporate compliance behavior across sectors. As the TCA continues to enhance its investigative capabilities through digital forensics, companies should ensure that internal compliance systems are not only well-designed but also actively implemented. Recommended steps include providing regular training for employees on their obligations during inspections, limiting the use of personal devices for professional communications, and ensuring immediate legal counsel involvement at the outset of any inspection. While judicial review of the TCA's decision remains a possibility, the case further affirms the TCA's established and stringent stance on procedural enforcement. Companies are advised to view this not as an isolated incident but as part of a broader and consistent regulatory approach that places a premium on transparency and full cooperation during inspections. ●

2025 TURKISH GC SUMMIT SNEAK PEEK: INTERVIEW WITH KEREM TURUNC OF TURUNC

By Andrija Djonovic

Turunc Managing Partner Kerem Turunc discusses the upcoming 2025 CEE Legal Matters Turkiye General Counsel Summit due to take place in Istanbul on November 4, 2025.



CEELM: Why did Turunc decide to participate in the CEELM GC Summit in Istanbul?

Turunc: We value events that bring private practitioners and in-house lawyers together in a lawyers-only setting – this format allows participants to focus on the issues that matter to us without distractions from other business functions. The agenda here is tightly tailored as a result, unlike broader-scope conferences.

At the same time, in-house teams tend to be rather insular – conferences dedicated specifically to them are relatively rare. Turkiye (and even Istanbul alone) is large and spread out, so this summit offers, on top of substantive insights, a vital networking opportunity and a chance to reconnect with old colleagues.

Lastly, we sponsored this particular event before and found it quite productive for everyone involved. Naturally, it is a business development opportunity for us as well.

CEELM: What are you most looking forward to at the GC Summit?

Turunc: Our market faces economic, social, and political volatility that directly impacts businesses, and therefore, in-house counsel. We're under growing pressure with heavier workloads, tighter deadlines, and constant pivots as companies adapt. I'm keen to hear how GCs are balancing that dual role – acting as both a strategic adviser and safety net – and to hear about their strategies for managing stress, technology, and seemingly constantly shifting priorities.

CEELM: What insights or discussions do you expect to hear from General Counsels at this year's summit?

Turunc: I'm looking forward to a rich dialogue on how the role of in-house counsel is evolving in response to the economic and political turbulence we're all navigating. I anticipate hearing stories of how GCs are storm-proofing their legal functions, balancing workload spikes and rapid pivots, while still serving as a strategic adviser and a safety net for their businesses.

There will undoubtedly be spirited debate about legal-tech adoption – not just which tools teams are bringing in, but how they're reshaping procurement processes for external services and integrating HR-tech and digital workflows into everyday practice.

I'm also keen to explore the competitive dynamics created by the sheer proliferation of lawyers and firms in Turkiye, and how that affects fee models and service quality.

Beyond these operational concerns, I expect wide-ranging conversations about the growing interaction between legal departments and senior management, how to align legal strategy with corporate goals, and the pragmatics of corporate venture-building, from designing fair, flexible start-up agreements to crafting in-house VC programs.

Sustainability and dealmaking won't be far behind; ESG frameworks and safe-harbor rules for cross-border M&A will, I believe, spark important discussions on marrying compliance with deal velocity.

And, of course, professional ethics will run as a constant thread through it all, as we seek to maintain integrity amid commercial and technological pressures.

Finally, I'm eager to learn how GCs are leveraging Turkiye's vibrant start-up ecosystem, building partnerships that drive innovation without getting bogged down in overly complex agreements. All these threads together will paint a comprehensive picture of where our profession is headed in the immediate future.

CEELM: Why should General Counsels make sure to attend this summit?

Turunc: This is the only Turkiye-based event that convenes a critical mass of private practice and in-house counsel in a friendly, safe environment where you can dive deep into the issues shaping our profession. If you're not there, you'll miss the conversations – and the peer support and networking – that will carry you, your legal team, and, ultimately, your company ahead. ●

INSIDE INSIGHT: INTERVIEW WITH BASAK GURBUZ OF ALLIANCE HEALTHCARE TURKIYE

By Teona Gelashvili

Alliance Healthcare Turkiye Director of Legal Affairs and General Counsel Basak Gurbuz reflects on her nearly two-decade legal journey, from private practice to leading in-house roles across media, tech, payments & finance, and now healthcare.

CEELM: Tell us a bit about yourself and the career path you took leading up to your current role.

Gurbuz: This year marks my 19th year in the legal profession. I began my career in a law firm, starting with a brief practice in Ankara before moving to Istanbul. I had the opportunity to work at Pekin & Bayar and then at Gun + Partners. When I was on the verge of becoming a partner, I realized I wanted a new challenge and decided to transition in-house. I received an offer from The Walt Disney Company – a once-in-a-lifetime opportunity I couldn't turn down.

Moving in-house had always been in the back of my mind, and I felt the timing was right. The transition, however, wasn't easy. It's a completely different mindset compared to private practice. But what really attracted me was the chance to be at the heart of the business, not just offering legal advice from the sidelines. I served as Legal and Compliance Director at Disney for nearly five years. Due to some professional reasons, I made the very difficult decision to move. It wasn't easy to say goodbye to Mickey Mouse, and Disney will always have a special place in my heart.

After that, I joined Visa – a completely different environment and industry. Payment services are highly regulated, and I didn't have prior expertise in this sector, but I welcomed the challenge. The first six months were particularly difficult, and even the internal language was unfamiliar. But over time, I learned, adapted, and began to enjoy it. I delved into payment regulations, worked on exciting tech and AI-related projects, and was responsible for legal matters across nine countries in Southeastern Europe. Over time, my responsibilities expanded, and by my fifth year, I found myself once again looking for a new challenge.

After a year of consideration, I decided to move into a new field. Healthcare had been on my mind for some time – it's both evergreen and highly regulated. Fortunately, an opportunity at Alliance Healthcare came at the right time. I'm still in the early days here, just starting to explore and understand the business, but I love this phase of learning and adapting. That's a key purpose in both my career and my life: to keep growing

and learning.

CEELM: Since you touched on it, what was the biggest shock when transitioning to the in-house world? On the flip side, what was the most pleasant surprise?

Gurbuz: One thing I genuinely enjoyed is the constant sense of motion – you never get bored. There's always something happening, some new challenge or a new riddle landing on your desk. You're not just there to provide legal answers but to satisfy multiple stakeholders and keep things moving. The agility, the dynamics, the opportunity to learn new things daily – these were all pleasant surprises.

The biggest shock, however, was realizing how essential it is to truly understand the business. Legal advice doesn't live in a vacuum. Sometimes, business goals and legal considerations don't align perfectly, and you can't just say "no" and walk away. You have to find secure, workable alternatives to show you're not there to block progress but to help steer it safely. Over the last 10 years, I made it my mission to shift perceptions – from "legal as a blocker" to "legal as a stakeholder and a team player." We are gatekeepers, yes, but we're also collaborators and enablers.

