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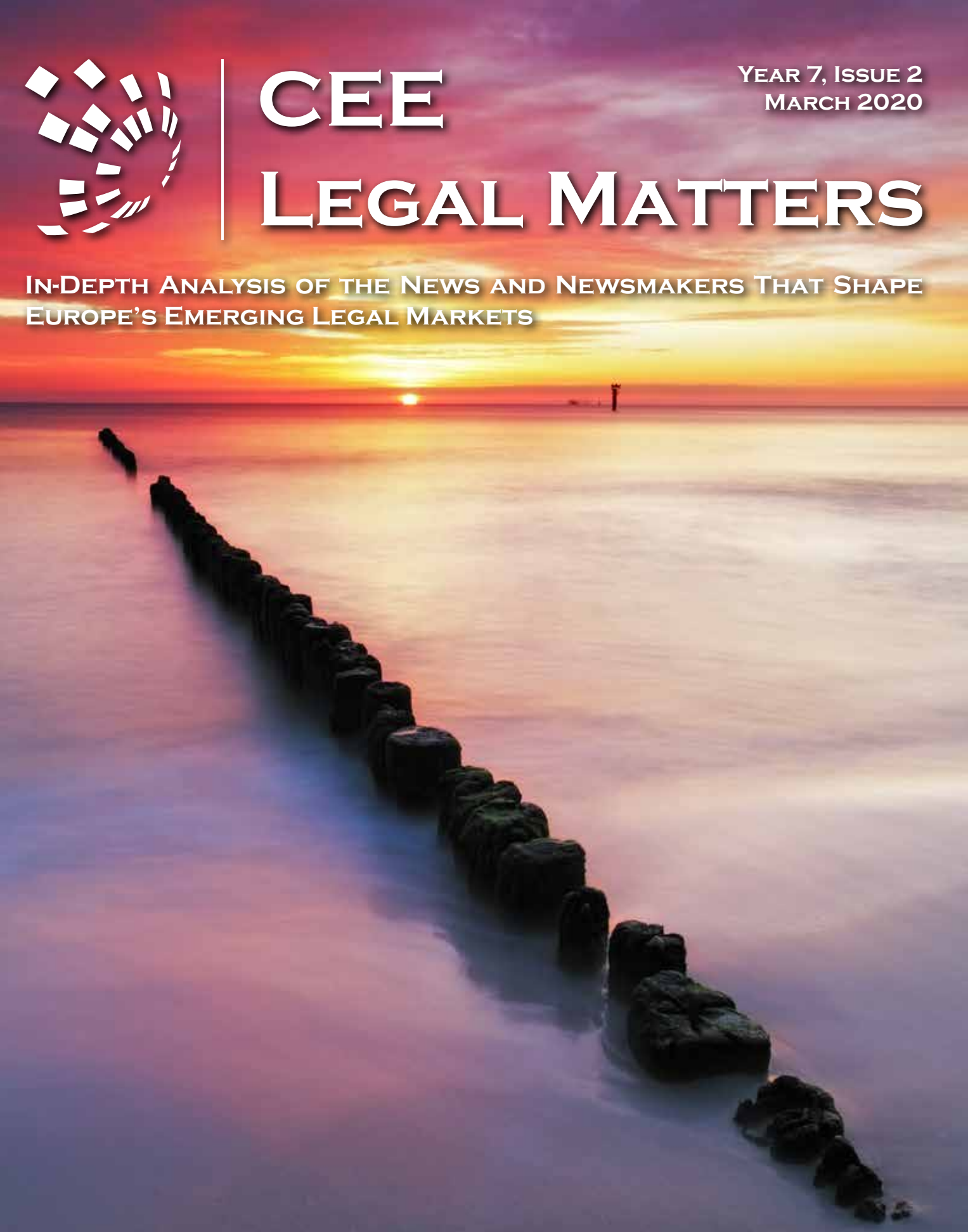

DEALER'S CHOICE LAW FIRM SUMMIT & 2020 CEE DEAL OF THE YEAR AWARDS

APRIL 23, 2020

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EDITORIAL: ENTERTAINING, INFORMATIVE, AND INTIMATE

By David Stuckey

Even against the backdrop of the general (and some specific) anxieties across the region these days, I have to admit that I'm in a good mood, and experiencing undeniable feelings of pride, excitement, and genuine pleasure. We're working insanely hard, of course, but … things are going fairly well.

First, we received the most submissions for the CEE Deal of the Year Awards in the awards' three-year history, and the votes of the Final Selection Committee should start coming in soon, meaning within two weeks we – and, I'm afraid, *only* we – will know which firms have won which awards in which countries.

That's exciting, man! Oh, I know there are other, more pressing concerns around the world than who's winning which awards, but … for us, this is a source of real celebration. We are proud of our ability to celebrate and honor the firms and lawyers we work with so closely throughout the year, and although the process of organizing and coordinating these awards is a demanding one, we are proud that so many submit deals for consideration, and so many are so enthusiastic about the possibility of winning. That's cool.

And soon we'll be able to start designing and preparing the actual awards themselves for the CEE Deal of the Year Awards Banquet in London on April 23, and we will turn our (almost) full attention to making sure that event, as well as the full-day conference that precedes it, fit into the traditional CEELM event paradigm: *Entertaining, Informative, and Intimate.*

As I write this in a café mid-afternoon on February 28, I find myself reflecting on our general pride at our ability to create and maintain that reputation, which carries through our relationships with the lawyers and greater legal community in Central and Eastern Europe. Entertaining, Informative, and Intimate. You could do worse, it seems to me.

And certainly this issue reflects that tripartite paradigm. The article by our new writer Tereza Green – welcome, Tereza! – about the ways top-tier legal conferences distinguish themselves from less-impressive ones satisfies all three of those requirements, as does the second part of Andrija Djonovic's extended article about the effect of the Bosnian War on the legal community there and his fascinating article about the meaning and ramifications of a major spin-off in Lithuania's legal market, and Djordje Radosavljevic's article about the proposed creation of a new specialized Economic Affairs Court in Latvia.

Add in the interesting editorials by Gonenc Gurkaynak of ELIG Gurkaynak Attorneys at Law in Turkey and Lauris Liepa of Cobalt in Latvia, more valuable insights by Aaron Muhly in his Confident Counsel feature, our regular The Corner Office feature, and everything else our readers have come to expect from the CEE Legal Matters magazine, and … we're firing on all cylinders.

So, against the backdrop of various crises – both real and imagined, both recent and ongoing – we continue to plug along, confident in the service we're providing to the lawyers and law firms of CEE, and enjoying the ride. We're glad you're on board.

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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: press@ceelm.com

GUEST EDITORIAL: NOTES FROM A REGIONAL LEGAL HUB: TURKEY

By Gonenc Gurkaynak, Partner, ELIG Gurkaynak Attorneys at Law

I can pinpoint the exact moment when my interest in the law first flourished: I was 13 years old and my mother had given me a book called *The Courage of their Convictions* by Peter H. Irons, about 16 Americans who had fought for their rights and taken their cases all the way to the Supreme Court, and what I read resonated deeply within me. It later turned out that my mother had only given me the book to improve my English. But it opened the door to so much more.

During my time at Ankara University I had the opportunity to study under numerous respected scholars, and, perhaps because both of my parents were university professors, my initial plan was to make my career in academia; it actually still is. Once I started practicing law, it was due to this abiding desire that I continually tried to expand my knowledge by researching and writing about legal theory and practice, as well as by teaching classes as a guest lecturer at three universities – this has kept me motivated and "fresh." Every year, in my final lecture, as they prepare embark on their legal careers, I tell my students the same secret to success: keep a keen eye on global developments, seek out uncharted territories and expand, and connect with people from all walks of life.

It was these considerations that led me to continue my academic journey by studying for my Master's degree in the US, and later, by working in New York and Brussels, before returning to establish my own practice in Istanbul. At the time, in the early 90s, although the EU Commission had been ruling on competition law matters since the second half of the 1960s, Turkey had only recently adopted its competition legislation and established its Competition Authority; the area was ripe with opportunity. The rulings of the Commission, the US antitrust literature, and the decisions of the European national competition authorities were all indispensable and highly educational for a fledgling Turkish competition law practitioner.

The early 1990s was also a time in which Turkey flourished economically and foreign investments poured into the country. As in other CEE countries, a new market (in its case, with a population of 75 million) with a relatively inexpensive but well-educated work-force was attractive for investors, especially since Turkey could be a regional hub to gain access to both the European market and the Middle Eastern and African countries. Being a new market necessitated the creation of an investment arena with attractive investment incentives and transparent regulations, usually in line with EU *acquis* due to Turkey's pending application for membership. The presence of a familiar regulatory foundation that allowed for efficient risk assessment was appealing for investors. Unsurprisingly, many global law firms that detected a business opportunity opened offices in Turkey and set up partnerships with local law offices, both due to regulatory reasons and to take advantage of the home-grown expertise of those office's partners.

However, such economic and political interconnectivity between countries has not always been positive: the overly nationalistic and populistic winds which have now swept throughout most of CEE, as evident in recent electoral winners in Hungary, Poland, and Turkey, and of course Brexit, portend serious challenges. Fear of the "other" on both sides of the pond has unfortunately brought negative implications for human rights, whether they concern the rights of immigrants, foreign investments, or simply the freedom of expression, which is an issue that is especially close to my own heart. Although, to give credit where it is due, most countries that are at risk of veering toward nationalism/authoritarianism have not gone as far as implementing a total access ban on Wikipedia for over two-and-a-half years, which is more than I can say for my own country.

