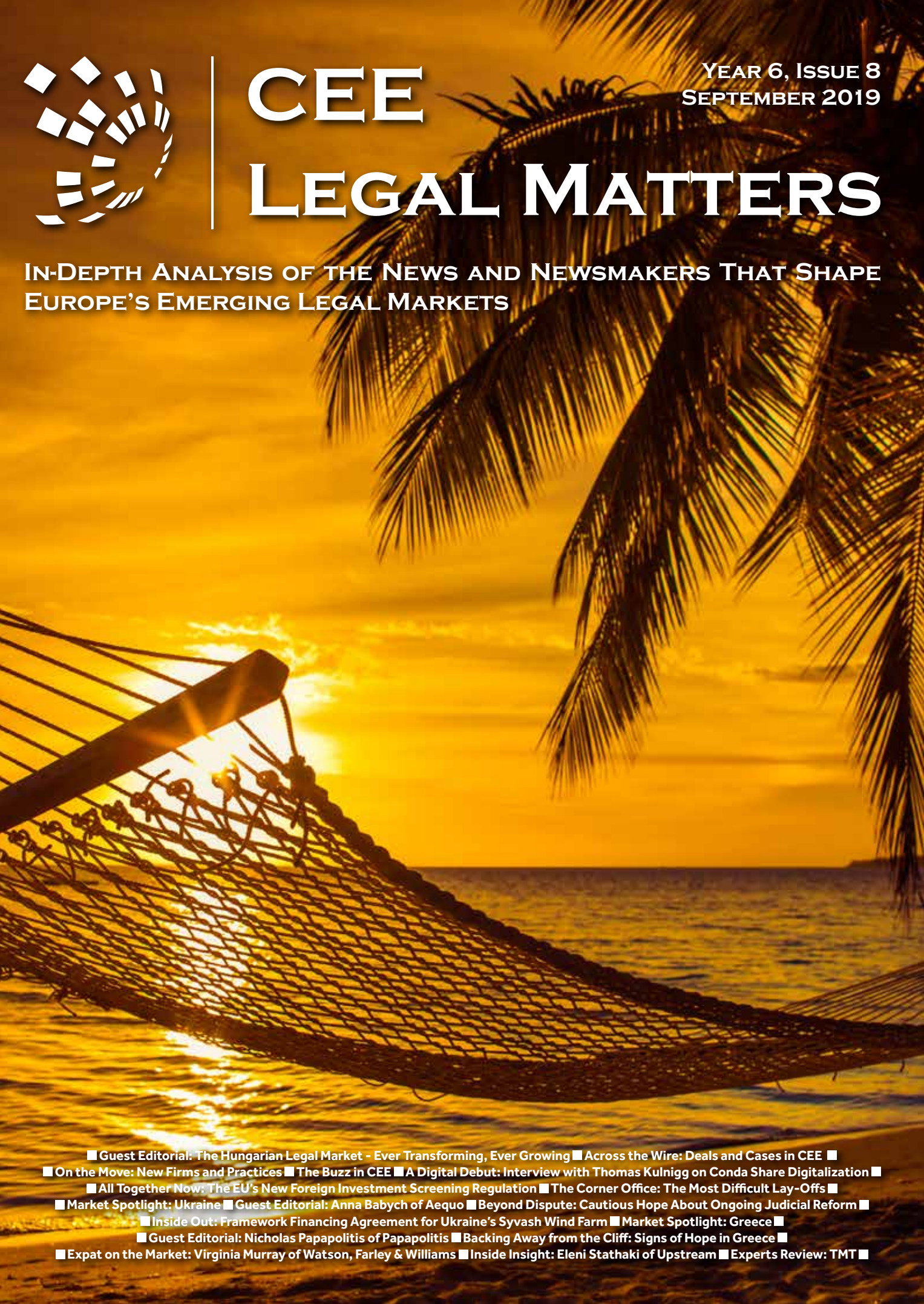

Year 6, Issue 8
September 2019

CEE Legal Matters

In-Depth Analysis of the News and Newsmakers That Shape Europe's Emerging Legal Markets


DEALER'S CHOICE LAW FIRM SUMMIT
&
2020 CEE DEAL OF THE YEAR AWARDS
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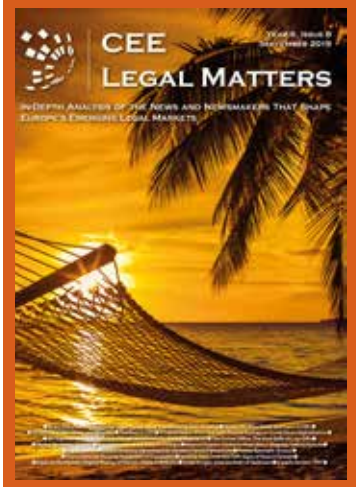
CEE LEGAL MATTERS

In-Depth Analysis of the News and Newsmakers That Shape Europe's Emerging Legal Markets



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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:

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EDITORIAL: THE META NATURE OF LAW FIRM BUSINESS

I was found myself thinking, as we were putting this issue together, about the meta nature of what commercial law firms do – advising clients on mergers and employment and data protection issues while at the same time facing those same internal challenges themselves.

Much of our content in this issue is related to that paradox. The Corner Office feature (page xx), for instance, is (as always) about the challenges involved in running a law firm business, and several contributors this time around draw specific attention to the irony of needing advice on how to handle their own internal employment issues.

This Table of Deals in this issue also includes an item (page 14) on the assistance Poland's Domanski Zakrzewski Palinka recently provided to the DWF Group plc related to its acquisition of the legal services business of K&L Gates' Warsaw office – one law firm advising another law firm on its acquisition of a third.

And this issue also contains an advertisement (page xx) for next spring's Dealer's Choice Law Firm Summit and 2020 CEE Deal of the Year Awards Banquet in London, which we hope will be an unparalleled international networking and business development opportunity for all lawyers attending, whether CEE-based, UK-based, or other. That is, again, lawyers talking with each other about creating business and increasing their bottom lines, rather than talking with clients about helping them find solutions to their problems.

Because of course the pressure on law firm economics, management, and revenues is never-ending; like a newborn baby, it requires almost constant attention. And rare indeed is the partner who enjoys those parts of the job as much as the more famous and client-focused parts.

CEE Legal Matters, I suppose, is part of the equation as well. We also pay attention to our finances, our employees, our lease, and other internal needs, even while we report on firms focusing on those same issues, as they themselves advise clients – in large part – on how best to manage their own. And, of course, we have service providers of our own, both law firms and non (but with business practices guided by their own in-house lawyers), and the circle continues.

That's how economies work, of course, as giant circles, transferring and retransferring capital around and around, with sparks flying out in the form of take-home pay or (temporary?) savings. In high school my mind would have been blown by this recognition. Now, too busy focusing on how we're going to afford our operations, grow our business, and identify, train, and find qualified candidates for open positions while (successfully, so far!) avoiding bankruptcy, I shrug and move on.

Still, let me stop for a moment to pay my respects to everyone out there managing, maintaining, and even expanding a CEE law firm. We have seen a number of friends, in a number of markets, suffer from the inevitable and unending ebb-and-flow of national economic health. Things are, in most of the countries we cover, pretty good right now (sorry, Turkey and Russia), and we of course hope those times last. But law firm business is never easy, even in the boom times, as competition grows ever-stronger and clients become ever-more demanding. And in the bust … it can turn desperate.

So, while we enjoy the boom, let me take a minute to acknowledge the hard work you all do, in helping create and maintain these legal markets of stability, reliability, and trust. Good work.

(And see you in London).

David Stuckey

GUEST EDITORIAL: THE EVER TRANSFORMING AND EVER GROWING HUNGARIAN LEGAL MARKET

After I was asked to write this Guest Editorial for CEELM Magazine I realized that this year marks my 25th year in the legal business in Hungary.

The 1990s: I graduated in 1994 and started working at our law firm in 1996, which makes me a lawyer who has not changed workplaces during the last 23 years. I guess this might seem odd to some of today's junior lawyers, who change workplaces much more frequently. In the 1990s there was a completely different working environment for a junior lawyer; we worked day and night and during weekends. I remember once, working on our fifth weekend in a row, we tried to explain to our partner that we were tired – and being told to drink more coffee. Those were the years of privatizations and frequent due diligence exercises, most of them based on physical data rooms(!). Those were the golden years. Most of the businessmen and lawyers were not used to regular transactions back then, so on many occasions the meetings were endless. It was normal to have meetings until very late. My record meeting lasted until 5:00 a.m., after which I travelled to Tatabanya for another meeting at 9:00 a.m. Those were not great years, salary-wise, but we gained experience – sometimes more than we desired. I believe that in that period a CEE junior lawyer's life was not very different than it was for American or other international lawyers, despite the differences in the legal systems. I remember how well we understood the miserable life of young lawyers depicted in John Grisham's books.

The 2000s: I became a partner in 2002 and started to enjoy my life and my law career. There were numerous mid- and small-sized transactions as Hungary was heading to join the EU (which it did in 2004) and life became solid. Also, there was work making sure clients complied with EU laws. The legal market in Budapest became more competitive, and while some international firms left, others remained, building the structure to stay long-term. Compared to the 90s, the international firms that decided to stay in Budapest hired more Hungarian lawyers, familiar with Hungarian law, and started to practice Hungarian law properly rather than simply using international standards while having no clue about local law. Also in the 2000s, some lawyers with international law firm backgrounds decided to establish and build their own firms. We started to communicate via e-mail and long memoranda and long faxes slowly disappeared. In 2008, the financial crisis that hit the world impacted the Budapest legal market as well, lasting for the next several years.

The 2010s: After the crisis, the Budapest legal market became even more competitive. Some international firms competed with ever-lower fees, gaining market share but destroying fee levels forever. This period was about effectiveness and project management. Clients became more sophisticated in Hungary and they gained a better understanding of what they needed from lawyers. I think today Hungarian lawyers face problems that are not solely local, but rather international. Globalization, outsourcing, and commoditization are issues that we need to address in our strategies. We also need to focus on and invest in digitalization, IT, and data protection, as they have become unavoidable. We not only use e-mails now but communicate with courts and authorities electronically. Physical data rooms are long gone. What may be unique in Hungary is the rapid increase in the complexity of legislation, not to mention the way legal rules are formed – sometimes new rules are made in so called "omnibus acts" when one law amends thousands of legal rules – making it increasingly difficult to keep tabs on changes in legislation. To find the right young talent has become a great challenge, and law firms must now look attractive and market heavily in multiple communication channels instead of sitting back, relaxedly waiting for CVs to arrive. I disagree with those lawyers who complain about the Z generation; I think they are smart people who require a different approach.

The Next Decade: We are slowly heading into the next decade, during which AI and digitalization will continue their trend-setting development. According to Richard Susskind, "lawyers will less and less simply advise clients; they will build systems that will, in turn, advise clients." In Hungary, these changes may come somewhat more slowly … but they will definitely come.

Peter Berethalmi, Partner,
Nagy es Trocsanyi

On The Move:

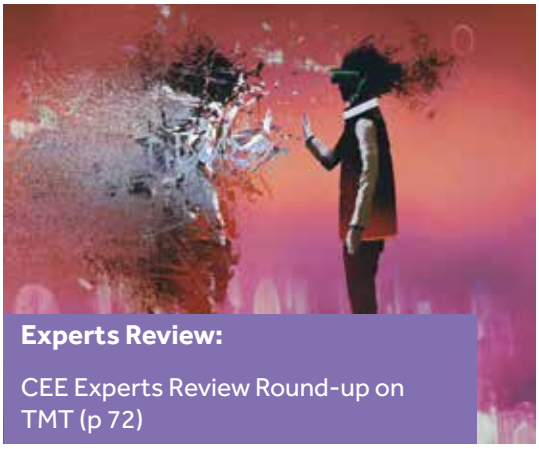
Sayenko Kharenko Completes Merger with Criminal Defense Boutique (p 25)

All Together Now:

The EU's New Foreign Investment Screening Regulation (p 38)

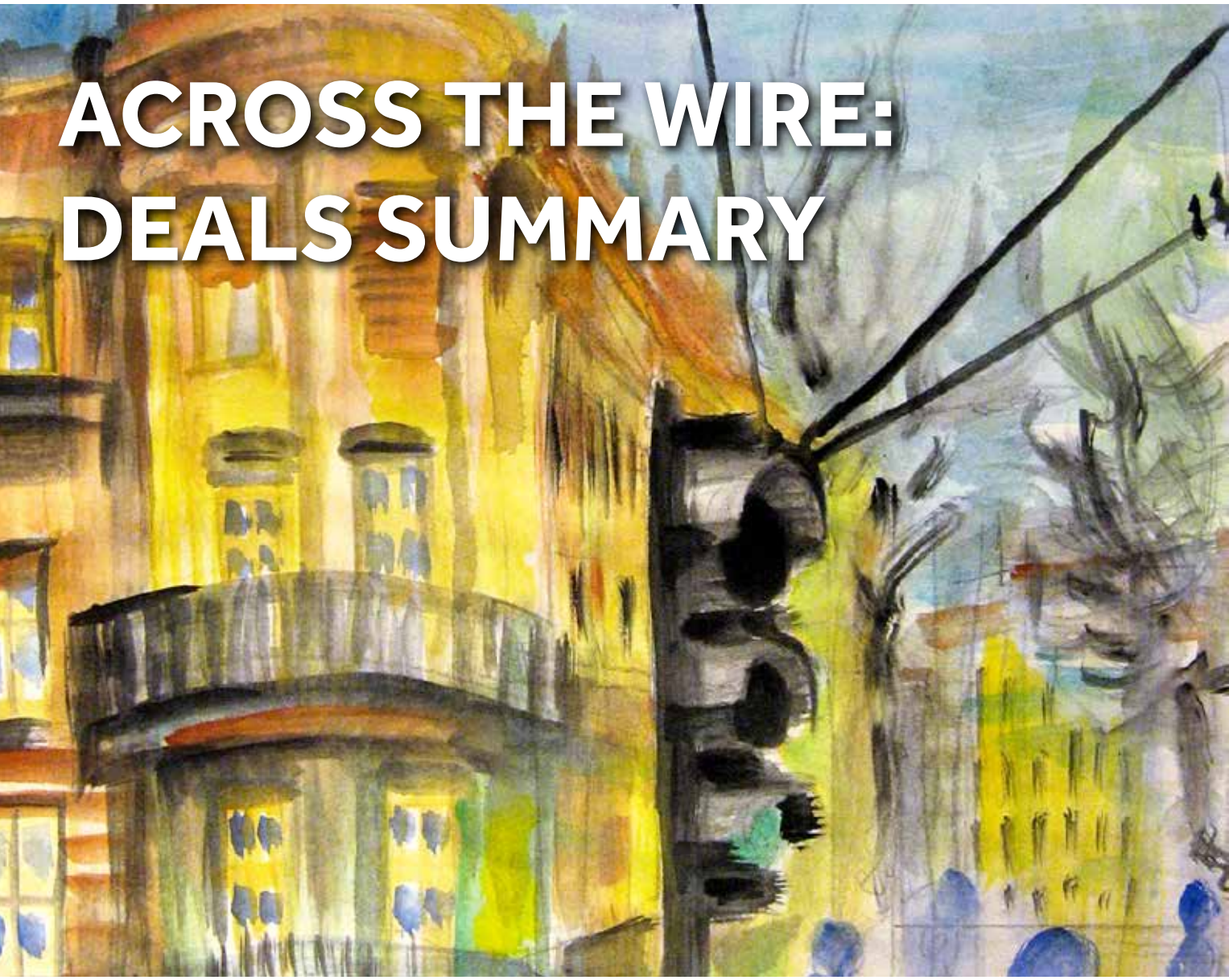
Beyond Dispute:

Cautious Hope About Ukraine's Ongoing Judicial Reform (p 46)



Experts Review:

CEE Experts Review Round-up on TMT (p 72)



ACROSS THE WIRE: DEALS SUMMARY

Date covered	Firms Involved	Deal/Litigation	Value	Country
17-Jul	Wolf Theiss	Wolf Theiss advised the European Investment Fund on its EUR 25 million loan to Albania's Alpha Bank.	EUR 25 million	Albania
17-Jun	Wolf Theiss	Wolf Theiss advised Duravant on its acquisition of Austria's Motion06 GmbH.	N/A	Austria
20-Jun	42Law; Cerha Hempel Spiegelfeld Hlawati; Hemmelrath	CHSH, working with the Hemmelrath Partnerschaftsgesellschaft, advised Immundiagnostik AG, a German laboratory diagnostics company, on its acquisition of Austrian start-up Kiweno. Kiweno was advised by 42Law.	N/A	Austria
21-Jun	DLA Piper; Wolf Theiss	Wolf Theiss advised M.M.Warburg & CO as the sole manager and bookrunner on topping up a corporate bond of UBM Development AG. UBM Development was advised by DLA Piper Weiss-Tessbach.	EUR 45 million	Austria
24-Jun	Binder Groesswang; Dechert	Binder Groesswang and Dechert advised U.S. private equity firm Welsh, Carson, Anderson & Stowe, on the sale of its stake in AIM Software Group to SimCorp.	EUR 60 million	Austria

Date covered	Firms Involved	Deal/Litigation	Value	Country
27-Jun	Weber & Co.; Wolf Theiss	Wolf Theiss advised Oberbank AG as the issuer of debt securities. Weber & Co. advised the banking consortium of Commerzbank Aktiengesellschaft, DZ Bank AG Deutsche Zentral-Genossenschaftsbank, Erste Group Bank AG, and Raiffeisen Bank International AG that coordinated the bond placement.	EUR 250 million	Austria
27-Jun	Act Legal (WMWP)	WMWP Act Legal advised KMG, a subsidiary of Stadtwerke Klagenfurt AG and Klagenfurt am Worthersee, on the restructuring of the public transport in Klagenfurt am Worthersee.	N/A	Austria
1-Jul	Fellner Wratzfeld & Partner	Fellner Wratzfeld & Partner advised Bawag P.S.K on its acquisition of 49 percent of Finventum GmbH.	N/A	Austria
9-Jul	Weber & Co.; White & Case; Wolf Theiss	White & Case and Wolf Theiss advised joint lead managers Barclays Bank PLC, BNP Paribas, Erste Group Bank AG, Raiffeisen Bank International AG, and UniCredit Bank Austria AG on OMV Aktiengesellschaft's EUR 1 billion bond issue. OMV was advised by Weber & Co.	EUR 1 billion	Austria
10-Jul	Dorda; Grama Schwaighofer Vondrak; Heuking Kuhn Luer Wojtek	Dorda and Heuking Kuhn Luer Wojtek advised VR Equitypartner GmbH on its acquisition of a majority stake in Signon Osterreich GmbH from TUV Sud. Grama Schwaighofer Vondrak advised TUV Sud.	N/A	Austria
12-Jul	Hasch & Partner; Schoenherr	Schoenherr advised Coeo Inkasso GmbH on its acquisition of 100% of the shares of KNP Financial Services GmbH from founders Anton Moser and Wolfgang Hetlinger, who were advised by Hasch & Partner.	N/A	Austria
22-Jul	Arqis; Clifford Chance; Niederer Kraft Frey; Slaughter and May; Wolf Theiss	Wolf Theiss and Clifford Chance advised the Blackstone Group on its EUR 1.64 billion acquisition of CRH's European distribution business. Niederer Kraft Frey and ARQIS acted as Swiss and German counsel to CRH, respectively, and Slaughter and May advised CRH on the transaction.	EUR 1.64 billion	Austria
23-Jul	Dorda; Freshfields; Skadden, Arps, Slate, Meagher & Flom; Weber & Co.	Weber & Co. and Skadden, Arps, Slate, Meagher & Flom advised joint global coordinators Citigroup Global Markets Limited and Goldman Sachs International and book-runners Erste Group Bank AG, Keefe, Bruyette & Woods, and Raiffeisen Centrobank AG on Addiko Bank's IPO on the Vienna Stock Exchange. Freshfields Bruckhaus Deringer advised Addiko Bank. Dorda advised private equity firm Advent – which held approximately 78% of Addiko Bank prior to the IPO and which reduced its stake below 40% through the indirect sale of shares in the transaction – on the IPO	N/A	Austria
24-Jul	DLA Piper	DLA Piper advised pharmaceutical laboratory VelaLabs Austria on its acquisition of Vienna-based Laboratorium fur Betriebshygiene GmbH from unidentified private individuals.	N/A	Austria
25-Jul	Linklaters; Wolf Theiss	Wolf Theiss advised Asfinag Motorways and Freeways Financing on its bond issue. The Frankfurt office of Linklaters reportedly advised joint lead managers Credit Agricole Corporate and Investment Bank, Goldman Sachs International, J.P. Morgan Securities plc, and UniCredit Bank Austria AG, as well as co-lead managers Erste Group Bank AG and Raiffeisen Bank International AG.	EUR 600 million	Austria
25-Jul	Freshfields	Freshfields advises Volkswagen AG as IP/IT, Antitrust, and CFIUS counsel on its proposed USD 2.6 billion co-investment in the autonomous vehicle technology company Argo AI with the Ford Motor Co.	USD 2.6 billion	Austria
26-Jul	CMS; Fellner Wratzfeld & Partner	CMS advised Australian crude oil explorer ADX on its acquisition of the Zistersdorf & Gaiselberg oilfields in Austria from Austrian exploration and production company RAG. Fellner Wratzfeld Partner advised RAG.	N/A	Austria
29-Jul	SCWP Schindhelm; Wolf Theiss	Wolf Theiss Vienna advised Miba AG on its acquisition of a 25.1% stake in Voltlabor GmbH from Montenor GmbH and on its establishment of a joint venture to develop battery systems for mobile applications. SCWP Schindhelm advised Montenor.	N/A	Austria
31-Jul	Grassner Lenz Thewanger & Partner; Schoenherr	Schoenherr advised France's Thales Group on its acquisition of insolvent motor manufacturer Steyr Motors GmbH. Grassner Lenz Thewanger & Partner advised the unnamed seller on the deal.	N/A	Austria
31-Jul	CMS	The German and Austrian offices of CMS advised Austrian IT-service provider Catalysts and German IT market research and consulting company Crisp Research on their merger, resulting in the formation of Frankfurt-headquartered Cloudflight Group.	N/A	Austria
1-Aug	Herbst Kinsky	Herbst Kinsky advised the founders of Hokify GmbH on a share sale to karriere.at.	N/A	Austria
2-Aug	Schramm Oehler	Schramm Oehler advised the Austrian City of St. Polten and the University St. Polten on a PPP process to identify a private partner to build, finance, and provide the first extension for St. Polten University of Applied Sciences.	N/A	Austria

Date covered	Firms Involved	Deal/Litigation	Value	Country
2-Aug	Eisenberger & Herzog; PHH Rechtsanwälte	PHH advised outside creditors Helaba and the European Investment Bank on the Educational Campuses project in Vienna, which takes the form of a public-private partnership with winning bidders HYPO NOE and Strabag. Eisenberger & Herzog.	EUR 100 million	Austria
6-Aug	CMS; Eisenberger & Herzog	CMS advised Niederosterreichische Breitband Holding on its selection of Allianz Capital Partners as a partner on a potential EUR 300 million investment package involving a broadband network in Lower Austria. Eisenberger & Herzog advised Allianz Capital Partners on its successful bid.	EUR 300 million	Austria
12-Aug	Wolf Theiss	Wolf Theiss advised Miba AG, acting through its Miba eMobility subsidiary, on its acquisition of a stake in Voltlabor, and its subsequent entrance into a joint venture in the field of battery systems for mobile applications.	N/A	Austria
14-Aug	Eisenberger & Herzog; Schoenherr; White & Case	Schoenherr advised the shareholders of the Synergis Informationssysteme GmbH on the sale of SynerGIS GIS & FM Solutions – its geographic information systems and facility management software development business – to AED-SICAD. The buyers were advised by White & Case and Eisenberger & Herzog.	N/A	Austria
2-Aug	Clifford Chance; Cuatrecasas; Ellex (Raidla); Fenech Farrugia Fiott Legal; Hassans; Mishcon de Reya; Mourant Ozanne; Saiber; TGS Baltic	TGS Baltic and Clifford Chance advised London-listed online gaming operator JPJ Group plc on the Estonian law aspects of its GBP 490 million conditional acquisition of UK-based software developer Gamesys Holdings Ltd. CMS and Ellex Raidla advised Gamesys on the deal.	GBP 490 million	Austria; Czech Republic; Estonia
5-Jul	Barents Krans; BPV Legal; Watson, Farley & Williams	Members of BPV Legal in Romania, Hungary, the Czech Republic, and Slovakia have provided local counsel in those jurisdictions to Dutch property managers MVGM on its takeover of the property management division of the Jones Lang LaSalle Group in Continental Europe. The Hague office of the Dutch law firm Barents Krans acted as lead counsel to MVGM, and Watson, Farley & Williams was lead counsel to JLL.	N/A	Austria; Czech Republic; Poland; Romania; Slovakia
25-Jul	Deloitte Legal (Reff & Associates and Jank Weiler Operenyi); Thurnher Wittwer Pfefferkorn & Partner	Jank Weiler Operenyi and Reff & Associates – the Austrian and Romanian members of the Deloitte Legal network – advised Rondo Ganahl AG on its acquisition of 60% of the shares of Romanian SC Transilvania Pack and Print SA from Offsetdruckerei Schwarzach GmbH. Thurnher Wittwer Pfefferkorn & Partner advised Offsetdruckerei Schwarzach on the deal.	N/A	Austria; Romania
18-Jul	Cerha Hempel Spiegelfeld Hlawati	Cerha Hempel Spiegelfeld Hlawati helped Israel's Innoviz Technologies Ltd. open an office in Minsk and register as a resident in Belarus's China-Belarus Industrial Park.	N/A	Belarus
10-Jul	Maric & Co.	Maric & Co successfully prepared a joint notification of concentration between South Korea's LG Electronics Inc, and its client Lufthansa Technik AG and filed it with the Bosnian Competition Council.	N/A	Bosnia and Herzegovina
17-Jun	Kambourov & Partners	Kambourov & Partners assisted Petroceltic International PLC with the sale of Petroceltic Bulgaria EOOD, the company's Bulgarian subsidiary, to an unidentified third party.	N/A	Bulgaria
18-Jun	Tsvetkova Bebov Komarevski	Tsvetkova Bebov Komarevski advised Deutsche Bahn Bulgarian subsidiary DB Cargo Bulgaria EOOD on the acquisition of assets of insolvent railway rolling stock repair company VRZ Karlovo.	N/A	Bulgaria
22-Jul	Kinstellar	Kinstellar helped a consortium led by French infrastructure fund Meridiam with its winning bid for the 35-year concession to manage the Sofia Airport.	N/A	Bulgaria
25-Jul	Velchev & Co	Velchev & Co represented Philip Morris in the Supreme Administrative Court of Bulgaria in a dispute with Georgia's Standard Tobacco Incorporated regarding the registration of the Parliament trademark.	N/A	Bulgaria
30-Jul	Boyanov & Co.; Djingov, Gouginski, Kyutchukov & Velichkov	Djingov, Gouginski, Kyutchukov & Velichkov advised Dohle Trading Group Holding LLC & Co. LP on the June 2019 sale of its Bulgarian subsidiary to Rodna Zemya Holding AD, which was advised by Boyanov & Co.	N/A	Bulgaria
6-Aug	Arsov Natchev Ganeva	Arsov Natchev Ganeva was selected as part of a consortium with Deloitte Bulgaria to advise the Bulgarian Ministry of Finance on the effective application of EU State Aid rules to the provision of Services of General Economic Interest in Bulgaria."	EUR 75 million	Bulgaria

Date covered	Firms Involved	Deal/Litigation	Value	Country
12-Aug	Georgiev, Todorov & Co.	Georgiev, Todorov & Co advised Gazprom Export LLC on the termination of employment contracts with some of the company's employees in Bulgaria.	N/A	Bulgaria
10-Jul	Boyanov & Co.; Forlexa; Nestor Nestor Diculescu Kingston Petersen; Polenak Law Firm	Boyanov & Co, NNDKP, and Polenak advised Norway's LINK Mobility Group on its June 29, 2019 acquisition of all five of Allterco's telecommunications subsidiaries in Bulgaria, Romania, and North Macedonia. Bulgaria's Forlexa law firm advised Allterco on the deal.	EUR 7.9 million	Bulgaria; North Macedonia; Romania
29-Jul	ODI Law; Selih & Partners	ODI represented AIK Banka and Societe Generale's Slovenian entities on a EUR 36 million cross-border syndicated debt refinancing of the Don Don Group. Selih & Partnerji assisted Don Don on the deal.	EUR 36 million	Croatia; Serbia; Slovenia
26-Jun	Act Legal (Randa Havel Legal); Eversheds Sutherland	Randa Havel Legal advised Jufa Investment Group on its acquisition of five solar parks, with a total capacity of 12 MW, from Eques Fotovoltaica. Eversheds Sutherland Dvorak Hager advised Eques Fotovoltaica.	N/A	Czech Republic
28-Jun	CMS; Glatzova & Co..	CMS advised Arthur J. Gallagher on the acquisition of a minority stake in Renomia. Glatzova & Co. advised Renomia on the sale.	N/A	Czech Republic
1-Jul	Glatzova & Co.; Kubica Zajic & Partneri	Glatzova & Co. advised Czech investment group Pale Fire Capital on its acquisition of a majority stake in auction portal operator Aukro. Kubica Zajic & Partneri advised Aukro.	N/A	Czech Republic
1-Jul	Clifford Chance; DLA Piper; White & Case	Clifford Chance Prague advised CTP on a EUR 1.9 billion underwriting package agreement with Erste Group Bank AG, Ceska Sporitelna a.s., Societe Generale S.A. and Komercni Banka a.s., and UniCredit S.p.A. and UniCredit Bank Czech Republic and Slovakia a.s. White & Case advised the banks and DLA Piper advised Deutsche Pfandbriefbank AG as the security agent for the transaction.	N/A	Czech Republic
3-Jul	Dentons; PRK Partners	Dentons advised a South Korea's Hana Financial Investment on its acquisition of the Main Point Pankrac office building in Prague, from Aceur Investment S.A. PRK Partners advised Aceur.	N/A	Czech Republic
4-Jul	Glatzova & Co.	Glatzova & Co. assisted Maxi-Tip Finance with its preparation of a bond issuance totalling CZK 250 million.	CZK 250 million	Czech Republic
10-Jul	Clifford Chance; White & Case	White & Case advised Ceske Drahy, a.s., the Czech national railway transport operator, on its issuance of EUR 500 million 1.5% notes due 2026 and their admission to trading on the Luxembourg Stock Exchange. Clifford Chance advised joint global coordinators and bookrunners Citigroup and Erste Group Bank AG and joint bookrunner ING.	EUR 500 million	Czech Republic
15-Jul	Weinhold Legal	Weinhold Legal assisted Lagardere Travel Retail on its successful bid to become the operator of duty free shops at Prague's Vaclav Havel airport.	N/A	Czech Republic
16-Jul	Eversheds Sutherland	Eversheds Sutherland advised Cesky Strojirensky on its acquisition of a 100% stake in MF Energy, a manufacturer of blades and accessories for gas, steam, and smaller water turbines.	N/A	Czech Republic
19-Jul	JSK	JSK advised KKCG on a transfer of shares in SAZKA Group entities between it and EMMA Capital.	N/A	Czech Republic
19-Jul	Clifford Chance; DRV Legal	Clifford Chance advised Teijin Holdings Netherlands B.V. on the acquisition of Benet Automotive s.r.o., a supplier of composite components to the automotive industry, from Jet Alfa. DRV Legal advised Jet Alfa.	N/A	Czech Republic
26-Jul	Allen & Overy; White & Case	White & Case Prague advised CD Cargo on the issue of CZK 1 billion 2.17 percent notes due July 2026. Allen & Overy advised lead manager ING Bank N.V., Prague Branch on the issuance.	CZK 1 billion	Czech Republic
30-Jul	Barthelemy & Partners; Herbert Smith Freehills; Schoenherr; Sullivan & Cromwell	Schoenherr and Herbert Smith Freehillds advised BNP Paribas on a EUR 345 million term and revolving facilities agreement for Financiere SNOP Dunois S.A. in relation to its acquisition of manufacturing facilities from Tower International. Sullivan & Cromwell was lead counsel to the borrower; and Barthelemy & Partners provided Czech counsel.	N/A	Czech Republic
30-Jul	Glatzova & Co.	Glatzova & Co.. advised the Renomia brokerage group upon the acquisition of a minoriy stake in the company by Arthur J. Gallagher & Co.	N/A	Czech Republic
31-Jul	BBH	BBH successfully helped Moventum, a member of a Luxembourg-based fund distribution group, obtain authorization to operate as an investment firm.	N/A	Czech Republic
31-Jul	Glatzova & Co.	Glatzova & Co. helped Electo obtain the authorization of the Czech National Bank to operate as an investment intermediary.	N/A	Czech Republic

Date covered	Firms Involved	Deal/Litigation	Value	Country
1-Aug	Baker McKenzie	Baker McKenzie advised Luxembourg-based Moulins de Kleinbettingen on the sale of its entire share in United Bakeries to Penam, a subsidiary of Agrofert Holding.	N/A	Czech Republic
6-Aug	BPV Braun Partners	BPV Braun Partners advised CEMOS, a.s. on the sale of shares in the Czech Republic's Unesovsky Statek agricultural company and the transfer of extensive agricultural land to an unnamed buyer.	N/A	Czech Republic
14-Aug	Clifford Chance; Dentons; Kinstellar	The Prague office of Dentons advised Wood & Company on its acquisition of Centrum Krakov, a shopping center located in Prague, from Syner Group and private investors Petr Syrovatko and Karel Zetka. Clifford Chance advised the sellers.	N/A	Czech Republic
14-Aug	Clifford Chance; White & Case	White & Case advised EP Infrastructure, a.s. on the issuance of its EUR 600 million 1.698% notes due 2026 and their admission to trading on the Global Exchange Market of the Irish Stock Exchange. Joint book-runners Citigroup, HSBC, ICBC Standard Bank, Societe Generale Corporate and Investment Banking, and UniCredit Bank were advised by Clifford Chance.	EUR 600 million	Czech Republic
15-Aug	BPV Braun Partners; Havel & Partners	BPV Braun Partners advised Immofinanz on its acquisition of the Palmovka Open Park office complex in Prague from Metrostav Development. Havel Partners advised Metrostav Development on the sale.	EUR 76.4 million	Czech Republic
15-Aug	Clifford Chance	Clifford Chance advised CBRE Global Investors on its acquisition of the Praga Studios complex in Prague's Karlin district from Skanska.	EUR 55 million	Czech Republic
11-Jul	Kinstellar	Kinstellar advised British steel-maker Liberty Steel on Romanian and Czech law aspects of its acquisition of ArcelorMittal's European assets.	EUR 740 million	Czech Republic; North Macedonia; Romania
17-Jun	Cobalt	Cobalt advised Karma Ventures as a lead arranger on its USD 3.65 million investment in Infermedica, a provider of artificial intelligence technology solutions for healthcare companies.	USD 3.65 million	Estonia
21-Jun	TGS Baltic	TGS Baltic advised KAFO Eesti, a vendor of both coffee and coffee dispensing machines, on joining the Eugesta Group, a Lithuanian wholesale provider.	N/A	Estonia
24-Jun	Ellex Raidla	Ellex Raidla advised Magnetic MRO AS on an agreement with Shenzhen Yongtai Trading Co., Limited and Sapphire Investment Holding Limited to raise additional capital.	EUR 8.95 million	Estonia
24-Jun	Ellex Raidla; Hannes Snellman; Sorainen	Ellex Raidla and Hannes Snellman advised Fazer Group on its EUR 475 million divestment of Fazer Food Services to Compass Group PLC. Sorainen advised the Compass Group.	EUR 475 million	Estonia
24-Jun	Ellex Raidla	Ellex Raidla helped the Estonian Ministry of Finance draft the documents for Estonia's short-term treasury bill program.	EUR 200 million	Estonia
24-Jun	Sorainen	Sorainen Estonia advised Intrum on the purchase of Danske Bank's Estonian portfolio of overdue loans.	N/A	Estonia
24-Jun	Sorainen	Sorainen successfully represented the Polybius Foundation in a dispute with a participant in Polybius's initial coin offering, who was attempting to force a reversal of his token purchase.	N/A	Estonia
27-Jun	Squire Patton Boggs	Squire Patton Boggs successfully defended the Republic of Estonia against a USD 100 million investment treaty claim brought under the Netherlands-Estonia Bilateral Investment Treaty by Estonian water provider AS Tallinna Vesi and its Dutch shareholder United Utilities B.V.	USD 100 million	Estonia
28-Jun	Nove	Nove successfully represented PKM Grupp OU in a road construction dispute before the Estonian Supreme Court.	N/A	Estonia
1-Jul	Nove	Nove successfully represented AS MV Kaubad in a dispute before the Estonian Supreme Court.	N/A	Estonia
2-Jul	Ellex Raidla	Ellex Raidla advised Estonian telecommunications company Levikom regarding its bond issue.	EUR 5 million	Estonia
5-Jul	Pohla & Hallmagi	Pohla & Hallmagi advised Norwegian Karmsund Group on its acquisition of an office and warehouse block near the Tallinn Airport from developer Waiper Invest OU.	EUR 7 million	Estonia
16-Jul	Ellex (Raidla); PwC Legal	Ellex Raidla advised ISS on the sale of its Eesti AS subsidiary to private investors Triinu Reinold, Ulo Kallas, Roberto de Silvestri, and Elio Cravero. PwC Legal advised the buyers.	N/A	Estonia
17-Jul	Nove; PwC Legal	Nove advised Futurma OU on its sale of 100% shareholding in Mercurio OU to OneMed OU. PwC Legal advised OneMed on the acquisition.	N/A	Estonia
23-Jul	Tark; TGS Baltic	TGS Baltic advised venture capital firm Creandum on its investment in Tallinn-based startup Klaus. The Tark law firm advised Klaus.	N/A	Estonia