CEELM: How large is your in-house team currently, and how is it structured?

Gurbuz: Right now, we're a small but capable team of three: myself, an experienced legal counsel who handles much of our local work, and a paralegal. I'm still getting to know them, but I already feel we have a strong team dynamic and the right foundation to support the business effectively.

CEELM: What has been keeping GCs in Turkiye busy over the last 12 months? What about the upcoming 12 months?

Gurbuz: The past year was filled with exciting tech projects, both internal and external, that kept us incredibly busy. Across sectors, one of the biggest challenges is the rapid pace of regulatory change. Whether in media, payments, or healthcare, it's intense. Data privacy remains a major focus area, as we need

to ensure that all personal data is handled and protected in line with evolving laws.

Looking ahead, I believe artificial intelligence will be a significant part of legal and business discussions. I've already undergone training in this area and will be participating in panels to exchange insights with both legal and tech experts. I'm especially interested in the concept of responsible AI, including legal issues around liability, copyright, and even criminal responsibility. The EU has the *AI Act* now, but Turkiye doesn't yet, and when it does arrive, it will have a major impact.

On a personal note, I also believe in giving back. I'm part of the Women in Law network as well as ACC, proudly, where I actively mentor young professionals. I see this as an important responsibility for in-house counsel.

CEELM: How do you decide if a project should be outsourced or handled in-house, and what criteria do you use to pick an external counsel?

Gurbuz: Unfortunately, we often face budgetary constraints, so we're very careful when deciding to outsource. That said, I've been lucky to work with excellent external counsel over the years. I don't outsource everything – not just because of cost, but because often, with the right resources and teamwork, we can find answers internally. But for complex issues like competition law, data privacy, or niche regulatory questions, it makes sense to seek external advice to combine with internal expertise and memory.

When choosing an external counsel, quality and budget are the two primary factors, and I always look for a balance. I want tailored, relevant advice – not dozens of pages of boilerplate content. Reachability is also key. I don't expect to call someone at midnight, but in urgent situations, it's important to be able to speak to a senior person directly. I want to feel like I have a true partner on the other side.

CEELM: What do you foresee as the main challenges for GCs in Turkiye in the near to mid-term future?

Gurbuz: Turkiye's legal market has grown rapidly over the past five years, and I'm pleased to see more collaboration among external counsel and in-house. Initiatives like mentoring programs and industry events are encouraging signs of a legal community that's becoming more connected and supportive. The big legal hubs – Istanbul, Ankara, and Izmir – are at the center of this shift and we partner with contacts in each to promote this connectivity.



In terms of challenges, I believe GCs will need to be even more agile and tech-savvy. Navigating regulatory change while aligning with business goals will require creativity and resilience, as well as familiarity with responsible AI.

CEELM: Finally, if you were to advise a young lawyer aspiring to become a legal director one day, what would you tell them?

Gurbuz: Be patient and stay curious, very curious. Many young lawyers want to specialize and define their career path on day one, but that's not necessary. Take the time to try different things and gain broad experience. Eventually, you'll find your direction. There are many stimuli for all of us nowadays, and it is important to be aware and stay connected.

Also, be ready to work hard. These roles aren't easy, and shifting from private practice to in-house can be especially tough. Not every colleague needs to do that. Persistence, flexibility, and a genuine interest in following legal trends, especially in fast-changing areas like data privacy, are essential. The legal world is evolving rapidly, and staying ahead means never stopping your learning journey.

Finally, love your job and respect what you are doing as it will be your signature. ●



**KNOW YOUR LAWYER:
INANC AKALIN OF
BODEN LAW**

Career:

- Boden Law; Senior Partner; 2016-present
- Herguner; Senior Associate; 2014-2016
- Herguner; Associate; 2008-2014
- ELIG; Associate; 2007-2008
- Paksoy; Associate; 2006-2007

Education:

- Exeter University; LL.M.; 2004
- Istanbul University Law Faculty; LL.B.; 2002

Favorites:

- Out-of-office activity: Football, travelling
- Quote: “You are either part of a solution or you are part of the problem.” – Eldridge Cleaver
- Book: *The Godfather* by Mario Puzo
- Movie: *The Godfather*

CEELM: What would you say was the most challenging project you ever worked on and why?

Akalin: The most challenging project I ever worked on is possibly the DP World Yarimca Port project. I was involved in the project in the phase of obtaining land rights and worked on it until the port became operative. It took nearly eight years and involved many parties, including governmental bodies and private third parties. As the project took several years, we faced many legislative amendments, financial instabilities, and changes in personnel. Furthermore, being required to obtain several permits from governmental authorities needed excellent communication skills, coordination, and strategic thinking. The client, being a foreign company, imposed certain complexities as well, such as obtaining land-related rights and a change of C-level management after a couple of years. In the end, we managed to complete the project successfully.

CEELM: What was your main takeaway from it?

Akalin: I could say that my main takeaway from the project was developing my communication skills, coordination abilities, and strategic thinking. It was difficult to explain the delays, mainly arising from governmental bodies in the project, to the client and convince them that it was the normal course of action. It was also very hard to deal with third parties and governmental bodies at the same time, within an uncertain schedule.

CEELM: What is one thing clients likely don't know about you?

Akalin: Clients know I like to get into the action of it all as quickly as possible. Having said that, clients generally do not know that I am a very detail-oriented lawyer as well and cannot stop reading the petitions or agreements even days after submission or execution to make sure that everything is well structured and executed.

Top 5 Projects:

- Advising DP World on the development of a port project in Turkey – carried out all construction agreements, zoning and construction permits, land agreements, and operation requirements from sketch until operation
- Advising Tesco Kipa on the lease and purchase of more than 50 hypermarkets around Turkey, including zoning and construction permits
- Advising Ferko on the acquisition, development, and construction, as well as lease, sale, and lease-back or sale of several multi-purpose real estate projects, including hotels, residences, hypermarkets, residences, offices, and factory buildings
- Advising the Abu Dhabi Investment Authority on the renovation project of a historical hotel building in Istanbul
- Advising Koc Entek in the due diligence and share purchase process of a wind power plant project

CEELM: Name one mentor who played a big role in your career and how they impacted you.

Akalin: I have been privileged to work with many extraordinary and role-model lawyers throughout my career. I may say Serdar Paksoy, Umit Herguner, and Serkan Gul played very important roles in my career. However, if I have to name only one person, it would be Mutlu Dolarslan, who was one of the partners of the law firm where I started working during my education at Istanbul University and where I completed my compulsory apprenticeship period. His way of solving problems, thinking, and creating solutions to problems shaped my thinking. He was also very good at writing petitions in a clear, detailed way in a style that is user-friendly, with perfect language. I still can see his impact on every document I write.

CEELM: Name one mentee you are particularly proud of.