I firmly believe that, aside from all the exciting discussions of new areas of law that would stem from advances in artificial intelligence or the emerging business models of the "sharing economy," we, as lawyers, may still need to fight on all fronts to ensure and protect basic human rights around the world. While we certainly do take courage from our convictions, just like the ordinary heroes I first read about 30 years ago, twenty-five years of legal education and practice have convinced me that it will also be our connections and collaboration that will ultimately ensure our success in not only our legal battles, but in our righteous causes.

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ACROSS THE WIRE: DEALS SUMMARY

Date covered	Firms Involved	Deal/Litigation	Value	Country
17-Jan	Lattenmayer, Luks & Enzinger; Wolf Theiss	Wolf Theiss advised the REWE group on the sale of a property in the Donaustadt district of Vienna. The successful bidder, BUWOG, was advised by Lattenmayer Luks & Enzinger.	N/A	Austria
17-Jan	Brandl & Talos	Brandl & Talos supported APEX Ventures in the creation of the APEX Digital Health venture capital fund, designed for investments in new companies with unique technologies and applications in the healthcare sector.	N/A	Austria
20-Jan	Fellner Wratzfeld & Partner	Fellner Wratzfeld & Partner advised Bundesimmobiliengesellschaft on the structuring and procurement of an "innovation partnership" in Austria.	N/A	Austria
22-Jan	Brandl & Talos; Herbst Kinsky; Schnittker Mollmann	Brandl & Talos advised Anyline on its generation of USD 12 million in growth capital through a Series A round of financing. Lead investors Project A and Senovo were advised by Herbst Kinsky and Schnittker Mollmann Partners, respectively.	USD 12 million	Austria
23-Jan	CMS; KPMG Legal; Schoenherr	KPMG Law advised the shareholders of Barracuda Holding GmbH on the sale of 71% of the shares in the company to the CTS Eventim Group. The buyers were advised by CMS and Schoenherr.	N/A	Austria
24-Jan	CMS; Schoenherr	CMS advised Encavis Infrastructure Fund III on its acquisition of the Furstkogel wind farm in Austria, consisting of five wind turbines with a total rated output of 17.25 MW. The sellers, wind energy specialist Ecowind Handels- & Wartungs-GmbH, were advised by Schonherr.	N/A	Austria
27-Jan	DSC Doralt Seist Csoklich; Linklaters; Wolf Theiss	Wolf Theiss and Linklaters advised J.P. Morgan and Erste Group Bank AG as joint book-runners on S Immo AG's issuance of 6,691,717 new shares via an accelerated book-building procedure involving the exclusion of shareholders' subscription rights. S Immo AG was advised by DSC Doralt Seist Csoklich.	N/A	Austria
27-Jan	Fellner Wratzfeld & Partner	Fellner Wratzfeld & Partner advised Bundesimmobiliengesellschaft m.b.H. on the structuring and procurement of an "innovation partnership" with several enterprises in Austria.	N/A	Austria
28-Jan	Herbst Kinsky; Weber & Co.	Weber & Co. advised Erste Group Bank AG as the sole bookrunner on the sale of 105,000 Marinomed Biotech AG shares by shareholders Acropora Beteiligungs GmbH, VETWIDI Forschungsholding GmbH, and BVT Beteiligungsverwaltung und Treuhand GmbH. Herbst Kinsky advised Marinomed on the sale.	EUR 10 million	Austria
28-Jan	Weber & Co.; Wolf Theiss	Weber & Co. advised DekaBank Deutsche Girozentrale, DZ Bank, Erste Group, RBI, and UniCredit as joint lead managers on the successful issuance of mortgage covered bank bonds by Raiffeisenlandesbank Oberosterreich AG. Wolf Theiss advised Raiffeisenlandesbank Oberosterreich on the issuance.	EUR 500 Million	Austria
29-Jan	Schoenherr	Schoenherr helped UniCredit Bank establish its Social Impact Banking initiative in Austria.	N/A	Austria
31-Jan	Linklaters; Rautner Attorneys At Law; Weber & Co.; Wolf Theiss	Wolf Theiss advised Erste Group Bank AG on the issue of EUR 500 million of Additional Tier 1 Notes and on the issue of EUR 750 million Mortgage Pfandbriefe. Linklaters and Rautner Rechtsanwalte advised lead managers HSBS, BofA Securities, Morgan Stanley, and Societe Generale on the Tier 1 note issuance. Weber & Co advised Banca IMI, Danske Bank, DekaBank, DZ BANK, Erste Group (in its capacity as Manager), and LBBW on the Mortgage Pfandbriefe.	1.2 billion	Austria
31-Jan	White & Case; Wolf Theiss	Wolf Theiss and White & Case advised joint lead managers ABN Amro, Deutsche Bank, DZ Bank AG, RBI, and UniCredit on UniCredit Bank Austria AG's successful January 21, 2020 placement of a benchmark EUR 500 million issuance of mortgage securities.	EUR 500 million	Austria
31-Jan	Bc& Studio Di Consulenza Societaria Tributaria Legale; Brandl & Talos	Brandl & Talos advised founders Simon Falkensteiner and Matthias Trenkwalder and investors including aws Gruenderfonds, Falkensteiner Ventures, and Nextfloor Ventures on the sale of RateBoard, a developer of a revenue management software for the hotel industry, to Zucchetti, an Italian software developer in the field of hospitality and restaurant industry. Zuchetti was advised by BC& Studio di Consulenza Societaria Tributaria Legale and Solo Practitioner Mario Perl.	N/A	Austria

Date covered	Firms Involved	Deal/Litigation	Value	Country
7-Feb	Brandl & Talos; Leitner Law	Brandl & Talos advised Aws Mittelstandsfonds on an unspecified investment in Communi5 Technologies GmbH. Leitner Law advised Communi5 on the deal.	N/A	Austria
13-Feb	Wolf Theiss	Wolf Theiss advised Raiffeisen Bank International AG on the issuance of Ordinary Senior Eligible bonds worth EUR 750 million under its EUR 25 million Debt Issuance Program. Banco Santander, S.A., BNP Paribas, Citigroup Global Markets Limited, Morgan Stanley & Co International, and RBI were joint lead managers.	EUR 750 million	Austria
6-Feb	Dentons; Kirkland & Ellis; Noerr	Dentons and Kirkland & Ellis represented GIC, Singapore's sovereign wealth fund, on the acquisition of the Maximus logistics real estate portfolio from funds managed by Apollo Global Management, a US-based private equity firm. Noerr advised the sellers on the transaction.	EUR 950 million	Austria; Poland; Slovakia
17-Jan	Sorainen	Sorainen advised Data Delivery LLC, a Belarus-based developer of the RocketData.io platform for managing business reputation and online data, on implementing share options for employees.	N/A	Belarus
13-Feb	Aleinikov & Partners	Aleinikov & Partners is representing Blitz Team in a dispute with Wargaming, developer of the game World of Tanks.	USD 1.69 million	Belarus
13-Feb	Aleinikov & Partners	Aleinikov & Partners advised Playrix on an unspecified investment in Belarusian studio Vizor Games.	N/A	Belarus
21-Jan	Baros Bicakcic & Partners	Baros, Bicakcic & Partners successfully persuaded the High Commercial Court in Banja Luka to uphold a decision obliging Addiko Bank to pay Vucko d.o.o. Jahorina a total of over BAM 1 million in damages, interest, and court costs.	BAM 1 million	Bosnia and Herzegovina
16-Jan	Djingov, Gouginski, Kyutchukov & Velichkov	DGKV successfully defended the interests of Mayoral Moda Infantil S.A. and its Bulgarian subsidiary Mayoral Bulgaria EOOD before the Bulgarian Commission for Protection of Competition in a case brought by Comsed involving allegations of superior bargaining position.	N/A	Bulgaria
27-Jan	Georgiev, Todorov & Co.	Georgiev, Todorov & Co successfully defended the interests of Multi-profile Hospital for Active Treatment Doverie against Bulgaria's National Health Insurance Fund in a dispute involving payment for medical care provided by the hospital to health-insured persons above the limits set by the NHIF.	N/A	Bulgaria
29-Jan	Kambourov & Partners	Kambourov & Partners advised Spain's Bankia bank on a loan portfolio transfer in which part of the receivables was secured by collateral provided by Bulgarian companies.	N/A	Bulgaria
30-Jan	CMS; EY Law	CMS advised Hyundai Electric & Energy Systems on the sale of its Bulgarian subsidiary Hyundai Heavy Industries Co. Bulgaria AD to Russia's SVEL Group. EY Law advised the buyers.	N/A	Bulgaria
6-Feb	Kinstellar	Kinstellar advised GTC on its lease of of 4,000 square meters in the Advance Business Center II, an office building in Sofia, Bulgaria, that is expected to open near the end of this year.	N/A	Bulgaria
11-Feb	Tokushev And Partners	Tokushev and Partners advised DZI - General Insurance on its acquisition of Mall Varna from Hydrostroy.	EUR 16 million	Bulgaria
13-Feb	Kambourov & Partners	Kambourov & Partners advised Yotpo on its acquisition of SMSBump.	N/A	Bulgaria
5-Feb	Noerr; Penkov Markov & Partners	Noerr and Penkov, Markov & Partners advised private equity firm Aurelius Equity Opportunities SE & Co. KGaA on the acquisition of the Renewable Power Systems and Protection Relays businesses from Woodward, Inc.	N/A	Bulgaria; Poland
27-Jan	Tus & Andrijanic	Tus & Andrijanic advised JGL d.d. on its HRK 130 million issuance of corporate bonds. The agent for the issue was Privredna Banka Zagreb d.d.	HRK 130 million	Croatia
17-Jan	Clifford Chance; Dentons; Simpson Thacher & Bartlett	Dentons and Simpson Thacher advised Round Hill Capital and Blackstone Tactical Opportunities on the sale of a EUR 1.3 billion residential real estate portfolio in the Czech Republic to Swedish real estate company Heimstaden Bostad AB. Clifford Chance advised Heimstaden Bostad on the deal.	EUR 1.3 billion	Czech Republic
24-Jan	Kinstellar	Kinstellar advised Czech investment group Portiva on its acquisition of a 5000-square meter retail center in the Czech Republic from Austrian developer Aventin.	CZK 250 million	Czech Republic
27-Jan	Weinhold Legal	Weinhold Legal advised Czech insurance broker Renomia on its acquisition of FINVOX Financni Sluzby, a Czech company focusing on insurance, credit, and investment mediation.	N/A	Czech Republic
27-Jan	Clifford Chance; Hladky Legal; Kroupahelan	Clifford Chance advised P & O Netherlands B.V. on the EUR 21.5 million sale of its 50% stake in the Technologicky Park Brno business center to the city of Brno. As a result of the deal, the city, which was advised by Hladky Legal and the Kroupahelan Law Firm, became the majority owner of the park.	EUR 21.5 million	Czech Republic