Date covered	Firms Involved	Deal/Litigation	Value	Country
24-Jul	BAHR; Cobalt; G&D Advokatbyra; Hannes Snellman	The Tallinn office of Cobalt advised Norwegian home textiles chain Kid ASA on its acquisition of Hemtex AB from ICA Gruppen AB. The ICA Group was advised by G&D Advokatbyra. Hannes Snellman served as local counsel to Kid ASA in Sweden and Finland, and the BAHR law firm advised Kid ASA on aspects of Norwegian law.	N/A	Estonia
25-Jul	Cobalt; Eversheds Sutherland	Cobalt advised Karma Ventures on a series A round investment in Estonia's Xolo. Eversheds Sutherland Ots & Co advised Xolo on the deal.	N/A	Estonia
30-Jul	Sorainen	Sorainen Estonia advised BoostMe, a manufacturer of superfood blends, on its successful generation of approximately EUR 220,000 through the Funderbeam crowdfunding platform.	EUR 220,000	Estonia
31-Jul	RASK	RASK provided pro bono advice to the Estonian National Culture Foundation, helping it resolve issues concerning the will and testamentary estate of Tiiu Alliste, important to the launch of the new Harmatali scholarship fund dedicated to the support of Estonian children's literature.	N/A	Estonia
1-Aug	Nove	Nove advised Danpower Eesti AS on its take-over of the production, distribution, and sale of heating in the Puiga village of Voru county in Southern Estonia.	N/A	Estonia
6-Aug	Derling Primus	Derling Primus advised Nortal on its EUR 50 million bond issue.	EUR 50 million	Estonia
12-Aug	Laus & Partners; Pohla & Hallmagi	Pohla & Hallmagi advised the Baltic Maritime Logistics Group on its acquisition of Stivis OU, a company operating in the Port of Muuga in Tallinn, Estonia. The sellers were represented by Laus & Partners.	N/A	Estonia
15-Aug	Eversheds Sutherland	Eversheds Sutherland Ots & Co advised Lindstrom Oy on its acquisition of an unidentified textile service and laundry group in Estonia.	N/A	Estonia
26-Jun	TGS Baltic	TGS Baltic's Latvian and Estonian teams helped Cryptofex, a fintech specialized in cryptocurrency exchange and customer wallet services, obtain a license from the Estonian Financial Intelligence Unit.	N/A	Estonia; Latvia
24-Jun	Clifford Chance; Dentons; Ellex (Raidla)	Ellex Raidla and Clifford Chance advised Enefit Green, a subsidiary of Eesti Energia, on its acquisition of 20 solar park projects in Poland from GEO Group's subsidiaries. Dentons' advised the GEO Group on the deal.	EUR 17.3 million	Estonia; Poland
17-Jun	Karatzas & Partners; Milbank, Tweed, Hadley & Mccloy; White & Case	White & Case advised Intrum AB on the EUR 328 million acquisition and hive-down of the Recovery Banking Unit of Piraeus Bank. Karatzas & Partners and Milbank advised Piraeus Bank.	EUR 328 million	Greece
10-Jul	Bernitsas; Clifford Chance; Papadimitriou – Pimblis & Partners	Clifford Chance and Bernitsas advised MediaMarktSaturn on the restructuring of its Greek operations and the establishment of a joint venture with the Olympia Group to cover the Greek and Cypriot markets. Papadimitriou – Pimblis & Partners advised Olympia on the deal.	N/A	Greece
11-Jul	Lambadarios Law Firm; Watson Farley & Williams; White & Case	White & Case advised the National Bank of Greece on the financing of Elsewedy Electric's acquisition of a portfolio of five windfarms and two hydroelectric plants in Greece from the RF Energy Feidakis Group. The Lambadarios Law Firm advised Elsewedy both on the financing and on the underlying acquisition, and Watson, Farley & Williams advised the RF Energy Feidakis Group.	N/A	Greece
31-Jul	Bernitsas; Zepos & Yannopoulos	Zepos & Yannopoulos advised Eurobank Ergasias S.A., on its agreement with Celidoria for the sale of 95% of the mezzanine and junior notes issued by Pillar. Bernitsas Law advised Celidoria on the deal.	EUR 2 billion	Greece
1-Aug	Norton Rose Fulbright	Norton Rose Fulbright advised Alpha Bank, Eurobank Ergasias, and National Bank of Greece on the approximately EUR 117 million non-recourse refinancing of the Agios Georgios wind farm on the islet of Agios Georgios in the Athens metropolitan area.	EUR 117 million	Greece
14-Aug	Papapolitis & Papapolitis	Papapolitis & Papapolitis advised the Soho House hotel chain on its acquisition of the Scorpios Beach Club and San Giorgio Hotel on Mykonos.	N/A	Greece
15-Aug	Papapolitis & Papapolitis	Papapolitis & Papapolitis advised London & Regional Properties on its acquisition of the Titania Hotel in Athens.	N/A	Greece
15-Aug	Zepos & Yannopoulos	Zepos & Yannopoulos advised Orkla Food Ingredients AS on its takeover bid of all shares of Athens Exchange-listed Stelios Kanakis S.A.	EUR 32.7 million	Greece
21-Jun	Lakatos, Koves & Partners	Lakatos Koves & Partners advised Hungarian Real Estate Financing Zrt., a member of the Indotek Group, on its acquisition in a public state tender of a portfolio of claims against 11 credit institutions from the National Deposit Insurance Fund.	N/A	Hungary
25-Jun	HBK Partners	HBK Partners advised MKB Bank on the listing of its shares on the Budapest Stock Exchange.	HUF 100 billion	Hungary

Date covered	Firms Involved	Deal/Litigation	Value	Country
14-Aug	Schmidt Law Office	The Schmidt Law Office successfully represented the interests of Hungary's Tibor Trans Ltd. before the European Court of Justice in its demand for damages resulting from a purported cartel of six truck manufacturers that operated to fix prices of medium and heavy trucks.	N/A	Hungary
18-Jun	Cobalt	Cobalt successfully represented the Central Election Commission of Latvia before the Latvian Administrative District Court in a case regarding the cancellation of 2019 EP election results.	N/A	Latvia
19-Jun	Primus Derling	Primus Derling advised Besix ReRe Group on its agreement with Eiropas Dzelzceļa līnijas to develop the complex building design and construct the Rail Baltica Riga railway bridge, earth bank, and Riga Central Passenger Station.	EUR 430.5 million	Latvia
25-Jun	TGS Baltic	TGS Baltic Latvia successfully represented insolvent SIA Viesis 2 on its claim of EUR 1,786,655.54 in damages from its former management board members in in order to enable the company to pay creditor's claims and the costs of the insolvency proceedings.	EUR 1.78 million	Latvia
30-Jul	BDO Law	BDO Law assisted Deichmann Apavi, a subsidiary of German shoe vendor Deichmann SE, on its entrance onto the Latvian market.	N/A	Latvia
31-Jul	Cobalt; Dentons; Linklaters; Sorainen	Dentons and Cobalt advised Latvia's airBaltic airline on its July 23, 2019 placement of 200 million euro issue 6.75 percent 5-year bonds. Linklaters and Sorainen advised J.P. Morgan as global coordinator and it and SEB as joint bookrunners.	EUR 200 million	Latvia
1-Aug	Cobalt	Cobalt advised real estate development and investment group M.M.M. Projektai on its acquisition of a property in Riga from RE Property SIA.	N/A	Latvia
1-Jul	Mannheimer Swartling; Sorainen; TGS Baltic; Vinge	Sorainen and Mannheimer Swartling advised telecommunication company Bite on its agreement with Tele2 to create a shared radio access network in Lithuania and Latvia. TGS Baltic and Vinge advised Tele2.	N/A	Latvia; Lithuania
2-Aug	Sorainen	Sorainen advised Capitalica Baltic Real Estate Fund I on its entrance to the alternative First North market in Lithuania.	N/A	Latvia; Lithuania
24-Jun	Sorainen	Sorainen Partner Laurynas Lukosiunas represented the Republic of Lithuania in a meeting at the European Commission.	N/A	Lithuania
24-Jun	SPC Legal; Triniti	SPC advised TM Investments on the acquisition of shares of UAB Trailinga, a company owning leased-out administrative, warehousing, and manufacturing buildings. Triniti advised the shareholders of UAB Trailinga on the sell-side.	N/A	Lithuania
25-Jun	Dentons; Freshfields; Sorainen; TGS Baltic	Dentons and TGS Baltic advised the Republic of Lithuania on the issuance of EUR 650 million 0.500% Notes due 2029 and EUR 850 million 1.625% Notes due 2049. Freshfields Bruckhaus Deringer was international counsel and Sorainen acted as Lithuanian counsel to the underwriters.	EUR 1.5 billion	Lithuania
25-Jun	Cobalt	Cobalt advised UAB Veju Spektras, which manages a 21.5 MW wind farm in Lithuania, on the sale of 100% of its shares to Quaero European Infrastructure Fund, managed by the Swiss company Quaero Capital.	N/A	Lithuania
27-Jun	Walless	Walless helped Lithuania's UAB General Financing obtain a specialized bank license from the European Central Bank.	N/A	Lithuania
3-Jul	Ellex (Valiunas)	Ellex Valiunas advised US private equity company Hammond, Kennedy, Whitney & Company, HKW, and its affiliated company Xirgo Technologies on their acquisition of a 100% stake in Baltic Car Equipment, a Lithuanian company which manufactures electronic equipment and develops IT solutions for transport and agricultural machinery.	N/A	Lithuania
3-Jul	Primus Derling	Primus Derling successfully represented the founders of PriceOn in a dispute before the Supreme Court of Lithuania.	N/A	Lithuania
3-Jul	Primus Derling	Primus Derling assisted the SBA Furniture Group with the acquisition of 80% shares in Robotex, a specialized robotics and production automation solutions company.	N/A	Lithuania
3-Jul	Cobalt; TGS Baltic	Cobalt Lithuania advised KJK Sports on its acquisition of Baltic Bicycle Trade UAB from Denmark's Asgaard A/S and Lithuania's Litcapital I. TGS Baltic advised Asgaard and Litcapital I on the sale.	N/A	Lithuania
8-Jul	Cobalt; Walless	Walless helped Vilniaus Baldai get a parallel loan of EUR 37.8 million from the EBRD and AS Citadele Banka's Lithuanian branch. Cobalt advised the lenders on the deal.	EUR 37.8 million	Lithuania
9-Jul	Motieka & Audzevicius	Motieka & Audzevicius successfully represented deposit system manager Uzstato Sistemos Administratorius before Lithuania's Court of Appeals.	N/A	Lithuania

Date covered	Firms Involved	Deal/Litigation	Value	Country
10-Jul	TGS Baltic; Walless	Walless advised Affidea on the acquisition of UAB Medicinos Paslaugu Grupe from the LitCapital I KUB fund. TGS Baltic advised the sellers.	N/A	Lithuania
10-Jul	Sorainen	Sorainen successfully represented insolvent credit union Taupkase (under the administration of Klaipedos Administratoriu Biuras) in a case regarding whether a share can be recognized as a deposit.	N/A	Lithuania
10-Jul	Sorainen	Sorainen successfully represented the insolvent credit union Taupkase (under the administration of Klaipedos Administratoriu Biuras) in a dispute with employees over the amount of downtime pay and termination compensation they are due.	N/A	Lithuania
12-Jul	Primus Derling	Primus Derling advised Polish feature phone manufacturer Maxcom SA on its EUR 280,000 acquisition of 20.15% of Rubbee, a Lithuanian manufacturer of electric bicycle drives.	EUR 280,000	Lithuania
15-Jul	Motieka & Audzevicius	Motieka & Audzevicius assisted 70 Ventures, UAV, with the preparation of its investment funds using the Accelerator Fund of Lithuania's Ministry of Economy and Innovation.	N/A	Lithuania
25-Jul	Cobalt	Cobalt advised Practica Capital on its investment in startup Oxipit during Oxipit's EUR 1.5 million seed round. Sorainen advised Oxipit on the deal.	N/A	Lithuania
26-Jul	Sorainen	Sorainen advised Bite Lietuva on the implementation of a new employee motivation system.	N/A	Lithuania
30-Jul	Sorainen	Sorainen successfully represented insolvent credit union Taupkasė in a domain registration case.	N/A	Lithuania
2-Aug	Walless	Walless helped Simplex obtain an e-money license from the Bank of Lithuania.	N/A	Lithuania
2-Aug	Adon Legal	Adon Legal helped UAB Kredito Partneris set up business operations and be placed on the list of lenders with the Bank of Lithuania.	N/A	Lithuania
5-Aug	TGS Baltic; Walless	Walless advised Revolut on a lease agreement with Norway's Schage group of companies in Vilnius's Quadrum Business City. TGS Baltic advised Schage on the deal.	N/A	Lithuania
6-Aug	Barnea Jaffa Lande & Co; Glimstedt; Walless	Walless provided Lithuanian counsel and Israel's Barnea Jaffa Lande & Co. was lead counsel to BLender P2P Israel Ltd on its generation of a total of USD 22 million in debt financing from Eiffel Investment Group SAS and equity investment by Asia Plus Group Holdings PCL, Blumberg Capital, and the Aviv Group. Glimstedt advised Eiffel on the debt financing.	USD 22 million	Lithuania
6-Aug	Fort Legal	Fort advised EfTEN Real Estate Fund 4 on its acquisition of shares of the company managing the River Mall shopping center and the newly-constructed River Hall business center in Kaunas, Lithuania, from a member of the Sirin group.	N/A	Lithuania
14-Aug	TGS Baltic	The Vilnius office of TGS Baltic advised the AB Avia Solutions Group on its merger with its subsidiary in Cyprus.	N/A	Lithuania
2-Jul	Dentons; Ellex (Valiunas); Weil, Gotshal & Manges	Dentons advised CEE hotel group Orbis on the separation of its real estate ownership from its service business and the subsequent sale of its service business to the Accor hotel group. Weil advised Accor on the deal. Ellex Valiunas provided unspecified advice to Orbis on the deal.	N/A	Lithuania; Poland
21-Jun	Glimstedt	Glimstedt, acting on behalf of Sanitex UAB, successfully persuaded Lithuania's Supreme Court to refuse to recognize and enforce a Serbian arbitration award against the Serbian state privatization agency.	N/A	Lithuania; Serbia
17-Jul	Polenak Law Firm	The Polenak Law Firm advised the EBRD on its EUR 5 million loan to SME Aktiva, including transaction advice and security documentation in North Macedonia.	EUR 5 million	North Macedonia
17-Jun	Jara Drapala & Partners	Jara Drapala & Partners successfully persuaded the Lodz, Poland Appellate Court to affirm the judgment of the lower court awarding firm client Mosty Lodz S.A. nearly PLN 32 million from the City of Lodz.	PLN 32 million	Poland
18-Jun	Allen & Overy	Allen & Overy advised PKO Bank Hipoteczny on the issue of green covered bonds worth PLN 250 million.	PLN 250 million	Poland
20-Jun	Greenberg Traurig; Magnusson	Greenberg Traurig advised Madison International Realty and Ghelamco on the sale of the Warsaw Spire A office building to Immofinanz. Magnusson advised Immofinanz on the transaction	N/A	Poland
21-Jun	SPCG Studnicki, Pleszka, Cwiakalski, Gorski	SPCG Studnicki, Pleszka, Cwiakalski, & Gorski advised Spanish company Invall Green Energy on the sale of its shares in Pomerania Invall sp. o.o. to Lietuvos Energija Renewables, a member of the Lietuvos Energija Group.	N/A	Poland
26-Jun	Allen & Overy; Baker McKenzie; Dentons	Dentons and Baker McKenzie advised Skanska on the sale of an office building in the Nowy Rynek complex in Poznan, custom-built for Franklin Templeton Investments fund. Allen & Overy advised Franklin Templeton.	N/A	Poland

Date covered	Firms Involved	Deal/Litigation	Value	Country
26-Jun	Domanski Zakrzewski Palinka; Gluchowski Siemiatkowski Zwara; Szymanczyk Roman Deresz Karpinski Adwokaci	Domanski Zakrzewski Palinka advised Tramwaje Warszawskie on its contract with Korea's Hyundai Rotem for 213 trams. Gluchowski Siemiatkowski Zwara and Szymanczyk Roman Deresz Karpinski Adwokaci advised Hyundai Rotem on the deal.	PLN 1.8 billion	Poland
26-Jun	Clifford Chance; Wardynski & Partners; White & Case	Wardynski & Partners advised the largest bondholders of series D and F bonds issued by OT Logistics S.A. and listed on Catalyst regarding the issuance of series H refinancing bonds. Clifford Chance advised OT Logistics and White & Case advised the banks on the issuance.	N/A	Poland
27-Jun	RK Legal; WKB Wiercinski Kwiecinski Baehr	WKB advised Infradata on the acquisition of 100% of shares in DIM System sp. z o.o. and Tukan IT sp. z o.o. RK Legal advised the sellers on the deal.	N/A	Poland
28-Jun	Act Legal (BSWW)	BSWW Act Legal advised Silver Dental Clinic's owners on the sale of the company to the Lux Med Group.	N/A	Poland
2-Jul	Dentons; Linklaters	Dentons advised EPP on the sale of a 70% stake in a joint venture company holding 11 newly-built office properties to Henderson Park. Linklaters advised Henderson Park on the deal, which sees EPP maintaining its 30% stake in the joint venture and continuing to manage properties in cooperation with Henderson Park.	N/A	Poland
2-Jul	Kondracki Celej; Orrick	Kondracki Celej advised PolSource S.A., a Salesforce customer success platform advisory company, on a Series A growth round with investment from existing shareholders, company executives, and Salesforce Ventures, which recently launched a USD 125 million Europe Trailblazer Fund to fuel enterprise cloud startups. Orrick advised Salesforce Ventures on the deal.	USD 125 million	Poland
2-Jul	Linklaters; Rykowski Jusiel	Linklaters advised LUX MED on its 100% acquisition of Centrum Medyczne Mavit Sp. z o.o. from its majority shareholder Resource Partners and the company's unnamed founding minority shareholder. Rykowski Jusiel advised the sellers on the deal.	N/A	Poland
3-Jul	Crido Legal; Peterka & Partners	Peterka & Partners Poland advised Denmark's Falck group on the sale of its shares in Falck Medical Centers sp. z o.o. and subsidiary Starowka sp. z o.o to PZU Zdrowie. Crido Legal advised PZU Zdrowie.	N/A	Poland
4-Jul	Act Legal (BSWW)	BSWW Act Legal Poland advised Progress XVIII sp. z o.o.-S.K.A., a subsidiary of Rank Progress S.A., on its acquisition of nearly eight hectares of land in Otwock, a town in central Poland, for the development of a shopping mall.	PLN 27 million	Poland
4-Jul	SPCG Studnicki, Pleszka, Cwiakalski, Gorski	SPCG Studnicki, Pleszka, Cwiakalski, Gorski advised AgioFunds TFI on the creation of Polish closed-end portfolio investment fund Beta ETF mWIG40TR, with the Brokerage House of Bank Ochrony Srodowiska acting as the offering entity.	N/A	Poland
5-Jul	Euclid; Gide Loyrette Nouel; SMM Legal	SMM Legal, Euclid, and Gide Loyrette Nouel have assisted PKN Orlen prepare to notify and notify the European Commission in Brussels of its intent to acquire Grupa Lotos S.A.	N/A	Poland
8-Jul	Linklaters	Linklaters advised Chariot Group on the disposal of a portfolio of four M1 shopping centers to a subsidiary of EPP N.V.	EUR 224 million	Poland
8-Jul	Domanski Zakrzewski Palinka; DWF; K&L Gates	DZP advised DWF Group plc on its acquisition of the legal services business of K&L Gates Jamka sp.k. in Warsaw.	N/A	Poland
10-Jul	Gide Loyrette Nouel	Gide advised KGHM Polska Miedz S.A. on its issuance of two series of bonds.	EUR 471 million	Poland
10-Jul	Zieba & Partners	Zieba & Partners advised Echo Investment on an unspecified real estate acquisition in the center of Poznan.	N/A	Poland
10-Jul	SSW Pragmatic Solutions	SSW Pragmatic Solutions advised MWP Group s.r.o. on its sale of a Czech holding company, the sole shareholder of Polish company Zaklady Chemiczne Permedia S.A., to the LERG capital group.	N/A	Poland
12-Jul	Zieba & Partners	Zieba & Partners is continuing its cooperation with Grupa Azoty S.A. on a project developed by Azoty Compounding sp. z o.o.	N/A	Poland
12-Jul	Dentons; Greenberg Traurig	Dentons advised Kulczyk Silverstein Properties on its sale of the Ethos office building in downtown Warsaw to a fund operated by Credit Suisse Asset Management, which was advised by Greenberg Traurig.	N/A	Poland

Date covered	Firms Involved	Deal/Litigation	Value	Country
12-Jul	Clifford Chance; Dentons; DLA Piper	Dentons Warsaw advised Hines Polska on its acquisition of the Zalando Lounge distribution center from Hillwood Development, which was advised by Clifford Chance. Financing was provided by PKO Bank Polski, advised by DLA Piper.	N/A	Poland
16-Jul	Kubas Kos Galkowski	Kubas Kos Glkowski advised Sabre Polska on its lease of approximately 16 thousand square meters of office space in the Tischnera Office building in Krakow from the Cavatina Group.	N/A	Poland
17-Jul	Compliance Partners; Linklaters	Linklaters advised DYWIDAG-Systems International on its acquisition of PARTEC System from its founder, 100% shareholder, and CEO Krzysztof Kotarba, who was advised by Compliance Partners.	N/A	Poland
18-Jul	CMS; Weil, Gotshal & Manges	CMS advised the Modus Group on its sale of 49 solar power plants in Poland to Aberdeen Standard Investments SL Capital Infrastructure II fund. Weil, Gotshal & Manges advised the buyers on the deal.	N/A	Poland
19-Jul	Mrowiec Fialek & Partners	Mrowiec Fialek & Partners advised the shareholders of Pentacomp Systemy Informatyczne S.A. on their sale of a majority stake in the company to Lorentz Tech Limited.	N/A	Poland
19-Jul	Robert Siwik Law Firm	The Law Firm of Attorney-at-Law Dr Robert Siwik represented Central Europe Genomics Center sp. o.o. in a Polish public procurement procedure entitled "Delivery of Innovative Products That Make Up the Genomic Map of Poland," conducted by the Institute of Bioorganic Chemistry of the Polish Academy of Sciences.	N/A	Poland
22-Jul	Studnicki, Pleszka, Cwiakalski, Gorski	SPCG helped AgioFunds TFI obtain the approval for prospectuses from the Polish Financial Supervision Authority to create two closed-end portfolio funds in Poland.	N/A	Poland
23-Jul	Act Legal (BSWW)	BSWW Act Legal advised Adventum on its acquisition of the Poznan Financial Center in Poznan.	N/A	Poland
23-Jul	Greenberg Traurig; White & Case	Greenberg Traurig advised Spanish private equity fund Azora Europa on the sale of two office buildings in Warsaw to M7 Real Estate. White & Case advised M7 Real Estate.	N/A	Poland
23-Jul	CMS	CMS advised Motel One, a German network of hotels operating across Europe, on its entry into the Polish market and the acquisition of the first Motel One hotel in Warsaw.	N/A	Poland
24-Jul	Baker McKenzie; Dentons	Dentons advised the Polnord Group on the sale of the Betheone and Befree office buildings in Warsaw's Wilanow Office Park complex to a subsidiary of Polski Holding Nieruchomosci, which was advised by Baker McKenzie.	N/A	Poland
24-Jul	Greenberg Traurig; Norton Rose Fulbright	Greenberg Traurig advised Benson Elliot on its acquisition of the Diamentum Office in Wroclaw from Cavatina Holding. Dentons advised Cavatina Holding.	N/A	Poland
25-Jul	Clifford Chance; Norton Rose Fulbright	Norton Rose Fulbright advised Grupa Lotos SA on the USD 500 million refinancing of loan facilities contracted by the company in connection with its "Program 10+" financing. Clifford Chance advised a consortium of domestic and international banks on the deal.	USD 500 million	Poland
25-Jul	Grabalski, Kempinski i Wspolnicy; Soltysinski Kawecki & Szlezak	Soltysinski Kawecki & Szlezak advised Rolmlecz shareholders on the sale of the company to the Polmlek group in Poland. Grabalski, Kempinski i Wspolnicy advised Polmlek on the acquisition.	N/A	Poland
25-Jul	SSW Pragmatic Solutions	SSW helped Ferrum S.A. receive regulatory approval for its prospectus from the Polish Financial Supervision Authority.	N/A	Poland
29-Jul	Soltysinski Kawecki & Szlezak; Wardynski & Partners	Soltysinski Kawecki & Szlezak advised Polish businessman Piotr Morkowski on his sale of shares in WiseBase sp. z o.o. to Syndigo Polska sp. z o.o.	N/A	Poland
29-Jul	SMM Legal	SMM Legal helped Energa-Obrot S.A. settle a dispute with an unnamed wind farm over the validity of a framework agreement for the sale of green certificates.	N/A	Poland
30-Jul	Act Legal (BSWW)	BSWW Act Legal advised Polish developer Echo Investment on its acquisition of Elektrownia RE sp. z o.o in Lodz.	N/A	Poland
30-Jul	RS Legal	RS Legal advised PKN Orlen S.A. on a project involving a retrofit of the TG1 turbine generator set at the CHP Plock thermal power plant.	N/A	Poland
30-Jul	SSW Pragmatic Solutions; Wolf Theiss	SSW Pragmatic Solutions advised investment vehicles belonging to the 4fi and Origami groups on their take-over of a portfolio of five commercial facilities in several Polish cities from Tesco.	N/A	Poland
30-Jul	Czabanski & Galuszynski; Linklaters	Czabanski & Galuszynski advised Polskie Gornictwo Naftowe i Gazownictwo SA on a PLN 10 billion credit agreement with a consortium of banks, which were advised by Linklaters.	PLN 10 billion	Poland
1-Aug	Czabanski & Galuszynski	Czabanski & Galuszynski advised Powszechna Kasa Oszczednosci Bank Polski SA and Credit Agricole Bank Polska SA. on syndicated financing for the Pamapol Group companies.	N/A	Poland

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1-Aug	DLA Piper	DLA Piper successfully represented the Qubus Hotel in its claim for damages against the City of Warsaw related to what the firm describes as its "unlawful refusal to issue a building permit for a hotel."	N/A	Poland
2-Aug	Eversheds Sutherland; Taylor Wessing	Eversheds Sutherland advised Cogito Fund I on its first investment in MarketInvoice, a London-based online invoice finance platform. Taylor Wessing advised MarketInvoice on the deal.	N/A	Poland
2-Aug	DLA Piper; Sullivan & Cromwell; WKB Wiercinski Kwiecinski Baehr	DLA Piper advised First Data Corporation on the indirect acquisition of First Data Polska's shares by Fiserv, Inc. WKB and Sullivan & Cromwell advised Fiserv on the deal, which was part of a global merger of First Data with subsidiary Fiserv that was valued at USD 22 billion.	USD 22 billion	Poland
5-Aug	Gessel; White & Case	Gessel advised a private equity fund managed by Enterprise Investors and the three founders of 3S on the sale of 100% shares in 3S to Play Communications subsidiary P4. White & Case advised P4 on the matter.	EUR 96 million	Poland
6-Aug	Czabanski & Galuszynski	Czabanski & Galuszynski advised Acteeum Central Europe and Equilis Polska on a loan of approximately EUR 21 million they received from mBank to finance the construction of a shopping center in the Polish city of Chelm.	EUR 21 million	Poland
6-Aug	Gessel	Gessel helped Internet operator Przelewy24 and Nets enter into a strategic alliance to create the P24 DotCard payment services entity.	N/A	Poland
14-Aug	Dentons	Dentons advised investment firm Benson Elliot on its purchase of the Aktyn Business Centre in Warsaw.	N/A	Poland
14-Aug	DLA Piper; Linklaters	DLA Piper advised Santander Bank Polska and Helaba, Landesbank Hessen-Thuringen, on their grant of a loan to finance the construction of 1060 rental apartments at Resi4Rent projects in Poznan, Warsaw, and Gdansk. Linklaters advised Resi4Rent on the deal.	EUR 47.15 million	Poland
14-Aug	Clifford Chance	Clifford Chance, acting pro bono on behalf of LGBTQ Groups in Poland, has persuaded a Polish court to order the conservative Gazeta Polska newspaper to halt the distribution of "LGBT-free zone" stickers.	N/A	Poland
14-Aug	Studnicki, Pleszka, Cwiakalski, Gorski	SPCG Studnicki, Pleszka, Cwiakalski, Gorski successfully represented Amon sp. z o.o., a subsidiary of Polenergia S.A., in proceedings involving a potentially ineffective termination of a contract by Polska Energia – Pierwsza Kompania Handlowa sp. z o.o., a subsidiary of Tauron Polska Energia S.A.	N/A	Poland
15-Aug	Gorazda Swistun Watroba & Partners; RKKW	RKKW advised Fitness Place, a subsidiary of Benefit Systems, on its acquisition of twelve fitness clubs in Poland operating under the Platinum Fitness brand. Gorazda, Swistun, Watroba & Partners advised Platinum Fitness on the deal.	EUR 12.7 Million	Poland
15-Aug	Kondracki Celej; DWF; Wierzbowski Eversheds Sutherland	Wierzbowski Eversheds Sutherland advised EEC Magenta on the PLN 13 million round B funding of Reliability Solutions, which was advised by Kondracki Celej. Icos Capital, which was advised by DWF, also invested in Reliability Solutions.	PLN 13 million	Poland
15-Aug	Gide Loyrette Nouel; Greenberg Traurig	Greenberg Traurig advised Eltel AB on the EUR 12.7 million sale of its Polish Communication business to Vinci Energies SA, which was advised by Gide.	EUR 12.7 million	Poland
15-Aug	Bird & Bird	Bird & Bird assisted Siemens Mobility with its successful participation in a tender for the supply of an intelligent traffic management and control system in the Polish city of Tychy.	PLN 118 million	Poland
12-Aug	Avellum; Weil, Gotshal & Manges	Avellum advised Polish IT company Cornerstone Partners, the co-owner of IT Kontrakt, on its acquisition of CoreValue, a US-headquartered IT service provider with Ukrainian roots. Weil, Gotshal & Manges was lead counsel to Cornerstone Partners.	N/A	Poland; Ukraine
17-Jun	Popovici Nitu Stoica & Asociatii	Popovici Nitu Stoica & Asociatii advised Dedeman on the establishment of EquiLiant Capital Project, a private equity fund that will target small and medium-sized enterprises in Romania.	N/A	Romania
17-Jun	De Breij; MPR Partners | Maravela, Popescu & Roman	Romania's MPR Partners and the De Breij law firm in Amsterdam advised Dutch company Nederlandse MKB Participatiemaatschappij on its acquisition of BusyMachines BV, a Dutch-Romanian software developer.	N/A	Romania
17-Jun	Kinstellar; Popovici Nitu Stoica & Asociatii	Popovici Nitu Stoica & Asociatii advised Dedeman on its entrance into a partnership with Element Industrial to develop the ELI Park 1 logistics project in the Chitila-Buftea area of Bucharest. Kinstellar advised Element Industrial.	N/A	Romania
17-Jun	BPV Grigorescu Stefanica; Taralunga & Associates	BPV Grigorescu Stefanica advised Adrian Sarbu on his role setting up a new TV station in Romania called Smart TV with co-founding partner Marius Tuca. Tuca was advised by Taralunga and Associates.	N/A	Romania

Date covered	Firms Involved	Deal/Litigation	Value	Country
24-Jun	CEE Attorneys Boanta, Gidei si Asociatii	CEE Attorneys Boanta, Gidei si Asociatii advised investment fund V7 Capital on financing provided to Confida.	N/A	Romania
26-Jun	Allen & Overy; Schoenherr	RTPR Allen & Overy and Schoenherr successfully represented Romanian electrical company Societatea Energetica Electrica S.A. in a EUR 800 million dispute against the Romanian Management Company for Ownership in Energy.	EUR 800 million	Romania
27-Jun	Bulboaca & Asociatii; Filip & Company; Freshfields; Linklaters	Linklaters and Bulboaca & Asociatii advised the Export-Import Bank of Romania on its purchase of a 99.28% stake in Banca Romaneasca from the National Bank of Greece. Freshfields and Filip & Company assisted the NBG.	N/A	Romania
8-Jul	Tuca Zbarcea & Asociatii	Tuca Zbarcea & Asociatii successfully persuaded the Bucharest Court of Appeal to suspend an order of Romania's President of the National Authority for Consumer Protection sanctioning Vodafone Romania.	N/A	Romania
9-Jul	Ban and Karika Attorneys at Law; MPR Partners | Maravela, Popescu & Roman	MPR Partners | Maravela, Popescu & Roman has been selected by Ban and Karika Attorneys at Law to provide legal assistance to Air France and KLM in Romania.	N/A	Romania
10-Jul	DLA Piper; Popovici Nitu Stoica & Asociatii	Popovici Nitu Stoica & Asociatii advised RI-GD Investments DAC on the accession of two Romanian subsidiaries of an Irish agribusiness group to a EUR 30 million financing.	EUR 30 million	Romania
10-Jul	Moroianu & Asociatii; Nestor Nestor Diculescu Kingston Petersen	Nestor Nestor Diculescu Kingston Petersen assisted CTP with the acquisition of the A1 Bucharest Park logistics park from the Vabeld Group. Moroianu & Asociatii advised Vabeld on the sale.	N/A	Romania
15-Jul	Albota Law Firm; Allen & Overy	RTPR Allen & Overy advised ING Tech, the global software development hub of the ING Group, on the lease of office space in the Dacia One building in Bucharest from the Atenor Group for its new headquarters. The Albota law firm advised the Atenor Group on the deal.	N/A	Romania
17-Jul	CMS; Popovici Nitu Stoica & Asociatii	CMS advised Polish Innova Capital on its acquisition of Romania's Optical Network. Popovici Nitu Stoica & Associati advised the Optical Network.	N/A	Romania
18-Jul	Firon Bar-Nir; PeliPartners	PeliPartners advised AFI Europe on its acquisition of 75% of the old Casa Radio building in downtown Bucharest from a company controlled by Plaza Centers NV. Firon Bar-Nir advised Plaza Centers on the deal.	N/A	Romania
19-Jul	Filip & Company; Popovici Nitu Stoica & Asociatii	Filip & Company advised LafargeHolcim on its acquisition of the Somaco Group from Oresa Ventures in Romania. Popovici Nitu Stoica & Asociatii advised Oresa on the sale, which remains subject to regulatory approvals and competition clearance in Romania and is expected to close in the fall of 2019.	N/A	Romania
22-Jul	Filip & Company; Popovici Nitu Stoica & Asociatii	PNSA advised ORESA on its sale of Romanian precast concrete producer Somaco to global construction materials company LafargeHolcim. Filip & Co advised the buyers on the deal.	N/A	Romania
23-Jul	Nestor Nestor Diculescu Kingston Petersen; Popovici Nitu Stoica & Asociatii	Popovici Nitu Stoica & Asociatii advised Ameropa on its entrance into a EUR 324 million multivalued revolving credit facility. The banking syndicate was advised by Nestor Nestor Diculescu Kingston Petersen.	EUR 324 million	Romania
24-Jul	Clifford Chance	Clifford Chance Badea advised the REWE/DerTour group on its acquisition of the travel agency arm of Eurolines Romania.	N/A	Romania
25-Jul	Nestor Nestor Diculescu Kingston Petersen	Nestor Nestor Diculescu Kingston Petersen helped Norofert SA prepare for a private placement ahead of the group's listing on the Bucharest Stock Exchange.	N/A	Romania
29-Jul	Clifford Chance; Karanovic & Partners; Tuca Zbarcea & Asociatii	Tuca Zbarcea & Asociatii advised Fadi Rida and Mihai Stanescu, founders of the Global Technical Group, on their sale of a majority stake in the group to private equity fund manager Abris Capital Partners. Clifford Chance Badea and Karanovic & Partners advised Abris Capital Partners on the deal.	N/A	Romania
31-Jul	Filip & Company	Filip & Company advised Romania's Ministry of Public Finance on its issuance of EUR 2 billion in bonds.	N/A	Romania