Akalin: I have also been privileged to work with many great young lawyers. To name one, I would say Enis Sinan Reyhan, who is currently providing legal services to his own clients in his own firm. I worked closely with Sinan for nearly five years and witnessed his development both as a lawyer and a person. I worked hard to help him develop his weak sides. He was very eager to learn and develop himself. We are still in touch, and I still like to discuss legal issues with him. His mindset and way of thinking are different than mine, so it is very good to see the problems from a different point of view while discussing them with him.

CEELM: What is the one piece of advice you'd give yourself fresh out of law school?

Akalin: One should never give up learning and keeping up with new developments. Freshmen should also develop their communication skills, both orally and in writing. They should never say, “Yes, I am done!” ●

EXPERTS REVIEW: TAX

This issue's Experts Review section focuses on Tax. The articles are presented ranked by the levels of taxes on goods and services (including sales taxes, value added taxes, and excise duties), expressed as a share of GDP, according to Our World Data 2022 statistics.

The Czech Republic and Turkiye top the list with the lowest taxes on goods and services, at 10.7% of GDP, while Montenegro comes last with the highest, at 18.5%.

Country	% of GDP	Page
Czech Republic	10.7	Page 66
Turkiye	10.7	Page 67
North Macedonia	11.6	Page 68
Lithuania	11.9	Page 69
Ukraine	13.5	Page 70
Moldova	13.6	Page 71
Poland	13.8	Page 72
Bulgaria	14.7	Page 73
Hungary	15.8	Page 74
Serbia	17.3	Page 75
Montenegro	18.5	Page 76



Czech Republic: Key Changes to VAT on Real Estate Effective from July 1, 2025

By Vladimír Hejduk, Partner, and Ludek Vacik, Tax Advisor, Rowan Legal



The year 2025 brings significant changes to value-added tax (VAT), with a fundamental impact on the real estate market, property developers, and private individuals alike. The major amendment to the *VAT Act*, which came into effect on January 1, 2025, represents one of the most comprehensive VAT reforms in recent years. The effectiveness of the new rules related to real estate and land transactions has been delayed to July 2025. The changes aim to address practical issues under the previous legal framework and to simplify the interpretation and application of VAT in relation to such transactions.

Taxation on the First Supply of Real Estate Only

One of the key changes is the revision of rules concerning the VAT treatment of supplies of immovable property. From now on, only the first supply of immovable property after its completion or after a substantial change will be taxed, provided the supply of immovable property takes place within 23 months following the calendar month of its completion or substantial change. If the real estate is sold after this period or if it is not the first sale, the sale will be generally exempt from VAT. This will bring changes not only for developers but also for ordinary real estate owners.

Substantial Change to Real Estate

Taxation will apply not only to brand-new buildings but also to those that have undergone substantial reconstruction. A “substantial change” is defined as a change to a completed immovable property with the aim of changing its use or conditions if the costs of this change exceed 30% of the tax base immediately following the delivery of the immovable property.

Clearer Rules for Residential Buildings

There are also changes to how the reduced VAT rate is applied to residential constructions. The main objective is to clarify and simplify the rules, making it easier to determine when and under what conditions the reduced rate may be applied.

The new regulation distinguishes more precisely between

standard housing and so-called social housing. In practice, this means that each type of housing now has precisely defined conditions that must be met to qualify for the reduced VAT rate. This added clarity should eliminate ambiguities and conflicting interpretations that have, until now, complicated matters for investors, developers, and tax advisors in practice.



Taxation of Land

From mid-2025, the amendment aims to better define which plots qualify as building land (land intended for future development) and which do not. This distinction is essential, as land that is not classified as building land and is not part of an existing building is generally exempt from VAT upon sale.

Under the new definition, land will be classified as building land only if there is a realistic assumption that construction will in fact take place. This includes land designated for development under zoning plans or land-use decisions, or where preparatory construction work has already begun – either on the plot itself or in its immediate surroundings. On the other hand, land where construction is unlikely or clearly impossible will not fall under the category of building land.

Notably, the option for voluntary taxation remains unchanged. Sellers may still choose to apply VAT even where a transaction would otherwise be exempt.

Other VAT Changes

Other VAT changes effective from January 1, 2025, include (a) a change in turnover calculation rules; (b) a change in the threshold for quarterly VAT payers; (c) the introduction of a cross-border regime for small businesses; (d) a change in the place of supply for “virtual” services in culture, arts, sports, science, education, and entertainment; (e) a VAT deduction for overdue debts; (f) a change in a time limit for claiming VAT deductions; (g) a change in a time limit for tax base corrections limit; (h) a tax base correction for irrecoverable receivables; and (i) stricter rules on liability for unpaid VAT. ●

Turkiye: Recent Developments in Tax Audits and Compliance

By Gokce Sarisu Kanmaz, Partner, and Gorkem Haracci Salar, Senior Associate, Balcioglu Selcuk Eymirlioglu Ardiyok Keki Attorney Partnership



Recently, due to the current economic climate in Türkiye, we have observed that the Ministry of Treasury and Finance has been making efforts to minimize tax loss and evasion, enhance voluntary compliance, and thereby increase tax collection. As part of this broader fiscal strategy, tax audits have increased significantly, spearheaded by both the Tax Inspection Board and the Revenue Administration's provincial units. In addition, tax authorities are increasingly vigilant, introducing a range of proactive and preventive audit mechanisms designed to increase voluntary compliance without necessarily resorting to lengthy and burdensome audits.

Tax audits are resource-intensive and time-consuming, and in many cases, actual tax collection might be postponed until the conclusion of protracted litigation proceedings. We believe that this is why Turkish tax authorities have significantly re-oriented their audit philosophy and started to effectively use legal mechanisms such as the "Invitation to Explain" and the "Declaration Oversight Program" to promote voluntary compliance before initiating formal audit procedures.

Invitation to explain letters, which have become increasingly frequent, provide taxpayers an opportunity to clarify their filings. Failure to provide a satisfactory response generally triggers a formal tax audit. Under this mechanism, when there are strong indications of tax loss but before an audit or referral to the Tax Assessment Commission is initiated, taxpayers are invited to correct their filings voluntarily within 30 days. If the taxpayer complies and amends the return without dispute, the tax loss penalty is reduced to 20% rather than applying a penalty at 100% of the tax principal. Further reductions are possible as per the settlement provisions.

Another tool that has been recently launched by the Tax Inspection Board is the *Declaration Oversight Program (Beyanname Gözetim Programı)*. This strategy focuses on preventing tax loss before it arises by analyzing taxpayers' declarations prior to filing, particularly corporate tax returns.

In 2024, approximately 500,000 taxpayers were subjected to risk analysis, resulting in 40,000 taxpayers being flagged as high-risk. These entities have been assigned to tax inspectors, who are tasked with reviewing and overseeing the preparation of corporate tax returns in advance of filing. The goal is to ensure that filings are accurate and complete.