Date covered	Firms Involved	Deal/Litigation	Value	Country
27-Jan	Kinstellar	Kinstellar advised Youplus Insurance International AG and myLife Lebensversicherung AG, members of Switzerland's Insurevolution Partners insurance group, on the acquisition of Czech and Slovak life and non-life insurance contract portfolios from Basler Sachversicherungs-AG and Basler Lebensversicherungs-AG.	N/A	Czech Republic
4-Feb	Kocian Solc Balastik	KSB's helped the Experientia Foundation "transform and professionalize."	N/A	Czech Republic
4-Feb	BPV Braun Partners	BPV Braun Partners advised Carrier Transicold on the sale of its Czech subsidiary.	N/A	Czech Republic
5-Feb	JSK; Kinstellar	Kinstellar advised Raiffeisenbank on financing for KWR Czech's acquisition of DCK Holoubkov, a company that produces all-plastic outdoor low-voltage distribution switchboards, from two unnamed individuals. KWR Czech, owned by BHS Fund II Private Equity, was advised by JSK on the deal.	N/A	Czech Republic
13-Feb	Weinhold Legal	Weinhold Legal advised Ceska Posta on its CZK 353 million sale of the St. Gabriel Monastery to the Cimex Group.	CZK 353 million	Czech Republic
14-Feb	BPV Braun Partners; Eversheds Sutherland	BPV Braun Partners advised Unicapital Energy Group on the acquisition of PSP Technicke Sluzby. Eversheds Sutherland advised the sellers on the transaction.	N/A	Czech Republic
14-Feb	CMS; Dentons; Leges	Lawyers from CMS in Ukraine and Poland joined the firm's multi-national team advising the EBRD on the acquisition of a stake in Uzbek food retailer Korzinka. Uzbek law firm Leges reportedly advised the EBRD as well, while Dentons advised the sellers.	USD 40 million	Czech Republic; Poland; Russia; Ukraine
14-Feb	Clifford Chance; Go2Law; Schoenherr	Schoenherr and Hugh Owen of Go2Law advised UNIQA on its acquisition of AXA subsidiaries in the Czech Republic, Poland, and Slovakia. Clifford Chance advised AXA on the transaction.	EUR 1 billion	Czech Republic; Poland; Slovakia
17-Jan	Tark	Tark successfully represented Solaris Bus & Coach in a dispute over the procurement of gas buses for Tallinna Linnatranspordi.	N/A	Estonia
17-Jan	Sorainen	Sorainen successfully represented Eesti Kontsert, a state-owned philharmonic foundation, in a dispute against claimants United Capital and Brutus Inkasso.	EUR 28,296	Estonia
20-Jan	Leadell (Pilv)	The Leadell Pilv firm successfully defended businessman Alexander Kofkin in the Harju County Court.	N/A	Estonia
21-Jan	Sorainen; Triniti	Triniti advised ANMKinnisvara, K.E.D.S, and Faroc on the sale of Birger to Finland's Fincumet Group, which was advised by Sorainen.	N/A	Estonia
22-Jan	Cobalt; Sorainen	Cobalt advised the European Investment Bank on a EUR 50 million venture debt facility to Bolt, the Estonian developer of a ride-hailing app. The borrowers were advised by Sorainen on the financing.	EUR 50 million	Estonia
28-Jan	TGS Baltic	TGS Baltic advised real estate company KEK Arendus OU, a member of the Rondam Group, on its acquisition of an office building in the Tallinn city center from Danske Bank A/S and on its conclusion of a lease contract with the current user of the building.	N/A	Estonia
29-Jan	Cobalt	Cobalt advised AS PRFoods, a fish farming and production company listed on the Tallinn Stock Exchange, on a private placement of secured notes.	EUR 9.1 million	Estonia
31-Jan	Ellex (Raidla); PwC Legal	PwC Legal Estonia advised DncOne OU on its acquisition of iD Susteemide OU. Ellex Raidla advised the sellers.	N/A	Estonia
31-Jan	Sorainen	Sorainen advised the Fincumet Group on the acquisition of a 60% stake of Estonia's Birger, a producer of hooklift containers and related steel constructions, from owner and CEO Aleksei Manniste.	N/A	Estonia
5-Feb	HPP Attorneys; Pohla & Hallmagi	Estonia's Pohla & Hallmagi advised Wraight Invest on its acquisition of the remaining 54% of Hobby Hall Group OU from fellow shareholders SGN Group Oy and Four P&P Consulting Oy. Finland's HPP Attorneys advised the Finnish sellers on the deal.	N/A	Estonia
5-Feb	Cobalt	Cobalt advised Poco Holding on the sale of banking-as-a-service provider PocoSys to the Opera Group. Opera also signed an agreement to acquire PocoSys's sister company, EU-licensed payment institution Pocopay.	N/A	Estonia
12-Feb	Glikman Alvin Levin	Glikman Alvin Levin advised Deca Games OU on its merger with Deca Live Operations GmbH.	N/A	Estonia
11-Feb	Zepos & Yannopoulos	Zepos & Yannopoulos advised Greek real estate developer ZOIA on the acquisition of 16 real estate properties in Athens from various unnamed sellers.	N/A	Greece