Date covered	Firms Involved	Deal/Litigation	Value	Country
6-Aug	Nestor Nestor Diculescu Kingston Petersen	Nestor Nestor Diculescu Kingston Petersen successfully defended the interests of the Baylor Black Sea Foundation before the Court of Appeals in Romania in relation to a dispute with the fiscal authorities.	N/A	Romania
17-Jun	Baker Botts; Herbert Smith Freehills; Infralex; Pinsent Masons	Baker Botts advised PAO Novatek on the sale of 10% participation interests in the Arctic LNG 2 project to each of China National Offshore Oil Corporation and China National Petroleum Corporation. Herbert Smith Freehills advised China National Oil and Gas Exploration and Development Company, a subsidiary of China National Petroleum Corporation, on its investment. Pinsent Masons and Infralex represented CNOOC on the deal.	N/A	Russia
24-Jun	Clifford Chance	Clifford Chance advised Baikal Mining Company on the execution of a EUR 250 million equipment supply agreement with Outotec Oyj for the design and supply of the mine-side processing equipment for the Udokan project in the Russian Far East.	EUR 250 million	Russia
25-Jun	CMS; O2Consulting	CMS Russia advised global travel retailer Dufry on its agreement, made through its Russian joint venture, to acquire a 60% stake in RegStaer-M LLC, a Russian duty-free and duty-paid operator, from RegStaer Group. O2 Consulting advised the sellers on the deal.	N/A	Russia
27-Jun	Freshfields; White & Case	White & Case advised Magnitogorsk Iron & Steel Works on the offering of USD 500 million 4.375% notes due 2024. Freshfields advised joint lead managers Citi, J.P. Morgan, and Societe Generale on the deal.	USD 500 million	Russia
27-Jun	Egorov Puginsky Afanasiev & Partners	Egorov, Puginsky, Afanasiev & Partners successfully represented the interests of the Orion Corporation, a Finnish pharmaceutical company, in a patent dispute before the Cassation Appeal Court.	N/A	Russia
3-Jul	Akin Gump; Clyde & Co	Akin Gump advised PJSC Luoil on its acquisition of a 25% interest in the Marine XII License in the Republic of Congo from New Age M12 Holdings Limited. Clyde & Co advised New Age M12 Holdings on the transaction.	USD 800 million	Russia
4-Jul	Tomashevskaya & Partners	Tomashevskaya & Partners advised MaximaTelecom on a joint venture agreement with Gazprom-Media Holding for a new brand, named Quant.	N/A	Russia
4-Jul	CMS	CMS Russia advised S8 Capital on the sale of ELT-Poisk – a motor insurance and lending platform that provides development and implementation of IT solutions for automating the interaction of car dealers, leasing companies, insurance companies, and banks – to an unidentified foreign private fund.	N/A	Russia
16-Jul	Alrud; KPMG Legal	Alrud advised the VTB Group on its acquisition of Novorossiysk Grain Terminal LCC from the NSCP Group. KPMG Legal advised the sellers.	N/A	Russia
22-Jul	Alliance Legal	Alliance Legal CG is representing the interests of Evgeniy Lebedev, the founder of the pro100business social Internet community, before the Central Court of Chelyabinsk.	N/A	Russia
31-Jul	Nadmitov Ivanov and Partners	Nadmitov, Ivanov and Partners represented the interests of Israel's Rivulis Irrigation Ltd in relation to the establishment of a joint venture with the Polyplastic Group.	N/A	Russia
1-Aug	Debevoise	Debevoise & Plimpton advised NLMK on a USD 500 million 7-year Eurobond offering.	USD 500 million	Russia
1-Aug	Tonucci & Partners	Tonucci & Partners successfully represented the St. Petersburg Mussorgsky State Academic Opera and Ballet Theatre in a dispute in an Italian court against the Rome Opera Theater.	N/A	Russia
14-Aug	Bryan Cave Leighton Paisner; Morgan Lewis	Morgan Lewis advised Internet company and search provider Yandex NV on the acquisition of the intellectual property and call-centers of the Vezet group in Russia by MLU B.V – Yandex's ride-sharing and food delivery joint venture with Uber. Bryan Cave Leighton Paisner advised Vezet on the deal.	N/A	Russia
15-Jul	Alrud; Cleary Gottlieb Steen & Hamilton; Creel, Garcia-Cuellar, Aiza y Enriquez sc; Kinstellar; Linklaters; LMCR - La Torre Morgese Cesaro Rio; Machado Meyer Advogados; Pinheiro Neto Advogados; Sidley Austin	Sidley Austin was global legal counsel to the Nidec Corporation and Alrud and Kinstellar provided local assistance in Russia and Slovakia, respectively, on the company's USD 1.08 billion acquisition of Embraco from the Whirlpool Corporation. Linklaters, Pinheiro Neto Advogados in Brazil, and Cleary Gottlieb Steen & Hamilton were among the firms advising Whirlpool on the sale.	N/A	Russia; Slovakia

Date covered	Firms Involved	Deal/Litigation	Value	Country
17-Jun	Karanovic & Partners	Karanovic & Partners advised the German company ZF on matters related to the opening of its factory in Pancevo, Serbia, as part of the first phase of a EUR 160 million investment.	EUR 160 million	Serbia
17-Jun	Harrisons	Harrisons advised the EBRD in relation to a EUR 40 million loan to Erste Bank Serbia for the financing of small and medium-sized enterprises.	EUR 40 million	Serbia
20-Jun	JPM Jankovic Popovic Mitic	JPM advised China Shandong International Economic and Technical Cooperation Co. LTD regarding a concession project for four underground garages in Belgrade.	N/A	Serbia
27-Jun	Zivkovic Samardzic	Zivkovic Samardzic successfully represented KRIK and its editor-in-chief Stevan Dojcinovic before the High Court in Belgrade in a dispute against Nenad Popovic, the Serbian Minister responsible for innovation and technological development.	N/A	Serbia
4-Jul	AP Legal; PwC Legal	AP Legal advised EOS Matrix on its acquisition via tender of the non-performing loan portfolios of Agrobanka Beograd, Nova Agrobanka Beograd, Privredna Banka Beograd, Razvojna Banka Vojvodine Novi Sad, and Univerzal Banka Beograd from the Deposit Insurance Agency of Serbia, acting in its capacity as the bankruptcy administrator for the banks. PwC Legal advised the Deposit Insurance Agency of Serbia.	N/A	Serbia
25-Jul	Zivkovic Samardzic	Zivkovic Samardzic advised South Central Ventures on an unspecified investment in LeanPay, a consumer financing Fintech startup that helps people pay for consumer goods on credit and in installments.	N/A	Serbia
31-Jul	Prica & Partners	Prica & Partners advised the Government of Serbia on the China Road Bridge Corporation's agreement to construct an industrial park in the northwest part of Belgrade along the Danube River.	N/A	Serbia
2-Aug	Zivkovic Samardzic	Zivkovic Samardzic advised Romania's biggest power producer, majority state-owned hydropower producer Hidroelectrica, on the winding-up of its subsidiary in Belgrade.	N/A	Serbia
15-Aug	Zivkovic Samardzic	Zivkovic Samardzic advised Serbia's national commercial broadcaster Prva TV, a subsidiary of the Kopernikus Corporation, on its merger with Antenna Group Studios, its affiliated production and distribution company.	N/A	Serbia
26-Jun	Doklestic Repic & Gajin	Doklestic Repic & Gajin is advising Slovenian airline Adria Airways in relation to its challenge to State aid provided to Air Serbia.	N/A	Serbia; Slovenia
18-Jun	Ashurst; Kinstellar; White & Case	Kinstellar and Ashurst advised AIP Asset Management, a Seoul-based asset manager, and London real estate investment manager The Valesco Group, on their EUR 120 million acquisition of the newly developed Twin City Tower in Bratislava from HB Reavis. White & Case advised HB Reavis.	EUR 120 million	Slovakia
27-Jun	Kinstellar	Kinstellar advised newly-established Slovak company EcoCocon and its founder on the acquisition of a portfolio of assets from Lithuania's UAB EcoCocon.	N/A	Slovakia
8-Jul	CMS	CMS Advised international metal automotive components manufacturer Gestamp on issues related to the inauguration of a new plant specializing in aluminum in Nitra, western Slovakia.	N/A	Slovakia
10-Jul	BBH; Glatzova & Co.	Glatzova & Co. advised Czech investment group DRFG on its acquisition of a majority stake in FibreNet, s.r.o. BBH Slovakia advised FibreNet on the sale.	EUR 10 million	Slovakia
26-Jun	Karanovic & Partners	Karanovic & Partners advised Ionity, a Munich-headquartered joint venture of the BMW Group, Daimler AG, Ford, and the Volkswagen Group with Audi and Porsche, on opening its first 350 kW charging stations in Slovenia.	N/A	Slovenia
27-Jun	Dentons; Shearman & Sterling; Ulcar & Partnerji	Dentons advised Slovenian state-owned Slovenski Drzavni Holding d.d., on the sale of an aggregate of shares and global depository receipts representing 1,999,999 shares in Nova Ljubljanska Banka d.d. Ulcar & Partnerij advised the Republic of Slovenia on Slovenian law aspects and Shearman & Sterling advised the syndicate of banks, including Deutsche Bank as sole global coordinator and joint bookrunner with Citigroup. Wood & Company acted as Co-Lead Manager.	N/A	Slovenia
22-Jul	ODI Law	ODI advised Slovenia's MSIN Group on its sale of a majority stake in Keko Varicon to Bourns Limited. Jadek & Pensa advised the buyer on the deal.	N/A	Slovenia
25-Jun	Gide Loyrette Nouel (Caliskan Okkan Toker); Gide Loyrette Nouel; Ozdirekcan Dundar Senocak	Gide and its Turkish arm, Caliskan Okkan Toker, advised TEB Asset Management, a joint venture of Turk Ekonomi Bankasi and the BNP Paribas Group, on the acquisition of ING Asset Management, a subsidiary of ING Bank in Turkey. ING was assisted by Caliskan Okkan Toker.	N/A	Turkey

Date covered	Firms Involved	Deal/Litigation	Value	Country
27-Jun	Kolcuoglu Demirkan Kocakli; Moroglu Arseven; Orrick; Paksoy	Paksoy advised MIH PayU B.V., a subsidiary of Naspers Ltd., on its June 10, 2019 agreement to acquire Turkish digital payments and e-money company Iyzi Odeme ve Elektronik Para Hizmetleri Anonim Sirketi. Kolcuoglu Demirkan Kocakli advised Iyzi Odeme and its shareholders on the transaction, with Orrick advising selling shareholder Vostok Emerging Finance and Moroglu Arseven advising selling shareholder 212 Capital Partners I Cooperatief.	USD 165 million	Turkey
15-Jul	Gemicioglu; Turunc	The Turunc Law Firm advised Vinci Venture Capital on its equity investment in smart clothing company Thread in Motion. The Gemicioglu law firm represented Thread in Motion on the investment round, in which StartersHub and various angel investors participated.	N/A	Turkey
17-Jul	Paksoy	Paksoy advised Turkiye Sinai Kalkinma Bankasi on a USD 177 million syndicated loan from a syndicate of twelve banks.	USD 177 million	Turkey
30-Jul	Bezen & Partners; Kolcuoglu Demirkan Kocakli	Bezen & Partners advised the Suez Group on its successfully bid for a 29-year concession from the Canakkale Waste Management Municipal Union and the subsequent TRY 95 million financing from the EBRD for the development of a modern, efficient, and sustainable waste management system in Canakkale. Kolcuoglu Demirkan Kocakli Attorneys advised the EBRD.	TRY 95 million	Turkey
31-Jul	Baker McKenzie; Baker McKenzie (Esin Attorney Partnership); Dentons; Dentons (BASEAK)	Balcioglu Selcuk Akman Keki Avukatlik Ortakligi and Dentons advised Barclays Bank PLC as the dealer manager on the tender offer by Yasar Holding A.S. to the holders of its outstanding USD 250 million 8.875 percent bonds. Baker McKenzie and Esin Attorney Partnership advised Yasar Holding on the deal.	USD 250 million	Turkey
1-Aug	Paksoy; PKF Izmir	Paksoy advised ISS Global Forwarding Tasimacilik A.S. on its acquisition of assets from OSF Uluslararasi Lojistik Hizmetleri Dis Ticaret A.S. PKF Izmir reportedly advised OSF Uluslararasi Lojistik on the deal.	N/A	Turkey
14-Aug	Egemenoglu	Egemenoglu advised Derindere Turizm Otomotiv Sanayi ve Ticaret A.S. on the restructuring of a syndicated loan from 45 national and international financial institutions.	N/A	Turkey
17-Jun	Avellum; Integrites	Avellum acted as Ukrainian legal counsel to the EBRD and Nederlandse Financierings – Maatschappij voor Ontwikkelingslanden N.V. in connection to a EUR 24.5 million senior secured loan granted to LLC Chysta Enerhiia-2011, with 50% from each. Integrites advised Chysta Enerhiia-2011 on the deal.	EUR 24.5 million	Ukraine
17-Jun	CMS; Everlegal	CMS Ukraine advised Acciona Energia on its joint venture projects with UDP Renewables, a Ukrainian investment and development company for the renewable energy sector. Everlegal advised UDP Renewables on the deal.	N/A	Ukraine
19-Jun	CMS	CMS advised ING in its capacity as lead mandated arranger and bookrunner for the EUR 100 million financing of MHP's acquisition of Slovenian poultry producer Perutnina Ptuj.	EUR 100 million	Ukraine
28-Jun	Avellum	Avellum acted as Ukrainian counsel to the EBRD on a long term senior secured loan of up to EUR 3 million to LLC Zunami.	EUR 3 million	Ukraine
3-Jul	Avellum; Sayenko Kharenko	Sayenko Kharenko acted as Ukrainian legal counsel to BNP Paribas and Goldman Sachs International, the joint lead managers of Ukraine's new benchmark EUR 1 billion Eurobond issue. Avellum advised the Ministry of Finance of Ukraine on the issue.	EUR 1 billion	Ukraine
4-Jul	Vasil Kisil & Partners	Vasil Kisil & Partners advised the Pharmagate Kyiv Office on the acquisition of an office in Jack House, a business complex in the Kyiv city center.	N/A	Ukraine
4-Jul	Ilyashev & Partners	Ilyashev & Partners successfully represented the interests of the Interfom Group of companies regarding the procedure for revising safeguard measures related to flexible cellular slabs, bricks, and sheets made of polyurethane foam.	N/A	Ukraine
5-Jul	Eterna Law	Eterna Law advised Lithuania's Modus Group on its third investment in Ukrainian renewable energy sources, involving a 13 megwatt renewable energy sources project in West Ukraine.	N/A	Ukraine
10-Jul	Integrites; Trinity	Integrites, working with the UK's Trinity LLP law firm, advised Norway's Scatec Solar on the financing and construction of six photovoltaic plants in Ukraine .	EUR 209 million	Ukraine
16-Jul	Sayenko Kharenko	Sayenko Kharenko represented the interests of Kyivguma LLC, a Ukrainian producer of rubber caps for medical purposes, in an anti-dumping investigation related to imports of rubber caps originating in Poland and China for medical purposes.	N/A	Ukraine
16-Jul	Sayenko Kharenko	Sayenko Kharenko advised Huhtamaki Foodservice Ukraine, a subsidiary of Huhtamaki Oyj, the world's largest packaging manufacturer for foodservice, regarding the launch of production in Ukraine.	N/A	Ukraine
17-Jul	Ilyashev & Partners	Ilyashev & Partners successfully represented British company JKX Oil & Gas PLC before the Kyiv Court of Appeal in its claim to have an award of over USD 12 million from the Permanent Court of Arbitration in London recognized and enforced in Ukraine	USD 12 million	Ukraine

Date covered	Firms Involved	Deal/Litigation	Value	Country
19-Jul	Baker McKenzie	Baker McKenzie advised Bayerische Landesbank on a loan to the Primorskaya-1 and Primorskaya-2 Wind Electric Plants – members of the DTEK Renewables group – for a 200 megawatt wind power plant in the Zaporizhzha region of Ukraine.	EUR 180 million	Ukraine
19-Jul	Asters; Dechert	Asters and Dechert advised JSC Ukrzaliznytsia, Ukraine's public railway company, on a USD 500 million Eurobond offering of 8.25% notes due July 2024.	USD 500 million	Ukraine
25-Jul	Dentons	Dentons helped Competera, a Ukrainian pricing platform for eCommerce and omni-channel retailers, establish its headquarters in the United States.	N/A	Ukraine
26-Jul	Asters	Asters advised the EBRD on its up to EUR 15 million financing to JSC Farmak, a Ukrainian pharmaceuticals manufacturer.	EUR 15 million	Ukraine
26-Jul	Integrites	Integrites advised Flooring Industries Ltd Sarl on Ukrainian law elements of three cases against a Ukrainian debtor heard by German courts, helped with the collection of evidence for those cases, and then successfully represented Flooring Industries in recognition and enforcement proceedings of the German verdict in Ukrainian court.	N/A	Ukraine
29-Jul	Sayenko Kharenko	Sayenko Kharenko represented the interests of JSC Ilyich Iron and Steel Works of Mariupol, a Ukrainian producer of galvanized sheets, in an anti-dumping investigation related to imports of galvanized sheets originating from Russia and China.	N/A	Ukraine
30-Jul	Avellum; Herbert Smith Freehills	Avellum and Herbert Smith Freehills advised Groupe Atlantic on its acquisition of the SST Group's electric underfloor heating and water leakage control systems business.	EUR1.8 billion	Ukraine
30-Jul	Aequo	Aequo acted as Ukrainian law counsel to the European Fund for Southeast Europe on its granting of a financing package to Ukrainian leasing company OTP Leasing LLC.	USD 10 million	Ukraine
31-Jul	KPD Consulting	KPD Consulting has conducted an external assessment of corruption risks at Energoatom, the largest electricity power producer in Ukraine.	N/A	Ukraine
31-Jul	KPD Consulting	KPD Consulting successfully represented the interests of the head of one of the structural units of the Prosecutor General's Office of Ukraine in Ukraine's Supreme Court in his challenge to a reprimand issued by the country's Qualification and Disciplinary Commission of Prosecutors.	N/A	Ukraine
31-Jul	GoLaw	Ukraine's GoLaw Law Firm successfully defended the interests of a judge of Kyiv's Economic Court in the Ukraine's High Council of Justice.	N/A	Ukraine
31-Jul	Sayenko Kharenko	Sayenko Kharenko acted as Ukrainian legal counsel to Citigroup, Renaissance Capital, and UBS Investment Bank, joint bookrunners in the issue of USD 300 million secured notes due 2024 by TransOil Group of Companies, a vertically integrated agro-industrial holding with operating facilities in Moldova and Ukraine.	USD 300 million	Ukraine
1-Aug	CMS; Integrites	CMS and Integrites advised EuroCape Ukraine I LLC, a subsidiary of independent renewable energy company LongWing Energy SCA, on equity and senior debt financing it received for the construction of the Zaporizhia Wind Farm in Ukraine.	N/A	Ukraine
1-Aug	Everlegal	Everlegal advised UDP Renewables on the implementation of the Scythia-Solar SES project and commissioning of its second phase.	N/A	Ukraine
1-Aug	Sayenko Kharenko	Sayenko Kharenko successfully protected the rights of Oschadbank, the Joint Stock Company State Savings Bank of Ukraine, in Ukraine's Supreme Court.	N/A	Ukraine
2-Aug	Aequo; Avellum; Freshfields	Aequo and Freshfields Bruckhaus Deringer advised NJSC Naftogaz of Ukraine on its placement of EUR 600 million of 5-year bonds at 7.125% and USD 335 million of 3-year bonds at 7.375%. Avellum advised joint lead managers Citigroup Global Markets Limited and Deutsche Bank AG, London Branch.	EUR 600 million	Ukraine
2-Aug	Asters	Asters advised Norwegian solar power developer Norsk Solar AS on matters related to the construction of a 9 MW solar power plant in the Village of Semypolky in the Kyiv region of Ukraine.	N/A	Ukraine
5-Aug	Aequo; Avellum	Aequo advised Ukrainian private equity fund Dragon Capital on its acquisition of the Smart Plaza Obolon, a 13,000 square meter shopping and entertainment center in Kyiv. Avellum advised A-Development, the seller of the shopping center.	N/A	Ukraine
6-Aug	Asters	Asters successfully defended the interests of international healthcare and agriculture company Bayer Ukraine before the Antimonopoly Committee of Ukraine.	N/A	Ukraine
15-Aug	Baker McKenzie; DLA Piper	DLA Piper advised Deutsche Gesellschaft fur Internationale Zusammenarbeit GmbH and the Energy Efficiency Fund on the EEF's agreement with the International Finance Corporation to provide funding to homeowners associations for the implementation of energy efficient measures in multi-family buildings. Baker McKenzie reportedly advised the IFC on the deal.	N/A	Ukraine

Full information available at: www.ceelegalmatters.com

Period Covered: June 15, 2019 - August 15, 2019

ON THE MOVE: NEW HOMES AND FRIENDS

Eversheds Sutherland Russia Merges with Tilling Peters

The Moscow office of Eversheds Sutherland has merged with Russian law firm Tilling Peters, adding nine lawyers, including partners Oxana Peters and Ekaterina Tilling, to its team.

Tilling Peters, which was created by the spring 2015 merger of the Tilling and Peters & Partners law firms, specialized primarily in dispute resolution and intellectual property. Eversheds Sutherland has been in Russia since the summer of 2017.

Ekaterina Tilling, who was a partner in several international law firms before starting her own firm, specializes in intellectual property. According to Eversheds Sutherland, "with over fifteen years of experience in this field, she advises clients and represents them in court and is certified as a Mediator of International and Community Conflicts by the Conflict Resolution, Research and Resource Institute, Inc. She serves as an arbitrator at the Russian Arbitration Centre of the Institute of Modern Arbitration."

Oxana Peters specializes in litigation and arbitration. Peters, who like Tilling, also worked in international law firms as a partner before starting her own firm, focuses on dispute resolution in relation to commercial and tax disputes. Her practice also includes representing clients in international commercial arbitrations, as well as helping clients obtain recognition and enforcement of foreign arbitral awards and foreign judgements from Russian courts.

In a joint statement, Ekaterina Tilling and Oxana Peters commented on the merger: "We are pleased that our professional paths will continue as a part of Eversheds Sutherland. Receiving an invitation to join such a large-scale and professional team is confirmation of the high quality of the common work we have delivered. We will continue to move in this direction and to strengthen our position on the market. We are certain that we will achieve many new victories together."

"I am delighted to welcome Tilling Peters' team to our family," stated Eversheds Sutherland Russia Managing Partner Victoria Goldman. "We are working to expand our practice groups and to strengthen our position on the Russian market, and this collaboration is another step in our firm's growth strategy. It is crucially important to provide our clients with the highest possible quality of legal support, including in relation to IP issues, which are becoming ever more relevant, and dispute resolution, which has always been relevant. I am confident that our clients will notice the superior services that will result from our new synergistic partnership."

Ian Gray, Executive Chair, Europe at Eversheds Sutherland, added: "Our full-service practice in Russia continues to grow rapidly since we launched in September 2017, and we welcome the significant skills and experience of Oxana and Ekaterina to our team. The merger with the team at Tilling Peters fully supports our global strategy and will provide a superb resource to our clients for their intellectual property and dispute resolution matters."

By David Stuckey

Gestors Opens Representative Office in the UK

Ukrainian law firm Gestors has opened an office in the UK, headed by lawyer Alexander Spak.

"Spak has ten years of experience working in English commercial and corporate law," according to Gestors, "as well as in civil disputes and international arbitration in England and EU countries."

Spak is a member of the Bar Council of England & Wales and a solicitor from the Law Society of England & Wales. Before joining Gesters he worked with the Christian Legal Center, Andrew Storch Solicitors, Morgan Has Solicitors, and Paradigma LLP – all in the UK.

By Andrija Djonovic

Dentons Launches Sustainable Investment Practice in Europe

Dentons has launched a Sustainable Investment practice in Europe, headed by Warsaw-based Partner Elzbieta Lis.

According to Dentons, the practice is designed "to meet the growing interest in socially responsible and environmentally conscious business investment." according to the firm, "the central focus of this innovative new group is to serve the needs of businesses, financial institutions, and regulatory bodies in two core areas: sustainable investment and sustainable finance."

The firm reports that "the Sustainable Investment group will advise global corporations, investment funds, asset managers and financial institutions on the development and execution of sustainable investment strategies. [It] will provide due diligence based on environmental, social, and governance (ESG) considerations, as well as non-financial reporting according to the European Union's CSR Directive. The group will also advise on the use of sustainable finance instruments and fund structures – such as green bonds, which are used to fund projects with a clearly defined environmental or social benefit, or pay-for-success instruments, which make financing contingent on achieving certain environmental goals."

Tomasz Dabrowski, Europe CEO at Dentons, explained: "Not only is sustainable investment an exciting growing market opportunity, it is also a way in which Dentons can make a positive impact on our communities. We remain committed to ensuring the sustainability of our own operations, and through this new practice, given Elzbieta's leadership and experience, we can now assist our clients to incorporate environmental and social sustainability into their investment and financing decisions."

"Increasingly, mainstream investors are seeking asset classes that guarantee the sustainability of their investments by integrating environmental, social and governance considerations into their investment processes," said Lis. "There is a significant demand for sustainable investment strategies, and we look forward to addressing that need for our clients."

Dentons reports that, according to the Global Sustainable Investment Alliance, the value of sustainable investment assets reached USD 30.7 trillion globally in 2018.

By David Stuckey

Dorda Establishes Digital Industries Group

Dorda has established a multidisciplinary Digital Industries Group, led by Partner Axel Anderl and jointly managed by Attorneys Bernhard Heinzl and Lukas Schmidt.

According to Dorda, the group's core team includes 14 IT/IP/Data Protection, Corporate/M&A, Antitrust, Dispute Resolution, and Banking/Finance specialists, as well as several Life Science and Public law experts. According to the firm, the group "institutionalizes the cooperation of Dorda's experienced, technology-oriented experts in the digital and technology sector. Constant sharing of know-how will further strengthen the expertise and quality of the group's services, thus creating further synergy effects for clients."

In addition to basic legal services such as contract drafting, IT and joint venture projects, outsourcing, digitalization, and transaction support, the firm reports that its Digital Industries Group will also focus on emerging technologies "such as blockchain, AI, machine learning, digital corporate law (tokenization of shares, participation certificates), supervisory law in the digital age in the financial and insurance sector, FinTechs, and of course start-ups."

"Innovation and ongoing development combined with the use of new technologies are present in all economic sectors," said Axel Anderl. "With the new Digital Industries Group, we offer holistic legal advice in a digital world. Depending on the technology and areas of application, different areas of the law are concerned. However, companies prefer one contact person and a law firm which can offer competence and, above all, experience in all areas."

"In recent years, there has been a significant increase in the demand for specialized and cross-team advice on M&A transactions regarding tech companies," added Lukas Schmidt. "Especially for companies with digital business models, experience has shown that there are numerous legal issues in the transaction area, which require interdisciplinary work. The Digital Industries Group is able to provide direct and smart solutions and thus further increase the quality of our consulting services for clients."

By David Stuckey

Vassilev & Partners Launches Insolvency Solutions Practice

Vassilev & Partners has expanded its services by providing advice to companies in financial difficulty, as well as those that have been declared insolvent and those experiencing difficulty collecting receivables from insolvent debtors.

Vassilev & Partners Attorney Konstantin Vassilev was approved as an insolvency administrator by the Bulgarian Ministry of Justice and has been included in the list of the persons who may be appointed as insolvency administrators in insolvency proceedings.

According to Vassilev & Partners, the firm now assists with the winding-up and liquidation of trade companies and non-profit organizations, the opening of insolvency proceedings of insolvent entities, restoring the assets of an insolvent estate, lodging of claims against deals that decrease the insolvent estate, restructuring insolvent enterprises, and the encashment of assets.

By Mayya Kelova

Vinson & Elkins Closes Moscow Office

Vinson & Elkins has confirmed that, following the retirement of Managing Partner Natalya Morozova, the firm closed its Moscow office at the beginning of 2019.

Morozova joined Vinson & Elkins in 1991 – the same year the firm opened its Moscow office – and became Partner in 2000. She was Co-Administrative and Managing Partner of the Moscow office from 2004 until her retirement at the beginning of this year.

The firm responded to an inquiry by noting that "we continue to have a strong Russia and Central Asia practice with lawyers in our London, Middle East and other offices."

By Mayya Kelova

Sayenko Kharenko Completes Merger with Criminal Defense Boutique

Ukrainian lawyer Yevgeniy Solodko has merged his white collar criminal defense boutique with Sayenko Kharenko.

Sayenko Kharenko describes Solodko as "one of the leading criminal defense attorneys in Ukraine," and reports that he has been "involved in a number of high-profile criminal investigations and trials and [has a] unique experience of defending publicly exposed persons against unjustified charges." In addition, the firm reports, Solodko "has special expertise in the field of Canon law and law of historical and cultural heritage."

"Joining SK will allow us to fully concentrate on our respective areas of experience in criminal defense and provide our clients with services of the highest international standards implemented within SK," Solodko said. "Our knowledge and experience will allow the firm to significantly expand the expertise it provides. I am confident that this will be an example of successful and mutually beneficial synergy in the Ukrainian market."

By David Stuckey

Norland Legal and Newlawyers Merge into Lurye, Chumakov & Partners

Russia's Norland Legal and NewLawyers law firms have merged.

The newly established Lurye, Chumakov & Partners firm will be co-managed by Partners Vladislav Lurye and Andrey Chumakov. It will consist of eight lawyers specializing in private equity and venture capital investment transactions, M&A, restructuring projects, and the establishment of Russian, and foreign investment funds.

Prior to the establishment of Lurye, Chumakov & Partners, Vladislav Lurye managed Norland Legal, which was established in 2015 and focused on investment funds, venture capital investments, M&A, and digital and Fintech projects. Andrey Chumakov was managing partner at NewLawyers, which was founded in 2016 and specialized in corporate restructurings, tax consulting, and IT.

By Mayya Kelova

Semenov & Pevzner Opens Office in Saint Petersburg

Semenov & Pevzner has opened an office in Saint Petersburg, headed by Managing Partner Ekaterina Smirnova.

Smirnova specializes in intellectual property and information technology. Before joining Semenov & Pevzner, she worked Head of Intellectual Property / Information Technologies at Kachkin & Partners and at the KIT Finance Investment Bank. She obtained her law degree from the Saint Petersburg State University in 2012 and obtained an LLM from the University of Melbourne in Australia in 2015.

"By joining together our years of experience in the provision of legal services, we will expand our areas of expertise, in particular by adding new domains such as franchising, IT, competition regulation in the realm of intellectual property, and defamation protection," Smirnova commented. "Saint Petersburg is one of Russia's largest cities, worthy of the title of the capital of IT and culture, as well as that of the judicial center in the near future. All of this offers exciting prospects for productive and fulfilling work."

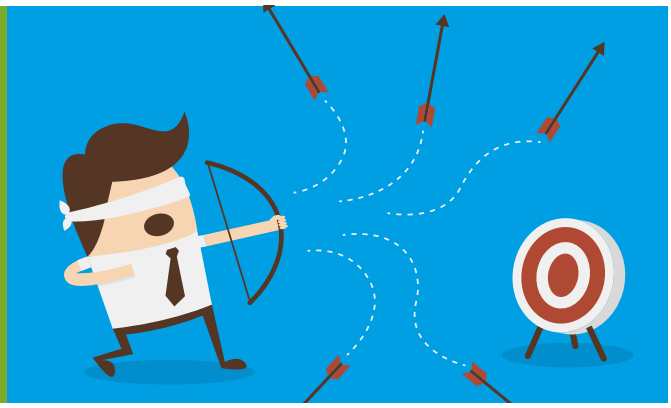
By Mayya Kelova

PARTNER APPOINTMENTS

Date Covered	Name	Practice(s)	Firm	Country
19-Jul	Sabina Lalaj	Corporate/M&A; Banking/Finance	Deloitte Legal	Albania; Kosovo
2-Jul	Lukas Feiler	TMT/IP	Baker McKenzie	Austria
2-Jul	Milena Hoffmanova	Life Sciences	Baker McKenzie	Czech Reoublic
24-Jun	Tomas Prochazka	Labor	Eversheds Sutherland	Czech Republic
4-Jul	Janka Brezaniova	Corporate/M&A; Capital Markets	Taylor Wessing	Czech Republic
4-Jul	Ivana Menhartova	Banking/Finance; Real Estate	Taylor Wessing	Czech Republic
16-Jul	Mari Matjus	Competition; Life Sciences	Nove	Estonia
30-Jul	Konstantinos Vouterakos	Banking/Finance; Capital Markets	Kyriakides Georgopoulos	Greece
30-Jul	Gus Papamichalopoulos	Energy/Natural Resources	Kyriakides Georgopoulos	Greece
30-Jul	John Kyriakides	Litigation/Disputes	Kyriakides Georgopoulos	Greece
1-Jul	Rasa Zasciurinskaite	Competition	Cobalt	Lithuania
1-Jul	Marius Inta	Litigation/Disputes	Cobalt	Lithuania
2-Jul	Grzegorz Skowronski	Real Estate	Wolf Theiss	Poland
1-Aug	Anna Peczyk-Tofel	Tax	Crido	Poland
1-Aug	Michal Szwed	Transfer Pricing	Crido	Poland
1-Aug	Magdalena Nasilowska	Corporate/M&A	Baker McKenzie	Poland
12-Jul	Cristi Secrieru	Tax; Litigation/Disputes	Reff & Associates	Romania
2-Jul	Nadia Goreslavskaya	Corporate/M&A	Baker McKenzie	Russia
2-Jul	Marina Tokunova	Tax	Baker McKenzie	Russia
8-Jul	Karen Shakhnazarov	Corporate/M&A	O2 Consulting	Russia
8-Jul	Darya Nosova	Banking/Finance	O2 Consulting	Russia
8-Jul	Inna Perelekhova	Family Law	O2 Consulting	Russia
8-Jul	Natalya Pushkarskaya	Family Law	O2 Consulting	Russia
31-Jul	Ruslan Nagaybekov	Corporate/M&A	Liniya Prava	Russia
2-Jul	Katarina Bielikova	Banking/Finance; Corporate/M&A	Wolf Theiss	Slovakia
21-Jun	Suzana Boncina Jamsek	Banking/Finance	ODI	Slovenia
29-Jul	Inci Karcilioglu	Corporate/M&A	Kolcuoglu Demirkan Kocakli	Turkey
29-Jul	Bihter Bozbay	Corporate/M&A; Banking/Finance	Kolcuoglu Demirkan Kocakli	Turkey

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 MOVES

Date Covered	Name	Practice(s)	Firm	Moving From	Country
15-Aug	Florian Kusznier	Corporate/M&A	Wolf Theiss	Schoenherr	Austria
14-Aug	Asya Vladmirova	Corporate/M&A; TMT/IP	Dimitrov, Petrov & Co.	McGregor & Partners	Bulgaria
25-Jul	Artur Tamasi	Litigation/Disputes	Baker McKenzie	Wolf Theiss	Hungary
27-Jun	Sandis Petrovics	Litigation/Disputes; Corporate/M&A	TGS Baltic	Triniti	Latvia
18-Jun	Lech Glicinski	Insolvency/ Restructuring	Wolf Theiss	K&L Gates	Poland
26-Jun	Pawel Samborski	Energy/Natural Resources; Real Estate	Baker McKenzie	White & Case	Poland
2-Jul	Lukasz Szatkowski	Energy/Natural Resources	CMS	Weil Gotshal & Manges	Poland
3-Jul	Katarzyna Debinska-Pietrzyk	Corporate/M&A; Real Estate	DWF Poland	CMS	Poland
9-Jul	Manuela Guia	Competition	GNP Guia Naghi and Partners	David si Baias	Romania
17-Jun	Oxana Peters	Litigation/Disputes	Eversheds Sutherland	Tilling Peters	Russia
17-Jun	Ekaterina Tilling	TMT/IP	Eversheds Sutherland	Tilling Peters	Russia
2-Jul	Ekaterina Smirnova	TMT/IP	Semenov & Pevzner	Kachkin & Partners	Russia
2-Jul	Natalya Morozova	N/A	Retired	Vinson & Elkins	Russia
5-Jul	Vladislav Lurye	Capital Markets; Corporate/M&A	Lurye, Chumakov & Partners	Norland Legal	Russia
5-Jul	Andrey Chumakov	TMT/IP; Tax	Lurye, Chumakov & Partners	Newlayers	Russia
16-Jul	Konstantin Kroll	Corporate and M&A	Orrick	Orrick	Russia
16-Jul	Markian Malskyy	Litigation/Disputes	Head of the Lviv Regional State Administration	Arzinger	Ukraine
22-Jul	Yevgeniy Solodko	Criminal Law	Sayenko Kharenko	Yevgeniy Solodko Criminal Defense Boutique	Ukraine

IN-HOUSE MOVES AND APPOINTMENTS

Date Covered	Name	Company/Firm	Moving From	Country
9-Jul	Jozsef Antal	Unix Auto	Baker McKenzie	Hungary
2-Aug	Balazs Ferenczy	Kapolyi	Cellum Group	Hungary
17-Jun	Jacek Liput	Gawronski & Piecuch	Huawei Technologies	Poland
8-Jul	Tatyana Safonova	O2 Consulting	Russian Direct Investment Fund	Russia

Full information available at: www.ceelegalmatters.com

Period Covered: May 15, 2019 - June 14, 2019

THE BUZZ

In "The Buzz" we check in on experts on the legal industry across the 24 jurisdictions of Central and Eastern Europe for updates about professional, political, and legislative 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.