During these analyses, some of the key areas examined are whether both cash and non-cash collections are reflected on gross revenue, net corporate income is calculated correctly, loss carry-forward practices are accurate, non-deductible expenses are classified properly, anti-avoidance provisions under Articles 7, 12, and 13 of the *Corporate Tax Code* are complied with, the conditions for corporate tax exemptions and incentives are fulfilled, inflation adjustment under the *Tax Procedure Code* is applied correctly, and finally the corporate tax base is determined accurately. To avoid a subsequent audit, taxpayers have to pay more attention to those topics while filing the corporate tax return.

In addition to general oversight, the tax administration has started tax audits in specific technical areas. Notably, transfer pricing has become a key focus, particularly for multinational entities engaging in related party transactions. We have observed that for the fiscal year 2023, transfer pricing audits are already underway or being initiated. Many taxpayers had previously relied on tax base increases under the most recent amnesty law (*Law No. 7440*) to shield earlier years from audit. However, as this safeguard does not apply to 2023 and forward, it has become a crucial point for tax authorities.

These recent enforcement trends and oversight mechanisms reflect a concerted effort by Turkish tax authorities to secure voluntary compliance and maximize tax collection efficiency without resorting to lengthy tax audits and litigation processes. In this regard, businesses should be proactive in ensuring the accuracy and integrity of their filings, particularly in high-risk areas, to avoid exposure to audits and penalties.

In addition, it is worth mentioning that against this backdrop of enhanced enforcement, the business community has been speculating about the possibility of a new tax amnesty to facilitate quicker collections. In early 2025, rumors circulated that a full-scope tax amnesty or at least a limited restructuring of public receivables might be introduced in the first half of the year. In response, the ministry publicly announced that no such legislation was under preparation.

Nonetheless, given the pressures of fiscal urgency and private sector lobbying, restricted amnesty focused solely on finalized public debts might still be expected in the second half of 2025. This remains a scenario worth monitoring, particularly if voluntary compliance mechanisms fail to meet the collection targets. ●

North Macedonia: VAT Representatives for Foreign Companies

By Ljupka Noveska Andonova, Partner, and Ana Kashirska Ilievska, Senior Associate, Karanovic & Partners



As of January 1, 2024, foreign companies without a physical presence in North Macedonia must appoint a tax representative when performing taxable transactions with local non-taxpayers. This requirement, established under the *Law on Value Added Tax of North Macedonia* (VAT Law), stands regardless of whether the general VAT registration threshold of MKD 2 million is achieved.

A tax representative is a legal or natural person established in North Macedonia, tasked with assuming significant responsibilities on behalf of the foreign company. This appointment must occur before initiating taxable activities within the country.

To qualify, the tax representative must have been a registered VAT taxpayer in North Macedonia for the previous 12 months, hold no outstanding tax liabilities, and meet legal requirements such as not being in bankruptcy or possessing a criminal record.

Primary Responsibilities of a Tax Representative

Once appointed, the tax representative is responsible for calculating VAT based on information provided by the foreign company and submitting quarterly VAT returns. Additionally, they must pay VAT and any associated late interest if the foreign company fails to do so. Maintaining records related to the foreign company's taxable activities and serving as jointly liable for the company's VAT obligations are also part of their duties.

These responsibilities originate from the VAT Law amendments enacted in 2023, further detailed in a subsequent bylaw. According to this bylaw, the Public Revenues Office (PRO) of North Macedonia must create and maintain an online registry of all registered tax representatives to aid compliance.

Challenges in Implementation

Despite clear legislative mandates, confusion and delays have hindered these amendments' practical application. The first recorded registration of a foreign company via a tax representative was only finalized in July 2024, as announced by the PRO. By May 2025, the number of registered tax representatives was still limited, as observed in discussions with PRO officials.

In late 2024, tax authorities began efforts to inform foreign companies about their registration requirements. However, foreign companies have encountered difficulties in compliance, partly due to the absence of a published registry of tax representatives, which the bylaw requires. This list has not yet been made available on the PRO's website.

The limited availability of tax representatives might be influenced by local entities' cautious approach toward the financial responsibilities involved, especially the joint and several VAT liabilities.

As the VAT Law amendment has been in effect for over a year, with much of the legal framework established for more than 16 months, there is still work to be done in providing essential implementation tools.

Publishing the online registry and fostering active communication with foreign businesses and potential tax representatives are vital steps in achieving the intended fiscal and legal objectives of this significant reform. Tax authorities should continue being active and open towards foreign companies, aiding them in fulfilling the registration requirements. This will greatly support the smooth integration into North Macedonia's business landscape and foster economic growth. ●



Lithuania: 2026 Tax Reform – A Strategic Direction or a Risky Experiment?

By Arunas Sidlauskas, Partner and Head of Tax, and Abigail Girdene, Junior Associate, Widen



In 2026, Lithuania will implement a major tax reform initiated by the Ministry of Finance, marking the most significant fiscal change since the 2008 economic crisis. The reform aims to ensure fiscal stability, strengthen national security funding, and improve fairness in the tax system, sparking intense debates across society and the business community.

One of the key elements of the reform is clearer progression in the personal income tax system. Under the new model, annual income will be taxed as follows: 20% up to EUR 82,962, 25% between EUR 82,962 and EUR 138,270, and 32% exceeding EUR 138,270. In the case of self-employment, income will be taxed at 15% up to EUR 20,000 and 20% up to EUR 42,500. Lower rates will apply to dividends and certain allowances, such as sickness, maternity, paternity, childcare, and long-term work benefits, which will be taxed at 15%. Pension fund and life insurance payouts will also be taxed at a 15% rate. Additionally, it is proposed to tax any employee benefits exceeding EUR 350 when the employer covers voluntary health insurance.

The planned reforms will also affect corporate tax rates. The standard corporate tax rate will be increased from the current 16% to 17%, while the rate for small businesses will rise from 6% to 7%.

One of the main criticisms of the reform concerns restrictions on loss carryforwards. Starting in 2026, companies will only be able to carry forward 70% of losses incurred, with the remaining portion being taxed even if the company has not yet fully recovered from financial difficulties. The reform proposes that these restrictions be standardized, meaning that loss transfers between companies within a corporate group will also be subject to the 70% taxable income limit, similar to individual companies.

The reform also proposes allowing immediate depreciation of long-term assets to encourage more active investment in growth and technological renewal. Companies will be allowed to deduct up to EUR 2,500 annually for scholarships to students pursuing higher education in natural sciences and for researchers conducting scientific projects. Furthermore, new companies will have their corporate tax “holidays” extended from one to two years.

Starting in 2026, real estate tax for primary residences will be set by municipalities – they will determine the non-taxable amount (no less than EUR 10,000) and a tax rate between 0.1% and 1%,

taking into account residents’ social and economic conditions.

Non-primary residences will be taxed as follows: 0.1% between EUR 50,000 and EUR 200,000, 0.2% between EUR 200,000 and EUR 400,000, 0.5% between EUR 400,000 and EUR 600,000, and 1% exceeding EUR 600,000. Abandoned properties will be taxed at a rate of 4%. A 50% reduction will apply to primary residences valued up to EUR 450,000, and a 75% discount for families with three or more children or a child with a disability. Commercial real estate will remain taxed at a rate between 0.5% and 3%, with an additional 0.2% levy allocated to the Defense Fund.