Date covered	Firms Involved	Deal/Litigation	Value	Country
24-Jan	Katona Gyorgy Law Office; Lakatos, Koves & Partners	Lakatos, Koves & Partners advised Soulbrain on the acquisition of a development site from the state-owned National Industrial Park Management and Development Company. The sellers were advised by the Katona Gyorgy Law Office.	N/A	Hungary
28-Jan	BLS; Schoenherr	Hungary's BLS Law Firm advised LP Portfolio on its issuance of HUF bonds under the Bond Funding for Growth Scheme announced by the Central Bank of Hungary. Schoenherr advised the arranger, OTP Bank.	N/A	Hungary
28-Jan	Jalsovszky	Jalsovszky advised both parties on the sale by Magyar Posta Takarek Ingatlan Befektetesi Alap of the Buda Business Center Office Building to an unnamed real estate fund.	N/A	Hungary
29-Jan	Jalsovszky; Lovasz	Jalsovszky advised Magyar Posta Takarek Ingatlan Befektetesi Alap on its sale of a retail portfolio, consisting of warehouses in the Hungarian communities of Ajka, Albertirsa, Dunaujvarosm, and Oroshaz. The unidentified buyers were advised by Lovasz.	N/A	Hungary
30-Jan	CMS	CMS Hungary advised India-based manufacturing company SRF Limited on an EUR 70 million credit facility.	EUR 70 million	Hungary
31-Jan	HBK Parters; Jalsovszky; Noerr	Noerr advised ElringKlinger AG on the sale of the Heliport Industrial Park in Kecskemet, Hungary, to a consortium led by Infogroup and including an equity fund owned by the Municipality of Kecskemet. Jalsovszky advised Infogroup and HBK Partners advised Kecskemet on the deal.	N/A	Hungary
5-Feb	DLA Piper	DLA Piper advised the Hungarian Fund Management Company on the acquisition of Forgacs Intezet, a company focusing on the provision of reproductive health services and obstetric and outpatient care. The unidentified seller was advised by Solo Practitioner Forgacs Vince.	N/A	Hungary
5-Feb	DLA Piper	DLA Piper advised the Hungarian Fund Management Company on its acquisition of shares in Sterilitas and Varandos. Solo practitioner Istvan Devai advised the unidentified seller on the deal.	N/A	Hungary
6-Feb	Dentons; DLA Piper	DLA Piper advised Optima Investment Co Ltd on the sale of the Reno Udvar real estate project in Hungary to the Chi Fu Group. Dentons advised the buyer on the deal.	EUR 60 million	Hungary
24-Jan	Dentons; White & Case	Dentons advised Enlight Renewable Energy on the construction and EUR 115 million financing of the 105 MW Selac wind farm in Kosovo. The EBRD provided EUR 57 million of the total amount, with Erste Group Bank and NLB Bank providing the remaining EUR 58 million, and with coverage provided by the German export credit agency Euler Hermes. The lenders were advised by White & Case.	EUR 115 million	Kosovo
17-Jan	Cobalt	Cobalt is representing UAB Niklita in a dispute related to a procurement process organized by the Prisons Administration of the Ministry of Justice of Latvia involving the supply of catering services to prisoners.	N/A	Latvia
6-Feb	Sorainen	Sorainen advised the Kaamos Group on its acquisition of one-sixth of the shares in Sunly Land.	N/A	Latvia
17-Jan	SPC Legal	SPC Legal successfully represented UAB T Parkas in a dispute regarding the termination of a state-owned land lease agreement with another user of the land plot.	N/A	Lithuania
17-Jan	SPC Legal	SPC Legal advised UAB Akmenes Projektai, a company managed by Domestique Asset Management, on unspecified investment agreements with Akmene FEZ Management Company in the Akmene free economic zone in Lithuania.	N/A	Lithuania
17-Jan	Sorainen; Walless	Walless advised Spanish companies Elecnor and Abengoa on their agreement to electrify the Vilnius railway hub and the Kaisiadorys-Klaipeda railway for Lithuania's state-owned railway company Lietuvos Gelezinkeliai. Sorainen advised Lietuvos Gelezinkeliai on the contract.	EUR 363 million	Lithuania
17-Jan	Cobalt; Walless	Walless advised the Affidea Group on its acquisition of 100% of the shares of UAB Kuncu Ambulatorine Klinika, the operator of the Vetrunge clinic in Klaipeda, Lithuania. Cobalt advised the unidentified seller on the deal.	N/A	Lithuania
22-Jan	Sorainen; SPC Legal	SPC Legal advised real estate investment company Capital City Group on the sale to a company managed by Kenova Asset Management of a tunnel car-wash station in Lithuania that is leased by UAB Svaros Broliai. Sorainen advised the buyers on the deal.	N/A	Lithuania
24-Jan	Sorainen	Sorainen advised Rocket Software on opening a new development center in Vilnius.	N/A	Lithuania
27-Jan	Deloitte Legal	The Lithuanian office of Deloitte Legal advised Aurora Cannabis Inc. on the merger of its two Lithuanian subsidiaries, Agropro and Borela.	N/A	Lithuania
28-Jan	Sorainen	Sorainen advised venture capital fund Startup Wise Guys on its investment in Lithuanian transport management system developer GoRamp.	N/A	Lithuania

Date covered	Firms Involved	Deal/Litigation	Value	Country
31-Jan	DLK Legal	DLK Legal helped Digital Virgo obtain an e-money institution license for Lithuania's Digital Virgo Payment UAB.	N/A	Lithuania
4-Feb	Derling Primus	Derling Primus helped NBC Security, Inc. establish UAB Baltic Defense Industries, which will manufacture military and defense products in Lithuania for global defense and law enforcement agencies.	N/A	Lithuania
4-Feb	Cobalt	Cobalt advised Iron Wolf Capital on its EUR 1.6 million investment in Integrated Fiber Optics.	EUR 1.6 million	Lithuania
6-Feb	Ellex (Valiunas); Motieka & Audzevicius	Motieka & Audzevicius advised MyFitness, a sports and fitness club operator, on the acquisition of Lithuania-based Gym Plius. Ellex Valiunas advised the unidentified sellers on the deal.	N/A	Lithuania
7-Feb	BBA Fjeldco; Motieka & Audzevicius	Motieka & Audzevicius advised Avia Solutions Group on the acquisition of Bluebird Nordic, a cargo airline headquartered in Iceland. Bluebird Nordic was reportedly advised by Iceland's BBA//Fjeldco law firm.	N/A	Lithuania
7-Feb	Ellex (Valiunas); Tenden	Ellex Valiunas and Norway's Tenden law firm advised Norway's Passer Group on its acquisition of 49% of shares in Lithuania's SIDC Group.	N/A	Lithuania
12-Feb	Ashurst; Sorainen	Sorainen won a tender to advise Lithuania's state-owned Ignitis Group on an initial public offering it is currently considering. Ashurst will be advising on English and US law aspects.	N/A	Lithuania
17-Jan	Deloitte Legal; Kopec & Zaborowski	The Lithuanian office of Deloitte Legal participated in a multi-jurisdictional team advising Enva, a provider of recycling and specialist resource recovery solutions in the UK and Ireland, on its acquisition of SAR Recycling Ltd, which was advised by, among others, Warsaw's Kopec & Zaborowski law firm.	N/A	Lithuania; Poland
21-Jan	Filip & Company; Freshfields; Osborne Clarke; Turcan Cazac; Vernon David & Associates	Filip & Company, Freshfields Bruckhaus Deringer, and Vernon David & Associates advised Banca Transilvania on the acquisition of Microinvest. Osborne Clarke and Turcan Cazac advised the sellers on the transaction.	N/A	Moldova; Romania
17-Jan	Act (BSWW)	Act BSWW advised the Buma Group on the construction of the Wadowicka 3 real estate project in Krakow.	N/A	Poland
17-Jan	Bird & Bird	Bird & Bird advised Bank of China Luxembourg S.A, Poland and Luxembourg branches, on financing worth over EUR 120 million provided to two unnamed entities.	EUR 120 million	Poland
17-Jan	Linklaters	Linklaters advised Glamox AS, a Triton portfolio company, on its successful public tender offer to acquire 98.21% of the shares of Polish lighting solution provider ES-System.	N/A	Poland
17-Jan	Linklaters	Linklaters advised Resi4Rent on the acquisition of an apartment building in Wroclaw, Poland from Echo Investment. The financing of the building's construction was provided by a consortium led by Bank Pekao.	N/A	Poland
17-Jan	Linklaters	Linklaters advised UBM Development AGon the forward sale of hotel properties in Krakow and Katowice to Union Investment Institutional Property GmbH.	N/A	Poland
17-Jan	Allen & Overy; Gide Loyrette Nouel	Gide Loyrette Nouel advised KGHM Polska Miedz S.A. on a December 20, 2019 credit facility agreement in the amount of USD 1.5 billion with a consortium of banks including Bank Polska Kasa Opieki, Powszechna Kasa Oszczednosci Bank Polski, Intesa Sanpaolo, and Santander Bank Polska. The banks were advised by Allen & Overy.	USD 1.5 billion	Poland
20-Jan	Clifford Chance	Clifford Chance advised a consortium of Bank Pekao, PKO BP, Santander Bank Polska, and BNP Paribas Bank Polska on LPP S.A.'s bond issue program of up to PLN 300 million.	PLN 300 million	Poland
21-Jan	DLA Piper	DLA Piper advised FIZAN Foreign Expansion Fund on its investment in PGM, a Texas firm specializing in the treatment of used automotive and industrial catalytic converters.	N/A	Poland
21-Jan	DZP Domanski Zakrzewski Palinka	Domanski Zakrzewski Palinka advised OGP Gaz-System S.A. on a project involving the creation of a new gas supply corridor on the European market.	N/A	Poland
21-Jan	Eversheds Sutherland	Wierzbowski Eversheds Sutherland advised ELMO on the sale of an organized part of its enterprise to Solutions 30 Holding.	PLN 60 million	Poland
23-Jan	DLA Piper	DLA Piper advised FIZAN Foreign Expansion Fund on the acquisition by its Recat subsidiary of a minority block of shares in Tesla Recycling from the Elemental Holding group. Elemental was advised by solo practitioner Maria Janicka.	N/A	Poland
24-Jan	Jankowski & Stroinski; Kondracki Celej; Studnicki, Pleszka, Cwiakalski, Gorski	SPCG advised BNP Paribas on its investment, made with Alior Bank and PKO Bank Polski and in agreement with existing investors Innovation Nest and Black Pearls, in Autenti, a Polish Fintech platform for paperless electronic contract signing and digital document circulation. PKO was advised by Jankowski & Stroinski and Alior Bank by Kondracki Celej.	PLN 17 million	Poland