TURKEY: JUNE 28

"The biggest problem now in Turkey is the ongoing elections," says Sezer & Utkaner Executive Partner Nazli Sezer, who points out that the country has been in election mode for three years.

Turkey had a constitutional referendum in 2017, which was followed by presidential and parliamentary elections in 2018. This year Turkey is holding municipal elections, including the widely-reported victory of Ekrem Imamoglu in the June Istanbul mayoral elections following a controversial second vote. "These election processes are tiring our country in an economic manner," Sezer sighs. "Both foreign and domestic investors are postponing their investment processes due to concern about the results of these elections. We hope that these procedures will soon finalize and we will see an increase of investments with a stabilized economy."

Still, the current political and economic situation has not terminated growth in Turkey altogether, Sezer says. She notes that import and export are doing well, facilitated by an increase in the foreign currency exchange rate, and she says that exports increased by 7.1 percent in 2018, reaching USD 168 billion. "Export companies use foreign currency to their benefit," she says, explaining that the country's financial crisis is actually helping those export companies that do business in foreign currency. In addition, she says, "some foreign investors see the currency change as an opportunity to buy Turkish products and invest in a merger-and-acquisition manner."

In the meantime, Turkey's Law on Restrictions on Foreign Currency Transactions that tightened restrictions on local organizations making transactions using foreign currencies was enacted in August 2018 and still keeps businesses busy. "It was the biggest change in the market, and many companies have had to adapt their contracts and transactions in accordance with the law," Sezer says. "It created additional work and uncertainty for companies." Not everyone is affected the same – for example labor agreements that are executed outside of Turkey and software and license agreements are exempt from these regulations, Sezer says, although export companies are not, and their income from export activities is regulated strictly. She says that these companies have 180 days to convert at least 80 percent of their income from foreign currency into Turkish lira.

By Mayya Kelova

ESTONIA: JULY 5

According to Alterna Partner Annika Vait, on July 1, 2019, Estonia enacted more than 25 legal acts, "changing the current legislation."

One of the biggest of the changes likely to impact the business sector, Vait says, involves the submission of e-invoices to public entities. "The state wants to have one big system for getting invoices and came up with a technical solution to collect e-invoices through one system," she says. The new system will require a period of adjustment for businesses, she says, but she says it will ultimately help the country, describing it as "a good sign of Estonia being an innovative IT-state." At this point, e-invoices are only applicable to the public sector, and invoices in the private sector continue to be in paper and digital formats.

Another result of the July 1st flood of legislation is a 25% deduction of excise tax on alcohol, which Vait attributes to the lower prices for alcohol in neighboring Latvia. Since Estonia increased the excise tax of alcohol a few years ago, Estonians and some Finnish tourists turned to the shopping centers on the Latvian border for cheaper alcohol, she reports. "Because of this competition," she smiles, "the government is trying to make the situation better and has reduced the tax."

Vait sighs when asked about the major challenges in the country, referring to the results of the March 3, 2019, Latvian parliamentary elections that overshadowed the subsequent EU parliamentary elections in May 2019. Although the liberal Reform Party won, Vait says that "the election went in an unexpected way," as the Estonian Centre Party, Pro Partia Party, and Conservative People's Party of Estonia formed a coalition to establish a government. "This situation made business and intellectuals feel anxious," she says, as "Estonia has been promoted as an IT-innovative, internationally open, and stable environment for business, but the Conservative People's Party does not favor that idea, so the issue is how to maintain that image."

Finally, Vait says, Estonia's business law and insolvency law are currently being reviewed by two working groups at the Ministry of Justice. "The goal is to analyze the current situation and identify issues to address," she says. As an example, the current business law does not protect minority shareholders' rights enough, she says, hence various changes have been proposed with examples from other countries. However, Vait worries that the two laws will be only amended instead of being recreated wholesale. "Examinations do not actually mean that there will be any important changes," she points out, adding that simply adding new amendments to the acts is likely to make them more complicated. For instance, the Commercial Code was enacted almost 25 years ago, she says, and it was "amended so many times that it is hard to read it." As a result, she says, "it would be better if new acts were adopted so that everyone could easily understand them."

By Mayya Kelova

ALBANIA: JULY 8

"The political situation in Albania is currently overcharged," says Wolf Theiss Partner Sokol Nako, commenting on the opposition's decision to leave the parliament earlier this year, which led to widespread protests.

Nevertheless, Nako says that he hopes the disputing political parties will find a "breakthrough to work together, to diffuse tension, and make everything possible to speed up the process of the EU integration." He adds, "hopefully, this situation will not distract any investors from seeing us as a lucrative market and going forward with some major investment plans."

In the meantime, the country's economy is not stagnant, Nako reports. In fact, he says, lawyers are busy closing transactions. He points to consolidation in the banking sector tied to the exit of Greek banks such as Piraeus Bank and NBG, which he says is connected to developments in their home country. "We have seen Albanian investors taking on these opportunities," he says, speaking specifically about the Balkan Finance Investment Group's acquisition of Piraeus Bank's local subsidiary. He points to developments in the telecommunication sector as well.

In addition, Nako says, the Albanian government has recently

launched a number of new private-public partnerships to follow on the ones from last year to further improve Albania's infrastructure and boost capital spending in the economy.

Yet the change that is most likely to affect the markets, Nako says, is in the energy sector. At the beginning of May, 2019, the Albanian government decided to establish an electric power exchange. The effort is supported by the International Finance Corporation and the Energy Community Secretariat and is designed to increase efficiency, transparency, and financial responsibility among all participants and stakeholders in the country's energy sector, and potentially improve circumstances in Albania's neighbors as well, says Nako. According to him, subsequent steps will involve the enactment of relevant legislation that will make it possible to establish the power exchange and make it operational. "This will allow suppliers and customers to get the best prices, as well as keeping the market liquid," he says, adding that if the process is successful it is likely to lead to regional electric power exchange.

By Mayya Kelova

RUSSIA: JULY 9

There are a number of significant legislative changes in Russia, says Alrud Senior Partner Vassily Rudomino, citing the strengthening of competition regulations in digital markets and new data protection laws as among the most major.

"Competition regulation digitalization is a trend that affects many markets, including Russia," says Rudomino. "Since competition legislation was not able to keep up with the pace of change, the Federal Antimonopoly Service – the FAS Russia – introduced amendments to the Competition Law (the so-called Fifth Antimonopoly Package) to address the new challenges." According to Rudomino, in addition to adapting the regulations to the complexities of digital markets, the amendments that are expected to be enacted in the first half of 2020 address voluntary commitments and monitoring trustee concerns. "That brings Russian competition legislation closer to that of the European Union," he says.

There are two important trends in Russian legislation related to data protection, Rudomino says: (1) increasing regulatory requirements and the powers of the data protection authority, and (2) harmonizing Russian data protection laws with European legislation. The first includes the enforcement of the Data Localization Law, which obliges all data controllers to process personal data collected in Russia inside the country. In 2016, LinkedIn was blocked in Russia due to non-compliance with this law, says Rudomino, and "now Russian lawmakers are considering a new draft law, which will introduce new liabilities for breach of the Data Localization Law," including fines of up to RUB 18 million (approximately EUR 250,000).

New rules applying to the conducting of audits by the data protection authority also came into force in 2019, Rudomino says. "These rules allow more frequent audits of certain data controllers, in particular from companies transferring data to countries that fail to provide adequate protection of personal data – like the USA – and from companies processing biometric-personal data," he explains.

When it comes to harmonizing data protection laws with European legislation, Rudomino says, Russia recently signed a protocol modernizing Strasbourg Convention 108 on the protection of individuals' rights in the case of automated processing of personal data. "In this regard, Russia will have to incorporate several significant amendments into its national legislation," he says, adding that among the amendments is a mandatory procedure for data breach notification, another introducing genetic data as a new type of sensitive data, and others strengthening the data minimization principle and the privacy-by-design concept.

Lastly, he says, residents entering Russia's Special Economic Zones in 2020 and 2021 are expected to receive increased tax benefits. "The government wants to improve the regime of the special economic zones to attract more new investments and try to find a way to give more energy to the economy," he says. He sighs that the current 1.45% growth rate is "not enough for an economy like Russia's."

Finishing up, Rudomino points to the continued effect of sanctions on the Russian economy. "We see that sanctions and the geopolitical crisis are impacting the legal businesses here," he says, pointing to the decreased presence of international law firms in the market. Still, he concedes, "this helps Russian firms to continue gaining a foothold on international competitors and stay focused on exploiting the opportunity to the maximum."

By Mayya Kelova

GREECE: JULY 10

Coming less than a week before the country's general elections, the Greek Parliament's adoption on July 1, 2019 of a new Penal Code and new Code of Criminal Procedure were quite controversial, says Ilias Anagnostopoulos, Managing Partner at the Anagnostopoulos law firm.

The elections in Greece would normally take place in October, but due to the former ruling party's loss in recent EU Parliamentary elections, Greek Prime Minister Alexis Tsipras scheduled a snap election on July 7, 2019. The timing was, perhaps, unfortunate. "Both codes were sent to Parliament just after the EU elections, and the opposition believes it was inappropriate for such important pieces to be adopted days before the July 7 elections," Anagnostopoulos says. Still, he has little patience for the criticism, calling it "a politically motivated and totally unjustified attitude."

In fact, Anagnostopoulos says, it was high time for a change, as the old Criminal Code was adopted almost 70 years ago, and as a result of its many amendments in the interim it lost "balance and harmony." And the process of adopting new codes started years ago, he says, with the Ministry of Justice establishing a working group of academics, judges, lawyers, and prosecutors to draft the first versions of the codes. Following multiple revisions, the last drafts were presented in March 2019 and then passed following a period of public debate.

Additional controversy about the then-draft codes in came from the suggestion by some that the provisions were "too lenient," Anagnostopoulos says. As a result, there may be some changes, he reports, although probably nothing major. "My view is that since the elections did take place and the New Democracy party won, things will become calmer," he says, adding that he believes it is better to wait and see how the codes operate in practice before deciding whether any changes are actually necessary.

Anagnostopoulos reports that the new Criminal Code has reduced the maximum penal sentence from 20 to 15 years, with the exception of life sentences, which are permissible only for a small number of offenses against the state or against life. In addition, he says, many convicted of minor or mid-level crimes can opt for public service instead of jail. Judges are also empowered to issue monetary penalties in accordance with defendants' economic situation, he says. "On the one hand, overall sentences are lower now. However, the amount of time actually spent in jail can be higher than it was under the old Code." He adds, "the committee tried to make the Code more proportional in terms of sentences imposed and time served in prison."

"The Criminal Code became a sober piece of work," he says, "and the descriptions of the various types of offenses have become clearer and simpler, as opposed to the old Code which provided for a complicated system of aggravating and mitigating circumstances."

Anagnostopoulos says that the new Code of Criminal Procedure was aligned with the European Convention of Human Rights and the European Court of Human Rights case law as well as with the more recent EU Directives on Procedural Rights, enhancing the rights of defendants and other participating parties in the proceedings. Additionally, the Code introduces a form of plea bargaining for the first time in Greece, and another change, related to the new power of the Prosecutor to issue orders imposing fines, helps avoid trials for less serious offenses. "It is hoped that these changes will accelerate the rhythm of criminal procedure because the delay of criminal proceedings is a systemic problem in Greece," he says. "Generally there is hope that the justice system will become more rational, expeditious, and equal."

Finally, Anagnostopoulos says that expectations are high following the center-right New Democracy Party's success in the recent elections, as the party has promised to start the economy working much better than before. "If they are successful in reviving the economy, that would mean more money for the state and more jobs for the people, which would be very welcome." He says that the investment environment seems to be positive for Greece at the moment, "so it remains to be seen how capable the new government will be in boosting the economy and succeeding in its investment projects." In addition, he says, the outcome of the elections will force the opposition – in particular, the Syriza party – to become stronger. "My expectation is that they will cut off from their ultra-lefty past, become more institutional in their oppositional tactics, more parliamentary, and pro-EU – which is important." Either way, he says he is happy about the ultra-right Golden Dawn staying out of Parliament. "It is a very good result," he smiles. "The future of Greece is a European future. It is one thing to be critical of the EU and another to be anti-EU. The Pro-EU stance is very much needed in Greece and the elections show that this will be our future."

By Mayya Kelova

LITHUANIA: JULY 16

Giedre Dailidenaite, Partner at Primus Derling in Vilnius, says the recent news in the Lithuanian legal community involves FinTech regulations, "in particular involving the difficulties FinTech businesses are facing with anti-money laundering and data protection issues."

Dailidenaite says that interest in Lithuania's FinTech sector is decreasing, and thus "it is an area we hope the government and public agencies will work more in to increase interest."

Additionally, Lithuania is anticipating new anti-money laundering rules in early 2020, Dailidenaite says, adopting the amendments the EU recently introduced to its Anti-Money Laundering Directive. "Although it is hard to predict the ultimate effects of the law," she says, "we already feel changes in how businesses operate following the last years' changes in this field." She's not sure all these changes are a step forward, however. "For the general public they are positive, but I cannot identify them as such for businesses," she says, adding that elements such as the disclosure of ultimate beneficiary owners are already proving challenging for the business community.

Another significant change is a new law on the insolvency of companies that will come into effect in 2020, which will change the definition and criteria for insolvency, as well as the procedure for initiating the insolvency process. Dailidenaite says that she is hopeful about the law, pointing to the opportunity to agree with creditors on aid for companies in financial distress, as well as the possibility to sell an entity without the obligations forming the basis of creditors' claims, which were not available options in the past. "It will be interesting to observe how the law is applied in practice," Dailidenaite says. "Up until now it has been treated as a more flexible law, but practice will show."

Finally, Dailidenaite points to Lithuania's May 12, 2019, presidential elections, which saw independent candidate Gitanas Nauseda win in the second round of voting, as a positive development. Nauseda was inaugurated on Friday, July 12, 2019.

By Mayya Kelova

POLAND: AUGUST 19

"The legal market in Poland is a bit challenging right now," says Linklaters Partner Janusz Dzianachowski. "It's growing very fast and is quite dynamic. We see loads of new clients, which means new work – but also more competition." According to Dzianachowski, more and more law firms are branding themselves "experts" in the field, but this does not "affect long-present, established firms."

Dzianachowski reports that "all business sectors are relatively busy," with real estate showing particular activity and banking & finance growing. "It's like new markets opened up; there is a clear inflow of capital from all over the world, the scale of which nobody could have expected a few years ago," he says. "Poland is primed for South Korean capital, there are clients from Canada, the USA, East Asia, the Middle East … no longer is the market reserved for the traditional German-fund type of investors."

There seem, he says, to be some "flickers of activity" in the legal market itself. Some practice areas which were "traditionally reserved for the boutique law firms – those that focus on IP, IT, tech law, and legal advice related to game development – have become of greater interest to large international firms," he says. "Major firms are picking it up as well, realizing the potential behind it. Also, it's very attractive for consumers – it is definitely an appealing subject."

Finally, speaking of the political scene in Poland, Dzianachowski says that "since the last Governmental change in 2015 there was some palpable hesitation from some potential sources of investment, but that seems to have passed, especially given constant economic growth. Investors, it would seem, have come to terms with how the market is right now and business is continuing just fine." He characterizes this as a "stable flow" in a "dynamic environment," and reports that it seems to be doing good things for the Polish market.

By Andrija Djonovic

SERBIA: AUGUST 22

According to JPM Senior Partner Jelena Gazivoda, Serbian law firms are doing well these days. "We are all very busy these past few months, which is good," she says. "Notwithstanding the fact that there are different comments in newspapers, we are not really feeling any bad signs. In fact, we are all participating in some significant transactions, making us really busy."

Gazivoda ties the boom, at least in part, to the political calendar. "The situation is really interesting and challenging," she says, "because this is a pre-election year. Next year the parliamentary elections and local elections will be held, probably in April. This affects to a significant extent what is happening on the market, because in pre-election years the government tries to achieve the best results demonstrating progress and economic growth." As a result, she says, "what we are seeing is a significant number of projects which have been launched recently."

It's not only political scheduling that accounts for the good times. Gazivoda cites statistics showing that Serbia is among the countries in Europe with the highest number of projects involving both greenfield investments and FDI investments. In 2018 alone, she says, there were 107 FDI projects – "over 20 more than in previous years." These projects, she reports, are appearing in diverse sectors, and she describes "a few important new projects involving new plants and facilities for production of automobile components," as well as "a few famous foreign investors involved in the repair of aircraft parts and engines" and "a significant number of investments in FMCG, tobacco, and textile."

And it doesn't appear the well is about to run dry either. According to Gazivoda, Serbia's national investment plan for the upcoming period predicts the investment of between 10-12 billion euros in infrastructure projects involving "communal services," such as waste-water processing, transportation, energy products, and digital infrastructure, with investors coming from different parts of the world, including Germany, France, and Japan.

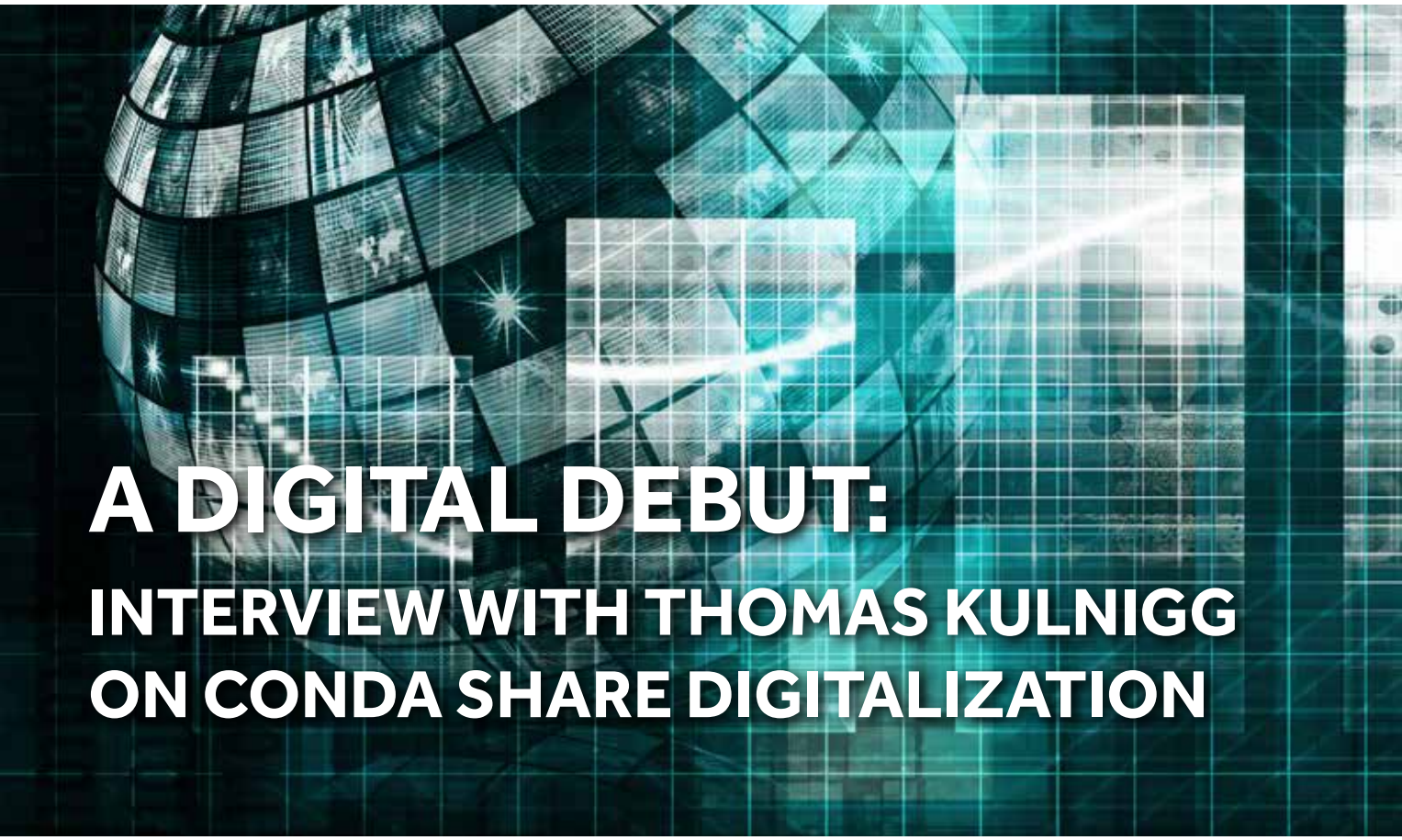
Ultimately, though, she says, "the energy and highway construction sectors are receiving the greatest investments." Gazivoda cites with some pride JPM's work (performed along with Bojanovic & Partners) on the ongoing energy project – a pipeline project jointly financed by Gazprom and Srbijagas – to transport natural gas from the Russian Federation to Serbia, via the Black Sea and through Bulgaria, that will replace the now-abandoned South Stream project and will be the second line from the Turkish Stream. She describes the project, which is worth several billion euros and is designed to "bring energy independence and security to Serbia," as "the biggest energy infrastructure project ever realized in the Republic of Serbia."

Gazivoda describes "a significant number of infrastructure projects predominantly run by Chinese investors, who are heavily involved in highway and railway construction in the Republic of Serbia as part of their Silk Road initiative." Among the most prominent of these projects, she says, is the 60-kilometer segment of the Trans-European road project in Central Serbia connecting Serbia to Central Europe that was officially opened on Sunday, August 18, which JPM advised on as well. In addition, last year China's Zijin Mining pledged to invest USD 1.46 billion in Serbia's RTB Bor copper mine in return for a 63% stake, and Gazivoda says that construction of an Industrial Park for innovation technologies – a joint Chinese/Serbian investment – will begin in a suburb of Belgrade next year that is envisaged to employ more than 10,000 people in Serbia when it opens in 2022.

But it's not only the Russians and Chinese investing in Serbia at the moment. "At the end of August the Serbian and Turkish presidents will open construction of a highway connecting Belgrade with Sarajevo," Gazivoda reports, noting that JPM advised on that as well. In addition, French companies have played a significant role in the country's recent development, including the concession award in 2018 received by French infrastructure group Vinci 2018 to expand, operate, and maintain Belgrade's Nikola Tesla airport, and she says the recent visit to Serbia by French President Emmanuel Macron resulted in the execution of more than two dozen bilateral investment agreements between the two countries. Among other things, she reports, "French companies will be involved, along with the Chinese, with the construction of the metro in Belgrade."

Despite the good times, Gazivoda reports, Serbia is "not really a big market," and while the leading law firms are working at full capacity, none of them are growing significantly in size. In addition, she says, while there are "many many lawyers in Serbia," there are "relatively few remarkable law firms engaged in all these transactions." She says, with a sigh, that "the overall climate has changed," as, "in this consumer-driven world, clients are paying less attention to quality in favor of 'one size fits all advice, which does not require high quality." She's quick to clarify that she is not talking about "serious clients, of course, who are ready to engage serious law firms and give them serious tasks."

By David Stuckey



A DIGITAL DEBUT:

INTERVIEW WITH THOMAS KULNIGG ON CONDA SHARE DIGITALIZATION

In September 2018 Schoenherr Partner Thomas Kulnigg advised crowd-investing company Conda AG on the digitalization of its shares, allowing the registered shares to be managed via blockchain technology. The project represented the first-ever digitalization of shares linked to digital tokens in an Austrian joint stock company. The tokens were digital units that were mined exclusively by Conda on a blockchain (dis-tributed ledger technology) protocol and then given to company shareholders. When a shareholder trans-fers a token to another person, the transfer is recorded in the blockchain and, on that basis, the transfer is also registered in Conda's share ledger. The transfer of a token is thus the equivalent of a share transfer.

We reached out to Kulnigg to learn more about this revolutionary project.

CEELM: As opposed to its ICO, which your team also advised on, what specific legal work was involved with the digitalization of CONDA's shares?

Thomas: The work was quite different, compared to the ICO. It was really focused on the corporate law question – can you digitalize a share of a private company? We had to do a lot of research and thinking as well as deep-diving into the technical details of the envisaged digitalization via the Ethereum blockchain. Once we formed our view, we then had to convince the Commercial Court Vienna that our project was admissible and viable. This was particularly tricky as courts tend to not give clear answers before an official application is made. We were finally able to convince the judge to register the share change, and the transac-tion was completed.

CEELM: When such share digitalizations were made in other jurisdictions for the first time they were carefully scrutinized from the relevant authorities – sometimes even tested through a "sandbox" period. Was that true here as well?

Thomas: In our case, we only changed the way the shares are represented. Typically, shares in a joint stock company are represented via written share certificates. Here, we changed from the ordinary "materialization" to digital shares. No shares were transferred or offered to other parties. Our transaction was exempt from the prospectus requirement and no other regulations applied.

CEELM: Since there were very few guidelines on how to segment registered shares as tokens in Austria, how did you figure out how to do this?

Thomas: The starting point was the articles of association

of the company: Can you change the articles in a way that is not prescribed by law? Under Austrian law, privately-held joint stock companies can implement such changes within certain limits, and we believe that the digitalization of shares falls within these limits.

CEELM: Once the process was understood conceptually by the court, was this a fairly straight-forward and simple process, or was it complicated?

Thomas: The devil was – as always – in the details. We had to deal with practical issues such as that not all shareholders had digital wallets for Ethereum tokens, so we had to produce wallets for shareholders. Also, the technical details had to be considered in the final board resolutions that approved the tokenization of the shares.

CEELM: Why did Conda decide to do this?

Thomas: Conda wanted to do a self-test: they wanted to show that they had the know-how to digitalize shares via the blockchain. We implemented the structure from a legal perspective in the most efficient but al-so flexible way considering that blockchain technology or distributed ledger technology in general is subject to constant changes. Our structure can be adjusted if needed from a technical perspective.

CEELM: And is there a specific value/benefit to digitalizing the shares in this manner?

Thomas: Yes, shares can be transferred digitally, without exchanging paper certificates.

CEELM: Have any legislative/regulatory developments taken place since this transaction that will facilitate similar transactions in the future?

Thomas: Unfortunately, legal developments in Austria have stalled in the past months due to recent chang-es in our government. However, the Austrian government finally implemented the fifth anti-money laun-dering directive, which also deals with digital assets (virtual currencies) and service providers. I cannot really confirm that this regulation facilitates any transaction in the crypto-world – I believe it rather brings up more questions and threatens certain business models (Austria has again gold-plated the law quite a bit…).

On the other hand, Austria has seen some activity with security token offerings and initial exchange offer-ings in the past. The most recent IEO by Bitpanda was considered quite successful and they claim to have launched the most successful IEO in Europe. I believe that this shows that crypto-transactions are still pos-sible in Austria and can be successful if the underlying product is right.

CEELM: How has this transaction helped Conda in its mission as a crowd-investing platform for start-ups and SMEs?

Thomas: For Conda, the transaction was a huge push because they were able to show the world that they had the know-how to implement blockchain transactions.

CEELM: Are you seeing any interest from other clients to implement such a digitalization of shares or is this still very much a fringe practice? What do you believe it will take for it to become more mainstream?

Thomas: We have seen a lot interest from our clients, who want to digitalize all sorts of assets. At the mo-ment, this topic has become a bit quieter, but we believe that things will pick up again. The key element for having success with digitalizing assets will be whether or not a secondary market, where those assets can be traded, will develop.

At the moment, there is no marketplace where security tokens and other digital assets that are regulated can be traded. Once this changes, we will see more and more transactions. We look forward to this and we are ready to support our clients in this fascinating legal area.

David Stuckey

THE CORNER OFFICE: THE MOST DIFFICULT LAY-OFF

In "The Corner Office" we ask Managing Partners across Central and Eastern Europe about their unique roles and responsibilities. The question this time around:

What was the most difficult or unpleasant experience you had terminating someone's employment?

"Right people are our key and most valued resource. Getting the right people is really hard – as it is to lose them. Although we did our best to grow and keep the next generation lawyers, we faced people leaving our firm as they wanted to pursue other career paths; equally, there were situations where we had to let people go as our views on business differed. This was an issue from an investment perspective as we had invested a lot in their development; however, it was equally problematic from a human perspective as we struggled through the most difficult challenges together. I would not be able to single out one particular case when it was hard to see someone leaving, as in every case there are mixed feelings from both sides. However, the key lesson I learned in the last 15 years is that the legal industry requires an extremely personal approach to cases and clients, but it does not allow for being personal in handling business."

Vladimir Bojanovic, Managing Partner, Bojanovic Partners, Belgrade

"Our business and personal relationships with colleagues are built on a foundation of trust. When a former colleague began to engage in behavior that did not entirely comply with the firm's code of ethics, unfortunately the firm had to let him go – he had cracked the foundation of trust between us. The most difficult part of the experience for me surrounded that breach of trust. There is a strong friendship among colleagues here and when a colleague breaches trust, it affects others on a personal level. The disappointment of having a friend and colleague break that trust has a lasting impact, beyond the immediate impact of losing a colleague, and to date has been the most difficult experience of letting someone go."

Josef Aujezdsky, Partner, Masek, Koci, Aujezdsky, Prague

"I once had to terminate the employment relationship with a secretary of ours. This is of course always a very unpleasant exercise. When I confronted her with my intention, she was so upset that she told me that I should not be surprised if police showed up in my office the next day telling me that she had committed suicide. Although we have not had a lot of contact since then, I am convinced that she is still alive …"

Erwin Hanslik, Managing Partner, Taylor Wessing, Prague

"Running a law firm, sometimes likened to managing a beehive, is inextricably linked with making the most difficult and sometimes unpleasant HR choices, and the decision whether to let someone go commonly boils down to the Managing Partner. That said, we believe in thorough recruitment and every newcomer has been subject to various stages of a meticulous process, assuming thus the status of a long-term investment. Therefore, letting people go is a rather rare phenomenon in our firm, as, having weighed all the pros and cons well in advance, we consider to keep new colleagues around in the long run. To err is human though, and sometimes even the most diligent and scrupulous recruitment process cannot

envisage certain post-hiring circumstances. I recall a case of a young and prominent associate who, having ticked all the boxes, seemed well on track to swiftly climb the firm's ladder. However, for reasons beyond the firm's grasp, one of the partners just could not see eye to eye with this associate regarding the firm's work process, and before letting the matter escalate too far, we unfortunately had to part ways. Clipping the wings of a young colleague seemed regrettable and unfortunate at the time, but with decisions as such are part and parcel of being the Managing Partner, I had to keep the firm's best interests in sight above all."

Uros Ilic, Managing Partner, ODI Law, Ljubljana

"I recently had an unpleasant experience when we gently let go one of our underperforming associates. We normally have a preliminary talk with an employee and offer to help him or her to find another job within 3-6 months. This associate was lucky to find a job fast. But then I had a call with the associate's mother (whom I knew from the past), and she was absolutely furious about our decision. She thought we treated her child unfairly and so on. My take-away from this experience is never hire the children of your friends, business partners, or even acquaintances, because you can easily spoil your relationship with them."

Mykola Stetsenko, Co-Managing Partner, Avellum, Kyiv

"There is no law firm in the market and no managing partner with more than 25 years professional experience like me, who is lucky enough to have never taken belt-tightening and efficiency measures. My most difficult and unpleasant experience in cost cutting started after the severe financial crisis in 2007-2008. Hardly a law firm successfully survived those years without a package of restructuring measures. In Bulgaria, we laid-off almost one quarter of the lawyers, introduced part-time work and forced vacations, outsourced some support services, etc. The law firm I worked for at the time altered its partnership structure and introduced a two-tier partnership and extended track to equity partnership.

My personal disappointment is related to the credibility of the decisions regarding the downsizing of people. I firmly believe that the lawyers are the only capital of the law firms. Enormous efforts are necessary for the talent to be found, developed, and retained. In my experience, achievement-oriented lawyers need to see concrete evidence of a law firm's commitment to them – both in good times and in bad times. Simplistic categorization of lawyers only as a cost of doing business that needs to be cut in financial crises rather than as an investment in the firm's capital is dangerous. It is penny-wise but pound-foolish to save money by cutting several lawyers in order to address a short-term increase of partner distributions. It usually takes years, especially in our small market, to recap your reputation as a desirable employer and to rebuild the same talent. So the shortsighted cost-cutting by firing talent that is not easy to find again in the market is a painful lesson for me and many law firms."

Reneta Petkova, Managing Partner, Deloitte Legal, Sofia

"I believe in yellow cards. If someone is underperforming, he/she needs to be aware of this and the firms need to provide sufficient time for the person to be in a position to turn around his or her performance. The most difficult and unpleasant experience that I had letting someone go was when, following a serious trend of under-performance, we had to pull the trigger and then – following a few days of recovery – the individual came back to me and said that he/she needs to receive 'no sugar coated,' but real feedback. This made me feel that the feedback should be much more straight and to the point and that the sooner you address the issues, the better."

Kostadin Sirleshtov, Managing Partner, CMS, Sofia

"With a combination of our inherent frailty and the highest asset value to law firm, the human element always presents the most important and most delicate challenges to management. Of course, our most vulnerable aspects, as when a critical professional becomes a victim of debilitating alcohol abuse, are the hardest. We encountered a case of severe alcoholism affecting an important, senior-level professional here, and became instantly engaged in the kind of crisis management through which we are more accustomed to dispassionately guiding our corporate clients. Only now, it was us – and a valued member of our professional family was at risk personally, regarding a young and vulnerable family, and possibly exposing the firm and its clients to mistakes. We educated ourselves about approaches, programs, treatments, and family-protective services. Extended calls to experts in the U.S. became our world, leading to offers of help. [These offers] were roundly rejected, as, not-withstanding incontrovertible evidence, our colleague staunchly denied any problem. Only a parallel focus on the integrity of the firm's work moved things forward. Frustration over the strict scrutiny [we] imposed on the colleague's work led to a withdrawal, and subsequent treatment."

Tim Pfister, Managing Partner, Knoetzl, Vienna

ALL TOGETHER NOW:

THE EU'S NEW FOREIGN INVESTMENT SCREENING REGULATION

This April, the new EU foreign investment screening regulation entered into force, with terms scheduled to become applicable on October 11, 2020. The regulation was conceived and designed to provide member states with a valuable tool to employ in defending their strategic interests. We spoke to several experts in the region to learn more.

Context: Foreign Investment in the EU

The European Union is one of the most open investment regimes in the world, with around EUR 6.295 billion in foreign direct investment stocks in the EU held by third-country investors in 2017, directly correlating to about 16 million jobs, according to the European Commission.

Nonetheless, concerns about insufficient oversight of foreign investments remain, and EC President Jean-Claude Juncker has claimed that "we need scrutiny over purchases by foreign companies that target Europe's strategic assets." As a result, a new FDI Screening Mechanism was adopted, based on a proposal put forward by the European Commission in September 2017, and which the EC claimed "will be instrumental in safeguarding Europe's security and public order in relation to foreign direct investments into the Union." According to Juncker, the regulation – (EU) 2019/452 – means that, "when it comes to defending Europe's interests we will always walk the talk."

The regulation was created to establish a lowest-common-denominator type of groundwork; a starting position for all member states and potential investors. The regulation provides a stronger sense of predictability, establishes clear lines between what falls under the direct jurisdiction of EU bodies and what is left to member states, and creates a strong foundation for greater communication between all players involved. It also allows the European Commission to issue opinions on how member states should deal with investments they wish to screen.

What the regulation does *not* do, however, is harmonize the national screening

Janos Toth

Juozas Rimas

Mykola Stetsenko

Rasko Petakovic

regimes of the member states that have them. Foreign investors that seek to invest in companies that operate in multiple EU countries will still need to deal with an eclectic tapestry of different legal frameworks, some of which may be greatly divergent due to cultural and political differences between each member state.

What the New FDI Regulation Is

In essence, the FDI screening regulation is designed to enable Member States and the European Commission to exchange information and raise concerns related to specific foreign investments. It:

- Creates a cooperation mechanism for the EC and the member states, allowing them to communicate information and raise red flags regarding specific investments
- Allows the EC to issue non-binding opinions when it believes an investment poses a threat to the "security or public order" of more than one member state, or when an investment could undermine a project or a program of interest to the entire EU
- Sets certain requirements for member states that elect to adopt or maintain a national-level screening mechanism – although member states retain the ultimate right for final approval or denial of each specific investment impacting their territories;
- Takes into account the needs of a fast-paced business environment that often uses short deadlines and has strong confidentiality requirements
- Encourages cooperation on an international level when it comes to investment screening, which includes sharing best practices and information on issues of common concern.