As part of the 2026 reform, the VAT rate for accommodation services, passenger transport, cultural events, and certain arts services will increase from 9% to 12%, raising service prices and impacting the tourism sector. The VAT rate for centralized heating, hot water, and firewood will rise to 21%, increasing utility costs, especially in winter, and affecting purchasing power. However, the VAT rate on books and non-periodical publications will decrease to 5%, providing relief for these products.

The 2026 reform also introduces two new types of taxes – the security contribution and the sugar tax. The security contribution will apply to insurance premiums, with a 0% rate for mandatory vehicle insurance and a 10% rate for other non-life insurance types.

Meanwhile, the sugar tax will apply to sweetened non-alcoholic beverages. The tax rate, depending on the sugar content, will be as follows: EUR 7.4 per 100 liters for less sweet drinks, EUR 21 per 100 liters for very sweetened and energy drinks, and EUR 105 per 100 liters for beverage concentrates. This tax introduction is based on public health protection arguments, but businesses are concerned about potential losses, price increases, and changes in consumer behavior.

Higher tax rates may encourage the emigration of highly skilled specialists, particularly due to more favorable tax conditions in neighboring countries. The business community has mixed reactions to the reform – some support it but many are concerned about the speed of implementation, predictability, and potential negative effects on investments, especially in capital-intensive sectors and among exporting companies, where even small changes in tax rates could have a significant impact. ●



Ukraine: Increased Scrutiny Over Application of Double Tax Treaties

By Viktoriya Fomenko, Partner, Head of Tax and Customs, Integrites



The effectiveness of investments traditionally depends on returns on investment; therefore, taxation implications are a key factor when repatriating profits out of Ukraine.

As of June 1, 2025, Ukraine has around 70 bilateral double tax treaties (DTTs) in force with other jurisdictions. In addition, Ukraine signed the *Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting* (MLI) on July 23, 2018, and ratified it through domestic legislation that came into force on April 2, 2019. The MLI officially entered into force for Ukraine on December 1, 2019. By ratifying the MLI, Ukraine opted to apply the instrument to virtually all bilateral DTTs. However, not all treaty partners have modified their agreements with Ukraine under the MLI framework.

In its convention positions, Ukraine chose to implement key minimum BEPS standards. These are the enhanced mutual agreement procedure provisions and the principal purpose test to counteract the abuse of DTTs. Additionally, Ukraine has been implementing various optional anti-abuse and dispute-resolution measures contained in the MLI. Generally, payment of income sourced from Ukraine to non-residents is subject to a withholding tax of 15%. DTTs typically provide for lower tax rates of withholding tax for passive income and exemptions for other types of income subject to certain conditions. Notably, if a respective DTT provides for different rules than set forth in the *Tax Code of Ukraine*, such DTT shall prevail. Generally, the benefits granted by a respective DTT may be claimed by a non-resident taxpayer subject if they are (i) a resident of a state that is a party to the effective DTT with Ukraine providing for such benefits, (ii) a beneficial owner of the relevant income, and (iii) if the obtaining of such benefits is not principal or one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit (Principal Purpose Test).

Over the last years, the tax authorities of Ukraine have been approaching the application of benefits granted by the DTTs with increased scrutiny. Below is an overview of the most common issues considered by Ukrainian courts with respect to DTTs.

Permanent Establishment (PE)

A recurring issue in Ukrainian tax litigation is whether a non-resident has created a taxable “permanent establishment” in Ukraine, thereby disqualifying themselves from the reduced withholding tax rates under a DTT. For example, a court held that a non-resident’s representative in Ukraine who concluded contracts and signed corporate documents without clear delegation limits con-

stituted a PE. As a result, the taxpayer lost the right to apply the preferential dividend rate under the respective DTT. In its reasoning, the court pointed out that an “unlimited authority” of the representative meant the foreign entity effectively conducted business via a Ukrainian “fixed place of management,” so withholding at 15% (rather than the treaty’s 5% rate) was appropriate.

Principal Purpose Test

Since Ukraine incorporated the principal purpose test into its legislation, Ukrainian courts have considered whether treaty benefits were claimed primarily to obtain tax relief rather than for *bona fide* commercial reasons. For example, a court examined a loan agreement with respect to whether (a) an interest was immediately passed on to third parties, (b) the lender held substantive economic activity in its home country, and (c) the real commercial risk was borne by the lender.

“Beneficial Owner” Status and Limitation-of-Benefits Issues

Determining who is the “beneficial owner” of passive income payments (dividends, interest, royalties) is essential to claim treaty benefits. While analyzing “beneficial owner” criteria for non-residents, Ukrainian courts typically analyze (1) functions of the non-residents – whether passive income payments go through a transit company or not (back-to-back loans, sublicense agreements, etc.), (2) availability of substance (expenses for maintenance, employees), and (3) the authority of the director to take decisions.

Denial of Preferential Withholding Without Proper Documentation

Courts will typically refuse to uphold treaty rates where taxpayers fail to produce valid residency certificates or other required documents on time.

MLI-Derived Anti-Abuse Provisions (Principle Purpose Test)

Since the MLI entered into force for Ukraine on December 1, 2019, Ukrainian courts have already been interpreting and enforcing the MLI’s anti-abuse clauses. Nonetheless, case law on this matter is still being shaped. For example, several lower instance courts have upheld tax authority positions that even in cases when taxpayers formally met the treaty conditions, the principle purpose test could nonetheless be invoked to deny relief.

In view of the above, obtaining benefits under DTT has become increasingly challenging in Ukraine, thus, thorough observation of the rules and requirements with a specific focus on practical aspects is required. ●

Moldova: Environmental Taxation as a Fiscal Instrument

By Carolina Parcalab, Head of Tax, and Doina Doga, Senior Associate, ACI Partners



In the context of the Republic of Moldova's commitments under the *Association Agreement* concluded with the European Union in 2014 and its designation as an EU candidate country granted in 2022, the national legal framework is undergoing substantial reform. A large part of the legislative transposition agenda relates to environmental protection, which includes the adoption and implementation of numerous regulatory acts at the national level.

To ensure not only the transposition but also the enforcement and compliance with this expanding environmental framework, fiscal instruments have come to play a pivotal role. Among these, environmental taxation stands out as an essential mechanism to support regulatory implementation and promote disciplinary accountability.

Fiscal Instruments to Foster Environmental Responsibility

A particularly significant illustration of environmental taxation in Moldova is the regulatory framework sustaining polluter liability. Having its roots in the internationally recognized *polluter-pays* principle, first formulated by the OECD in 1972, Moldovan legislation charges polluters with the costs associated with the prevention and control of pollution, as determined by national competent authorities.