Date covered	Firms Involved	Deal/Litigation	Value	Country
24-Jan	Gessel	Gessel advised Avallon on the acquisition of a majority stake in Clovin S.A.	N/A	Poland
27-Jan	Mrowiec Fialek & Partners	Mrowiec Fialek and Partners helped Lime Access sp. z o.o. find an investor and execute an investment agreement.	N/A	Poland
27-Jan	Allen & Overy; Dentons; Studnicki, Pleszka, Cwiakalski, Gorski	Dentons and Studnicki Pleszka, Cwiakalski, Gorski advised French renewable energy producer Akuo Energy on financing it received for the construction of three wind farms from the Mirova Eurofideme 4 fund and a consortium of BNP Paribas Bank Polska, Commerzbank, and mBank. The banks were advised by Allen & Overy.	N/A	Poland
28-Jan	Dentons; Linklaters	Linklaters advised Chariot Group B.V. on the sale of DIY stores leased by OBI located in Gdansk and Lodz to a subsidiary of Marr Holdings, a company from the Republic of South Africa. Dentons advised the buyers.	N/A	Poland
28-Jan	Kochanski & Partners	Kochanski & Partners advised Visa Inc. on its launch of open banking services in Poland.	N/A	Poland
28-Jan	DLA Piper; Greenberg Traurig	DLA Piper advised asset management company KGAL Group on its purchase of the Prosta Office Center in Warsaw from Prosta Investments. Greenberg Traurig advised the sellers.	N/A	Poland
28-Jan	Dentons	Dentons advised Erste Group Bank AG and mBank S.A. on refinancing the acquisition of Polish solar projects with a capacity of 46 MW granted to a project company controlled by Aberdeen Standard Investments's fund.	N/A	Poland
29-Jan	DZP Domanski Zakrzewski Palinka	Domanski Zakrzewski Palinka advised the Ingka Group on a merger of its IKEA Retail and IKEA Property Poland subsidiaries in Poland.	N/A	Poland
29-Jan	Greenberg Traurig; Rymarz Zdort	Greenberg Traurig advised Madison International Realty on its acquisition of a 46.5% stake in European Logistics Investment, which holds a Polish real estate warehouse portfolio valued at approximately EUR 500 million, from its majority owner Redefine Properties Limited. Rymarz Zdort advised Redefine on the transaction.	N/A	Poland
29-Jan	DLA Piper; Gessel	Gessel advised Polish Enterprise Fund VII, a private equity fund managed by Enterprise Investors, on the sale of Danwood Holding to GS Engineering & Construction.	EUR 140 million	Poland
29-Jan	Eversheds Sutherland; Ignition Law	Eversheds Sutherland advised Cogito Capital Partners on its investment in London-based Applica.AI ltd and its subsidiary Applica.AI sp.z.o.o., a software company and a developer of AI-based robotic text automation platform. Applica was advised by Ignition Law.	N/A	Poland
30-Jan	Kondrat & Partners	Kondrat & Partners successfully represented the interests of the Warsaw School of Economics in a ten-year long dispute with the International Olympic Committee.	N/A	Poland
30-Jan	Mrowiec Fialek & Partners	Mrowiec Fialek and Partners advised Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A., a portfolio company of Innova Capital, on the acquisition of Poznan-based TopCard.	N/A	Poland
30-Jan	Noerr; White & Case	White & Case advised the Polish Aviation Group, which owns LOT Polish Airlines, on the acquisition of Germany's Condor Flugdienst GmbH. The sellers, UK's Thomas Cook, were advised by Noerr.	N/A	Poland
30-Jan	Jacek Kosinski Adwokaci i Radcowie Prawni	Jacek Kosinski Adwokaci i Radcowie Prawni helped PGE Baltica obtain environmental permits to construct two offshore wind farms from the Regional Director for Environmental Protection in Gdansk.	PLN 30 billion	Poland
30-Jan	Kochanski & Partners	Kochanski & Partners helped Global Primex obtain clearance from the Polish Financial Supervision Authority to introduce the Vload eVoucher within the European Union.	N/A	Poland
31-Jan	DLA Piper	DLA Piper advised OEX on the buy-back of its shares.	PLN 8 million	Poland
31-Jan	DLK Legal	DLK Legal advised Nest Bank S.A. on the launch of Nest Bank API – a project in which the bank provides FinTech firms and other institutions with an interface for integrating their services with its own.	N/A	Poland
31-Jan	Paul Hastings; WKB Wiercinski Kwiecinski Baehr	WKB advised the Intel Corporation on Polish aspects of its acquisition of Habana Labs, an Israeli company specializing in the design of processors for machine learning and artificial intelligence applications. Paul Hastings was global counsel to the Intel Corporation on the deal.	USD 2 billion	Poland
31-Jan	SSW Pragmatic Solutions	SSW Pragmatic Solutions advised Venture Capital fund Cofounder Zone on its acquisition of an undefined stake in Ekobilet S.A., the owner of a technology platform for selling tickets for artistic and sporting events.	N/A	Poland
31-Jan	Dentons; Penteris	Penteris advised Apollo Rida on the acquisition of the Equal Business Park in Krakow from Cavatina Holding. Dentons advised the sellers.	N/A	Poland
4-Feb	Czabanski & Galuszynski	Poland's Czabanski & Galuszynski law firm represented the AXA Association pro bonoin an unspecified dispute before Administrative courts.	N/A	Poland

Date covered	Firms Involved	Deal/Litigation	Value	Country
4-Feb	Greenberg Traurig	Greenberg Traurig advised Wood & Co. as the sole global coordinator on an accelerated book-building process acquisition of 13.3% shares in Ten Square Games S.A. from its management board members Maciej Popowicz and Arkadiusz Pernal.	PLN 220 million	Poland
5-Feb	DLA Piper; Domanski Zakrzewski Palinka	DLA Piper advised Polish family-owned investment firm TDJ on its acquisition of a controlling 83% stake in Teamtechnik Production Technology, a company specializing in the design and manufacture of intelligent production lines for the automotive industry. Teamtechnik was advised by Domanski Zakrzewski Palinka.	N/A	Poland
6-Feb	Kochanski & Partners	Kochanski & Partners advised Formaster S.A. on its merger by absorption of subsidiaries Dafi Pro S.A. and Dafi Market S.A..	N/A	Poland
7-Feb	Dentons	Dentons helped Toshiba Carrier Corporation establish its first European manufacturing site in Poland.	N/A	Poland
7-Feb	Greenberg Traurig; Linklaters	Greenberg Traurig advised Tritax EuroBox on its acquisition of Central Logistics Investment from Griffin Real Estate, which was acting on behalf of Redefine Properties. Linklaters advised the sellers on the deal.	N/A	Poland
7-Feb	CMS	CMS advised the Partners Group on its acquisition of a majority share of the VSB Group.	EUR 1.3 billion	Poland
7-Feb	Radzikowski, Szubielska I Wspolnicy; SSW Pragmatic Solutions	SSW Pragmatic Solutions advised White Stone Development on a loan it received from Santander Bank Polska. Radzikowski, Szubielska I Wspolnicy reportedly advised Santander Bank Polska.	N/A	Poland
10-Feb	Clifford Chance; White & Case	Clifford Chance advised INEA, an open-access fiber-optic network operator in Poland, on additional financing procured from a consortium of Bank Pekao S.A., Credit Agricole Bank Polska S.A., Credit Agricole Corporate and Investment Bank, EBRD, ING Bank Slaski S.A., PKO BP S.A., BNP Paribas Bank Polska S.A., and PZU Fizan BIS 1. White & Case advised the lenders.	PLN 400 million	Poland
11-Feb	Eversheds Sutherland	Eversheds Sutherland Wierzbowski is advising the Polish Ministry of Finance and Polish Financial Supervision Authority on a project titled "On the Road to Financial Inclusion and Innovation," which is designed to establish a legal and technological framework for developing the FinTech and SupTech sector in Poland. The project also involves the EBRD, among others.	N/A	Poland
11-Feb	Eversheds Sutherland; WKB Wiercinski Kwiecinski Baehr	Eversheds Sutherland Wierzbowski advised IGT Global Services on the sale of 100% of the shares of BillBird to Centrum Rozliczen Elektronicznych Polskie ePlatnosci. Wiercinski, Kwiecinski, Baehr advised the buyers on the deal.	N/A	Poland
12-Feb	Allen & Overy; DLA Piper; Greenberg Traurig; Norton Rose Fulbright; Rymarz Zdort	Norton Rose Fulbright advised the banks on financing provided to Vectra S.A. for its acquisition of Multimedia Polska S.A. Vectra was advised by Rymarz Zdort. Multimedia Polska was advised by Allen & Overy, while DLA Piper advised the shareholders of Multimedia Polska. Multimedia Polska's creditors were advised by Greenberg Traurig.	N/A	Poland
12-Feb	SSW Pragmatic Solutions	SSW Pragmatic Solutions advised SkinWallet on its receipt of PLN 3.4 million in financing from multiple unidentified investors.	PLN 3.4 million	Poland
13-Feb	Greenberg Traurig; Linklaters	Greenberg Traurig advised Union Investment on a preliminary agreement to acquire planned hotel properties in Katowice (the Hotel Mercure) and Krakow (the Hotel Ibis Styles) from UBM Development. Linklaters advised UBM Development on the transaction.	EUR 86 million	Poland
13-Feb	CMS; Solivan Pontes; Studnicki, Pleszka, Cwiakalski, Gorski	CMS advised MEAG, a German renewable industry investor, on its acquisition of a 21 MW wind farm project located in Zary, in Western Poland, from Sweden's OX2 Wind International AB. The sellers were advised by Solivan and Studnicki, Pleszka, Cwiakalski, Gorski.	N/A	Poland
14-Feb	Balicki Czekanski Gryglewski Lewczuk; SSW Pragmatic Solutions	SSW Pragmatic Solutions advised Unilink S.A. on its acquisition of a majority stake in Damo Ubezpieczenia. The sellers were advised by BCGL.	N/A	Poland
23-Jan	Popovici Nitu Stoica & Asociatii; PwC Legal (D&B David si Baias)	Popovici Nitu Stoica & Asociatii advised Swedish investment fund Oresa on the sale of its RTC Proffice Experience subsidiary, a stationery and office supplies company. D&B David si Baias advised the buyer, technology & communication producer and wholesaler Complet Electro Serv, which is part of the Altex group.	N/A	Romania
24-Jan	Stratulat Albulescu	Stratulat Albulescu advised Hagag on its acquisition of a 7013-square meter office building in Bucharest from NCH Capital.	N/A	Romania
28-Jan	Stratulat Albulescu	Stratulat Albulescu advised Bourbon Black Sea on its lease of 800 square meters of space in the Pipera Business Tower in Bucharest.	N/A	Romania
28-Jan	Mitel & Partners; Stratulat Albulescu	Stratulat Albulescu advised Bog'Art Residential on the acquisition of a 749 square meter land plot in Bucharest from an unnamed group of Spanish investors. Mitel & Partners advised the sellers.	N/A	Romania