The regulation does not require that member states create a screening mechanism. However, should they choose to do so, it sets a baseline for what must be included. Specifically, the regulation asserts that takeovers in the areas of "critical infrastructure, raw materials, sensitive information, or important technology" are valid reasons for a member state to screen an investment. Currently, around half of all member states have a national screening mechanism in place (see table), with several either in the process of reforming them or adopting new ones. All member states with screening mechanisms in place are required to notify the EC of their existence.

In practice, any barriers, checks, or remedies imposed on a foreign direct investment will remain under the direct control of each member state's screening regime. It will be the criteria of that state's legal framework that will specify which transactions are impacted, including, for example, the relevant thresholds of control that would trigger governmental scrutiny.

"It will make some foreign investments more visible, which will in turn lead to more scrutiny, if not from authorities then from the public. That in turn means its ultimate impact will depend on the economic outlook and public support more than the regulation's mechanisms."

Because the rate of informational exchange between the member states is likely to increase, it could lead to greater scrutiny of transactions on the grounds of public interest or national security, or, some claim, simply allow greater meddling into sectors that states consider to be of strategic importance to them.

At the same time the Regulation explicitly states that the "rules and procedures related to screening mechanisms … shall be transparent and not discriminate between third countries" and that "foreign investors and the undertakings concerned shall have the possibility to seek recourse against screening decisions of the national authorities."

In addition to this, the regulation requires

that member states inform the EC of any investments that are to be screened under their national mechanisms, as well as any other member states whose public order or security may be affected by the investment. The notification must include details about the business activities and the ownership structure of both the foreign investor and the target company, the funding, and the timing of the investment. Foreign investors and targets will be obliged to provide this information without delay, if requested.

Finally, the FDI regulation creates a feedback procedure that allows member states to comment if they feel that a foreign investment in another member state may create security or public order concerns in their own country.

What Is the European Commission's Role in All of This?

The European Commission will also be empowered to review certain foreign investments – primarily those that the EC considers likely to affect endeavors of "Union interest" (defined as those that "enjoy a significant level of EU funding or are covered by European Union legislation and are related to critical infrastructure, technologies, or inputs essential for security or public order"), but only on grounds of public order or public security. It will not have any direct power to limit or block such transactions; the EC may only issue a non-binding opinion to the member state in which the foreign investment is either planned or has been completed. Member states, on the other hand, need only "take the utmost account" of this opinion, and if they don't follow it, provide an explanation why.

The FDI screening regulation contains a list of the programs which qualify as of "Union interest," including those involving "a substantial amount or a significant share of Union funding."

What Does This Mean in Practice?

The definition of "foreign direct investment" under the FDI regulation is quite broad and covers any investment by a non-EU country. Essentially, this will impact all investors who seek to maintain or establish direct links with a prospective target in order to carry out an economic activity in a member state.

"The regulation is the EU's lowest common denominator when it comes to investment control," says Rastko Petakovic, Managing Partner of Karanovic & Partners in Serbia. "Rather than challenge investments from certain countries and in certain sectors, it sets out a platform for cooperation between the member states, and standardization by the Commission. It will make some foreign investments more visible, which will in turn lead to more scrutiny, if not from authorities then from the public. That in turn means its ultimate impact will depend on the economic outlook and public support more than the regulation's mechanisms."

This increased spotlight on such investments will ultimately make them more viable, says Janos Toth, who heads the Corporate/M&A practice of Wolf Theiss in Budapest, as it will "clarify the playing field" and incentivize capital flow both between member states themselves and between them and outside investors.

Ultimately, few believe it will cause any real problems. Cobalt Lithuania M&A Partner Juozas Rimas concedes that "the regulation may theoretically be used to limit outside investments," but he says that additional safeguards to prevent this will eventually evolve and be put in place. Ultimately, he says, the regulation "may be a very useful tool to review investments of questionable nature – say, if a data privacy breach is a possibility."

What About CEE?

CEE, of course, is made up of both EU and non-EU countries, making the regulation's effects more complicated to parse. Still, many believe that the region's history may work to its benefit. Toth explains that "CEE has, ever since the fall of Communism, been very open to investment," and he believes that the regulation should "encourage more FDI, and have it go at a faster speed." He also trusts that the regulation will prompt member states to both protect their national interests and to be more open to

EU Member States with Existing Foreign Investment Screening Mechanisms	EU Member States Without Foreign Investment Screening Mechanisms
Austria	Belgium
Denmark	Bulgaria
Finland	Croatia
France	Cyprus
Germany	Czechia
Hungary	Estonia
Italy	Greece
Latvia	Ireland
Lithuania	Luxembourg
Netherlands	Malta
Poland	Romania
Portugal	Slovakia
Spain	Slovenia
United Kingdom	Sweden

investments coming from outside of the EU, because "a roadmap exists now; there is more predictability."

Petakovic suggests that it "will make the distinction within the CEE countries between the EU and non-EU members more obvious, and there will be a lag time before the non-EU countries implement adequate FDI control tools." According to him, non-EU countries such as his own – Serbia – may thus benefit, at least in the short term. "This lag time, together with bilateral and multilateral treaties which some of these countries have, may direct some of the investments into the Western Balkan region. We are already seeing an increase in inbound investments from China, Russia, and Arab countries, and if anything, the regulation can affect it only positively."

"In 2018, Serbia was the second largest recipient of foreign direct investment among the transitioning countries – including the former Soviet countries of Eastern Europe," Petakovic continues. "EU companies invested almost 70% of the cumulative FDI inflows to Serbia over the past nine years – amounting to over EUR 13 billion in total. This makes the EU by far the largest investor in Serbia. Considering this, and the attractiveness of the CEE region in general, we could see an increase in FDIs in Serbia coming from both the East and the West."

Toth believes that EU member state Hungary, too, is pre-positioned to benefit. "The Hungarian Government has pre-empted this wisely," he says. "A national mechanism was put in place just before formal talks at the EU level ended in 2017 – this allowed Hungary to position itself in this area before other countries," providing it, he says, with a more predictable framework, and thus a safer situation for investors.

Juozas Rimas, in Lithuania, is more blasé about the effects of the regulation on his part of the world. "Yes, it will lead to more information and best practice experience being exchanged," he says, "but this is a very small market and it won't be as exposed as other CEE countries like Poland or the Czech Republic." Still, he concedes that the regulation may allow some countries to "defend against what they perceive to be a threat, such as aggressive Russian companies."

"This lag time, together with bilateral and multilateral treaties which some of these countries have, may direct some of the investments into the Western Balkan region. We are already seeing an increase in inbound investments from China, Russia, and Arab countries, and if anything, the regulation can affect it only positively."

Because Ukraine is not a member of the EU, the screening regulation does not apply to the country directly, although of course investments *from* Ukraine *into* the EU will fall within the scope of review that the regulation sets out. Mykola Stetsenko, Co-Managing Partner of Avellum in Ukraine, believes that the screening regulation "should not negatively affect these investments, because such investments, even though quite rare, are made by public companies that have been cleared by EU banks and stock exchanges in the past." To the contrary, Stetsenko says; the country will actively benefit from the regulation: "When transparent national investment screening mechanisms are established in each EU member state, they will create more predictability for Ukrainian investors to the EU in such areas as agriculture and IT."

While outgoing investment from Ukraine into the EU may not be significantly impacted, some countries may not be so lucky. Rastko Petakovic believes that "the new EU investment screening framework could particularly impact Chinese investors." According to him, "the EU regulation encourages member states to specifically review state supported investments in sensitive technologies and critical infrastructure. This could include most Chinese M&A activities in Europe. It is estimated that approximately 82% of Chinese M&A transactions in Europe in 2018 would fall under at least one of those criteria."

"More complex regulations for investments are probably only the first step in a broader overhaul of EU's policy toward trade and investment with China," continues Petakovic, who notes that "EU leaders are considering reforms in other sectors as well, including export controls for dual use and critical technologies, data security and privacy rules, procurement rules and competition policy."

Ultimately, though, few believe that the regulation will have a significant affect one way or another. "It is not a discriminatory framework in and of itself," says Juozas Rimas. "Even if discrimination arises in some cases it may be simply due to a lack of information about an investment or where there is a perceived security risk."

Still, the FDI screening regulation does have some risks. For instance, the inevitable increase in informational exchange between member states regarding foreign investments means sensitive data is likely to pass through a greater number of hands, which may result in information leaks. In addition, there is at least the theoretical possibility that member states – benefitting from an increased certainty about where the boundaries between their internal screening mechanisms and the European Commission's exclusive jurisdiction under the EU Merger Regulation are, may become more trigger-happy about initiating proceedings under their national screening mechanisms.

But, on balance, response is positive. "The general intention of the regulation is to create a seamless and predictable set of rules," says Janos Toth, who believes that, as a result, any discrimination that occurs will not be "on the EU level" but only on a national one. And he's not worried about that in his part of the world, at least. "The CEE region is not typically a discriminatory one."

Andrija Djonovic

Eastern European

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MARKET SPOTLIGHT: UKRAINE

At a Glance:

- Population: 43,952,299 (July 2018)
- Life Expectancy: 72.4 years
- Current President: Volodymyr Zelenskyy (Prime Minister: Volodymyr Hroysman)
- 2018 FDI: USD 2.476 Billion
- 2018 GDP: USD 130.832 Billion
- 2018 GDP per capita: USD 3,104
- 2018 GDP Growth: 3.5%
- Sectors % of GDP (2017 estimate):
  - Agriculture: 12.2%
  - Industry: 28.6%
  - Services: 60%

GUEST EDITORIAL:
SEE YOU SOON, UKRAINE!

The Ukrainian legal market is living in times of change and promise. Being a successful law firm in Ukraine is not an easy task, but for those who know the rules, the changing landscape presents more opportunities than threats. So, what does the Ukrainian legal market look like now?

Turbulent Doesn't Mean Troublesome. After the Revolution of Dignity in 2014, a variety of reforms were launched. At that time, in its Ukraine 2020 Strategy, the President's Office announced 60 key reforms, involving different clusters of the economy and different legal elements. This resulted in many unique projects which would never have popped-up but for the challenges that our country has faced, such as bank resolution reform and related measures launched by the National Bank of Ukraine, anti-corruption reform, the nationalization of the largest Ukrainian bank, energy market reform, privatization processes, major international arbitrations regarding Crimea, and so on.

2019 is a double-election year, and both the Parliament and the President of Ukraine have changed. Although the change seems radical, with new elites coming to the government, the overall expectation is that the reforms will continue. One of the major announcements is that the moratorium on the sale of agricultural land will finally be lifted, which will provide more work for the legal community.

Steady Growth. Law firms in Ukraine are seeing a steady growth in the volume of work, but that work is not balanced in terms of type. The top three growing practices in terms of firm revenue are dispute resolution (including international arbitration and cross-border litigation), tax consulting and tax disputes, and corporate/M&A.

The procedural rules have been changed dramatically. In addition, an attorneys' monopoly in courts has finally been established, which will eventually result in more cases being outsourced to law firms.

Transactional work is less predictable. Risks in the country impede the optimism of foreign investors, who remain cautious. As a result, only one-fourth of all transactional work comes from referrals from foreign law firms, which seems quite low for a country of Ukraine's size, and Ukrainian businesses are much more active in the transactional domain than international corporations.

It's a buyer's market now, and the most active run the game. Private equity houses already present in Ukraine have a good risk appetite and are active in buying both profitable export-oriented assets and distressed assets with good prospects. Strategic investors follow, but mostly in industries which are traditionally stable and non-risky.

Industries in the agriculture, energy natural resources, and IT sectors bring money to the Ukrainian legal market, with a second tier formed by banks and financial institutions, pharma, real estate, and telecom.

There is No Middle-Size Any More. Competition is getting tougher every year – and as a result there is no middle-size for a law firm. You are either getting bigger (100+ fee earners) or staying small and niche. The summer of 2018 saw the tie-up of Avellum and A.G.A. Partners, and soon thereafter Asters and the Ukrainian office of EPAP merged to form the largest Ukrainian law firm by size. Many other competitors are participating in the race and are considering lateral hires or tie-ups of their own.

This leads to another interesting observation: large law firms tend to be full service, with offers including such practices as family law, private clients, and criminal law. The last of these in particular is becoming a goldmine for business law firms (primarily Ukrainian) which are seeing a steep increase in the amount of work in the white-collar crime segment.

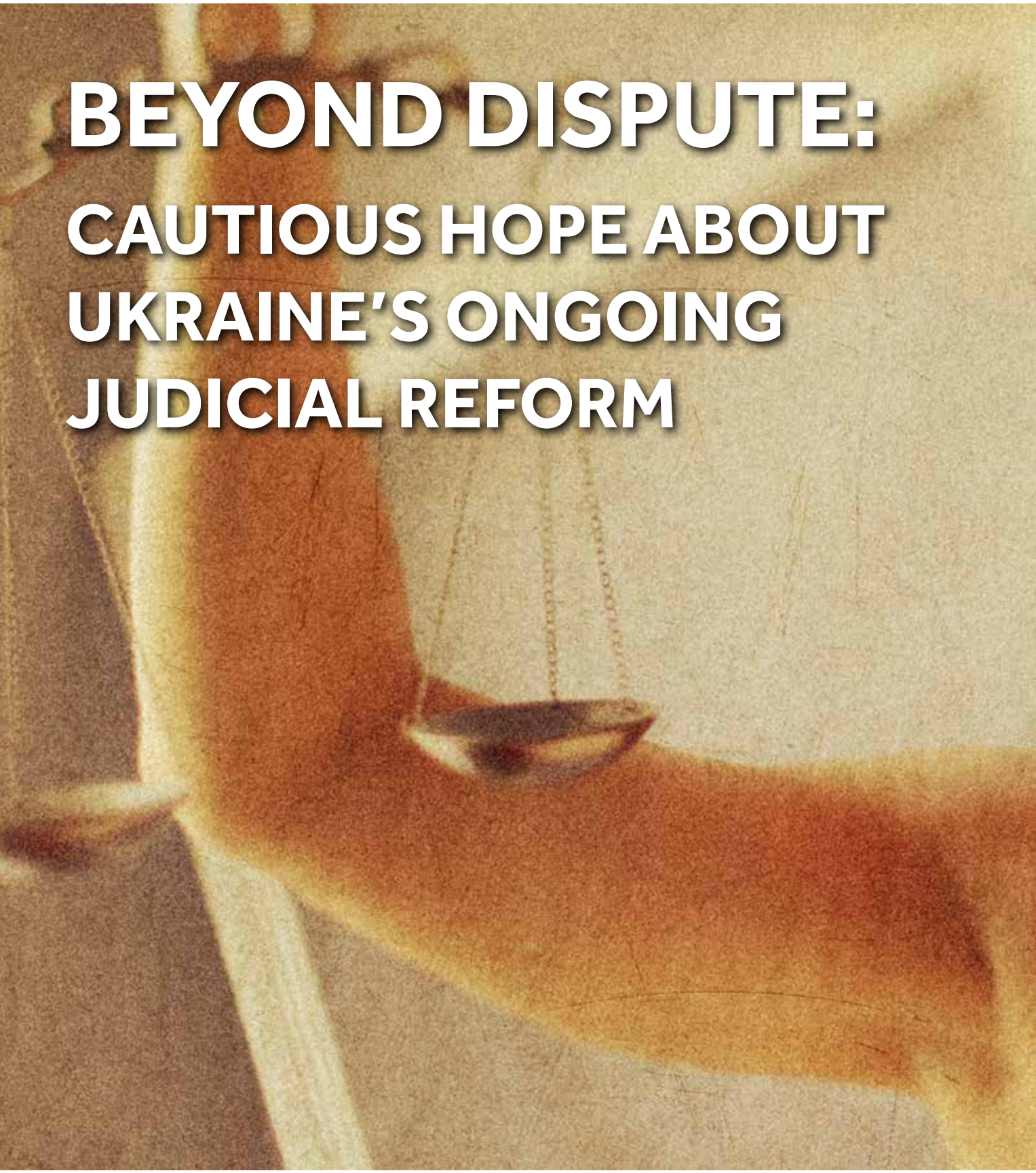
Another trend is the rise of boutique law firms, trying to offer businesses a cheaper alternative in traditional boutique areas such as IP, litigation, family law, etc.

Otherwise, the legal market has not changed much. The same local law firms still hit the league table. There are no newcomers among international law firms either. The usual suspects – DLA, Baker, CMS, and Dentons – compete with leading Ukrainian law firms as equals both in disputes and transactional work.

A Postscript. The last –but not least – trend in Ukraine is the big fight for talent. Law firms are having real trouble finding motivated and competent associated and senior associates, which is the result of several crisis years before. I see it as the biggest challenge for the next few years for those who want to expand their legal business by ways other than mergers or lateral hires.

As a positive sign, Ukrainian law firms understand that clients want the same services as before, but faster, cheaper, and more efficiently. To address these demands the most advanced Ukrainian law firms pioneer innovations, including advanced legal-tech products and solutions.

Anna Babych, Partner, Aequo Law Firm



BEYOND DISPUTE:

CAUTIOUS HOPE ABOUT UKRAINE'S ONGOING JUDICIAL REFORM

As the country entered the 21st century, Ukraine's Soviet-era judicial system was widely condemned as corrupt, incompetent, and inefficient. Committed to rectifying the situation, in 2015 the Ukrainian government introduced plans to reform the entire system. That transformation, which was the focus of an August 2017 CEE Legal Matters Round Table, continues today. We reached out to several of the Ukrainian dispute resolution specialists we spoke to several years ago for an update.

The Crisis in Context

The judicial system that existed before the current reform was, by all accounts, a disaster. A survey of Ukrainians conducted in 2009 by the Ukrainian Ministry of revealed that only ten percent of respondents trusted the national court system (that number dropped to 5% in a USAID report in 2015) and less than 30 percent believed that it was possible to receive a fair trial. In 2013, a Transparency International Global Corruption Barometer report revealed that 66% of the Ukrainian public considered the judiciary to be the most corrupt institution in the country, with a remarkable twenty-one percent of Ukrainians admitting that they had paid bribes to judicial officials themselves.

Thus, the formal proposal to bring Ukrainian legislation in line with European standards – initially developed in 2014 by a 43-member Judicial Reform Council and then approved by a decree of then-President Petro Poroshenko – was welcomed both by the public and legal professionals grown weary of endemic corruption, delay, and incompetence. A five-year timeline was established, scheduled to conclude in 2020.

First, in 2015, the Ukrainian Parliament (the "Verkhovna Rada") adopted the "On Assuring the Right to a Fair Legal Proceeding," law, which clarified and bolstered the guarantees of judges' independence and immunity, better delineated their responsibilities, made their appointments more transparent, among other things.

In June 2016, the Parliament took three major steps: First, it approved amendments to the Constitution of Ukraine that removed political influence on and raised requirements and professional standards for judges and abolished absolute immunity. Second, it adopted a new "On the Judiciary and Status of Judges" law, which removed political influence in the selection of judges, established a duty by judges to submit a declaration of family ties and a declaration of integrity, and created a new Public Integrity Council, as well as providing for the establishment of a High Anti-Corruption Court and High Court for Intellectual Property. Finally, it adopted the "On Enforcement Proceedings and On Agencies" and the "Persons Authorized to Enforce Court Orders and Writs of Execution of Other Institutions" laws, which modernized the State Enforcement Service and introduced the concept of private executors.

In December of 2016 the Parliament adopted the "On the High Council of Justice" law, setting the status, scope of authority, principles of organization, and transparent operational procedures of a new body of judicial governance. The High Council of Justice is tasked with ensuring the independence of the judicial branch of government and its accountability to society, as it is responsible for judges' appointments and dismissals as well as dealing with instances of misconduct on the part of judges and prosecutors.

The next summer saw the adoption of the "On the Constitutional Court of Ukraine" law, which determined the principles of organization and operations of the Constitutional Court of Ukraine, the status of the justices of the Court, the grounds and procedure for submitting a matter for review by the Court, and the procedure for hearing a matter and for executing the Court's decisions, as well as providing a right to a constitutional complaint for individuals who believe that the law applied in a final court decision involving them runs counter to the Con-

Vadim Medvedev

stitution.

In October 2017, the Parliament adopted a bill amending Ukraine's Codes of Commercial Procedure, Civil Procedure, and Administrative Procedure, which the Judicial Reform Council described as "the most comprehensive overhaul of procedural law Ukraine has seen in the past 26 years." According to the Council, the rules with respect to legal proceedings "have been brought in line with global best practices."

Finally, in June 2018, Parliament adopted the "On the High Anti-Corruption Court" law, setting the principles of organization and operations of the High Anti-Corruption Court and laying out the requirements for judges serving on the court.

At a macro level, as a result of these new laws and Constitutional amendments, the court system was restructured from a four to a three-tiered system, with three levels of courts of general jurisdiction including a Supreme Court, as well as a Constitutional Court and a High Anti-Corruption Court.

The results, while not perhaps as overwhelmingly positive as initially hoped, are nonetheless compelling. Among other things, for the first time in Ukraine's history, a female judge – Justice Valentyna Danishevska – was appointed to head the Supreme Court, and 53 of the 118 judges appointed to the Supreme Court are women.

In addition, while some criticisms were leveled at the reappointment of a high number of judges from the previous regime to the current Supreme Court, the selection process for the High Anti-Corruption Process was conducted more rigorously, as the Public Council of International Experts which oversaw the process was empowered to ban candidates initially identified lacking a sufficient level of proficiency and integrity. Of the 49 so identified, some 42 were permanently expelled.

A Cause for Optimism

In general, everyone seems pleased with the progress so far.

Avellum Partner Vadim Medvedev, for one, says that the quality of the Supreme Court's rulings has significantly increased. "The court's judgments and reasoning are far better than what we used to see five years ago, and it gives a lot of comfort that matters are actually properly considered in the highest court of Ukraine."

DLA Partner Olga Vorozhbyt says that, while the new Supreme Court and new Procedural Codes have not changed the system at its roots, the appointment of new judges, "was enough to create a different culture in the Supreme Court and it demonstrates that even a handful of new people in the system can change it a lot."

Indeed, the new procedural rules are frequently cited as among the most positive elements of the reform. The rules – which came into effect on December 15, 2017, the same day the new Supreme Court opened its doors – limit judicial discretion, shift the focus of proceedings from courts onto parties, change the procedures for labor disputes and disputes related to corporate officers, and increase domestic support of international arbitration. They also introduced an e-court, providing online access to court services in some locations.

"With the relatively new procedural rules, the overall consideration of cases became more efficient, deadlines for consideration of commercial cases are mostly met, and judges are more prepared for hearings," reports CMS Counsel Olga Shenk. And she believes that, once the e-court system is completely implemented, both submitting documents and evidence and communicating with the courts will become easier and more efficient.

Olga Vorozhbyt

Although Integrites Counsel Serhii Uvarov reports that many courts remain unprepared to deal effectively with what he describes as the "guerilla tactics" still practiced by many parties, the new Procedural Code are an innovative and efficient tool for case management. "Although it took some time for judges to become familiar with it and there is still a need for some time to test it," he says, "it does work to a certain extent."

Medvedev is on board as well. "The legislative framework and the rules of procedure are quite successful," he says. "If we do *bona fide* litigation, the rules of procedure favor us much better than they did before."

Olga Shenk

Serhii Uvarov

Every Silver Lining Has a Dark Cloud

Although most dispute resolution specialists in Ukraine approve of the overall commitment to and process of the reform, expressions of skepticism about the results and/or disappointment with the speed of the process are not uncommon.

There is some frustration with the selection process for justices for the new Supreme Court, which many believe was not kept fully transparent by the High Qualification Commission of Judges. The Public Integrity Council – consisting of local civic activists, attorneys, and journalists – was established to assist the HQCJ in evaluating professional ethics and integrity criteria during the assessment, but many believe that the HQCJ and the High Council of Justice ignored the PIC's recommendations. As a result, many feel, judges who had been accused of fraud were allowed to bypass the supposedly-mandatory qualification criteria and stay on the court.

That feeling seems to be well-founded. According to the joint April 2019 report by the Chesno campaign and the DEJURE foundation, although almost 40% of the 2409 Ukrainian judges participating in the selection process faced allegations of corruption, only 15 of them were dismissed from consideration.

And there are accusations that the government continues to influence the courts improperly as well. Redcliffe Partners Partner Sergiy Gryshko, speaking about the Administrative Court of Cassation, says that "the quality of decision-making has been far from perfect and the court proved itself unable to withstand the government pressure and remain neutral. This is a disappointment, because without a strong Administrative Court of Cassation – the court which ensures the proper government is in place and protects individual rights – there is no rule of law."

And while the appointments in the Supreme Court and the High Anti-Corruption Court involved some scrutiny, less attention was paid to lower courts, where judges were required only to participate in an attestation process to remain at their positions. Unsurprisingly, many are unhappy with the status of reform at the lower court level. Olga Vorozhbyt says, "I still see a low degree of knowledge and culture in the courts, and judges are often not impartial."

A survey of Ukrainians conducted in 2009 by the Ukrainian Ministry of revealed that only ten percent of respondents trusted the national court system (that number dropped to 5% in a USAID report in 2015) and less than 30 percent believed that it was possible to receive a fair trial. In 2013, a Transparency International Global Corruption Barometer report revealed that 66% of the Ukrainian public considered the judiciary to be the most corrupt institution in the country, with a remarkable twenty-one percent of Ukrainians admitting that they had paid bribes to judicial officials themselves.

Integrites Counsel Serhii Uvarov agrees. Although he's quick to note that going to court in Ukraine is no longer a "hopeless exercise," he notes that "there is still a great lack of confidence in the lower courts," and he admits that his firm continues to warn its clients about the risks of unexpected and unwarranted decisions and encourages them to have a back-up plan in place, ideally in other jurisdictions.

Sergiy Gryshko

And the unavoidable delay in having cases heard which plagued the Ukrainian courts for so long has not completely disappeared either, CMS Counsel Olga Shenk reports, with obvious frustration. "The delay in consideration of cases is huge," she says. "We have cases that have been pending with the Supreme Court for at least two years already … and they are simple tax disputes."

Tempus Narrabo

A thorough reform of a system so associated with corruption and inefficiency does not happen overnight, but there is general agreement that the process is moving in the right direction. Vadim Medvedev insists that even the problems with the lower courts will, over time, be resolved. "The system gradually improves by the movement down of higher requirements from within," he says. "From the Supreme Court to lower courts."

Sergei Gryshko is simultaneously hopeful and cautionary. "This is the best Ukraine has had," he says with a smile. "But it can be improved and in my view it must be improved."

The stakes, needless to say, are huge. "The importance of the judicial reform can hardly be overestimated," says Olga Vorozhbyt. "For foreign investors, the importance of a fair and effective trial prevails over the risks of war and other obstacles."

Mayya Kelova

MARKET SNAPSHOT: UKRAINE

FOREIGN LITIGANTS IN UKRAINIAN PROCEEDINGS: CHALLENGES AND OPPORTUNITIES

Vadim Medvedev, Partner, Avellum

Cross-border commercial disputes often raise a number of issues concerning the treatment of foreign litigants in domestic proceedings. A complete overhaul of Ukraine's procedural rules back in 2017 included a number of specific rules for foreign litigants that they must consider, especially when they have no local presence or assets in Ukraine.

Ukraine's procedural law is generally favorable for foreign litigants. Except for certain specific circumstances, foreign parties enjoy the same procedural rights as domestic ones. Foreign parties are also explicitly allowed to pay the mandatory court fee from their foreign accounts in euros or US dollars. Apart from proof of payment of the court fee, the only thing required by a Ukrainian court to commence proceedings is a certificate confirming the proper incorporation of a foreign entity in its home country. As the courts do not accept foreign language documents, care should be taken to translate all evidence supporting a claim into Ukrainian beforehand.

It is not unusual for the subject matter of a case brought to a Ukrainian court to be governed by foreign substantive law. In order to facilitate the application of foreign law provisions by Ukrainian courts, the parties are allowed and even encouraged to submit the reports of qualified expert witnesses. Such reports addressing relevant key aspects of foreign law are not binding on the court, although in practice the judges rely on them heavily.

Starting from the early stages of proceedings, a foreign plaintiff may encounter certain procedural pitfalls. One of these could be the security for legal costs of the domestic respondent. Upon commencement of the proceedings, the court may order such security if the plaintiff has no local presence or assets in Ukraine. Although in practice courts rarely resort to such orders, if an order is made, the plaintiff normally has up to 15 days to deposit the appropriate amount in the court's account. Notably, Ukrainian courts do not, at the moment, have deposit accounts in foreign currency. Foreign plaintiffs can, thus, find it technically impossible to comply with the order, even though non-compliance may result in the proceedings being terminated. In order to avoid this, we recommend that our clients open a UAH account with a Ukrainian bank and have some funds deposited there. Alternatively, the security ordered by the court may be paid by local counsel on his or her client's behalf.

Andriy Fortunenko, Senior Associate, Avellum

Similar barriers can arise when a foreign party seeks interim measures. The court may ask the applicant to provide counter-security to cover the defendant's anticipated damages if the claimant's case fails. In absence of clear guidance on how to measure such damages, the courts routinely request counter-security equal to the value of funds or assets sought to be frozen. Such approach is not quite fair though, and we traditionally attempt to persuade the court to decrease counter-security to a reasonable amount or even reject the application for counter-security at all. There is, however, a category of cases where the procedural rules require the courts to demand counter-security from a foreign

litigant with no local presence or assets in Ukraine. These are claims heard by general courts against individuals and applications for interim measures in support of foreign arbitration. When it is crucial to freeze the opposing party's assets pending resolution of a dispute, a foreign plaintiff must be prepared to offer counter-security. Considering that foreign currency accounts for this security are still unavailable, it is advisable to prepare a guarantee letter from a party with confirmed financial standing (preferably a local entity) to satisfy the court's request for counter-security.

In light of possible obstacles which a foreign litigant may encounter in Ukrainian proceedings, thorough preparation of the case and pre-assessment of security issues is a critical key to success.

By Vadim Medvedev, Partner, and Andriy Fortunenko, Senior Associate, Avellum

OVERVIEW ON UKRAINE'S READINESS FOR A NEW ELECTRICITY MARKET

Maryna Hritsyshyna, Head of Energy, Sayenko Kharenko

Ukraine's international obligations regarding reform of the country's electricity market are determined by the Treaty establishing the Energy Community and the Association Agreement between Ukraine and the European Union, the European Atomic Energy Community, and their member states.

Ukraine launched a new electricity market on July 1, 2019, following the April 13, 2017 adoption of the Electricity Market Law. It is expected that the implementation of reforms defined by the Electricity Market Law will lead to the liberalization of the Ukrainian electricity market and its functioning on a competitive basis.

The main objective of electricity market reform is to create a competitive market at the wholesale and retail levels. Reform of the electricity market should open the market to new participants, provide consumers with the right to choose electricity suppliers, and pave the way for affordable electricity prices.

Electricity Market Liberalization: Initial Results

Ukraine only had two years to prepare for a new electricity market. During this period, it was necessary to develop and adopt more than 100 legal acts, carry out the unbundling of all distribution system operators and SE NPC Ukrenergo, establish a guaranteed buyer for producers using renewable sources, and create a market operator for the day-ahead and intraday markets.

The first step on the path towards implementing the new electricity market was reforming the retail market. Implementation of a retail electricity market began on January 1, 2019, with the following results: (a) a new regulatory framework for the retail electricity market has been developed and implemented; (b) there are 302 independent electricity suppliers from which consumers may choose; (c) distribution system operators were unbundled and new entities on the retail electricity market – a distribution system operator, commercial accounting service provider, and electricity supplier – were created.

Main Challenges Facing the Launch of a New Electricity Market

The final steps towards energy reform took place in a challenging environment. In March-April 2019, Ukraine held presidential elections. After the inauguration of President Volodymyr Zelenskyy, the Verkhovna Rada (the unicameral parliament of Ukraine) was dissolved and preterm elections were set for July 21, 2019. This created uncertainty over the launch of a new electricity market.

For this reason, most participants of the electricity market and key stakeholders raised the issue of postponing the implementation of the new electricity market. Representatives of the EU and European Investment Bank backed this initiative due to the lack of a proper regulatory basis and suitable IT systems.

Parliament registered two drafts relating to the Electricity Market Law, initiated separately by MPs and President Volodymyr Zelenskyy, calling for postponing the launch of the new electricity market for a period of from three months up to one year. However, parliament did not consider either draft.

On June 13, 2019, the Constitutional Court of Ukraine issued ruling No. 5-p/2019, recognizing some conditions of the Law

on NEURC as unconstitutional, and these unconstitutional conditions will expire on December 31, 2019. This decision raised issues regarding the authority of the regulator before the implementation of the new electricity market, but did not stop the launch of the market.

Electricity Market Launch: Key Results

Notwithstanding a variety of difficulties, in June 2019 the Cabinet of Ministers of Ukraine and the National Energy and Utilities Regulatory Commission of Ukraine (NEURC) adopted an unprecedented number of resolutions regarding the launch of the new market. The Cabinet of Ministers adopted both the procedure for imposing special obligations on the participants of the electricity market to protect the public interest and the procedure for conducting electronic auctions for the sale of electric energy under bilateral agreements.

The NEURC revised market rules and day-ahead and intraday market rules. Additionally, the NEURC provided licenses to the guaranteed buyer and the market operator less than one week before the launch of the market, making it possible to conclude the amendments to the power purchase agreements of the producers of energy from renewable sources and launch the electricity market with all participants.

By Maryna Hritsyshyna, Head of Energy, Sayenko Kharenko

FMCG IN UKRAINE

Dmytro Syrota, Managing Partner, SDM Partners

Ukraine continues to bring its legislation in line with EU legislation, fulfilling its obligations under the Association Agreement between the EU and Ukraine. One of the ways to improve the laws of Ukraine is to establish a relationship between the consumers, producers, and sellers of goods – especially of non-industrial use goods.

One of the regulations to be highlighted in that regard is Ukraine's "On Consumer Information on Food Products" Law (the "Law") that was passed in February and most of which came into force on August 7, 2019.

The Law substantially tightens the requirements for providing information about food products on market operators, including requirements regarding labeling, composition, advertising, and positioning in the market.

Although there are a significant number of exceptions, as a general rule, the Law establishes a list of twelve items that must be displayed when selling packaged foods. In addition, the Law provides a detailed set of rules for *how* these items should be displayed on food packaging, including on the size and brightness of the font and to the approach of displaying a single item. For example, the Law establishes an extremely detailed framework for how the composition of a food product should be described, including the requirement that products containing more than 0.9% of genetically modified organisms or produced from an ingredient containing more than 0.9% of GMO should be labeled "with GMO."

In addition, the Law includes a business-friendly transitional provision which permits the sale of foods produced under the previous law for three years from the day the Law entered into force (so, until August 7, 2020).

The liability situation for violations and for non-compliance with the requirements for reporting the information on food products has significantly changed. Previously, the law provided only for fines for violations of the requirements for reporting information on food products (fixing five minimum wages as a fine) and only in cases where the violations could harm the life or health of a person or an animal (in accordance with Paragraph 5 Part 1 of Article 65 of the Law of Ukraine "On State Control over Compliance with Legislation on Food Products, Feed, By-Products of Animal Origin, Animal's Health and Welfare"). Moreover, a penalty could be applied only in cases of repeated violations over the past three years (according to Part 2 of Article 65 of the same legislative act).

However, the Law changes the situation dramatically. First, for the above violation, the fine is increased to the amount of 30 minimum wages for legal entities and to 25 minimum wages for individual entrepreneurs. Second, a new formulation of offenses, providing for extremely high fines, is introduced. For example, failure to provide the consumer with information about the ingredients that can cause allergies or intolerances can be fined in an amount of up to 30 minimum wages for legal entities and up to 25 minimum wages for individual entrepreneurs.

The stipulations of Article 151 of the Law of Ukraine "On Protection of Economic Competition" which state that providing inaccurate, mistaken, or misleading information about any product can be interpreted as unfair competition should not be ignored. For the improper execution of the law, a penalty of up to 5% of the subject's annual income of the year preceding the imposition of the fine is provided. It is also worth remembering the eventual problems that came with customs clearance when importing products which are marked inconsistently with the legal requirements. The introduction of a new special labeling law detailed the legal regulation of these issues.

All of these requirements are closely related to the harmonization of the laws of Ukraine with EU legislation. For investors, on the one hand, the new rules will impose additional

costs for changing the packaging of goods to comply with the Law's requirements, but on the other hand, they will simplify the work in Ukraine for both Ukrainian and European food producers due to a unified approach to product labeling. This, in turn, will increase consumer awareness of products and, hopefully, will reduce the number of complaints.