To ensure the application of this principle, the Moldovan tax system incorporates specific legal instruments aimed at placing the financial responsibility for pollution on the polluter, thereby incentivizing the rational use of natural resources. One of the earliest and most relevant examples is *Law No. 1540* of February 25, 1998, *on Payment for Environmental Pollution* (Law No. 1540), which introduced pollution-related payments designed to hold accountable those responsible for environmental harm.

Although the payments introduced by Law No. 1540 are not formally classified as taxes under the *Moldovan Tax Code*, they entail all the essential characteristics of a tax, including (i) their mandatory nature, (ii) their amount and calculation method being determined by the state, (iii) their imposition being connected with a measurable benefit (namely, the use of natural resources), and (iv) their subsequent use for public-interest objectives.

In this respect, Law No. 1540 has established a practical system of environmental taxation, fulfilling the *polluter-pays* principle through fiscal measures.

Taxable Objects and Subjects

Law No. 1540 identifies specific types of polluting activities that give rise to fiscal obligations. These activities correspond directly to the environmental objects the law seeks to protect, namely air emissions, water discharges, soil contamination, and waste disposal and dissemination into the environment. For each of these categories, the legislation sets out the corresponding pollution charges, calculation methodology, and payment procedures.

As regards taxable subjects, any individual or legal entity carrying out economic activity in the Republic of Moldova and generating pollutants may be subject to the environmental charges provided by the law. As a general rule, the amount of the charge is proportionate to the volume of pollution caused, whether measured in terms of emissions, discharges, or waste quantities.

Recent Legislative Developments: Focus on Packaging Waste

To align with *Directive 94/62/EC on Packaging and Packaging Waste*, Moldova has introduced substantial amendments to Law No. 1540 and related legislation, aimed at clarifying the fiscal mechanisms applicable to pollution generated through packaging. These amendments introduce clear fiscal obligations for entrepreneurs who place packaged goods on the Moldovan market for the first time, whether for sale, distribution, or use in commercial activities, irrespective of whether the transaction involves payment.

The tax rate applicable to packaging waste depends on the material from which the packaging is made. Specific rates are provided for plastic, glass, wood, paper and cardboard, and metals (including aluminum), with the plastic packaging being subject to the highest tax rate. To ensure effective enforcement, secondary legislation adopted in 2025 established the applicable procedural rules. Notably, the legislation imposes a direct obligation on the polluter to identify the type and quantity of packaging waste placed on the market, report the material composition of such packaging, and maintain records of any recycling or recovery activities undertaken.

This self-assessment mechanism enhances the accountability of entrepreneurs and is designed to ensure compliance with environmental regulations. Thus, while not originally designed as having a tax statute, polluter charges have effectively evolved into a core fiscal instrument for environmental governance in Moldova, entailing a key element of the environmental taxation system. ●



Poland: The 2025 Property Tax Reform – Clarity or Complexity?

By Maciej Kacymirow, Local Partner, and Anna Lewandowska, Associate, Greenberg Traurig



On January 1, 2025, a sweeping reform of the Polish real property tax (*podatek od nieruchomości*) system came into effect. Lawmakers had billed this overhaul as a way to bring greater clarity, fairness, and efficiency to property taxation. However, for commercial real estate owners and businesses, the reform proved to be a double-edged sword: new rules resolve some longstanding ambiguities but they also create fresh compliance burdens and uncertainties in practice. In fact, by some accounts, this historically contentious tax has become even more complex in 2025 despite the reform.

Redefining Buildings and Structures

A centerpiece of the reform is an autonomous set of definitions for what constitutes a “building” and a “structure,” no longer tied to Poland’s construction law. The notion of “building” is now defined as any structure erected through construction work that has a roof, walls, and foundation and is permanently attached to the ground. This definition explicitly excludes facilities whose primary function is bulk or liquid storage (such as grain silos or fuel tanks), meaning such installations are no longer taxed as buildings and instead fall into the category of structures taxed based on their value. The law also defines “permanently attached to the ground” as requiring a physical connection that provides stability and resists external forces, ending debates over whether a heavy object simply sitting on land counts as attached.

A structure is now delineated by a detailed statutory list of 28 object categories. The list spans elements from industrial installations and technical infrastructure to equipment foundations. By law, if an object meets the criteria of a building, it is taxed as one (buildings are taxed at set rates by floor area), and only if it does not, can it be classified – and taxed – as a structure. An object cannot be both a building and a structure at once. These clarifications were intended to eliminate borderline cases and to ensure that similar assets are taxed consistently.

New Burdens for Real Estate Owners

In practice, the new classifications have had a swift and significant impact. Many facilities previously considered buildings – or not taxed at all – are now treated as taxable structures. Examples include storage silos, open-air tanks, and container-like installations. These are now taxed at 2% of their value, which can substantially

raise tax bills for warehouses, factories, and shopping centers. The entire apparatus, including technical equipment, is now part of the taxable base.



Officials insist the reform does not introduce a market-value (cadastral) tax, since buildings and land are still taxed by area. However, the expanded scope for taxing industrial and logistical assets brings the system closer to a value-based model. Some industries, especially heavy manufacturing, face higher tax burdens despite promises of neutrality. While renewable energy facilities benefit from partial exemptions, the boundary between taxable structures and exempt equipment remains unclear. The possibility of local authorities attempting to tax support equipment, such as transformers, despite this being against the legislative intent, is causing concern among businesses.

Compliance Challenges and Unintended Consequences

Adapting to the new rules has been challenging, even with the possibility of extending the deadline for filing real property tax declarations until March 31 (the original deadline was January 31). Many businesses require support from legal, technical, and valuation experts to determine which assets are now taxable and how to value them.

A key difficulty is assigning values to assets that were never previously assessed individually – such as foundations or pipelines – introducing subjectivity and potential audit risk.

By moving away from construction-law definitions, the reform also removed decades of legal precedent. Terms like “building” and “structure” now have tax-specific meanings that remain open to interpretation. Authorities acknowledge that reclassification is likely over time, and taxpayers may need to revise filings accordingly – adding to legal and financial uncertainty.

Conclusion

For commercial real estate owners, the reform’s legacy so far is a more complicated property tax regime – with intricate new definitions, heavier tax bills for certain assets, and lingering uncertainty. While the law may yet achieve its long-term goal of a clearer and fairer system, its immediate impact is a significant compliance headache. Businesses must navigate this new terrain carefully, as the reform’s theoretical benefits remain overshadowed by its practical challenges. ●

Bulgaria: Stability in Transition – Addressing Legal and Fiscal Predictability in the Oil and Gas Sector

By Alexander Rangelov, Head of Tax, and Nikola Naydenov, Associate, CMS Bulgaria



Bulgaria is well-positioned to develop into a regional energy hub due to its favorable geographical position and unrealized offshore potential. The oil and gas industry is still in its formative stages. Over the course of their projects, which may span several political cycles, investors need clarity and continuity. Long-term fiscal and legal stability may be instrumental in attracting significant investment and increasing the competitiveness of Bulgaria's economy in the region. Bulgaria is in the position to offer even more safeguards to serve its goal of becoming a regional leader in the sector.