Date covered	Firms Involved	Deal/Litigation	Value	Country
29-Jan	Bondoc Si Asociatii	Bondoc & Asociatii assisted McGuire Woods on the transformation and sale of its Romanian entity.	N/A	Romania
6-Feb	Act (Botezatu Estrade Partners); Gide Loyrette Nouel; Leroy si Asociatii	Act | Botezatu Estrade Partners assisted Teva Pharmaceuticals on the accession by its Romanian subsidiary to the group's securitization programme, arranged by BNP Paribas, Dublin Branch. Leroy si Asociatii and Gide Loyrette Nouel advised BNP Paribas.	N/A	Romania
11-Feb	Cleary Gottlieb Steen & Hamilton; Clifford Chance; Filip & Company	Filip & Company advised RCS & RDS and Digi Communications N.V. on issuing two series of senior secured bonds. Clifford Chance Badea and Cleary Gottlieb Steen & Hamilton advised lead arrangers Citibank, ING Bank N.V., and UniCredit Bank S.A.	EUR 850 million	Romania
12-Feb	BPV Grigorescu Stefanica	BPV Grigorescu Stefanica advised Iveco Defense Vehicles, part of the CNH Industrial group of companies, on its sale of over 2900 high mobility trucks to the Romanian Ministry of National Defense for a total value of over EUR 700 million.	EUR 700 million	Romania
13-Feb	Clifford Chance; Filip & Company	Clifford Chance Badea advised a consortium of BNP Paribas, Citigroup Global Markets Limited, Raiffeisen Bank International AG, Societe Generale, and Unicredit Bank AG on the sovereign bond issuance by the Romanian Ministry of Finance on external markets. The Ministry of Finance was advised by Filip & Co.	EUR 3 billion	Romania
13-Feb	Stratulat Albulescu	Stratulat Albulescu advised Glory Global Solutions Ltd on Romanian law matters related to its investment in the Acrelec Group.	N/A	Romania
13-Feb	Stratulat Albulescu	Stratulat Albulescu advised Beez on its receipt of EUR 1.2 million funding from GapMinder Venture Partners and ROCA X.	EUR 1.2 million	Romania
13-Feb	Deloitte Legal (Reff & Associates)	Reff & Associates successfully represented a consortium of construction companies led by the Spanish firm Viales Y Obras Publicas SA Cuenca in an international commercial arbitration regarding the construction of road infrastructure based on a FIDIC contract.	EUR 5 million	Romania
17-Jan	Egorov Puginsky Afanasiev & Partners	Egorov Puginsky Afanasiev & Partners helped BlaBlaCar to obtain clearance from Russia's competition authority for its purchase of Busfor, an online bus ticker aggregator.	N/A	Russia
12-Feb	Liniya Prava	Liniya Prava is an official partner to Russia's "Great Heart" charity fund.	N/A	Russia
17-Jan	Jankovic Popovic Mitic	JPM Jankovic Popovic Mitic provided legal support to Gastrans d.o.o., Serbia (a 100% subsidiary of a OAO Gazprom and Srbijagas joint venture) on the construction of Gazprom's 400 km long Turkish Stream gas pipeline through Serbia, which Srbijagas Director Dusan Bajatovic has recently declared complete.	N/A	Serbia
30-Jan	CMS	CMS advised Turkey's DenizBank and Ziraat Bank on a loan of approximately EUR 220 million granted to the Ministry of Construction, Transport, and Infrastructure of the Republic of Serbia for the design, construction, and/or reconstruction of the Novi Pazar-Tutin, Sremska Raca-Kuzmin, and Pozega-Kotroman sections of the motorway and a bridge over the River Sava.	EUR 220 million	Serbia
31-Jan	CMS	CMS Belgrade advised BMTS Technology on the opening of a manufacturing plant in Serbia.	EUR 50 million	Serbia
6-Feb	Andric Law Office; BDK Advokati; Dentons	BDK Advokati advised the shareholders of Serbian IT company Logo doo on the sale of a 60% stake to GetSwift. Dentons and Andric Law advised GetSwift on the deal.	N/A	Serbia
23-Jan	EY Law; Noerr	Noerr advised NEI, an Indian bearings manufacturer and exporter, on its acquisition of international bearings producer Kinex Bearings and bearing trading company Global Supply. The sellers were advised by Ernst & Young.	N/A	Slovakia
24-Jan	CMS; MCL	MCL advised MiddleCap Real Estate Ltd. on its acquisition, reconstruction, and development of the Gorkeho 4 office project and subsequently on the sale of the project to Kooperativa Insurance company, a member of the Vienna Insurance Group. Kooperativa Insurance was advised by CMS.	N/A	Slovakia
4-Feb	Bezen & Partners	Bezen & Partners successfully represented Turkish football player Omer Kerim Ali Riza in a dispute with the Turkish Football Federation before The European Court of Human Rights.	N/A	Turkey
4-Feb	Gibson, Dunn & Crutcher; Paksoy; Winston & Strawn	Paksoy worked alongside global counsel Winston & Strawn in advising Danfoss A/S, a Danish manufacturer of heat transfer solutions, on its acquisition of Eaton Corporation's hydraulics business. Gibson & Dunn advised Eaton on the transaction.	USD 3.3 billion	Turkey
12-Feb	White & Case	White & Case advised Mid Europa Partners on the merger of its portfolio company CMC Iletisim ve Cagri Merkezi Hizmetleri A.S. with Meritus Upravljanje d.o.o., part of M+ Group, in return for a 30% equity stake in the combined group.	N/A	Turkey

Date covered	Firms Involved	Deal/Litigation	Value	Country
17-Jan	Asters; Deacons	Asters successfully represented ASK Technology Limited, a Hong Kong-based manufacturer of multi-GPU systems for mining, rendering, and AI, in a dispute with a Finnish company over a contract for the supply of mining equipment in the Arbitration Institute of the Stockholm Chamber of Commerce. Deacons provided Hong Kong-law expertise.	N/A	Ukraine
21-Jan	Clifford Chance; Linklaters; Redcliffe Partners	Redcliffe Partners advised the EBRD on Ukrainian aspects of its loan of an additional two million euros to Aquanova Development LLC for the construction, equipment, and placing in operation of a 3.5 MWp solar PV plant in the Zakarpattya Region of Ukraine. Clifford Chance and Linklaters advised the EBRD on English and Italian law, respectively.	N/A	Ukraine
21-Jan	Aequo; Baker McKenzie	Aequo advised the Epicentr Group on its receipt of a USD 70 million multi-currency secured loan from the Black Sea Trade and Development Bank. Baker McKenzie advised BSTDB on the deal.	USD 70 million	Ukraine
27-Jan	Eterna Law	Eterna Law extended its agreement to provide legal assistance to the Ukrainian Tennis Federation for another year.	N/A	Ukraine
31-Jan	Ilyashev & Partners	Ilyashev & Partners helped Druzhkovka Hardware Plant PrJSC initiate an anti-dumping investigation into imports of steel fasteners from the People's Republic of China into Ukraine.	N/A	Ukraine
31-Jan	Sayenko Kharenko	Sayenko Kharenko acted as legal counsel to the winners of both pilot tenders for the concession of Ukraine's Kherson and Olvia seaports.	N/A	Ukraine
31-Jan	Vasil Kisil & Partners	Vasil Kisil & Partners advised Lekhim-Obukhiv LLC on the acquisition of two land plots from Helikom LV, a manufacturer of wood-plastic composites in the Ukrainian community of Obukhiv.	N/A	Ukraine
3-Feb	Ilyashev & Partners	Acting on behalf of Hemoplast PJSC, Ilyashev & Partners persuaded Ukraine's Interdepartmental International Trade Commission to initiate a safeguard investigation into syringe imports into Ukraine.	N/A	Ukraine
6-Feb	Ilyashev & Partners	Ilyashev & Partners is providing pro bono advice to the Ukrainian Red Cross Society on the day-to-day business activities of its organizations.	N/A	Ukraine
6-Feb	Arzinger; Baker Mckenzie	Baker McKenzie advised the shareholders of Biopharma, a Ukrainian manufacturer of pharmaceuticals and healthcare products, on the sale of its non-plasma business to Stada AG. Arzinger advised Stada on the deal.	N/A	Ukraine
6-Feb	Avellum; Latham & Watkins; Sayenko Kharenko; White & Case	Sayenko Kharenko and Latham & Watkins advised BNP Paribas, JP Morgan, and Raiffeisen Bank International as the joint lead managers of Ukraine's EUR 1.25 billion Eurobond issuance. Avellum and White & Case advised Ukraine's Ministry of Finance on the issuance.	EUR 1.25 billion	Ukraine
7-Feb	Eterna Law	Eterna Law advised British company Spacebit on its attempt to perform the first British landing on the moon.	USD 40 million	Ukraine
11-Feb	Integrites	Integrites successfully protected the interests of Euronet Ukraine, the Ukrainian representative of the Euronet Worldwide group, in a tax dispute with the Kyiv State Fiscal Service.	UAH 64 million	Ukraine
12-Feb	Clyde & Co; Kinstellar	Kinstellar, in coordination with lead counsel Clyde & Co, represented Qatari port operator QTerminals in its successful tender for the port concession project involving the Black Sea Port of Olvia.	USD 123 million	Ukraine
13-Feb	Redcliffe Partners	Redcliffe Partners helped GE Capital, the financial services division of General Electric, obtain clearance from Ukraine's competition authority for its sale of the PK AirFinance aviation lending business to Apollo Global Management and Athene Holding Ltd.	N/A	Ukraine
14-Feb	Doubinsky & Osharova	Doubinsky & Osharova successfully represented the interests of the Toyota Motor Corporation in defending the "Lexus" trademark in Ukraine.	N/A	Ukraine