By Dmytro Syrota, Managing Partner, SDM Partners

THE GORDIAN KNOT OF UKRAINIAN GAS TRANSMISSION SYSTEM UNBUNDLING

Maria Orlyk, Partner, CMS Reich-Rohrwig Hainz

Halfway through 2019 Ukraine has already seen major changes in its energy sector's legal framework, including the effect of the recent decision of the Constitutional Court of Ukraine involving the legal status and decision-making authority of the Ukrainian energy market regulator (the "Regulator"). The shockwaves are likely to go far beyond 2019.

In particular, the current year has become a litmus test for the country's capability to procure proper compliance with the EU's Third Energy Package, to unbundle the Ukrainian gas transmission system, to set new gas transit tariffs, and – most importantly – to secure a new long-term gas transit contract and remain a reliable gas transit partner for European countries. Achieving this all will be a challenging task for the Government, as well as for the current and future gas transmission system operators.

Adoption of the Gas Market Law in 2015, followed by the 2016 introduction of Resolution No. 496 of the Cabinet of Ministers of Ukraine setting out the preferred unbundling model, gave rise to cautious optimism that Ukraine was actually moving towards efficient gas sector reform and bringing its gas market in compliance with EU Directive 2009/73/EC. In short, the Government chose the gas transmission system (GTS) unbundling model (ownership unbundling) and instructed Naftogaz (the owner of the current GTS operator) to procure it.it. Unfortunately, with Naftogaz/Gazprom arbitration disputes unfolding, the GTS unbundling progress lost its tempo.

Thus, January 1, 2020 was set as the designated milestone both for unbundling and for the new gas transit contract. While the Government – in preparation for the ownership unbundling – established the future GTS operator (Main Gas Pipelines of Ukraine ("MGU")), Naftogaz chose to pursue a different model (an independent system operator ("ISO")), and invested two years into its preparation. Presentation of the ISO model by Naftogaz caused some real controversy in the professional community. The proposed ISO model would require and rest on a concession agreement, which was and remains impossible within the current legal framework. Thus, implementation of the proposed ISO model appears conditional upon the Parliament of Ukraine adopting an appropriate wording of the law on concessions. Results of parliamentary elections in Ukraine leading to establishment of a single-party majority mean that the new Ukrainian Parliament will be in position to procure efficient and operative legislative process. However, the adoption of the new law on concessions in the wording suitable for the ISO model will depend on the political will of the ruling party. Not to mention that concessions of state property have always been a very sensitive and controversial issue, which makes adoption of the new law on concessions rather challenging task even for the majority party.

Furthermore, within its proposed ISO model, Naftogaz has established a special company – Gas Transmission System Operator LLC (the GTSO LLC) – which is designed to become the independent system operator as soon as it is transferred to the ownership of MGU.

With the year-end approaching and pressure increasing, in early June 2019 the Government came up with amendments to Resolution No. 496. The initial unbundling plan was revised, although retaining the ownership unbundling model. As a result, the unbundling plan has become even more complicated, as it foresees the temporary (*i.e.*, until January 1, 2020) integration of MGU into Naftogaz Group.

However, the new amendments to Resolution No. 496 have not changed the intention of Naftogaz to proceed with its ISO model. The new Resolution has vested Naftogaz with the obligation to procure protection of its position at the arbitration in Stockholm of its dispute with Gazprom over the revision of gas transit tariffs through the Government's unbundling model. According to Naftogaz, protecting its position in Stockholm arbitration may be achieved exclusively through its proposed ISO model.

All things taken together, the unbundling may seem to have fallen into gridlock. MGU is obliged to file for certification as the gas transmission system operator. At the same time, under Naftogaz's unbundling roadmap, GTSO LLC plans to file for such certification itself. The crucial task for the applicant will be to convince the Regulator and the Energy Community Secretariat in independence of the GTS operator and its ability to ensure functioning in compliance with principles of EU's Third Energy Package. There is a good chance that the certification will be achieved under the revised certification order currently elaborated by the Regulator which will allow conditional certification prior to final certification.

By Maria Orlyk, Partner, CMS Reich-Rohrwig Hainz

INSIDE OUT: FRAMEWORK FINANCING AGREEMENT FOR THE SYVASH WIND FARM IN UKRAINE

The Deal: In February 2019 CEE Legal Matters reported that Integrites and K&L Gates had advised Norwegian utility-scale wind power developer NBT and Paris-based renewable energy independent power producer Total Eren on their entrance into a framework agreement with a syndicate of foreign lenders, including the EBRD and the Nordic Environment Finance Corporation, for the construction of the Syvash wind farm – one of the largest in Europe. Redcliffe Partners and Clifford Chance advised the lenders and J.P. Morgan Securities Plc as debt coordinator.

We reached out to Integrites, K&L Gates, and Redcliffe Partners for more information about the deal, and how they made it happen.

The Players:

- **Counsel for NBT and Total Eren: Alex Blomfield, Partner, K&L Gates; and Oleksiy Feliv, Managing Partner, Integrites**
- **Counsel for the Lenders: Olexiy Soshenko, Managing Partner and Head of Banking and Finance, Capital Markets and Debt Restructuring, Redcliffe Partners**

CEELM: Alex and Oleksiy, how did you and K&L Gates/Integrites become involved in this matter?

Alex: I had acted for NBT on their wind projects in Pakistan at a prior firm but had fallen out of contact. I reconnected with Joar Viken (NBT's CEO) and Thorstein Jenssen (SVP, Corporate Finance) in June of 2017 on a visit to Oslo (where I used to live) and learnt about NBT's plans for the Syvash project. Following this meeting I made a number of useful introductions to NBT in relation to the Syvash project, most notably to potential lenders including the European Bank for Reconstruction and Development, the Black Sea Trade and Development Bank, and DEG, but also to advisers such as Marsh and Integrites. Following these introductions, NBT mandated us as international counsel.

Oleksiy (Integrites): I was originally contacted by Alex Blomfield at K&L Gates. Alex got my contact from his partner, Ian Meredith. At the time, Alex was already involved in assessing with the due

diligence report that was prepared by another Ukrainian law firm. We discussed our experience in renewables (going back to 2009, when the feed-in tariff program was first established in Ukraine) and agreed that Integrites would assist with the due diligence report, which required further project-specific input. We provided our comments on the report to NBT, following which NBT decided to retain us as a local counsel in Ukraine.

CEELM: What about you, Olexiy? How did you and Redcliffe Partners become involved in this matter?

Olexiy (Redcliffe): We were approached by Clifford Chance, London office, at the end of October 2017, asking us to provide a fee quote and act as Ukrainian legal adviser to J.P. Morgan Securities plc, which was a mandated lead arranger in this deal. We also met with representatives of J.P. Morgan in London to present our capabilities.

CEELM: What, exactly, was your mandate when you were first retained for this project?

Alex: Our original mandate in August 2017 was to advise NBT on political risk and structuring with particular focus on investment treaty protection and tax efficiency.

Oleksiy (Integrites): The original mandate was to check the charter of the special purpose vehicle. We were then further mandated to evaluate the due diligence report as described above.

Olexiy (Redcliffe): The initial mandate contemplated the implementation of a senior and mezzanine secured debt structure, which required a review of the senior and mezzanine level finance documentation and the preparation of two sets of Ukrainian security documents to provide for first and second ranking security. In general, the initial Ukrainian scope contemplated the preparation of limited legal due diligence of the borrower (including the corporate part), a review of the project agreement, licenses and permits, and limited title due diligence for the purposes of the Ukrainian security documents. We also undertook a corporate check for the purposes of the Ukrainian legal opinion with the provision of a "red-flag" due diligence report, a review of a set of finance documents from a

Ukrainian law perspective, drafting, signing, and perfecting the Ukrainian security documents, reviewing and collecting CPs, and the issuance of a Ukrainian capacity and enforceability opinion.

CEELM: Who were the members of your teams, and what were their individual responsibilities?

Oleksiy (Integrites): I led the project at all stages. In particular, I worked on the project due diligence, the Share Purchase Agreement, and negotiations for the engineering, procurement, and construction contract and the signing and closing of the first loan segment with the banks. Since-departed Partner Vsevolod Volkov was involved in the negotiations, drafting, and closing of the financing. Partner Igor Krasovskiy, who replaced Vsevolod, was involved in the second financial close.

Senior Associate Olena Savchuk reviewed and elaborated on the transaction documentation, assisted with the execution and perfection of the security at the Ukrainian level, advised on financing issues related to the transaction (including the PowerPurchase Agreement), and led negotiations with the NBU and the client's servicing bank. Counsel Gennadii Roschepii managed and supported on construction and energy matters, [helped with] obtaining all necessary permits, licenses, and other documents, drafted and organized the signing of EPC Contract and security documents, and advised on ongoing construction issues. Senior Associate Dmytro Kiselyov was involved in the SPA and Escrow Agreement drafting with respect to the project and drafting the EPC in relation to local law issues. Since-departed Senior Associate Anton Babak drafted and negotiated the SPA and coordinated all corporate work on the project.

Partner Viktoriya Fomenko provided tax and customs support on the SPA, EPC, and financial documents. Partner Dmytro Marchukov and Counsel Serhii Uvarov, both from the arbitration and cross-border litigation practice, assisted in the preparation of a memorandum on enforceability of the contract for the electricity purchase in Ukraine and on a mechanism for guaranteeing investment in projects under the "green tariff," and Associate Andrii Lasikov provided legal advice on merger concentration issues.

Alex: I led the K&L Gates team at all stages of the project. In particular, I worked on the initial acquisition of the Syvash project company, initial project development, project due diligence, construction and O&M tendering, EPC and negotiations, WMSA and negotiations, and both of the project financing segments. Since-departed Partner Mayank led project financing for Segment 1. Partner James Green led the corporate piece that included reviewing, negotiating, and drafting the SPA and ancillary documentation.

Senior Associate Joshua Spry was involved in the preparation of EPC and WMSA tender drafts, supported project financing for segment 1, and managed financial close for Segment 2, and Associate Francis Iyayi was involved with the negotiation of EPC and WMSA and supported project financing for Segments 1 and 2. Departed Associate Caroline Urban assisted on the corporate piece that included reviewing, negotiating, and drafting the SPA and ancillary documentation. Associate Peter O'Donnell supported project financing for Segment 1 and Segment 2, with Associate Sherry Scrivens and Trainee Hannah Davies supporting project financing for Segment 1. Finally, trainee Francesca Norman supported the tendering process, EPC negotiations, and WMSA negotiations.

Olexiy (Redcliffe): Apart from banking and finance work the team for this project involved a number of lawyers from different practice areas, such as regulatory in alternative energy, real estate, tax, and customs matters, and from dispute resolution for the analysis of potential future protections of lenders' and investors' rights in the event of a breach of the obligation to pay the feed-in tariff by the state. I was responsible for general coordination and supervision. Senior Associate Evgeniy Vazhynskiy was responsible for the ongoing structuring, banking, currency control and security-related advice, the preparation of the due diligence report, the review of finance documents, and for the drafting and negotiating of Ukrainian security documents. Counsels Svitlana Teush, Oleksandr Markov, Anastasia Usova, and Partner Sergiy Gryshko were also involved, and they were supported by Junior Associates Eduard Olentsevych and Bogdan Nykytiuk, who were responsible for legal due diligence, the review and collection of CPs, signing and perfecting security documents, and preparing the Ukrainian legal opinion.

CEELM: Please describe the deal in as much detail as possible.

Oleksiy (Integrites): The Syvash Wind Farm Project of up to 250MW is situated on approximately 1,300 hectares of land in the Chaplynka district of the Kherson region of southern Ukraine. The sponsors were a subsidiary of utility-scale wind power developer NBT AS, Total Eren SA (a Paris-based renewable energy independent power producer), and Al Gihaz Holding, a Saudi Arabian conglomerate. Financial close was reached for Segment 1 of the project at the end of January and Segment 2 in mid-April 2019.

First, the customs and tax issues involved in the Syvash project were complex. In a new approach for wind farms in Ukraine, the project agreements for the Syvash project provided for delivery duty paid terms of delivery under Incoterms 2010, which made the relevant contractor in each case responsible for arranging carriage and delivery of the goods at the named place, cleared for import and with all applicable taxes and customs duties paid and wrapped up in an all-inclusive EPC contract price for the goods and therefore providing a level of certainty for sponsors and developers of projects. Resolution of these issues was a particularly good example of Integrites and K&L Gates working well together as it required deep knowledge and experience of local requirements as well as the ability to find a solution within those constraints

that met the need of the sponsor and the preference of its lenders that the EPC contractor retain responsibility for customs clearance and payment of customs duties, fees, and charges.

The Syvash project was financed by a consortium of development finance institutions, third-party debt from financial institutions, and the sponsors' equity. Segment 1 of the project financing involved the provision by the relevant banks of an A/B loan of up to EUR 155 million for the construction of the initial 133 MW of the wind park. The EUR 155 million of senior debt for Segment 1, containing 34 turbines, was signed on January 21, with the EBRD committing to EUR 150 million (including EUR 75 million in B loans from the Green for Growth Fund and the Netherlands Development Finance Company) and EUR 5 million from the Nordic Environment Finance Corporation.

Over EUR 107 million of further senior debt for Segment 2, for an additional 29 wind turbine generators, was signed on April 8, 2019, with EUR 30 million committed by the Black Sea Trade & Development Bank, EUR 15 million from Finnfund, EUR 15 million from the IFU, EUR 5 million from the Nordic Environment Finance Corporation, and EUR 42,638,036.90 committed by Proparco. The lenders agreed to allow the sponsors to enter into commitments for additional facilities following the commercial operations date and to adjust the project's leverage if certain tests are met at the relevant time.

Base equity contributions from the sponsors – NBT, Total Eren, and Al Gihaz Holding – exceeded EUR 110 million for Segments 1 and 2.

Due to the quality of deal execution and the service provided, we managed to build up such confidence in the Syvash project that the debt financing could be arranged despite the imposition of martial law during a key period for finalizing the finance documents for Segment 1. In addition, the parties were able to finalize the finance documents for Segment 2 and reach the second financial close despite the volatility caused by the occurrence of presidential elections in the middle of the process.

The borrowers received technical, environmental, and social advice from Wood Group UK, insurance advice from Marsh, and Swedish legal advice from Advokatfirman Torngren Magnell.

The sponsors and their advisers, with support from the lenders and relevant agent and account bank parties, worked closely with the NBU to agree on an accounts structure that met Ukraine's new regulatory requirements (including the new regulatory framework for currency control that came into effect in the country on February 7, 2019) and allows for upstreaming of foreign currency to offshore secured accounts.

Finally, an important element of the financing of Syvash was the standard lender expectation for the parties to enter into a suite of acceptable construction and service contracts. As such, the parties agreed on an EPC with the Power Construction Corporation of China Ltd (PowerChina) and Powerchina Fujian Engineering Co Ltd, and a subcontract with the Nordex Group for the supply of 63 turbines from the N131/3900 series in multiples of 3.9MW, thereby combining a Chinese EPC contractor with a leading European turbine supplier.

In addition, Syvash entered into a 15-year warranty service and maintenance agreement with Nordex Energy GmbH and a Nordex subsidiary in Ukraine as service provider. Traditionally, wind projects in Ukraine have been implemented under split contractual arrangements, separately for turbine supply on the one hand and installation and the balance of plant on the other hand. The Syvash project, however, benefits from a fully-wrapped single point of contact EPC, thereby enhancing bankability. To achieve this, NBT leveraged its deep experience of owning,

Alex Blomfield

Oleksiy Feliv

Olexiy Soshenko

financing, and operating wind farms in China to select and negotiate with PowerChina, one of China's largest EPC contractors. As such, the Syvash project is one of the few wind farm projects in Ukraine with an internationally-recognized EPC contractor.

CEELM: Thank you for that extensive summary Oleksiy. Olexiy, what about

Signing ceremony at Davos. Lower row, from left: Total Eren CEO David Corchia, EBRD Vice-President Banking Alain Pilloux, NBT CEO Joar Viken. Upper row, from left: Ukrainian President Poroshenko and EBRD President Suma Chakrabarti.

from the Redcliffe Partners' side?

Olexiy (Redcliffe): The deal was a traditional project financing to be arranged and syndicated by J.P. Morgan to institutional investors and IFI and DFI lenders. It initially contemplated several levels of debt, including senior secured debt by various financial institutions and mezzanine secured debt to be extended by institutional investors on the offshore HoldCo level. This was to be further on-lent to the Ukrainian SPV for the construction and operation of a wind power plant. Senior lenders expected to be involved included international financial institutions, development financial institutions, foreign commercial banks and Ukrainian banks. Private investors under the senior and junior facilities were expected to benefit from political risk insurance cover (PRI) to cover war/expropriation/convertibility/breach of PPA from OPIC, MIGA, or an equivalent provider. The transaction also contemplated the implementation of an offshore and onshore project accounts structure usually used in international project finance deals. Subsequently, the mezzanine facility and PRI were dispensed with, whereas the senior financing was split into two segments, with EBRD and NEFCO funding the first segment and the remainder of the DFI lenders –BSTDB, Finnfund, Proparco and IFU – later acceding to the deal to fund the second segment. Unfortunately, eventually neither foreign commercial nor Ukrainian banks joined the deal. The mezzanine facility was replaced with equity contributions to be made by the sponsors (NBT AS and Total Eren) as project support.

CEELM: What was the most challenging or frustrating part of the process?

Alex: There were four main challenges: First, we had to provide solid legal answers/responses and persuade all the lenders that the Ukrainian feed in tariff (or "FiT") system is good enough to provide financing. This was not easy as the model PPA contains a parallel litigation and arbitration clause, no termination payments, and no change of law protection, along with other perceived and actual shortcomings. The foregoing meant real challenges for bankability from an international lender perspective. Thus our original report on structuring for NBT evolved into a major report which covered the potential of investment treaty protection to mitigate against some of the country risks related to the payment of the FiT. In addition, we produced separate reports on dispute settlement and other bankability issues in the PPA and generally speaking worked hard over many months to convince lenders of the bankability of the Ukrainian FiT system and PPA.

Second, we were advised on the project financing, which has not been executed at such scale and with such set-up in Ukraine before (among other things this was the first limited recourse financing of a wind farm in Ukraine). We faced difficulties in implementing internationally accepted project finance solutions in the Ukrainian legal and regulatory environment. The standard documentation required by Ukrainian authorities did not provide for the level of legal certainty and comfort that the sponsors wanted. There were no standard answers and very often we had to work closely to come up with and adapt solutions in parallel to the adoption of new laws and regulations.

Third, we structured the deal with a full-wrapped EPC which has not been done before in the wind industry in Ukraine. This again required many non-standard approaches and legal solutions and no small amount of lateral thinking when obstacles arose.

Finally, another bottleneck arose out of the February 7, 2019 change in the regulatory regime for currency control that affected the project's closing. Apart from aligning all documentation to fit into the new rules, we were also met with a lack of understanding by the National Bank of Ukraine of transaction funds flow and had to walk them through it working jointly to elaborate the NBU's new approaches to cross-border matters. We had to explain, among other things, such items as (i) how the debt service reserve accounts should work under the new rules, (ii) how the currency should flow from onshore to offshore accounts, (iii) whether or not the funds could be accumulated for future payments onshore and offshore, and (iv) what the approaches to interest rates should be now that the rate limits have been cancelled. Once again successfully resolving these matters required close cooperation between us.

Olexiy (Redcliffe): The most challenging

part of the deal was the implementation of a complex offshore and onshore project accounts structure. The transaction was undertaken during Ukraine's transition from an old, strict currency control regime (which made it virtually impossible to implement a traditional project financing account structure) to one that was more liberal but still evolving and largely untested. This resulted in quite difficult and protracted negotiations between the parties, the Ukrainian account bank selected to service the payments (Citibank Ukraine), and the National Bank of Ukraine as the regulator responsible for Ukraine's currency control regulatory framework.

The most "frustrating" element, in our view, was the unsuccessful attempt to obtain political risk insurance for the private investors, which availability would likely attract more commercial lenders (such as foreign banks). Also, we believed the Ukrainian banks should express a greater appetite to participate in such deals, but it appeared that Ukrainian banks still experience various commercial and legal obstacles preventing them from providing project financing to Ukrainian SPVs.

CEELM: Was there any part of the process that was unusually or unexpectedly smooth/easy?

Oleksiy (Integrites): We were surprised by the extreme preparedness of all parties to meet the common goal and to move the deal to financial close and success. This went not only for sponsors and lenders, which is understandable, but also to third parties like insurers, servicing banks, and – much to our astonishment – the NBU. In particular, the NBU was willing to have numerous calls and hold several meetings to align on positions and provided general support in currency related matters. This is something very unusual in the Ukrainian realm.

Coordination among the lenders (and between the lenders and the borrower) was also something that went more efficiently than we expected. As the project consisted of a large international structure, the NBU could have dragged its feet on the process due to bureaucracy, but instead often took a business-oriented approach and endeavoured to help the project to come together and reach financial close sooner than expected.

Alex: I second everything Oleksiy says but would also add that such a close and enjoyable working relationship with local counsel in Ukraine was not something I necessarily expected at the beginning of the process. Not only have I gained a close professional working relationship with Integrites but I also have developed friendships with Integrites' lawyers that provide another reason why I am eager to do more business in Ukraine.

Olexiy (Redcliffe): Compared with other, similar deals, the Ukrainian security documents negotiation process was quite smooth and straightforward and the documents were agreed promptly. On the funds debiting agreement, which often requires additional time to agree, the process was further complicated due to the changes in legislation and certain gaps in such legislation.

CEELM: Did the final result match your initial mandates, or did it change/transform somehow from what was initially anticipated?

Oleksiy (Integrites): It expanded. The deal initially was expected to have a lot of standardized elements – FIDIC contract, EBRD and other IFIs templates and policies, *etc.* But during our due diligence checks and contractual deliberations we occasionally discovered something that required extra thought or clearance. Our scope and fees, therefore, grew ten times from what was agreed initially.

Alex: Not only did we act as international legal counsel throughout long and complex negotiations, with new challenges constantly arising, but also as project managers and trusted advisers. This was due to the closeness of our relationship with the NBT and the comparative smallness of the NBT team. This also meant that we spent a lot of hours that we did not anticipate at the beginning of the deal.

Olexiy (Redcliffe): Not exactly. Some parts fell away (such as the PRI, mezzanine facility, VAT facility, and having Ukrainian banks as lenders) whereas other matters became more extensive compared with the initial scope. For example, we undertook an exhaustive legal due diligence of the borrower, including in the report extensive renewables market advice, financing and currency control, and regulatory and tax advice, which usually are not included. It is important to note that the electricity market is undergoing fundamental reform [in Ukraine], including: the new electricity market to be created; the off-taker being replaced by a new entity called the "guaranteed buyer"; a new template of the power purchase agreement being created; auctions for the feed-in tariff being introduced; balancing; and many other issues. This reform makes the implementation of renewables projects somewhat of a moving target. Also, we received a lot of follow-up and related queries from all lenders involved (including from sub-participants). The accounts structure initially contemplated an NBU-licensing arrangement, which was initially "blessed" by the NBU, but the new currency control regime came into effect and a new arrangement had to be reached with the NBU, the account bank, and the borrower.

CEELM: Oleksiy and Alex, what specific individuals at NBT and Total Eren directed your team's work, and how did you interact with them?

Olexiy (Redcliffe): We were impressed by the fact that the client's top management was not only always available for discussions or guidance, but also actively participated in pushing the deal through all authorities and negotiations. Thorstein Jenseen and Joar Viken were always available to meet and to talk and always willingly attended the all-party negotiations, including with Ukrainian authorities. CFO Ketil Sundal and Ukraine Country Manager Vlad Kazak were also supportive and fast in providing all necessary fac-

tual information and documents.

On the Total Eren side, we are much obliged to Project Finance Director Victoire Potel, who at certain occasions stepped in to facilitate the reaching of an agreement among all parties and to coordinate the expedited closing of outstanding matters on all ends. On our calls she often was the one leading the process and pointing to clear and definite answers and instructions.

Alex: Our interaction with NBT and Total Eren (once they joined the project) was close and frequent. We worked closely with Walter Chang, the CEO, Asia Operations and then-VP Business Development Kyrre Lund of NBT over the long hours of many months negotiating the EPC contract with PowerChina and the WMSA with Nordex. Thorstein Jenssen led on the project financing for NBT and displayed a cool head, excellent judgment and a patient capacity for long hours and hard work throughout the process. We also worked with Ketil Sundal in relation to the Accounts Agreement and shareholder loans. Joar Viken was available for key meetings and always willing to act decisively when required to break logjams as well as maintaining optimism and belief in the project in the face of apparently bad news from time to time.

On the Total Eren side, we were chiefly instructed by Victoire Potel and VP, Corporate & Business Development Yonatan Shek in relation to the financing, both of whom were tenacious in their pursuit of a better deal for sponsors. We also worked with Senior Business Developer Charles Vallee on the financing and General Counsel Thierry Clementz on the service agreements. For the EPC contract and WMSA, our instructions from Total Eren came via Head of Wind Procurement and Construction Catalina Acosta, Wind Procurement and Construction Manager Francesc Grau Castella, Executive Vice President – Global Head of Business Development Fabienne Demol, and Yonatan Shek.

Olexiy (Redcliffe): The EBRD team was primarily represented by banker Pavle Milekic and legal counsel Joel Baranowski, who were actively involved in the loan documentation negotiation process and to whom we provided ongoing structural, legal due diligence, and renewables regulatory and currency control advice. The NEFCO team involved senior investment manager Amund Beitnes and senior legal counsel Ritva Kauppi, to whom we responded on legal due diligence queries and renewable regulatory issues

CEELM: Oleksiy and Alex, how would you describe the working relationship between your two firms on this?

Oleksiy (Integrites): Approximately by the middle of the project everyone started seeing that numerous e-mails to the groups often exceeding 40 people were inefficient. That is when we started flying to London, Oslo, Paris, Kyiv – to simply look each other in the eyes while discussing yet another financial covenant or certification requirement. Being in one and the same room often helped [everyone] be more committed and get to the root of the matter and omit redundant overtures. Draft documents shortened to page pulls only, and everybody became more human (not forgetting professional ethics, of course). And I can say that we became friends, because we started sharing not only professional approaches, but also meals and personal insights. This helped me better understand Nordic culture and their way of approaching business.

There were no *final negotiations*, as such. But it feels that the final destination point of the deal (and simultaneously the starting point for the project) was when the lenders' advisors had issued the Conditions Precedent satisfaction letter and the first tranche reached the account of the borrower. The satisfactory feeling of congratulating each other, publishing press-releases and issuing invoices! But also seeing how the equipment is being imported and installed on the site and the new power plant being erected.

Alex: Too many emails, numerous calls, and comparatively efficient face to face meetings held over many months!

CEELM: And how would you describe the working relationship with Redcliffe Partners and Clifford Chance on the deal?

Oleksiy (Integrites): Clifford Chance and Redcliffe Partners conducted themselves highly professionally, and no less important, as result-oriented lawyers.

CC took the role of project lead and managed the collection and exchange of all required documentation. They also introduced us to several interesting online platforms that help monitor the process-

Lake Syvash Wind Farm Chakrabarti.
(obtained from NBT website)

es and reduce the usage of paper – we are looking closer on using them further in our work because this accelerates dealings drastically. Alas, not many firms in Ukraine are used to this.

Compared to CC, Redcliffe Partners' team is smaller, but they managed to be efficient and deliver expedited support. When something could be delivered in scanned copy, they allowed it to be delivered in scanned copy. And when the laws were ambivalent, they opted for a choice that could advance the deal. They always were able to explain the rationale behind their selections and requirements, which is a rather rare occurrence among the Ukrainian legal fraternity.

Alex: Clifford Chance's lead partner on the financing, Simon Williams, did an excellent job managing the lender group and he was supported in dedicated, thorough, and tireless fashion by Natalia Veriasova and Tina Xu. CC's project document lawyers Leo Rudolph and Tom Ward were rigorous but also commercial in their review of the EPC contract and warranty, maintenance and service agreement, as well as a number of amendments to each (largely caused by delays to financing).

Redcliffe Partners had a reputation as technically good lawyers. Olexiy Soshenko and Evgeniy Vazhynskiy on RP's financing team lived up to this reputation but also showed the necessary pragmatism and problem-solving skills to get the deal done despite ongoing challenges.

CEELM: Olexiy, how would you describe the working relationship between your side and Integrites/K&L Gates on the deal?

Olexiy (Redcliffe): There was a lot of ongoing negotiation and communication between the lawyers. We had several lawyers' meetings in Kyiv and had a lot of bilateral calls with Integrites' lawyers on a daily basis to iron out various local law issues. Also, Redcliffe, Integrites and K&L Gates participated in several meetings with the National Bank of Ukraine to resolve the accounts structure issues. Aside from that, there were several all-party negotiating sessions held in London (arranged by Clifford Chance) and Paris (arranged by Total Eren) with physical signing of most of the finance documents. We were quite satisfied with the level of cooperation between legal counsel and their overall responsiveness. Despite being on different sides, the main goal of the lawyers was to complete the deal despite various hurdles, ensuring at the same time that the interests of their parties are protected. The lawyers worked hard, being proactive and practical at the same time.

"The Syvash project demonstrates that foreign investors will commit to the market when presented with an attractive offering. There are ongoing challenges but with a project such as this as a blueprint, opportunities can only increase."

CEELM: Finally, how would you all describe the *significance* of the deal?

Oleksiy (Integrites): The Syvash project is unique in the Ukrainian energy market, considering its size, the amount of finance involved, and its contribution to the development of wind energy in Ukraine. Once commissioned, it will be one of the largest renewable energy projects in Ukraine and will produce approximately 900,000 KWh of electricity per year. This will be enough to supply the electricity needs of approximately 100,000 households. It is planned that the project will create around 180 jobs in the long-term.

It is the first large-scale limited-recourse financing project in renewable energy in Ukraine and the first limited-recourse financing for a wind power project in Ukraine. It is also unique in the volume of financing, with the total syndicated loan amount reaching EUR 372 million.

The project also constituted the first investment or involvement in the Ukraine market for developers NBT and Total Eren, EPC contractor PowerChina, turbine supplier Nordex, and development finance institution lender Proparco. This vote of confidence in renewable energy in Ukraine creates positive dynamics for further foreign investment in Ukraine and shows the accessibility of the Ukrainian market for international investors and project financing.

The Syvash project demonstrates that foreign investors will commit to the market when presented with an attractive offering. There are ongoing challenges but with a project such as this as a blueprint, opportunities can only increase. It will also give a boost to the development of local infrastructure and neighboring power facilities necessary for the wind power plant's proper functioning. Moreover, this project will create a precedent for structuring and realizing further renewable energy projects in Ukraine.

Olexiy (Redcliffe): In our view the Syvash deal is a landmark transaction in Ukraine as, in many respects, it is a unique, breakthrough deal which should give a new impetus to project financing in Ukraine and demonstrate that Ukraine is open to such investment opportunities. It may also provide borrowers and lenders with sufficient new precedent instruments and comfort to enable their participation in future similar projects. It is not the first renewables financing in Ukraine, but it is the largest (in terms of amount of financing attracted, and power plant capacity) and most complex so far. It has expanded the list of potential lenders who may be interested and willing to provide project financing to various development financial institutions, some of which were not very active, if at all, in Ukraine. This is the first deal to establish the offshore and onshore accounts structure that foreign investors typically expect to see in project financing, and which is now an important precedent for future reference.

David Stuckey

MARKET SPOTLIGHT: GREECE

At a Glance:

- Population: 10,761,523 (July 2018)
- Life Expectancy: 80.8 years
- Current President: Prokopios Pavlopoulos (Prime Minister: Kyriakos Mitsotakis)
- 2018 FDI: USD 4.257 Billon
- 2018 GDP: USD 219.097 Billion
- 2018 GDP per capita: USD 20,408
- 2018 GDP Growth: 1.9%
- Sectors % of GDP (2017 estimate):
  - Agriculture: 4.1%
  - Industry: 16.9%
  - Services: 79.1%

GUEST EDITORIAL: THE GREEK SPRING

Economic recovery, growth, and FDI are the main themes of the Greek market, where, after nine years of recession, the economy is beginning to shift and grow.

This has impacted transactional law firms in Greece that have witnessed an increase in mandates spanning across the M&A, banking, finance, and capital markets sectors and hence an increase in the number of attorneys.

Firms that have managed to modernize themselves and the way they operate have clearly gained mandates as opposed to those who have retained the traditional way of legal advice of the past.

The need of banks to clear their balance sheets and dispose of NPL portfolios over the past few years, coupled with reforms on enforcement proceedings and auctions, was a driver for large credit transactions and will continue to be for the remaining of 2019 and 2020.

However, more traditional private equity and M&A transactions that are a result of FDI, led by foreign institutional investors, are also rising.

Major activity has been noted in the real-estate, hospitality, energy and infrastructure sectors where firms representing foreign investors have experienced an increase in transactional mandates.

Such activity has created the need for a higher level of expertise among law firms and a need for a service offering similar to international law firms. Thus, the market is seeing Greek corporate firms that traditionally provide services relating to day to day corporate advice to their clients are now shifting to more transactional-oriented work that requires a higher level of expertise by lawyers.

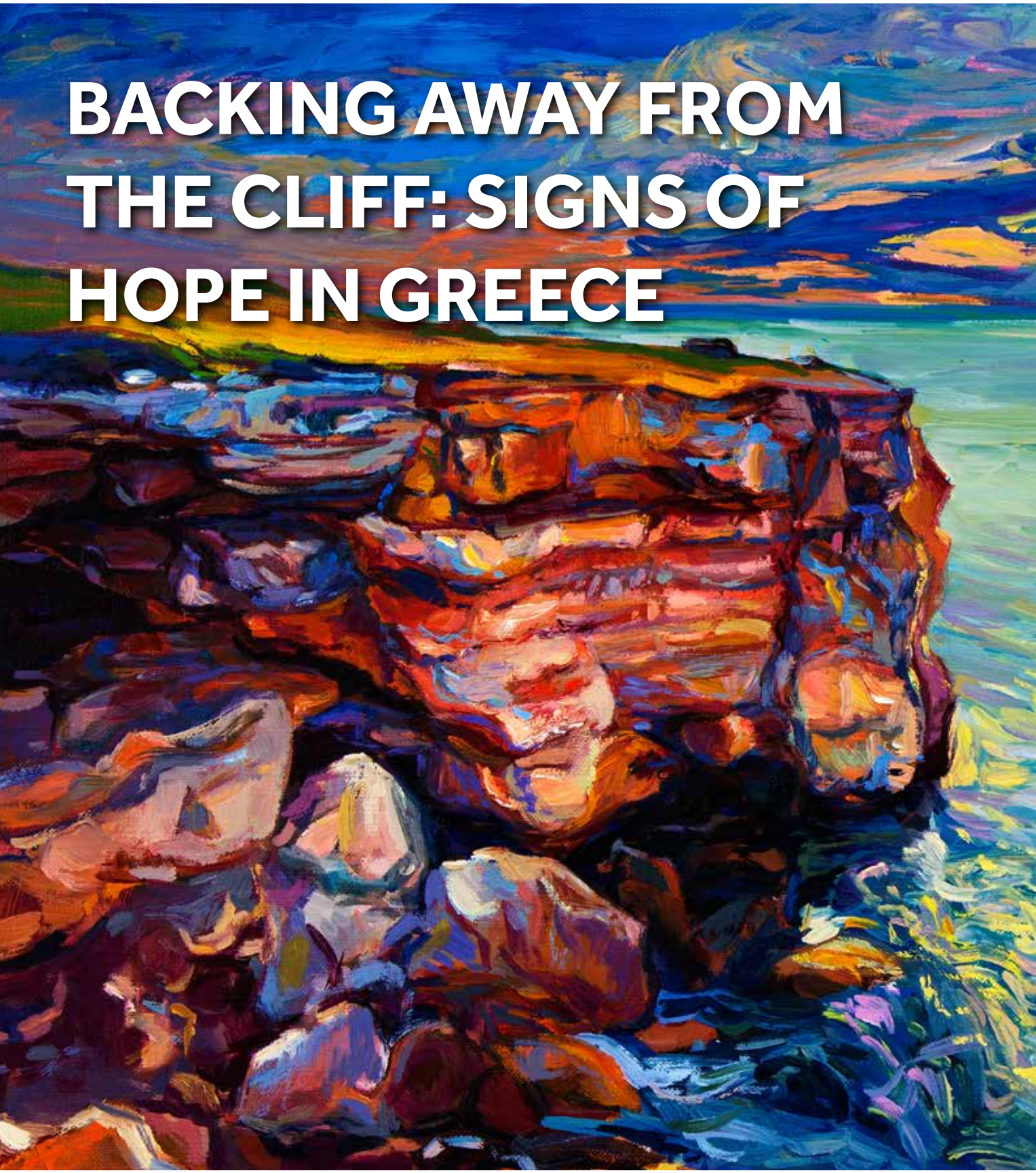
Despite the fact that Greek legal market has a mix of both local and international firms that have been established in Greece over the years, Greek law firms have had the largest share of mandates and headcount.