With growing interest in offshore oil and gas exploration, rising geopolitical importance, and an expanding EU role in regional energy policy, the country has a unique opportunity to position itself as a strategic energy hub in Southeast Europe.

Bulgaria already possesses the institutional and legal foundations to support a stable investment environment. The existing concession system is functional, and the country adheres to well-established principles of legal certainty and legitimate expectations.

Unquestionably, the low flat rate corporate income tax of 10% has served to attract investors in the past and continues to do so. The recent developments in the international taxation framework and the implementation of the *OECD Pillar Two Global Minimum Tax*, to an extent, lessen the impact of a low domestic tax rate for large investors. In this sense, Bulgaria may focus on alternative approaches to maintaining its investor-attracting-oriented strategies from the past.

Although very rare, some signals of inconsistency are not fully eliminated. Just recently Bulgaria introduced temporary “budget contributions” for all underground resource extraction operators without a clear strategy (except for the budget income) or public discussions.

To fully realize this potential, the legal environment should be able to further enhance its essential ingredient: predictability for energy investors. Thus, enhancing the legal and fiscal framework will help develop the country's oil and gas reserves. Such a lever in the mechanism could be a fundamental tax stability framework that is transparent and based on established industry principles.

Investments in oil and gas are marked by high up-front expenditure, extended duration of development, and lengthy amortiza-



tion. Investors must invest huge amounts prior to generating any revenue. Such a financial model makes them extremely sensitive to changes in tax regimes, royalty terms, compliance costs, and terms of operation. Altering these after they have committed investments may hurt financial models and jeopardizes the economic viability of projects unless a compensation mechanism is available.

Globally, several countries, especially those reliant on resource development, have introduced stability frameworks tailored to large-scale, long-term investments. These frameworks typically define the scope of protected changes (taxes, royalties, fees, permitting, etc.), set the duration of the protection in line with project life-cycles, include equilibrium mechanisms to balance the interests of the state and investor, provide for transparent and predictable dispute resolution options, etc.

Such mechanisms are not absolute. They often include carve-outs for public health, environmental, or anti-corruption reforms. However, they are structured to prevent arbitrary or retroactive application of burdensome changes.

The Bulgarian legal system can be framed in a way that helps build a stable legal environment that is in line with the public needs of investors. The current underground resources legislation fiscal stability clause that is consistently implemented in concession agreements would be a suitable foundation for the further enhancement of the current energy investment environment.

An approach of developing a fiscal stability clause that is in favor of the state and investors alike, encompassing predictable and foreseeable implementation and enforcement, introducing guarantees for the budget income and investors financial plans may only be seen as a strong positive sign by current and future operators in the sector. Such a framework will also provide Bulgaria with an edge over its neighboring countries, even before any significant discoveries of otherwise huge potential natural resources are made.

Fiscal predictability is not merely a business demand but a component of sound governance and strategic development. By embracing structured, transparent, and enforceable stability mechanisms, Bulgaria can unlock its energy potential while upholding the public interest. The next step for the energy sector reform should not rely on administrative rather than legal decisions. ●

Hungary: The Long Arm of US Tax Law – How Section 899 Could Impact Hungarian Businesses

By Gergely Riszter, Partner and Head of Tax, Baker McKenzie Hungary



On May 22, 2025, the US House of Representatives passed the *One Big Beautiful Bill Act* of 2025, a comprehensive piece of legislation that includes Section 899 – a measure designed to push back against foreign tax policies seen as unfair to US businesses. This provision, if passed by the US Senate in unaltered form, could have significant consequences for Hungary, where taxes on foreign online platforms and digital advertising have already created friction with international firms. With no active tax treaty between Hungary and the US since January 1, 2024, the potential for heightened tax burdens looms large. This article explores how Section 899 could reshape the landscape for businesses operating across these two nations.

Section 899 targets countries that impose taxes deemed discriminatory or extraterritorial (both categories framed as “unfair foreign taxes”), particularly those affecting US companies disproportionately. If a country is labeled as having such policies, the US can raise tax rates on income flowing to entities or individuals from that country. For instance, standard withholding rates on payments like royalties or dividends could climb by 5 percentage points each year, up to a maximum of 20 points above the usual rate. This means that a typical 30% rate could balloon to 50% over time. Additionally, the provision tweaks an existing rule called the “Base Erosion and Anti-Abuse Tax,” increasing the rate to 12.5% for US subsidiaries tied to companies from offending countries and making it harder to claim certain deductions. The ripple effect could hit industries reliant on cross-border payments.

The critical question for Hungary is whether its retail tax on online platforms or its advertisement tax could be characterized as “unfair foreign tax” under Section 899. The retail tax, with its revenue thresholds based on global turnover determining the rate applied to local sales, could be viewed as “unfair foreign tax” under Section 899’s criteria, particularly if it disproportionately affects US-based online platforms. The fact that the tax is imposed on revenue, compounded by its alleged discriminatory nature highlighted by the European Commission, could attract scrutiny. Hungary’s advertisement tax, by its nature, resembles the Digital Services Tax, which Section 899 explicitly lists as a “per se unfair

foreign tax.” While currently suspended, its potential reinstatement could trigger Section 899 implications.

Looking ahead, businesses on both sides need to prepare for uncertainty. If these taxes were classified as “unfair foreign taxes” under Section 899, the consequences for Hungarian businesses and individuals with US connections would be severe. Hungarian firms with US income streams should assess their exposure to potential rate hikes and explore restructuring payment flows to minimize impact. Meanwhile, Hungary’s government faces a delicate balancing act – maintaining revenue from its retail tax and potentially from its advertisement taxes, while avoiding a designation that could trigger Section 899’s penalties.

The absence of a tax treaty between Hungary and the US exacerbates the potential fallout. Without an agreement to prevent double taxation, Hungarian companies earning income from the US already face a steep 30% withholding rate on payments like dividends and interest. If Section 899 comes into play and Hungary is flagged as a problem jurisdiction, these rates could climb even higher, year by year. For example, a Hungarian tech firm receiving royalties from a US partner might see its tax rate jump to 35% in 2026 – and continue to rise thereafter. Meanwhile, US subsidiaries of Hungarian companies could face tougher base erosion rules, limiting their ability to reduce tax bills through standard business deductions. This dual pressure could discourage investment and collaboration between the two countries.

The *One Big Beautiful Bill Act* of 2025, and specifically its Section 899, signals a more assertive stance by the US against foreign tax measures it perceives as unfair or discriminatory. For Hungary, its existing retail tax on online platforms and its suspended advertisement tax place it in a position where it could be targeted by these retaliatory measures. Businesses with operations or investments spanning the US and Hungary, as well as Hungarian entities receiving US-source income, must closely monitor the legislative progress of Section 899 in the US Senate and any subsequent guidance from the US Treasury. The potential for increased tax burdens and compliance complexities underscore the escalating tensions in the international tax landscape and the far-reaching impact of unilateral tax measures. ●

Serbia: Streamlined Tax Procedures Make Everybody's Lives Easier

By Nikola Djordjevic, Tax Partner, JPM & Partners Serbia



Complicated tax administrative procedures in Serbia do diminish the advantages of low corporate income tax. This story is an example of such administrative complications.