The Ticker:

- Full information available at: www.ceelegalmatters.com
- Period Covered: January 16, 2019 - February 14, 2020

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Write to us at: press@ceelm.com

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ON THE MOVE: NEW HOMES AND FRIENDS

Russia: Castren & Snellman's Russian Offices Join Capital Legal Services

By David Stuckey

Finland's Castren & Snellman law firm has closed its Moscow and St Petersburg offices and withdrawn from Russia.


Heidi Paalanen-Koev

Castren & Snellman established its St Petersburg office in 1994 and expanded its operations to Moscow in 2007. The firm's teams in those cities will now join Russia's Capital Legal Services. Going forward, Castren & Snellman reports, it is "continuing to support its clients by deepening cooperation with ... Capital Legal Services. C&S will remain a strong Russian expert and advisor in commercial law in Finland."

"We are happy to have found a respected partner in Russia with the drive and excellent plans to develop local client work even further," said Heidi Paalanen-Koev, Castren & Snellman's Partner in Charge of the Russian offices. "Client service will continue seamlessly despite the change as our key personnel transfer to CLS. We are confident that we will be able to offer our clients as good, if not even better, service through the extensive services and expertise of this strong local firm."


Vladislav Zabrodin

"We are very happy to welcome new colleagues to our team, with their many years of experience in providing reliable support to Finnish and other foreign companies doing business in Russia," said Capital Legal Services's Managing Partner Vladislav Zabrodin. "By combining the strengths of our firms, we can offer clients top grade service, allowing all clients to continue doing successful business on the Russian market, which can sometimes be a challenge indeed."

"Our experience is that our clients value the partnerships we have with top-tier local law firms and the high quality of our own work," said Sakari Lukinmaa, Managing Partner of Castren & Snellman. "Our international business strategy has proven highly successful, and our cooperation with CLS will support this strategy."

Poland: New Labor Boutique

By David Stuckey

A new labor and employment boutique, PCS Paruch Chrusciel Schiffter, has opened for business in Poland.

PCS, which the firm reports has "approximately 40 experienced lawyers, immigration consultants, BD and administrative support," has offices in Warsaw, Katowice, Krakow, and Poznan. According to PCS, it "is an HR law firm providing comprehensive and pragmatic support to companies within HR laws, including employment and labor law, global mobility and immigration, employment disputes and litigation, trade unions relations and collective bargaining, mobbing and harassment, data protection, social security, employees' savings plans, social fund and others."

PCS was founded by former Raczkowski Paruch Partners Slawomir Paruch, Lukasz Chrusciel (who heads PSC's Katowice office), Karolina Schiffter, and Robert Stepien (who heads the Krakow office). According to a statement by a firm representative, "today, with its four offices, PCS offers the widest reach across Poland among Labor & Employment firms."

Romania: Gabriel Albu Launches White Collar Crime Boutique in Bucharest

By David Stuckey


Gabriel Albu

Romanian White Collar Crime specialist Gabriel Albu, former Founding and Managing Partner at Budusan, Albu & Asociatii, has taken a team to launch his own boutique law firm, Albu-Legal, which will specialize in White Collar Criminal Law, Internal Investigations and Anti-Fraud, and Protection of Human Rights.

Albu joined Budusan, Albu & Associates in April 2008 after spending four years at Salans (now Dentons) and two years at CMS. He graduated from the University of Bucharest in 2002.

"After 12 years spent in Budusan, Albu & Asociatii – currently Budusan & Asociatii – I am moving forward in a new formula, meant to represent as well as possible my own vision, connected to the current realities, the increasingly sophisticated market, the continuous digitalization and the complex challenges brought by it and to a more mature business environment, locally and globally," said Albu. "I would like to express my thanks to Budusan & Associates, in particular to Ovidiu Budusan, with whom I contributed to the establishment and the development of white collar crime niche in Romania."

Poland: Former Polish Office of CEE Attorneys Splits Off

By Radu Cotarcea

The Polish office of the multi-national CEE Attorneys alliance has left the network and now operates under a new brand: Decisive Worldwide Szmigiel Papros Gregorczyk.

The team consists of partners Andrzej Szmigiel, Krzysztof Papros, and Pawel Gregorczyk, plus another 11 lawyers, one paralegal, and two support staff members.

An announcement from the new firm explained the "Worldwide" part of its brand by pointing to a formal cooperation agreement with Endo & Co. Advocates in Tanzania. The announcement also noted: "We wish all the best to CEE Attorneys, where stay a lot of our friends, colleagues, and fantastic people."

Michal Martinak, Managing Partner of CEE Attorneys, commented on the departure of his former Polish colleagues: "CEE Attorneys and its Polish office have decided to continue separately after having different opinions about the future direction of CEE Attorneys. CEE Attorneys wishes Andrzej and his team success in their future business activities. CEE Attorneys will continue to build a strong international law firm in the CEE region with close cooperation with our partners in different regions of the world."

Hungary: RealtorLawyers Network Established

By Radu Cotarcea


Gyorgy Zalavari

Gyorgy Zalavari, Senior Partner at the Ecovis law firm, has set up a Hungarian network of lawyers who also act as realtors in the country: UgyvedHazak (in English: RealtorLawyers).

Zalavari says the logic behind the network, which starts with 23 offices in seven Hungarian cities, is simple. "At a national level, approximately 150,000 real estate transactions are made each year in Hungary, and almost all of them are created with the assistance of a lawyer. But lawyers are not only able to help with the contracting work and title registration. Maybe it is not common knowledge that lawyers are also available for real estate brokerage service and their engagement typically involves lower fees than the commissions of the well-known Hungarian real estate networks."

Ultimately, Zalavari explained, "the real estate brokerage activity of the lawyers is well-regulated, guided by ethical rules, supervised by the chamber of lawyers, protected by liability insurance, and priced well in the market. Lawyers are also entitled to handle financial escrows in a lawful and supervised manner in real estate transactions."

The network is set up independently from Ecovis and Zalavari will continue in his role as Senior Partner with the firm.

Romania: Reff & Associates Opens Office in Cluj-Napoca

By Djordje Radosaljevic

Reff & Associates, the Romanian member of Deloitte Legal, has opened a new regional office in Cluj-Napoca, Romania, coordinated by former Nestor Nestor Diculescu Kingston & Petersen Senior Associate Olguta Lazar.

Lazar spent the last nine years with NNDKP, also in Cluj-Napoca, after spending two and half years at the Cionca, Bidiga, Godinca law firm and four years in-house with Termom SA Cluj-Napoca. She graduated from Romania's Babes-Bolyai University in 2000.

According to Reff & Associates, "during her 17 years of experience in business law, Olguta Lazar has coordinated large dispute resolution projects in areas such as consumer's protection, real estate, fiscal, civil and commercial law, labor law, administrative disputes, as well as insolvency procedures, banking and debt recovery matters. In addition, Olguta coordinated projects consisting of comprehensive legal due diligence analysis on real estate and corporate fields."

"Cluj county has a mature and vibrant business environment, whose needs for specialized professional services to support its development are increasingly numerous and sophisticated," said Alexandru Reff, founder of Reff & Associates and Country Managing Partner of Deloitte Romania and Moldova. "We have had the privilege to assist many of the local leading businesses in various landmark projects and transactions and the opening of our regional office will bring us even closer to them and to other local businesses which may benefit from a full-scope law firm working closely with financial, tax, risk, strategy, and technology advisors."

Austria: DLA Piper Vienna Launches Russia Desk

By Andrija Djonovic

DLA Piper has opened a Russia Desk in Vienna, headed by new Senior Associate Ekaterina Larens Matveychuk.


Ekaterina Larens Matveychuk

According to DLA Piper, "the newly founded Russia Desk will expand the firm's legal offering to clients from the CIS region. It is led by Ekaterina Larens Matveychuk, who brings her comprehensive experience in structuring and advising on M&A transactions and joint venture deals into her new position. Among her industry focus areas are manufacturing, energy, real estate, pharma, PPP, and IT as well as Blockchain. After her legal studies at the Moscow State University, Ekaterina Larens Matveychuk has been working as Senior Associate at the Clifford Chance Moscow office in the Corporate practice."