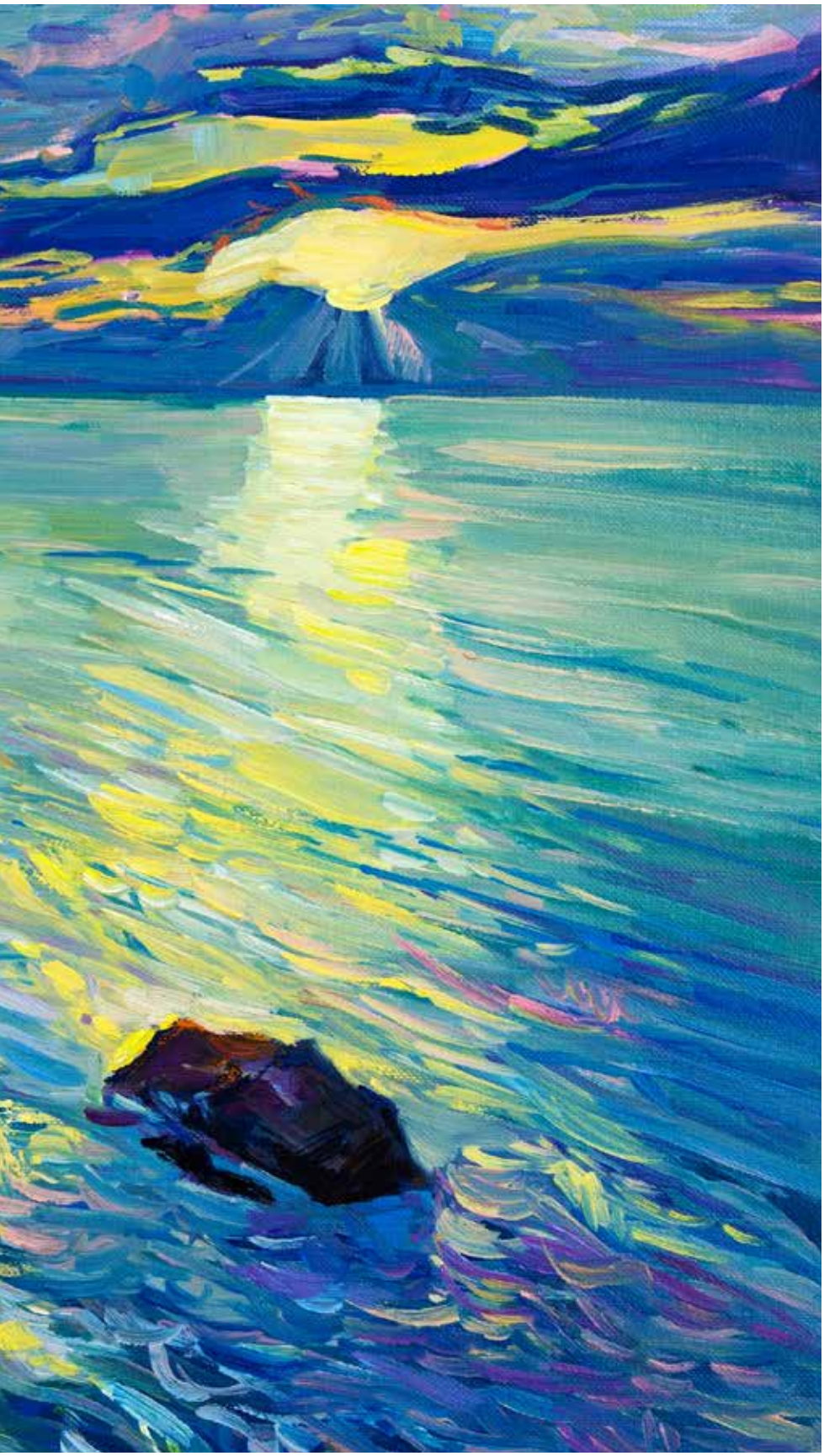
As Greek macro indicators are positive and there is additional growth expected in 2020, I expect that firms are going to grow as well in terms of size and those that are able to provide high level services to sophisticated clients that are investing the Greek market will have more to gain and benefit.

It is a good time and a good place to be a business lawyer with international expertise.

Nicholas Papapolitis, Managing Partner, Papapolitis & Papapolitis

BACKING AWAY FROM THE CLIFF: SIGNS OF HOPE IN GREECE





Greece is slowly recovering from the economic crisis – although even "crisis" hardly seems to capture the depths of the country's economic plummet – that plunged the country into financial lockdown, with massive restructuring commitments to the Troika, record unemployment, and nose-diving foreign investment. With the darkest days of recession now past, and with a new government in power, the country finds itself peering forward, hoping that the light it sees coming towards it through the lingering fog is the sun of a new day … and not an oncoming train.

Economic Recovery

The Greek economy, which averaged about 4% growth between 2003 and 2007, fell into recession in 2009 as part of the global financial crisis. By 2013, the economy had contracted 26% from its pre-crisis level of 2007. The first signs of nascent recovery arrived in 2014, when the country balanced the budget (not including debt repayments), issued government debt in financial markets for the first time since 2010, and reported its first economic expansion (a modest 0.7% growth in GDP) since 2007.

"The market was living a fantasy off of unsustainable loans."

Nonetheless, frustration with austerity measures helped propel the far-left Coalition of the Radical Left (SYRIZA) party into government in the legislative elections of January 2015. Despite its pre-electionpromises to end those austerity measures, however, the SYRIZA-led government imposed capital controls in June 2015 and subsequently agreed to a new USD 96 billion bailout in order to avert Greece's exit from the monetary bloc. Popular discontent with the slow-

ness of the recovery and SYRIZA's broken promises eventually led to the party's rejection and the success of the New Democracy party in the July 7, 2019 legislative elections.

Initial returns on New Democracy's governance are positive. Indeed, if one didn't know better, one might identify an actual sense of hope in the air. Virginia Murray of Watson Farley & Williams says she's optimistic about the country's recovery; at least, she says with a smile, there is "not much that is likely to get worse." And she's encouraged by the first few months of the New Democracy government. "It's still early but their progress so far is remarkable, with a lot having already passed." She explains that "a lot of the headline work is done," and it just now needs to be implemented.

According to the International Monetary Fund, Greece's 2018 GDP makes it the 50th largest economy in the world, just behind Iraq and Peru (Romania is ranked 46th), and just ahead of New Zealand and Qatar (and, Hungary and Ukraine, at 55th and 57th, respectively).

Still, Murray insists that those hoping for a return to the pre-crisis economy are misguided. "Getting back to the pre-crisis period is not really the goal one should look for," she says, "as the market was living a fantasy off of unsustainable loans." Instead, she says, "where you can talk about pre-crisis levels is employment – and that's slowly picking up." Ultimately, she says, "the important thing is that we are slowly walking away from the cliff."

Potamitis Vekris Managing Partner Stathis Potamitis is also encouraged by early signs from the country's new government, noting that it "started off enthusiastically and they seem to know what they are doing." Still, he says, there's no shortage of problems needing attention, pointing to areas such as labor, pensions, and bankruptcy. "Yes, there has already been quite a bit of work done," he says, "but there is reform and there is reform."

As in so much of South Eastern Europe, infrastructure remains a source of real potential for economic stimulation (and legal work) in Greece. Ilias Anagnostopoulos, the Managing Partner at the Anagnostopoulos Law Firm, points to the EUR 8 billion Hellinikon development project which will transform the former airport site south of the city into a multi-purpose complex that will include hotels, luxury apartments, amusement parks, restaurants, bars, and a casino. The project is expected to create 10,000 jobs during the construction period and 75,000 jobs once mature and to attract over one million new tourists a year – contributing over EUR 14 billion in taxes in taxes to the Greek State.

"Yes, there has already been quite a bit of work done, but there is reform and there is reform."

Of course, Greece's reputation as a tourist magnet is long-established – the sector is responsible for an impressive 18% of the country's GDP – and Anagnostopoulos reports a surge in tourism in recent years, leading to a corresponding increase in investments in the sector. According to Anagnostopoulos, "anything that relates to [tourism] is quite attractive these days." Not coincidentally, he says, Hellinikon is hardly the only airport drawing the attention of potential investors, and he suggests that peripheral airports on some of Greek's more popular islands also represent a promising investment opportunity.

Real estate benefits from the tourist boom as well. The large real estate bubble in Greece burst in 2009, Anagnostopoulos says, with "a 40-50% drop in the value of real estate assets," but he describes "a slow climb back up." Investors are primarily focused on holiday residential assets, he says, with several Israeli funds and Chinese investors also looking at general residential assets.

And of course Greece's shipping industry, which is valued at about USD 9 billion a year – USD 17 billion when related business is included – remains a critical element of the nation's economy, responsible for about seven percent of the country's GDP (second only to tourism) and directly employing over 190,000 people. As Anagnostopoulos says, the shipping sector "always has been and will likely continue to be the blue chip of the country," and he says he "doubt[s] the country will ever lose the competitive edge it has in this area anytime soon."

Virginia Murray notes that energy remains a particularly active area in Greece as well, and she reports that the country remains one of the few in the region with a firm support for renewables – a support that, she says, can only increase as the risk profile of the country decreases.

In short, according to Stathis Potamitis, "Greece is cheap at the moment," and he says there is considerable interest from foreign investors – particularly distressed assets funds from the UK, France, Germany, or even the US – looking at infrastructure and NPL deals.

The Legal Market

Of course, Greece's slow-but-steady recovery has benefited commercial lawyers as well, allowing them to breathe easier than they have for many years. Still, Anagnostopoulos says, while the legal market "has pretty much recovered, it is still sluggish," especially for full-service corporate/commercial firms like his, as the specialized boutiques "took less of a hit." Unsurprisingly, Anagnostopoulos says, the market is "kind of hoping the economy will continue to pick up."

Few international firms have seen cause to extend their footprints to Greece – and, with the exception of Norton Rose Fulbright, none of the firms which pride themselves on their global footprints

(such as Baker McKenzie, Dentons, DLA Piper, or CMS) – and those that do have offices in the country tend to focus primarily on the country's shipping industry. In addition, none of CEE's regional firms is in Greece – even those that have opened in Turkey (like Kinstellar and Schoenherr) and Belarus (like CHSH and Peterka & Partners).

Virginia Murray suggests that, at the end of the day, there is little need for more international firms on the ground in Greece, as she believes the leading Greek law firms are fully able to provide service at a high level and work in partnership with the internationals. In any event, she points out that many international firms have solid Greek desks in London that act as a liaison.

Indeed, Potamitis says that most of the offices of international firms that are in Greece represent little more than "listening posts" to provide direct contact on the ground where necessary, with the real work carried out in London.

Regular Withdrawals

The National Bank of Greece has, since 2016, retained foreign law firms to assist with its systematic retreat from South East Europe

2016:	Freshfields Bruckhaus Deringer and Turkey's Verdi Law Firm advise the NBG on the sale of its 99.81% stake in its Turkish subsidiary, Finansbank A.S., to the QNB Group.
2017:	Freshfields Bruckhaus Deringer and Serbia's Boyanov & Co. advise the NBG on the sale of its Bulgarian subsidiary, United Bulgarian Bank A.D., to KBC.
2017:	Freshfields Bruckhaus Deringer and Serbia's Bojovic & Partners advise the NBG on the sale of its Serbian subsidiary, Vojvodanska Banka a.d., NBG Leasing d.o.o., and a portfolio of Serbian-risk corporate loans, to OTP Banka Srbija A.D. Novi Sad.
2017:	Freshfields Bruckhaus Deringer and Romania's PeliFilip advise the NBG on the sale its stake in Romanian subsidiary, Banca Romaneasca S.A., and a portfolio of Romanian-risk corporate loans to OTB Bank Romania S.A. (The deal is eventually rejected by the National Bank of Romania.)
2018:	Freshfields Bruckhaus Deringer and Albania's CR Partners advise the NBG on the sale of its Albanian subsidiary, Banka NBG Albania Sh.A., to American Bank of Investments SHA.
2019:	Freshfields Bruckhaus Deringer and Romania's Filip & Company advise the NBG on the sale of its 99.28% stake in Banca Romaneasca to the Export-Import Bank of Romania. (Closing remains subject to approval by the National Bank of Romania and the Romanian Competition Authority)

"Greece has seen defeat plucked from the jaws of victory too many times in the past, but there is a sense that things are calming down."

While few internationals and no regional firms have expanded to Greece, several Greek firms – such as Drakopoulos (with offices in Albania, Romania, and Cyprus) and Rokas (with offices throughout South East Europe, reaching as high as Prague and Kyiv) – have attempted to extend their footprints northward. That phenomenon may have reached its end, however. Ilias Anagnostopoulos explains that "several Greek firms followed some of the Greek banks that were increasingly active in the region," but "as those clients' businesses slowed down, so did the momentum of domestic firms pushing outwards."

Of course, the Big 4 are in Greece, as they are everywhere else – indeed, Potamitis Vekris began in 1997 as the legal arm of EY in Greece, eventually following outward investment by Greek banks and companies like Hellenic Petroleum to expand its coverage to Romania, Turkey, Bulgaria, Macedonia, and Serbia as well, before splitting off and going independent in 2009. The Big 4 famously retracted their formal provision of legal services around the world following the Arthur Anderson/Enron debacle, and although the consulting giants are starting to regenerate those amputated limbs, that expansion hasn't really reached Greece's legal market in any significant way

That wave of outward investment from Greece has dissolved and disappeared, and Potamitis doesn't expect it to return in the near future. "The years following the crisis saw a lot of retrenchment," he says, "and I don't expect a new outward wave anytime soon." As a result, he says, there is very little outbound work of any kind, he says, and even those Greek entities that have been selling assets abroad – most notably the National Bank of Greece (see Box) – have by and large used foreign counsel to do so.

Looking Forward:

Greece is, unmistakably, improving. As Ilias Anagnostopoulos says, the economy is "much better – far more so than in 2011 or 2015 when no one knew what tomorrow would bring." Still, few experts are willing to tempt fate by claiming the bad times are gone for good. Nonetheless, Virginia Murray describes a sense of "quiet optimism" in the market. According to her, Greece has "seen defeat plucked from the jaws of victory too many times in the past, but there is a sense that things are calming down."

David Stuckey and Radu Cotarcea

INSIDE INSIGHT:
CHECKING IN ON ELENI STATHAKI OF UPSTREAM

In the October 2015 issue of the CEE Legal Matters magazine we spoke with Eleni Stakathi, the Head of Legal at Upstream in Greece. We decided to check in with her and see how things had changed in the last four years.

CEELM: What's new? How has your job changed, or how have you changed in it, since we last spoke?

Eleni: Both my job and I have changed in the last four years – in a positive way.

Upstream, the company I work for, has seen dramatic changes in terms of its products and operations in the past few years, and obviously this has affected the work of the Legal department as well. We are now helping with the development and commercialization of new products. Our work has always addressed the issue of having innovative offerings comply with ambiguous regulations, but you see this now more frequently than ever.

In parallel – or maybe as a result of the operational shift in the company – I feel that Legal's scope of work has expanded and that we are now seen as a true business partner able to add value to operations and facilitate business rather than just a support function.

Further, as the number of local and international regulations with which organizations need to comply grew, we became conscious of the need to develop and implement internal compliance programs and processes. There is a now a team member fully dedicated to compliance. In the same context, Legal is now tasked with developing the Enterprise Risk Management register. While not traditionally part of legal work, it is an interesting and welcome change.

Another tremendous change was the arrival of the GDPR. Compliance with the GDPR was the one major project last year. In the end, this was done successfully and on time, although it never really stops. While we did have help from outside providers, we still were the main liaison for correctly transposing the GDPR's requirements to our business and implementing them in our organization. This took up a lot of effort and resources. However, we are proud to say that there was minimal disruption in other projects that were running in parallel and in day-to-day operations.

As for me, I find that my legal project management skills have evolved and I am much better at facing and managing cri-

ses - which is always a valuable skill.

CEELM: When you say Legal's scope expanded, how did that happen, exactly?

Eleni: Up until a few years ago, the main purpose of the legal function was limited to drafting commercial contracts and managing outside counsel.

Our role became broader over time. As an example, following a corporate reorganization of the Upstream group where we worked in close cooperation with Tax and Finance, last year there was an operational reorganization, including the development, commercial release, and commercialization of certain new products. The legal team worked on supporting new business initiatives by providing advice on regulations in areas such as net neutrality and global data privacy. Further, we developed new documentation templates tailored to the business needs of the new ventures. A few years back, a lot of the above would have been outsourced in its entirety. We still do use outside counsel for all sorts of matters, though.

As to why the scope expanded, I think it was a combination of things: the business grew and so did its needs and over the years, and Legal and the various stakeholders developed a trusting relationship.

What certainly helped is that at some point the stakeholders realized that when they asked Legal something, they wouldn't get pages of caveats and legal analysis, but rather practical options that would help overcome their concerns. Another factor was that we don't live in our own legal Ivory Tower, but actively try to get to know the business and educate ourselves on commercial and operational matters so that ultimately we are able to offer better advice. Usually behind every request, there is a commercial rationale, and when you understand that rationale, you can address the concern more efficiently.

CEELM: What does your full legal/compliance team look like, compared to how it was when you joined Upstream in 2010?

Eleni: We are a very small team – right now, it's me and another person (we had an intern until last month).

When I joined, I was sole in-house counsel and we tended to outsource several tasks that we now keep in-house.

I am the Head of Legal and report to the CFO. My role is to form and implement strategies for Legal, and also to provide guidance to the legal team on various matters, including its interaction with other departments and stakeholders. I also manage the team's budget – not a small task considering we work with over 25 outside counsel worldwide.

Evi Mesaikou is the Legal and Compliance Manager and reports to me. Evi handles everything involving corporate governance. She also oversees the anti-bribery and corruption programs and handles the implementation of internal processes and manages all legal records and reporting. She also serves as the Data Protection Officer, but in that capacity, she reports to the Board of Directors.

Having said that, as we are only two, we cannot afford a high level of task allocation, so we both do a bit of everything, especially when it comes to contract drafting and reviewing.

CEELM: You say you use "outside counsel for all sorts of matters." Do you have a panel of preferred advisors? If so, how do firms get on that panel, and how was it created? If not, does that mean every different kind of matter requires another beauty pageant?

Eleni: Upstream has business in several jurisdictions and as a result, we typically use 25 or more outside counsel on an annual basis to address issues related to those jurisdictions. Some of them we already had a strong relationship with before I came onboard.

Others I have chosen on the basis of referrals, which is my preferred approach. It can be very efficient when you ask a trusted outside counsel who knows the business and the style of your company for a referral in another country or even in another practice area. The referee typically knows the law firm profile sought by the company and advises accordingly. Further, this method is especially convenient when time is of the essence and you need to appoint appropriate external counsel on very short notice.

We have been very lucky so far in that we generally have solid working relationships with our preferred firms. I find it very helpful not to have to give context when working on a new task and long-term legal partners will already be familiar with the company and/or previous cases we have dealt with.

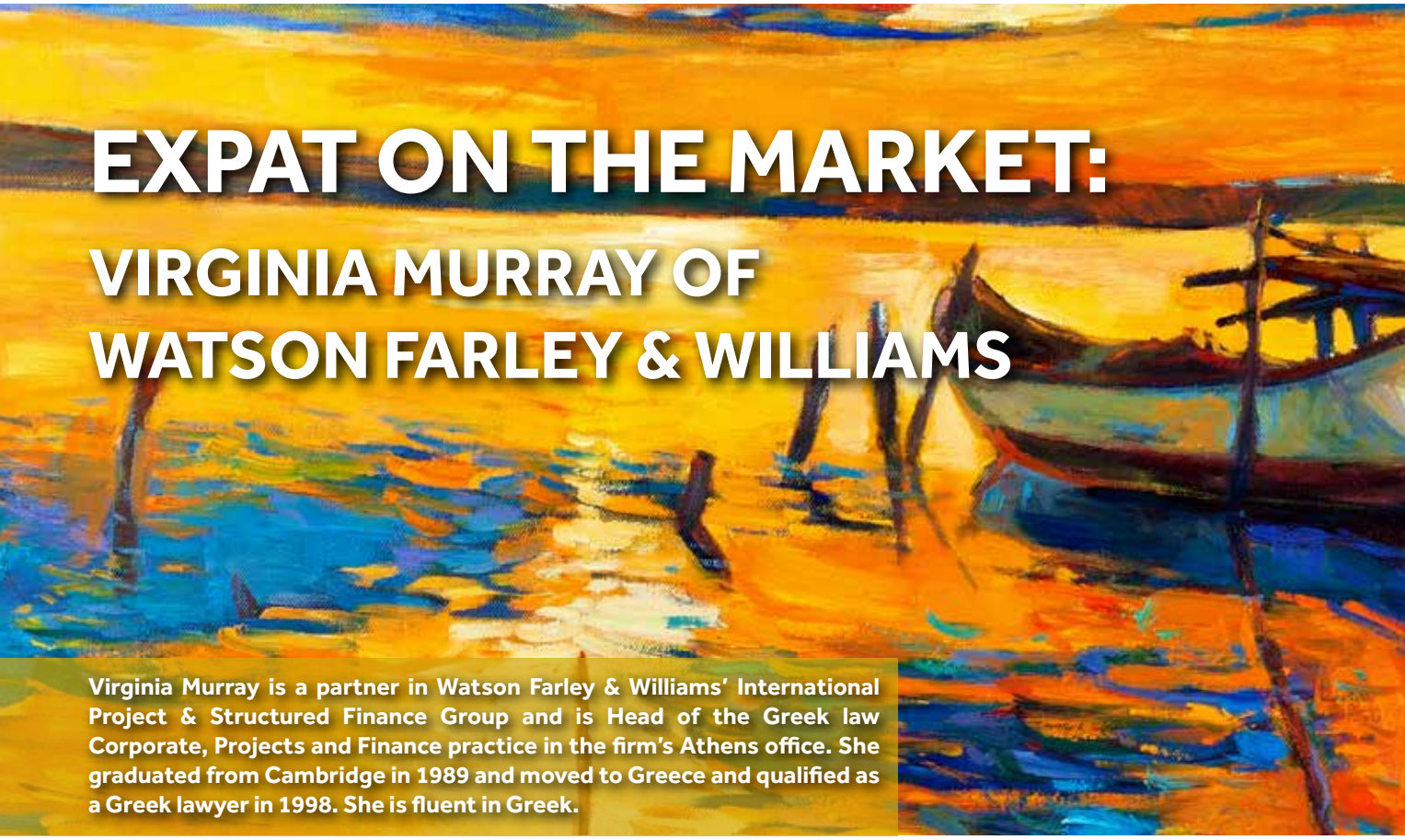
We might do beauty pageants for special tasks like a major task, such as M&A or a big litigation case, but this doesn't come about very often.

CEELM: Have you had a major project in the past year or two that was particularly demanding of your legal and/or management skills?

Eleni: Yes, we had an internal reorganization two years ago, both on the corporate and operational front. It wasn't particularly demanding legally and we had external help from experts where needed. However, there were a lot of dependencies between project tasks and as usual timelines were strict. I found that a very detailed step plan really helped with coordinating everyone. Further, the approach of "working backwards" from a target date was also very useful. That's something I picked up at Upstream.

I would just like to add that being an in-house counsel is, in my experience, more about managing day-to-day operations, which are typically not rocket science, nor are they exciting projects from a legal point of view. There is a lot of added value in dealing efficiently and in a practical manner with each task, however small, without compromising on quality.

David Stuckey



EXPAT ON THE MARKET:

VIRGINIA MURRAY OF WATSON FARLEY & WILLIAMS

Virginia Murray is a partner in Watson Farley & Williams' International Project & Structured Finance Group and is Head of the Greek law Corporate, Projects and Finance practice in the firm's Athens office. She graduated from Cambridge in 1989 and moved to Greece and qualified as a Greek lawyer in 1998. She is fluent in Greek.

CEELM: Run us through your background, and how you ended up in your current role with Watson, Farley & Williams.

Virginia: I was born and brought up in the UK. I studied law at Cambridge University and qualified as a barrister, and I worked mainly as a criminal barrister on the Oxford & Midland Circuit for five years before I moved to Greece in 1997 after my marriage to my husband, whom I had met when he was a PhD student in London (the Greek phrase is that I am a "romantic migrant"). I worked at a Greek law firm, Rokas & Partners, where I qualified as a Greek lawyer under the QLTT exams and became a partner before moving to WFW in 2007 together with a small team to set up the Greek-law capacity in the firm's Athens office.

CEELM: Was it always your goal to work abroad?

Virginia: I have always enjoyed travelling, but the Bar doesn't really provide much travel opportunities. It was certainly one of the things that attracted me to commercial transaction work both at Rokas & Partners, which has offices across the Balkans, and later at WFW.

CEELM: Tell us briefly about your practice, and how you built it up over the years.

Virginia: Whilst at Rokas & Partners I was able to see a wide range of commercial law matters, but also – along with their signature insurance practice – from 1999 my fellow WFW partner Marisetta Marcopoulou and I built up one of Greece's earliest sponsor-side renewable energy finance and corporate practices, and we've held a significant market share ever since. Since then – and in particular since we joined WFW and had the full benefit of the international reach and specialist sectoral skills for which WFW is known – I've broadened the team and the practice into a wide range of project, acquisition, and asset financing and corporate transactions across the energy and infrastructure sector. The Greek-law team at WFW now handles banking, finance, real estate, litigation, energy, infrastructure, shipping and a wide range of commercial and corporate issues.

CEELM: While we've got you, we may as well ask … what's your perspective on the current state of the Greek economy and its prospects for 2019 and 2020?

Virginia: Generally, I think there's a real sense of optimism in the Greek market, not just in the energy sector, which is very hot right now, but across the market. The development of the former airport site at Hellinikon (a deal very close to my heart, as we acted for the privatization agency on the sale back in 2012-2014) will also

make a big difference not only to real jobs for Athenians, but also for the country's public image as a safe place for investment.

CEELM: How would clients describe your style?

Virginia: Determined, to the point, and proactive, I'd like to think. I also like to think that their counterparties also trust me to achieve a fair result.

CEELM: There are obviously many differences between the English and Greek judicial systems and legal markets. What idiosyncrasies or differences stand out the most?

Virginia: I do not litigate, and it is in civil and criminal procedure that the key differences lie; the court system in Greece is undergoing great change, but I still think that the common-law system is far more effective at getting down to the substantial factual issues and delivering a just result. I still find the lack of a really rigorous verbal cross-examination in court perplexing – as a barrister, I know how much closer you can get to the truth if you can properly test a witness (whether a witness to fact or an expert).

CEELM: How about the cultures? What differences strike you as most resonant and significant?

Virginia: Greek law firms run on a more personal (and less corporate) basis than international law firms; my colleagues at Rokas & Partners were extremely patient and kind when I joined as a monoglot English barrister who had to learn an entirely new legal system from scratch. I think that international firms may have the edge at creating a more meritocratic system; having said that, the larger Greek firms have made massive strides in adopting international corporate systems and now operate to high organizational and governance standards.

CEELM: What particular value do you think a senior expatriate lawyer in your role adds – both to a firm and to its clients?

Virginia: For foreign investors, they have the comfort of a fellow foreigner who is able to explain the particularities of the local market, and able to negotiate with Greek counterparties (loudly) in Greek on their behalf. For our Greek clients, I can represent them to foreign clients and perhaps the fact that I am not Greek helps bridge differences during the negotiation process.

CEELM: Do you have any plans to move back to England?

Virginia: My elder son is about to start university in the UK, so I will certainly be visiting more often! But Greece is now my home.

CEELM: Outside of Greece, which CEE country do you enjoy visiting the most?

Virginia: I have a very good friend from Serbia, and have very fond memories of the country.

CEELM: What's your favorite place to take visitors in Athens?

Virginia: Anywhere with an Acropolis view. The Athens city center has bloomed during the last five or so years and there are a wealth of great places to eat and drink. Out of the center, of course, it's really easy to get to the beach, which is one of the delights of living in Athens. At WFW, we hold an annual "Kalamaraki Night," when the whole firm goes for seafood and drinks at a little tavern literally on the beach, only about half an hour from the office. Beat that, London!

David Stuckey

EXPERTS REVIEW: TECHNOLOGY, MEDIA, AND TELECOMS

In honor of the the first letter of the TMT focus – Telecoms – the articles this time around are ordered by each country's international calling code, as agreed upon (initially in 1960) by the International Telecommunications Union and its predecessor bodies. Thus, the article from Hungary (calling code: +36) is first, and the article from Slovakia (calling code: +421) is last. Montenegro's article appears before Serbia's for purely alphabetical reasons, as the two countries share the +381 code.

Alas, there is no article from the United States. That's a shame, because, in this unique context, at least, America is indeed No. 1.

In This Section:

HUNGARY

What Did the GDPR Bring Us?


Zsombor Orban

What did the GDPR bring us? "A lot of compliance work," most clients would say, after months of tough and challenging work implementing the European Union's new comprehensive data protection regulation. And in many cases that work is still unfinished. The prevalent view on the market is that the regulation is an artificial creation of another compliance requirement upon data controllers. But is it fair to say that the GDPR brought nothing but a very expensive compliance exercise?

We don't think so. And these are the five most important reasons that we believe the application and implementation of the GDPR has added value to companies.

Business Process Review


Daniel Nagy

A GDPR project, if it is done right, means a complete mapping of the company's business processes. This is essential to identify all purposes for which personal data is processed, which is the precondition to being able to identify any gaps and compliance to-dos. The mapping exercise often identifies inactive and/or inefficient business processes, which can then be revised. Such reviews often reveal unused databases, which are ticking compliance bombs. Recently, the Danish company IDDesign was fined EUR 200,000 – among the largest fines imposed since the GDPR became applicable back in May 2018 – for retaining an unused customer database.

Cooperation Between Teams

The new "privacy by design" principle means that data protection aspects must be considered and built in the operations and products of companies. This principle requires different departments to cooperate from the start. For examples, the legal teams responsible for privacy must be involved even at the project planning phase to ensure compliance with data protection requirements. We have seen many good practices at clients, with the IT and marketing teams establishing/reinforcing cooperation channels with the legal department. Building in a requirement for different departments in the early stages of ensuring GDPR compliance is much more cost-effective in the long-term than doing the same in the final phase, when this might even be impossible. The GDPR has introduced and demands this good practice, which is likely to benefit not only the privacy governance channels.

Smart Law

The GDPR has incorporated many modern legal concepts developed by the privacy practice in the last few decades, such as effective transparency and freely-given consent. The preparation of GDPR documents requires more from lawyers than legal knowledge and some marketing, corporate communication, and technology skills. In modern data privacy, "paper-wall-like" notices are considered misleading to data subjects, and only straight to the point and clear documents are considered acceptable. These practices are expected to have impact other areas of the law as well, like consumer protection and contracts. Controllers are also encouraged by the GDPR to make the law visual (with privacy icons and infographics, for example) to enhance transparency, which can be a useful tool for communicating complex compliance setups to consumers.

Goodwill

The May 25, 2018 deadline for the application of the GDPR in all EU member states received an unprecedented amount of attention by the general public and, as a result, awareness of data privacy rights has significantly increased. Consumers are looking for GDPR-compliant services and products, especially if the core of the service is built on processing their personal data. Companies that can communicate GDPR compliance and readiness can build stronger relationships of trust with their customers and will continue to have a competitive edge on the EU market and in third countries.

Common Framework

While country-specific legislation maintained its importance after the 25th of May, 2018, the GDPR has more or less unified privacy legislation in the EU. Internal and external compliance teams are working with this common and "unified" legislation in dealing with the same (or very similar) challenges, which enables companies to use EU-level governance systems, solutions, and documents. Although compliance with local sector laws still need to be ensured, especially in connection with special categories of personal data, companies are usually able to use their GDPR solutions with minor modifications. Therefore, the cost of a GDPR audit and implementation (which can indeed sometimes be significant) can be reduced and/or split between jurisdictions where the same framework is applied. In addition, many significant non-EU jurisdictions like India, Thailand, Ukraine, and Serbia are adopting GDPR-inspired privacy laws, which could enable companies to use their compliance frameworks and know-how in other markets as well (and, of course, vice versa).

Zsombor Orban, Head of Hungarian TMT, and
Daniel Nagy, Junior Associate, Kinstellar Hungary

ROMANIA

The New European Electronic Communications Code – A Further Step to Support Technological Development


Vlad Cercel

Technology is part of our lives. And technological development leaves its mark on our lifestyle. We saw that in our own homes when we gave up our traditional landlines and used the fixed broadband Internet connection instead, at higher and higher speeds. We see that when exploring the ever-expanding features and options of our mobile handsets. We also see that while viewing high definition programs or when accessing digital interactive services through our TV sets, and when faced with the option of placing calls using traditional services or through new applications. We can see the technological development when rural areas have access to electronic communications and are thus able to reap the benefits of the digital economy.

We also see technology in our cars, in various industrial applications aimed at supporting a digital single market. But how are all these and other technological developments reflected or supported at the legislative level under the newly-enacted Electronic Communications Code?

Changes Brought by the New Electronic Communications Code

The new Electronic Communications Code that was enacted at the EU level in December 2018 brought significant changes in various areas of the electronic communications sector. Several of these changes are briefly summarized below.

Categories of Electronic Communications Services

Electronic communications services are now split into three categories: (i) Internet access services, (ii) interpersonal communications services (number-based and number-independent), and (iii) services consisting wholly or mainly in the conveyance of signals such as transmission services used for the provision of machine-to-machine services and for broadcasting. This classification reflects the technological developments brought about by various new services and applications, such as VoIP, IoT services, and M2M communications and creates the basis for setting different regulations and obligations which are appropriate for each category of electronic communications services.

National Regulatory Authorities

The independence of national regulatory authorities is a key element of the European Electronic Communications Code. To this effect, the Code contains provisions aimed at reinforcing and strengthening the independence of national regulatory authorities by making the appointment of the head of the national regulatory authority subject to an open and transparent selection procedure that is based on merit, skills, knowledge, and experience. To ensure the independence of the head of the national regulatory authority, dismissal before the expiry of the term of office may occur only if he or she no longer fulfils the conditions required for the performance of his or her duties, and not for any subjective reasons.

Development of Very High Capacity Networks

The deployment of very high capacity networks is expressly referred to as being within the objectives of the national regulatory authorities. The European Electronic Communications Code provides for the making of a geographical survey of the reach of broadband networks to enable the national regulatory authorities to identify those areas where, for the duration of the forecast period, no entity has deployed/extended or is planning to deploy/extend a very high capacity network. This information may also be used in the allocation of public funds for the development of broadband infrastructure, to define coverage obligations attached to the right of use of the radio spectrum, in relation to universal service obligations, and when defining the relevant markets in the electronic communications sector.

Ex-Ante Regulation

Several new provisions on ex-ante regulation are contained in the European Electronic Communications Code. First, the national regulatory authorities shall carry out analyses of the relevant markets every five years, instead of every three years. Second, it is expressly stated that access obligations may be imposed in relation to civil engineering (buildings, towers, antennae, poles, masts, ducts, manholes, cabinets, *etc.*), even though such assets are not part of the relevant market. Third, the European Commission will impose a single maximum mobile voice termination rate and a single maximum fixed voice termination rate, both applicable at the European Union level. Fourth, a new voluntary commitments procedure has been established in relation to conditions for access, co-investment in networks, or both. Fifth, lighter obligations may be imposed on undertakings operating only at the wholesale level and fulfilling certain conditions.

Universal Service

The minimum scope of universal service has been redefined to include broadband Internet access services and voice communications services at fixed locations.

Numbering Resources

In order to contribute to the development of M2M services, the European Electronic Communications Code contains provisions allowing the grant of rights of use of numbering resources to undertakings other than providers of electronic communications networks and services.

Vlad Cercel, Partner, Tuca Zbarcea & Asociatii

AUSTRIA

Automated and Autonomous Driving – Austrian Legal Aspects

Andreas Schutz

The development of autonomous driving has been a recurring topic in the media in recent years. Technology in this area has progressed so much that autonomous vehicles are now ready for test drives on public roads. This development is subsequently exerting great pressure on local governments to create new laws allowing this type of testing and therefore driverless vehicles on public roads.

This topic arrived in Austrian politics about three years ago. The government's timid action at the time may be considered a disadvantage, yet it has allowed the authorities to consider solutions found by other countries and develop a best-practice without too many "trial and error" procedures of its own. As a result, the first Austrian legal and regulatory framework for driving with automated systems in vehicles was created in 2016 with the 33rd amendment of the Austrian Motor Vehicle Act, followed by the Automated Driving Ordinance. Test drives were regulated for the following three applications: a) Autonomous Minibus; b) Motorway Pilot with Automatic Lane Change; and c) Self-Propelled Army Vehicle. Subsequently, in 2016, the Ministry of Transport published its Automated Driving Action Plan. Meanwhile, an amendment to the Automated Driving Ordinance was published in March 2019, significantly allowing all drivers in Austria to use two standard assistance systems.

Liability and Criminal Law & Data Protection

Numerous questions still remain unanswered regarding total autonomous driving in a wide range of legal areas, including whether and how liability law applies to autonomously driving vehicles. One particular question of importance that is yet to be answered is who will be liable for damages caused by driverless vehicles. An accident caused by a programming error could, logically, suggest manufacturer liability. This assumption might be justified if a machine misjudgement is considered a product defect. However, problems may arise in relation to product liability, since the Austrian Product Liability Act does not define "software" as a product yet.