There is a company that has been operating successfully for one year but encountered problems during the next. As a result, the company did not pay the entire corporate income tax for the successful year, nor the tax advance payments for the next year (each month one-twelfth of the amount of tax from the previous year is due as advance payment). It has also failed to pay taxes and contributions on the salaries of several employees.

The Tax Administration reacted expressly and initiated forced collection of all due tax liabilities of that company. Including based on due advance payments.

After less than two years the company owners managed to overcome the problems and were ready to settle all tax liabilities. One would think that the easiest way to do this is to simply pay the money into the company's account, which would lead to forced collection of the debt balance on the day of collection (plus the costs of forced collection) with the money then distributed to all due tax liabilities. This way, all tax debts of the company would be settled and both the state and company would have a clean slate.

This is where we encounter the problem. The Tax Administration does not automatically update the amount of debt (note that part of the corporate income tax was paid after the initiation of the enforced collection procedure). It also does not withdraw the enforced collection in a timely manner (note that the final liability for corporate income tax for that second year was 0, thus everything that may have been paid as advance payments should have been returned to the company).

As a result, the funds were collected through forced collection but not distributed to all due tax obligations. Instead, over RSD

200,000 were collected in excess of what should have been collected based on corporate income taxes for the first and second years. Nothing was collected on other grounds. So now there is a tax surplus on one basis and tax debt on another basis. In this situation, the taxpayer submits a request to the Tax Administration to rebook the surplus from one basis to another basis with a debt. However, the need to submit such a request is certainly superfluous – if the forced collection worked as it should, everything would automatically be distributed as it should.

Our case had an additional complication – due to various reasons, the owners had to engage additional money and pay the debt, and the company had to submit a request to receive a refund on the tax it had basically overpaid. There is an institute for this process, however, there was no point in using it until there was a confirmation from the Tax Administration that all forced collection procedures had been withdrawn. Why was this confirmation needed? Because the Tax Administration does not end forced collection procedures on its own. For that to happen, the company had to submit yet another, separate request to end the forced collection procedure – otherwise, money would have continued to be withdrawn on the basis of a forced collection of debt that no longer existed.

The Republic of Serbia has achieved a lot in the field of e-government. However, certain procedures continue to cause problems. First, it is absolutely possible to link the data from the accounting of the Tax Administration with the National Bank of Serbia, which is responsible for the forced collection of tax debts. That way, forced collection is automatically distributed to settle all debts, rather than creating a surplus on one basis and leaving other debts unsettled. This would also allow for the automatic cancellation of the collection procedure when the tax debt is collected or ceases on other grounds (as in our case with the “debt” for tax advances). All this would make doing business easier and Serbia a more attractive market. Additionally, tax inspectors would have more time to conduct actual tax controls rather than having to decide on requests from tax debtors that could have been avoided. ●

Montenegro: Taxation of Profit Share Agreements

By Milos Komnec, Managing Partner, and Desanka Kotlaja, Senior Associate, Komnec & Partners



In our recent practice, we have been receiving an increasing number of inquiries from clients in Montenegro aiming to provide certain benefits to employees (or other individuals who have made a significant contribution to the company) that do not involve standard employment or service contracts.

One option is to formally include the individual in the ownership structure of the company by transferring a minor share, thereby entitling the individual to receive dividends. However, this option has significant downsides, such as difficulties in managing the exit of such an individual from the company as well as potential capital gains and/or other tax implications.

For this reason, our clients have on several occasions opted for a profit share agreement, under which the founder of the company agrees to allocate a portion of the company's net profit to another individual. However, this structure also has its downside, which will be demonstrated by focusing on an example of profit share executed by the founder and another individual, both natural persons.

Characteristics of the Profit Share Agreement

In general, under a profit share agreement, the founder commits to distributing a percentage or a specific amount of the company's net profit to the second party – even though that party is not a shareholder nor holds any formal ownership interest in the company. This individual is usually a consultant, partner, strategic advisor, or someone who significantly contributed to the company's success, while not being employed at the company.

These agreements are increasingly being used in recent commercial practice, even though they are not expressly recognized in Montenegrin law – except for one provision in the *Personal Income Tax Law* where the law recognizes that one of the sources of income is remuneration received by board members and employees. On the other hand, the *Law on Corporate Profit Tax* does not allow profit share payments to be treated as a tax-deductible expense. Nevertheless, they offer many advantages: they are fairly simple and allow for rewarding individuals without requiring them to be employed or to be members of the company. They do not require share transfers, are dependent on the actual generated net profits of the company, and may be performance-based.

Tax Implications

From a tax point of view, shares in profit are not subject to VAT as these payments do not constitute a supply of goods or services within the scope of business activity.



In addition, mandatory social security contributions (which include contributions for mandatory pension and disability insurance as well as contributions for unemployment insurance) are not payable on income from capital.

On the other hand, this arrangement has one main disadvantage, which results from the lack of express regulation of profit-sharing agreements in Montenegro's current legal framework.

Namely, under *Law on Personal Income Tax*, profit shares received by management board members and employees in the form of cash, equity interests, or shares, as well as profit shares in general, are considered to be income from capital.

When a company pays a dividend to its founder (a natural person), who then shares part of it with another natural person under a profit share agreement, this structure leads to unfavorable double taxation.

The first level of taxation refers to dividends paid to individuals, which are subject to a withholding tax of 15% (and surtax, the rate depending on the municipality). The company withholds and remits this tax at the time of payment to its founder.

The founder then distributes part of that (already taxed) amount to another individual under a profit share agreement. Since the recipient is not a shareholder, this payment does not qualify as a dividend for the recipient. Instead, it is treated as income from capital, which again triggers a 15% personal income tax for the recipient (and again, applicable surtax). This represents the second level of taxation.

Due to this, the payment of profit share by the registered founder does not qualify as a deductible expense for tax purposes, meaning the founder cannot reduce their taxable base by the amount paid.

Conclusion

While profit share agreements offer a flexible and straightforward way to reward individuals who have contributed to a company's success, corporate management, or the strategic contributions of shareholders, without altering its ownership structure, their biggest disadvantage is that they result in multiple layers of taxation of the same funds, which significantly impedes their financial efficiency for the parties involved.

For that reason, profit share arrangements should be approached with caution and considered only when their commercial benefits clearly outweigh the fiscal burdens they impose. ●

Thank You to Our Country Knowledge Partners for Their Invaluable Input and Support



Bulgaria



Czech Republic



Georgia



Hungary



Moldova



Romania



Serbia



Ukraine

FIVE
EIGHT

IF YOUR WEBSITE
LOOKS **SECOND-RATE**,
SO DOES YOUR FIRM.

We can help.

 508.AGENCY/SITE-AUDIT-LAW-FIRMS