Christopher Bakier

Similar to liability law, the increasing automation of motor vehicles may lead to a shift of criminal liability from the driver to the manufacturer. Criminal law will have to provide satisfying answers in this respect and define, for instance, when a system is performing the required level of diligence – especially in situations involving unavoidable collisions. As technology progresses quickly, Austrian legislation will have to develop answers to this and other related questions.

Terms such as "smart cars" or "connected cars" are now widely used for these data-driven cars, and indicate that a multitude of questions need to be clarified from a data protection point of view as well. To drive development forward and make vehicles safer and more intelligent, each of these cars will have to exchange data constantly with other autonomous vehicles to avoid accidents and be informed about traffic conditions in advance.

Clarification will be needed as to whether this transmission of data is mandatory and the vehicle owner has any opportunity to object to or block this data transmission – or decide for him-or-herself which data is to be processed. Another question in need of evaluation is whether data will be automatically transferred to authorities or the original engine manufacturers in order to facilitate the reconstruction of accidents. This issue alone raises considerable data protection concerns. The questions that arise in connection with data protection show that the Austrian legislator must find a solution that protects fundamental rights with regard to the protection of personal data in the future.

Future Prospects

Although the 33rd amendment of the Austrian Motor Vehicle Act – the "Automated Driving Ordinance" (which proved to be unconstitutional and incomplete) – and subsequent amendments to it created the first framework conditions for tests with automated vehicles, there is still a great need for additional legislative changes in various areas of law related to autonomous driving.

Andreas Schutz, CEE Head of Data Protection, and Christopher Bakier, Associate, Taylor Wessing Vienna

POLAND

Poland Prepares Itself for 5G Technology

Tomasz Koryzma

5G technology is the next stage in the development of wireless telecommunications networks. Thanks to much quicker data transmission speeds and fewer delays, this technology will make it possible to offer new quality services both for public uses such as smart energy grids, transport systems, and smart cities, and for private uses such as autonomous and automated vehicles and smart homes. Also, given the greater number of devices operated by one network unit, 5G will provide for better configuration options, making it possible to offer different services to a large number of users within one infrastructure. This distinguishes 5G technology from the technologies available today, where the activity of one user has an impact on other users and reduces data transmission speed.

The potential of 5G technology has also been noticed in Poland, which has led to the country's first tests, strategic studies, and regulatory solutions. In the January 2018 "5G Strategy for Poland" report, Poland's Ministry of Digital Affairs declared the main objectives in preparing Poland for 5G technology, including the designation of one large city (Lodz) in which a 5G network is to operate commercially by the end of 2020, and that all urban areas and main rail and road transport routes are to be covered by the new network by 2025.

Official studies have listed the basic barriers to the development of 5G technology in Poland, such as: (a) excessive electromagnetic radiation limits (as Polish limits – which are approximately a hundred times higher than in other EU Member States – do not enable activating additional radio devices that operate in one location); (b) the need to simplify and shorten the time periods of administrative procedures for the construction and modernization of base stations; and (c) legal and financial limitations related to the Construction Law and the Law on Public Roads (including the fees for occupying a road lane, which can differ significantly).

Damian Karwala

A draft act submitted to the Lower House of Parliament in May 2019 amending the Act on Supporting the Development of Telecommunications Services and Networks (the so-called "Major Act") is designed to remove some of these barriers. The draft act amends the Construction Law and regulations concerning public roads, to, among other things, reduce and standardize the fees for occupying a road lane. Also, according to the draft act, local government units will be able to conclude agreements with investors, which will allow for a further rate reduction. And the mandatory electromagnetic radiation limits are expected to be raised at least up to half of the norms in force in other EU Member States. Other amendments to the Telecommunications Law – which was adopted in March 2019 – enable reshuffling (*i.e.*, a modification of the reservation of radio frequencies for 5G that are currently allocated for other purposes).

However, no clear decision has yet been reached in Poland as regards the preferred model (*i.e.*, commercial, public, or shared) for constructing the 5G network. The majority of key domestic operators favor the commercial model, which seems to allow for the quickest implementation of 5G, while maintaining state revenue in exchange for the rights to use the radio spectrum. The difference between the projected commercial outlays and the actual costs of constructing the 5G network, which is estimated at approximately PLN 14 billion, is to be solved by establishing a Broadband Fund, which will allow for financing part of the investment from public funds. The establishment of the fund was provided for in the draft amendment to the Major Act.

Another preparatory document – the National Action Plan: Changes to the Allocation of the 700 MHz Band in Poland – points to problems connected with "freeing up" the 700 MHz band. This is because no agreement has been reached with the Russian Federation, which uses this band for aviation radio navigation and for analogue television. Given the features of radio waves, potential distortion from abroad could be noticeable as much as 300 km into Poland. There is a lot of work in store also for the private sector, as according to European Commission data, only 2 of the 138 tests of the 5G networks carried out in the EU by the end of 2018 were conducted in Poland.

Tomasz Koryzma, Partner, and Damian Karwala, Senior Associate, CMS Warsaw

TURKEY

Storing and Processing Personal Data for E-Commerce Companies Under Turkish Law

Nazli Sezer

In the last ten years, e-commerce has become the most important platform of today's consumer habits, becoming a major competitor to both retailers and their suppliers. As a result, many giant retailers are now directing their investments towards e-commerce activities.

Since e-commerce is rapidly becoming widespread in Turkey (as it is around the world), it is more important than ever to understand the relationship between data privacy regulations and the e-commerce sector in recent years.

Turkey's Personal Data Protection Law (Law No. 6698, or the "Law"), which is similar to the GDPR, contains the framework for processing personal data in Turkey. And pursuant to the Law, the Data Protection Authority (the "Authority") has started *ex officio* examinations of companies in various sectors.

Main Responsibilities of e-Commerce Companies Under The Data Privacy Law

Obtaining personal data clearly requires "explicit consent," and under the Law, this explicit consent should be: (i) related to a specific topic, (ii) based on informative clarifications, and (iii) given freely. There is no specific requirement about how to obtain explicit consent, however; it can be given either as a statement or by a clear affirmative action. It is hoped that the Authority will clarify the rules about valid methods of obtaining this consent soon.

Companies engaged in e-commerce activities are responsible for complying with all obligations regulated under the Law. Under the Law, all companies must register with the Data Controller's Registry System (VERBIS) before starting to process personal data. Companies which fail to do so may face severe sanctions.

Kaya Kayaoglu

E-commerce companies must also obtain explicit consent from data subjects before processing their personal data. If they are unable to obtain this explicit consent, the data subjects' personal information should be immediately anonymized or erased from the system completely. In addition, e-commerce companies that conduct online sales in the absence of a signed membership contract must, at the ordering stage, obtain explicit consent from the data subject with respect to the storing and processing of the customer's personal data, except where storing the personal data is necessary for the e-commerce company in order to comply with the terms of the sale contract. Finally, even for the general use of the site, it will be necessary to inform users about and obtain their explicit consent for the use of cookies and the processing of personal data.

The meaning of "explicit consent" in e-commerce remains in debate, as e-commerce companies generally require their customers' personal data before they render services to them, but it is unclear whether this practice satisfies the GDPR's requirement that consent be given "freely."

Sanctions that Companies Will Face If They Do Not Fulfill The Data Privacy Obligations

As mentioned above, the Authority carries out *ex officio* data protection examinations of e-commerce companies, and companies that do not fulfill their obligations may face penalties of up to TRY 1 million under Article 18 and Article 19 of the Law. Indeed, one of the most famous decisions by the Authority is the administrative fine of TRY 1.1 million it levied upon Facebook for its failing to take the necessary administrative and technical measures to prevent a data breach and failing to comply with the data security obligations, and an additional administrative fine of TRY 550,000 for its failure to make necessary notifications following the data breach.

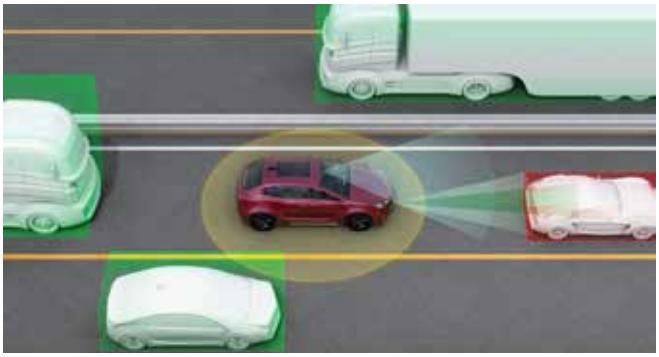
Conclusion

The obligations of companies regarding the protection and processing of personal data are changing and increasing within the scope of both the GDPR and Turkey's Law No. 6698. Increasing personal data breaches and cybercrimes are forcing the Authority to take control of e-commerce companies which obtain personal data and process it for profit or share it with third parties without the explicit consent of the data subjects.

Nazli Sezer, Executive Partner, and
Kaya Kayaoglu, Senior Associate, Sezer & Utkaner

BULGARIA

Connected Cars in Bulgaria: Exploring the Legal Pitfalls



Violetta Kunze

There were more than 2.7 million vehicles in Bulgaria in 2018, 319,639 of which were newly registered. Yet it appears that such figures, even in a country with a population of less than seven million, don't necessarily create an opportunity for the development of connected car services. Why aren't connected cars more significant and widely-used in Bulgaria?

Stakeholders in the Bulgarian connected car ecosystem (including car manufacturers, mobile network providers, connected car and fleet management services providers, and car owners) generally encounter a vehicle fleet dominated by cars at least five years old and legislation dealing with "classic" connectivity services such as Internet access and fixed/mobile voice services or SIM cards managed as physical assets (*i.e.*, physically provided and manually plugged in). Despite the fact that Bulgarian legislation lags behind the latest technological developments, it is potentially flexible enough to embrace any service providing for connectivity as an underlining feature as a "telecom service."

"Connected" cars are vehicles that use connectivity (*i.e.*, a conveyance of signals) in order to provide navigation, phone integration, remote services (lock, horn, tracking stolen vehicle), remote diagnostics and maintenance alerts, and entertainment services. Thus, the connectivity (usually based on a pre-installed SIM) is a core part of connected car services. The Bulgarian Electronic Communications Act, however, is based on the legal concepts of the 2002 European telecoms regulatory framework (which hasn't undergone any major amendments since 2009) and which defines an electronic communications service (ECS) as one that involves "wholly or mainly" the "conveyance of signals" without providing any details how "mainly" should be interpreted. In order to avoid the burdensome telecommunications regulations, car manufacturers (or connected car/fleet management services providers) should therefore either avoid providing connectivity or develop the service so that it avoids being qualified as involving "mainly" conveyance of signals. The first approach seems unrealistic, as, due to the existence of region-specific regulations (such as eCall under EU law) car manufactures, for example, already use connectivity solutions embedded in cars. Indeed, manufacturers don't provide the connectivity themselves and count on third parties.

Milka Ivanova

Fortunately, however, there is room for doubt as to whether connectivity is the "main" part of the service. Indeed, if the Bulgarian regulator (the Communications Regulation Commission, or CRC) chooses to assess the service based on whether, from a functional point of view, it includes the conveyance of signals, there is a huge potential to claim that the connected car service is an ECS. This claim could be supported by the fact that connected car services may be based on machine to machine (M2M) connectivity and that such services under Bulgarian law should qualify as an ECS. This is because the statutory definition of M2M services is based on data transfer, and data transfer services are explicitly included in the "*List of the networks and services by virtue of which electronic communications services under general rules shall be provided.*" Yet the connected car service rarely represents pure connectivity; instead, it's a complex service dealing with telemetric, telematic, entertainment, and other services focusing primarily on the content and experience, rather than on the connectivity itself. Given such purely theoretical reasoning, it's feasible to claim that under Bulgarian law connected car services should not be subject to ECS regulation.

Unfortunately, the CRC is committed to a case-by-case assessment approach, which – due to the lack of publicly available information related to such assessments – doesn't help the stakeholders. Both legal practitioners and connected car service stakeholders know that using guidelines is a rare practice in Bulgaria, as guidelines aren't statutorily binding and thus don't contribute to legal certainty. This is unfortunate, as all players would benefit from knowing the official position of the regulator. In fact, the CRC has a new and unprecedented opportunity to issue clear guidance, as the upcoming transposition of the European Electronic Communications Code in Bulgaria provides a chance to clarify the legal nature of connected cars as well as other digital services. Any official position (regardless whether through a statutory instrument or a public statement) will be more than welcome. Its absence leaves space for factional regulatory compliance.

Violetta Kunze, Partner, and Milka Ivanova, Senior Associate, Djingov, Gouginski, Kyutchukov & Velichkov

LITHUANIA

The Forgotten Privacy-by-Design Will Not Forget You


Liudas Karnickas

Although the General Data Protection Regulation 216/679 (the GDPR) has been in force for more than a year, the concept of data protection by design (Art. 25) is still largely underestimated and insufficiently implemented into software products and their development processes in Lithuania. Developers of data-rich technologies still disregard or misinterpret this duty despite its business benefits. This is especially true for new technological products which strive for steady and continuous increase in user numbers but lose their grip with user privacy on the way.

The concept of privacy-by-design was originally coined by Dr. Ann Cavoukian, the former Information and Privacy Commissioner of Ontario, Canada. It is based on seven "foundational principles": 1. Proactive not reactive (i.e., preventative not remedial); 2. Privacy as a default setting; 3. Privacy embedded into design; 4. Full functionality (i.e., positive-sum, not zero-sum); 5. End-to-end security (i.e., full lifecycle security); 6. Visibility and transparency (keep it open); 7. Respect for user privacy (keep it user-centric). The embedding of these principles requires a privacy-centric approach, with creativity as well as knowledge of business project management. In Lithuania issues with implementation of privacy by design into software products exist in both the public and business sectors.

Lithuania's mandatory public procurement procedures do not, currently, force authorities to require GDPR-compliant solutions in documents related to IT tools and software development tool acquisitions. Paradoxically, however, public bodies use such software for big data processing of all Lithuanian citizens. Privacy issues like poor IDM (identity management system) and insecure access to personal data sets in IT tools of public registries, university healthcare institutions, public online service providers have been recently escalated in the media. The Lithuanian public procurement law still doesn't contain any special rules for public authorities to require privacy-friendly IT solutions. This means that now software developers can deliver products which are not privacy friendly and leave the public bodies that order these products at risk. Not having clear rules and checklists about what has to be done in Lithuanian procurement procedures creates a systematic privacy risk. Lithuania has the legislative ecosystem to embed privacy into the legal acts. In 2018 Lithuania's data protection authority even issued a recommendation to public authorities to coordinate all legislative initiatives relating to personal data processing with them.


Laura Juodakyte

The political focus on privacy matters in public procurement thus seems to be the only missing condition. While this action is on the way public bodies can raise privacy-related questions to software developers with the help of privacy experts and national data inspectors. This matters because it is very possible that privacy-impact assessments for big developing projects have to be done before developing processes. Unfortunately, the lack of any common practice on it allows software developers to provide poor privacy-related software.

Lithuania's public procurement law is not the only example of poor protection of personal data on the national level. Weak user identification is currently a particularly acute issue for mobile fintech apps which have missed out on privacy-by-design and have resorted to relaxed customer identification. Back in 2017 Lithuania's anti-money laundering law removed rigid identity verification requirements for payment instruments with a non-reloadable maximum monthly transaction limit of EUR 150. As a result, identity fraud and fake app accounts are now on the rise. Attempts to implement privacy-by-design when the technology is already mature and no longer susceptible to easy change is problematic. Consequently, stakeholders find themselves handling complicated high-risk personal data breach situations which require notifying data protection authorities and affected data subjects and attempting to demonstrate that their identification processes meet market standards. This is no easy task considering the high-end identification standard suggested by the European Commission in its April 26, 2018 "Study on eID and digital on-boarding: mapping and analysis of existing on-boarding bank practices across the EU" report, requiring (among other things) the application of fraud prevention measures.

Implementing privacy-by-design into software development processes would bring tangible benefits to both public and private sectors: it helps to create and implement appropriate, compliant, and secure tools for data processing, it provides data subjects with control over privacy settings, it makes software more transparent and user-friendly, it helps public and private organizations build customers or citizens trust, and it gives software developers a competitive advantage on the market.

A privacy-centric approach is now a must from the outset of each data-rich technology. A mistake in privacy design creates reputational exposure and/or decreases the user experience. Lithuanians know their privacy rights well and do not forgive nor forget their privacy while using the system.

Liudas Karnickas and Laura Juodakyte, Partners, Venckute & Karnickas, and Karolis Aulosevicius, Indep. Privacy Technical Expert

UKRAINE

Entering the Ukrainian Market: Managing Compliance Pitfalls for OTT Providers


Anton Polikarpov

More and more companies in the TMT sector are looking at Ukraine as a potential market, in the process putting aside the negative image formed during the first decades after the country declared its independence in 1991.

Technology companies are less sensitive about certain deficiencies in the regulatory framework than companies in sectors focused on the exploitation of fixed assets (agriculture, mining and metals, *etc.*) and, thus are more flexible when it comes to entering a new market.

As approximately 26 million Ukrainians are active Internet users, the Ukrainian market is of particular interest for over-the-top media (OTT) providers who distribute various copyrightable content such as films, TV shows, and music directly to end-costumers via the Internet.

Regulated Activity Test. At the first stage, an OTT provider considering Ukraine should determine whether the services it intends to provide constitute a regulated activity and would thus subject the company to the jurisdiction of the country's broadcasting regulator. Due to "catch-all" wording of legislation adopted back in the 2000s, the provision of OTT services may potentially qualify as an activity of program service providers which is subject to licensing.

Content Standards. Since most OTT providers have their internal ratings guide, it is important to make sure that this document is compliant with the requirements of Ukrainian law. However, if the OTT provider is not qualified as a broadcasting company or film distributor, it has complete discretion to determine specific parameters of age rating pictograms and content descriptors/warnings. In addition, the OTT provider is not obliged to implement age gating technology to enforce those age ratings. Each OTT provider should also comply with requirements specific to the subject matter of the distributed content. Generally, the production and distribution of content which propagates war, fascism, or disrespect to national and religious sacred objects is prohibited.

Considering the recent trend of using storylines from USSR history in films and TV shows, it is important to note that the production, distribution, and public use of communist symbols such as the USSR flag or other symbols of the Communist party is generally prohibited in Ukraine and violations of this prohibition may subject the provider to criminal liability.


Dmytro Symbiryov

Monetizing Matters. Before adjusting its global monetizing structure to the rules of a new jurisdiction, companies usually look into regulations affecting, among other things, auto-renewal practices, information to be displayed during the purchase process, and limitations on automatic follow-up attempts to bill customers following failed initial attempts (*i.e.*, billing retry periods). Under Ukrainian law auto-renewal may qualify either as a violation of a customer's right to freely choose goods and services or as an aggressive business practice. As a result, the OTT provider may be subject to a fine and the contract may be deemed void.

The list of information which must be displayed during the purchase process includes only the subject matter of the contract, its price, and the contract's term (which may be either limited or unlimited).

In addition, a subscription confirmation email is mandatory and should include (1) the procedure for cancelling the subscription, (2) the name and address of the service provider, (3) the service provider's procedure for accepting complaints, (4) warranty details or information about additional support services; and (5) the procedure for terminating a contract executed for an unlimited time.

Ukrainian law does not set any limits on billing retry periods, which may be set by the rules of payment systems or payment service providers.

Net Neutrality. Ukrainian law does not recognize the concept of "net neutrality." However, in practice, OTT providers may come across intentional lowering of speed of Internet connections by Internet providers who also provide their own OTT services.

Privacy. Under Ukrainian law, processing a customer's personal data – including its collection and transfer to other parties – requires the consent of the customer. In addition, the processing of sensitive data such as customers' geo-location, data relating to racial or ethnic origin, membership in political parties and trade unions requires notification to the Ukrainian Parliament Commissioner for Human Rights.

Conclusion. The main challenge for technology companies in terms of compliance with the regulatory framework in the TMT sector is that it was not designed to regulate issues that arise during the use of modern IT products. The framework in Ukraine, unfortunately, is no exception.

Anton Polikarpov, Head of IP, and Dmytro Symbiryov, Associate, Avellum

MONTENEGRO

Montenegro's Harmonization with EU's Digitalization Standards

Dragan Prelevic

A recent report found that, in 2018, 72.2% of Montenegrin citizens had online access from home, with Internet access via mobile phones increasingly common as well. In terms of mobile and Internet service, Montenegro is not behind other countries from the region or Europe at large, but digital technologies are used far less in areas such as economy or education. Information technologies are most commonly used for Internet browsing and social network communication, but are rarely used for communication with public administrations, local governments, and other service providers, which indicates the society's insufficient digital advancement.

The levels of telecommunication infrastructure and offering and Internet access in Montenegro are respectable, although the pricing is fairly high. Montenegro and neighboring countries seem to be aware of this problem, and on July 1, 2019 adopted the Regional Roaming Agreement, which requires that roaming charges between Montenegro, Serbia, Bosnia and Herzegovina, Northern Macedonia, Albania, and Kosovo be completely scrapped by 2021.

Montenegro's EU accession largely depends on the acceptance of the rights and obligations the EU and its institutional framework lean upon. The *acquis communautaire* encompasses 35 sections, each denoting negotiation chapters, including Chapter X: Information Society and Media. Montenegrin negotiations concerning this chapter commenced on March 31, 2014.

Areas to be monitored under Chapter include electronic communications, information and communication technologies, information society services, and audio-visual policy. The European Commission's 2018 and 2019 annual reports specify that Montenegro is moderately prepared in the area of information, society, and media areas.

Marko Ivkovic

The sectors of electronic communications, information, and communication technologies are regulated by the Law on Electronic Communications of Montenegro, enacted to ensure that telecommunication services are provided to Montenegrin users at fair prices, with the adequate stimulation of market competition and reduction of monopolies when it comes to high-speed Internet access. Legal acts on electronic identification and electronic signature have been prepared under the Regulation on Electronic Identification and Trust Services for Electronic Transactions in the EU Internal Market. As a result, 2020 – which is when we will start using electronic ID documents and form digital identities and remove obstacles to accessing electronic services – is seen as a milestone in the development of e-services.

Information society services fall under the jurisdiction of the Montenegrin Ministry of Public Administration, which is tasked with helping the country achieve information safety, digital business, e-education, and an e-health care system. In this regard, Montenegro has recently adopted an Action Plan for the Implementation of a Strategy for the Development of Information Society and an Action Plan for the Implementation of a Strategy for Cyber Safety, each for the period from 2018-2021. We are already utilizing the E-Uprava (e-administration) portal, through which citizens may actively take part in the preparation of laws and other strategic documents and state their opinions and views in public discussions.

The area of information society is now strengthened by a legal framework enabling the application of information technologies in the judicial system. Montenegro has adopted, in accordance with the *acquis communautaire*, a Law on Electronic Signature, Law on E-trade, Law on E-document, Law on Information Safety, and Law on E-administration.

As part of the EU's support of digitalization in potential member states, it awarded EUR 600,000 to Montenegro at the 20th meeting of the Management Board of the Western Balkans Investment Framework on June 25-26, 2019, for the preparation of documents for the "Broadband Infrastructure Development" project, which will strengthen the infrastructure of the digital sector and the availability of the newest-generation broadband network.

Dragan Prelevic, Managing Partner, and
Marko Ivkovic, Attorney at Law, Prelevic Law Firm

SERBIA

DATA BREACH NOTIFICATION OBLIGATIONS IN SERBIA – SECTOR SPECIFIC OR GENERALLY APPLICABLE OBLIGATIONS?

Goran Radosevic

At the moment, there is no generally applicable obligation to report a personal data security breach in Serbia. This type of obligation is currently envisaged only by certain sector specific laws such as the Law on Electronic Communications.

Under the Law on Electronic Communications (which originated in 2010 and was last amended in 2018), electronic communication operators are obliged to undertake the following activities, in relation to the safety and integrity of public communication networks and services: (i) To report to the competent authority any breach of safety and integrity of the respective networks and services which influenced their work significantly, particularly any data security and privacy breaches relating to their subscribers or users; and (ii) To notify their subscribers of any risk concerning a data security breach and, if such a risk is out of the scope of the measures which a particular operator is obliged to undertake, to notify them of the possible measures of protection as well as the implementation costs of those measures.

The competent authority is the Regulatory Agency for Electronic Communications and Postal Services (RATEL). Its competence in the field of electronic communications includes, among other things, adopting subordinate legislation, deciding on the rights and obligations of operators and users, cooperating with relevant regulatory and expert authorities in Serbia and abroad, and participating in the work of international organizations and institutions in the field of electronic communications in the capacity of a national regulatory authority. Additionally, under the Information Security Law, RATEL has the role of the National Center for Prevention of Security Risks in Information-Communication Systems of the Republic of Serbia (CERT).

On the other hand, the current Serbian Law on the Protection of Personal Data (originating from 2008) does not envisage any obligation to report a data security breach to the competent data protection (or any other) authority or to notify data subjects of such a breach. However, this is about to be changed. Specifically, this "old" law shall soon be superseded by the new Law on the Protection of Personal Data (the "New DP Law") - which introduces those obligations.

Sanja Spasenovic

The New DP Law was adopted on November 21, 2018, in order to align Serbian data protection legislation with the EU General Data Protection Regulation (GDPR). However, although adopted last year, its application was postponed until August 21, 2019, when it became fully effective.

Since August 21, data controllers (regardless of the field or industry in which they perform their business activities) are obliged to fulfil the data breach notification obligations envisaged by the New DP Law. The precondition is that a particular breach is likely to result in a risk or high risk to the rights and freedoms of natural persons. If there is no such risk, the respective obligations do not need to be fulfilled. If, however, such a risk would exist, the data controller would be obliged to notify both the Serbian data protection authority (*i.e.*, the Commissioner for Information of Public Importance and the Protection of Personal Data), as well as the data subject of that particular data breach. These obligations should be fulfilled without undue delay and, in case of a notification towards the Commissioner, no later than 72 hours after becoming aware of it. Additionally, the data processor is to notify the controller without undue delay after becoming aware of that particular data breach.

If the relevant obligations are not fulfilled, a legal entity may be liable for misdemeanour and fined in an amount up to RSD 2 million (i.e., up to approx. EUR 16,950), plus the same type of liability and fine in an amount up to RSD 150,000 (i.e. up to approx. EUR 1,270) for the responsible person in the legal entity.

It remains to be seen how these rules will be implemented in practice and how strictly the penal policy will be applied. In the meantime, data controllers should ensure that all measures – technical and otherwise ; which are necessary for them to fulfil the relevant obligations are undertaken in a timely manner. Failure to fulfil those obligations may expose them not only to the aforementioned lability and fines, but also to significant reputational risks. Such risks, if realized, may result in irreparable damage to their businesses, particularly if they include the processing of personal data of a large number of data subjects and/or a broad scope of personal data, such as, for example, in the field of telecommunications and media.

Goran Radosevic and Sanja Spasenovic, Independant attorneys at law in cooperation with Karanovic & Partners

SLOVENIA

The Dawn of Artificial Intelligence Regulation

Ales Lunder

No innovations have ever had the magnitude of impact on everyday life as those pertaining to information technology and communication. As a result of their sophistication, endless amounts of data are readily available to us today, at any moment. Artificial Intelligence, making full use of this abundant resource, is a new technological tool sweeping through our world, promising to once again revolutionize our everyday lives. For that reason, it is of utmost importance that appropriate rules are adopted early on to foster innovation and trust in Artificial Intelligence, while ensuring respect for human rights and democratic values.

While the term Artificial Intelligence has been around for quite some time, it has only recently sparked real interest in business and industry. One could argue that out of all the recent buzzwords in digital transformation (like blockchain), Artificial Intelligence is the only one that has seen real and ever-growing industry-wide application, with already noticeable and easily envisioned impact on our daily lives. As lawyers we should be glad to note that this revolutionizing new technology has been greeted by both business and industry, and its impact was so profound that, on May 22 of this year, the first ever set of intergovernmental policy guidelines on Artificial Intelligence was adopted by the OECD.

These Artificial Intelligence Principles stipulate that Artificial Intelligence should benefit people and the planet by driving inclusive growth, sustainable development, and well-being. The technology should be programmed so that it respects human rights, the rule of law, democratic values, and diversity, and to ensure that it does so it should include appropriate safeguards such as transparency and responsible disclosure. Moreover, systems should function in a secure and safe way throughout their lifetimes, and potential risks should be continually assessed and managed. Most importantly, organizations and individuals developing, deploying, or operating Artificial Intelligence systems ought to be responsible for their proper functioning.

In a nutshell, the intergovernmental policy guidelines on Artificial Intelligence aim to uphold international standards, which are designed to ensure that Artificial Intelligence systems are robust (from a technical perspective, taking into account its social environment), safe, fair, trustworthy, and respectful towards our ethical values and applicable laws/regulations.

Martina Mahnic

The new world of Artificial Intelligence also represents a big challenge for governments and policy-makers as it is still unexplored. That is why the OECD supports governments by measuring and analyzing the economic and social impacts of Artificial Intelligence and its applications to identify good practices, which eventually can be used as public policy. This approach is showing results, as the OECD has already been able to identify some main points pertaining to national policies and international co-operation for trustworthy Artificial Intelligence. The five main points are: to facilitate public and private investment in research and development to spur innovation in trustworthy Artificial Intelligence; to foster accessible Artificial Intelligence ecosystems with digital infrastructure, technologies, and mechanisms to share data and knowledge; to create a policy environment that will open the way to deployment of trustworthy Artificial Intelligence systems; to equip people with the appropriate skills and support workers to ensure a fair transition; and to co-operate across borders and sectors to share information, develop standards, and work towards responsible stewardship of Artificial Intelligence.

These intergovernmental policy guidelines have already been adopted by forty-two countries, including Slovenia, Germany, and France. It is safe to say that these countries have recognized that Artificial Intelligence as a multiple purpose technology has the potential to improve the welfare and well-being of people, to contribute to positive sustainable global economic activity, to increase innovation and productivity, and to help respond to key global challenges. It is deployed in many sectors ranging from production, finance, and transport to healthcare and security. Artificial Intelligence also raises challenges for our societies and economies, notably regarding economic shifts and inequalities, competition, transitions in the labor market, and democracy and human rights.

In this regard Slovenia is one of the first EU member states aiming to develop and establish a national Artificial Intelligence strategy that, in addition to research, is focusing on societal impacts. Recently, the Slovenian government has announced plans, with official backing from UNESCO, to set up Europe's first international Artificial Intelligence research center, to make sure that *Artificial Intelligence is developed through a humanist approach and shall not become autonomous or replace human intelligence.*

Ales Lunder, Partner, and Martina Mahnic, Associate, CMS Ljubljana

CZECH REPUBLIC

Artifical Intelligence – Emerging Issues and Challenges


Michal Matejka

Artificial Intelligence is, after distributed ledger technology, the new frontier for legal scholars, and many are working to define how important and significant its future development is and how it is going to shape our legislation, affect our judiciary, and transform our societies. Many are striving to outline new legal definitions of AI, propose novel legal subjectivity and liability for AI's defects or damage, or reframe ethical principles that AI has to follow, once we finally create it and release it to the world.

Although answers to these questions are surely important, the focus of this review is on something rather different. In our opinion before we start solving complex questions that truly define the legal status of AI, we should provide enough means and liberty for creators to realize their ideas first. Hence, we are confident that in the short term, the legal community should focus primarily on the following issues.

1. Plurality of Subjects Liable for AI

First and foremost we see a real challenge in limiting the plurality of subjects responsible for AI and its potentially harmful consequences. Where responsibility and liability for AI and its behavior is not clear, inventors and early commercial users might, among other things, be wary about using potentially ground-breaking AI simply due to risks associated with its introduction. Moreover, clarifying liability will allow for simpler and cheaper insurance as insurance companies will be able to easily identify liable subjects and offer competitive insurance. Skipping this rather important step will result in slower progression and higher costs in AI research and development.

2. Wide Use of Data is Crucial

The quality of data that AI uses is often presented as the most important issue to be addressed. Processing higher quality data (whatever the definition of this "higher quality" might be) will surely result in better outcomes. If we agree that this premise is true, we have a strong interest in providing AI with the best data available. This provision can often be limited or made impossible by strict data protection rules, especially if the relevant data is personal. We should encourage rather robust data protection legislation in the European Union and push for clearer (and wider) borders on the use of data by AI while, at the same time, protecting such data by wide use of anonymization and/or pseudonymization regimes. Preventing AI from learning from some types or areas of data will result in skewed outcomes with poor quality.


Milos Pupik

3. Sandboxes Everywhere

Releasing AI to the world without properly testing it would be incredibly risky and, all-in-all, unpredictable. European legislators should therefore focus on providing inventors and early users open regulatory sandboxes to provide for public supervision of all forms of AI before they are allowed for public use. These sandboxes should be mandatory and AI should be exposed to rigorous and complex testing by competent individuals. Naturally, these public authorities are bound to store huge amounts of data as a co-product of AI testing and will be able to utilize this data to further improve their tests and define best practices.

4. Point to Safe AI

Connected to our previous point, state authorities should not be afraid to award certifications to AI that passes this rigorous testing. This certification could, in certain cases, also limit liability and provide the inventors with another reason to allow their AI to be tested and, consequently, certified. Certification also provides the public with a clear way to see what AI was tested, how it fared, and which authority is confident that the AI is safe enough for public use. From the use of certifications in other areas we already know that this practice is beneficial to all parties interested.

5. Conclusion

These aforementioned points might not be as exciting as defining what AI is for all perceivable purposes, but they are, in our view, truly more important. Instead of trying to construe these rather difficult definitions (that will keep us busy for the years to come), let us focus on creating an environment that promotes innovation of AI that is safe, publicly available, and exceptional.

Michal Matejka, Partner, and Milos Pupik, Associate, PRK Partners

SLOVAKIA

New Minimum Quotas for the Promotion of Domestic Products in Slovakia

Jan Lazur

In Slovakia, a new amendment to Act No. 152/1995 Coll. on foodstuffs has been adopted, introducing new rules on how supermarkets ought to promote grocery products. According to the newly-adopted legislation, supermarkets and other sellers who promote grocery products are required to ensure that at least 50% of these promoted products are of Slovak origin. The new rules apply to online as well as classical forms of marketing.

Grocery stores in Slovakia will need to ensure that they promote at least 50% of products made or produced in Slovakia in each print, electronic, and online advertisement. There are no further restrictions as to the sort of brands or products they can promote with the remainder.

To ensure compliance with these new requirements, supermarkets and other sellers of foodstuff will need to promote Slovak products in all marketing materials such as leaflets, flyers, catalogues, posters, billboards, and magazines regardless of whether the materials are provided in paper or electronic format.

Against the Constitution and Against EU law

It seems that the amendment is designed to support domestic brands and products in Slovakia to the detriment of international brands. Such legislation is, in our opinion, contrary to both the Constitution of the Slovak Republic and to European Union law.

The obligation imposed on grocery stores to advertise at least 50% of local products violates the right to free enterprise and the right to non-discriminatory treatment. The Constitutional Court of the Slovak Republic has stated in multiple rulings that any interference in such right must be neither arbitrary nor discriminatory. Since the new legislation requires that Slovak food brands be represented in all marketing material that is produced, it is discriminatory against international companies. Furthermore, the new legislation does not provide the required objective and reasonable justification for the measure.

Zoltan Nagy

In the context of EU law, Article 34 of the Treaty on the Functioning of the European Union prohibits any quantitative restrictions and any other measures having equivalent effect. We believe that the effect of the amendment favoring the purchase of domestic products is equivalent to a quantitative restriction pursuant to the well-known Court of Justice of the European Union's *Dassonville* and *Keck* decisions.

Therefore, we are of the opinion that these legislative measures are contrary to the right of free movement of goods as interpreted by the CJEU in its *Buy Irish* and *Apple and Pear Development Council* decisions, in which the court said that a campaign sponsored or supported by the government and encouraging consumers to buy national goods solely by reason of their national origin has a potential effect on imports that is comparable to that resulting from quantitative restrictions limiting the quantity of goods coming into a member state. Unlike in the amendment, acceptable forms of promoting such "national goods" must be related to some specific quality characteristics that are typical for the respective member state.

Therefore, and given the present text of the current amendment, the new rules explicitly support the sale of Slovak domestic products at the expense of products and brands from other EU Member States. As foreign products do not benefit from guaranteed advertising placement in marketing materials, it may ultimately jeopardize the trade between Member States. As mentioned above, this approach has already been criticized by the CJEU in similar cases. Apart from that, it also breaches the constitutional principle prohibiting discrimination in the right to free enterprise.

It remains to be seen whether a legal action challenging these new statutory rules will be filed with the Slovak Constitutional Court or whether the EU Commission will start infringement proceedings against the Slovak Republic.

Jan Lazur, Partner, and Zoltan Nagy, Associate,
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