Also joining the Vienna office is Senior Associate Jolita Hoxholli, who will be a part of the Finance, Projects & Restructuring Practice.

"With the appointment of Ekaterina Larens und Jolita Hoxholli we will further expand our expertise in the CIS and SEE regions and refine our already strong offering in these emerging markets to meet our clients' needs," commented Austria Managing Partner David Christian Bauer. "I am delighted to welcome the two new colleagues at DLA Piper and I am looking forward to our good cooperation."

Poland: TTW Legal Team Joins SMM Legal

By Andrija Djonovic

Michal Tarka and Marcin Trupkiewicz and the entire team from their Tarka Trupkiewicz and Partner law firm in Poznan have joined SMM Legal, where Tarka will co-head the firm's Energy department alongside Partner Pawel Lacki According to SMM Legal, "in response to the growing demand for legal services in the Polish energy sector, which is undergoing a major transformation, we have combined the experience of the two law firms with top expertise in this field."

Tarka and Trupkiewicz are, according to SMM Legal, "highly specialized lawyers focusing on the energy and gas sectors, with particular expertise regarding renewable energy sources. Their specialty spans prosumer and professional solar energy generation, biogas and biomethane, clean heat generation, as well as onshore and offshore wind farms."

"The energy sector is one of the key areas of our expertise at SMM Legal," says Managing Partner Przemyslaw Maciak. "We know the rules that govern the energy sector. However, we continuously strive to improve our services and seek the best solutions for our clients. This is why we decided to strengthen our team by welcoming new experts."

"The RES sector, interpreted broadly, is the future of the Polish energy sector," said Tarka. "We see our merger with SMM Legal as a chance to build a leading energy team in the market. Our lawyers will contribute to SMM Legal their knowledge of the latest trends and innovative investment models applied in the dynamically developing RES sector. What is more, they will strengthen the team's competences regarding the classic energy sector regulations."

Baltics: WINT Joins Levin to Form New Pan-Baltic Alliance

By David Stuckey

Lithuania's WINT law firm has agreed to join Estonia's Glikman Alvin Levin and Latvia's Kronbergs Cukste Levin to create a new pan-Baltic alliance.

WINT, led by former TGS Baltic Partners Daiva Usinskaite-Filonoviene and Giedrius Danelius and AAA Law Partner Andrius Iskauskas, opened its doors at the end of 2018. The firm replaces Dominas Levin – which left to join Walless in April of last year – as the Lithuanian member of the alliance, which was originally founded in the summer of 2018.

According to a statement on the Glikman Alvin Levin website, "WINT's extensive experience in the areas of dispute resolution, restructuring, bankruptcy law, public procurement, IT and communications, business law, financial transactions and tax law provides a great advantage and enables the sharing of this experience through a common network in the Baltic States and beyond."

According to that same statement, "Levin has a long-standing relationship of trust with its significant customers, both domestically and internationally, from the European Central Bank to corporations such as ABB. Levin's extensive experience in corporate consulting, tax law, banking, fintech, M&A, ICOs, dispute resolution and international arbitration makes the new alliance one of the most influential service providers in all Baltic countries."

Ukraine: SK Group's Tax Practice Leaves for Avidbiz

By David Stuckey

The International Tax practice of Ukraine's SK Group, which since 2015 also represented the Avidbiz brand in Ukraine, has left the SK Group and is now doing business solely as Avidbiz.

Avidbiz, which is based in Estonia and also has offices in Vienna, Munich, and Warsaw, specializes in international tax law, tax planning, and business structuring. The Ukrainian team is led by Partner Olga Solovyova. According to Avidbiz, "she is one of few lawyers in Ukraine with an LL.M degree in International tax law, [which she] obtained from the Vienna University of Economics."

PARTNER APPOINTMENTS

Date Covered	Name	Practice(s)	Firm	Country
22-Jan	Philipp Kapl	Corporate/M&A	Binder Groesswang	Austria
24-Jan	Andreas Gfohler	Infrastructure/PPP/Public Procurement	Schramm Oehler	Austria
24-Jan	Hannes Pesendorfer	Infrastructure/PPP/Public Procurement	Schramm Oehler	Austria
24-Jan	Christian Gruber	infrastructure/PPP/Public Procurement	Schramm Oehler	Austria
24-Jan	Michael Weiner	infrastructure/PPP/Public Procurement	Schramm Oehler	Austria
5-Feb	Constantin Benes	Real Estate	Schoenherr	Austria
5-Feb	Leon Kopecky	Litigation/Disputes	Schoenherr	Austria
5-Feb	Guenther Leissler	TMT/IP	Schoenherr	Austria
5-Feb	Laurenz Schwitzer	Banking/Finance	Schoenherr	Austria
5-Feb	Manuela Zimmermann	Corporate/M&A	Schoenherr	Austria
27-Jan	Victor Rakovskij	Corporate/M&A	Peterka & Partners	Belarus
27-Jan	Natalia Gievaya	Corporate/M&A	Peterka & Partners	Belarus
20-Jan	Marta Fisnerova	Litigation/Disputes	JSK	Czech Republic
22-Jan	Andris Taurins	TMT/IP	Sorainen	Latvia
22-Jan	Valts Nerets	Maritime/Shipping	Sorainen	Latvia
11-Feb	Ugis Zeltins	Competition	Cobalt	Latvia
17-Jan	Eva Suduiko	Banking/Finance	Cobalt	Lithuania
17-Jan	Arturas Kojala	Real Estate	Cobalt	Lithuania

PARTNER APPOINTMENTS (CONT.)

Date Covered	Name	Practice(s)	Firm	Country
17-Jan	Solveiga Paleviciene	Litigation/Disputes	Glimstedt	Lithuania
22-Jan	Edvard Gasperskij	Corporate/M&A	Glimstedt	Lithuania
22-Jan	Audrius Zvybas	Banking/Finance	Glimstedt	Lithuania
27-Jan	Agne Varneliene	Energy/Natural Resources	Triniti	Lithuania
27-Jan	Agne Ustinoviciene	Tax	Triniti	Lithuania
23-Jan	Adam Zwierzynski	Litigation/Disputes	Radzikowski Szubielska	Poland
28-Jan	Jakub Jedrzejewski	Competition	SSW Pragmatic Solutions	Poland
5-Feb	Piotr Kunicki	Infrastructure/PPP/Public Procurement	DWF Poland	Poland
5-Feb	Oskar Waluskiewicz	Energy/Natural Resources	DWF Poland	Poland
6-Feb	Katarzyna Komulainen	White Collar Crime	Andersen Tax & Legal	Poland
6-Feb	Leszek Rydzewski	Banking/Finance	Andersen Tax & Legal	Poland
7-Feb	Karol Rajewski	Banking/Finance	SSW Pragmatic Solutions	Poland
16-Jan	Irina Ivanciu	Corporate/M&A; Real Estate	Popovici Nitu Stoica & Asociatii	Romania
17-Jan	Mihaela Posirca	Real Estate	Act | Botezatu Estrade Partners	Romania
23-Jan	Dan Minoiu	Life Sciences	Musat & Asociatii	Romania
5-Feb	Georgiana Badescu	Competition	Schoenherr	Romania
5-Feb	Madalina Neagu	Corporate/M&A	Schoenherr	Romania
20-Jan	Yulia Yarnykh	TMT/IP	Gowling WLG	Russia
27-Jan	Alexey Kostovarov	Litigation/Disputes	Liniya Prava	Russia
5-Feb	Milos Lakovic	Energy/Natural Resources	Schoenherr	Serbia
7-Feb	Milica Radeka Vojvodic	Corporate/M&A	ODI Law	Serbia
17-Jan	Zeynep Unlu	Corporate/M&A	BTS & Partners	Turkey
6-Feb	Serra Haviyo	Corporate/M&A	Gur Law Firm	Turkey
6-Feb	Yasemin Koyuncu	TMT/IP	Gur Law Firm	Turkey
17-Jan	Talina Kravtsova	Litigation/Disputes	Asters	Ukraine
21-Jan	Anastasia Usova	Competition	Redcliffe Partners	Ukraine
22-Jan	Serhiy Shershun	Competition	Integrites	Ukraine
24-Jan	Artem Kuzmenko	Corporate/M&A	Eterna Law	Ukraine
24-Jan	Konstantin Derbyshev	Labor	Eterna Law	Ukraine
5-Feb	Valentyna Hvozd	Competition	Sayenko Kharenko	Ukraine
5-Feb	Igor Lozenko	Capital Markets	Sayenko Kharenko	Ukraine

IN-HOUSE MOVES AND APPOINTMENTS

Date Covered	Name	Company/Firm	Moving From	Country
21-Jan	Jozsef Antal	Unix Auto	Metro Cash & Carry	Hungary
5-Feb	Dmitry Koronchik	YIT	Accountor	Russia
17-Jan	Begum Yilmaz	KP Data Consulting	SOCAR	Turkey
23-Jan	Necati Karabayir	Vaillant Group	SOCAR	Turkey
12-Feb	Cankat Simsek	Vertiv	Stryker	Turkey

PARTNER MOVES

Date Covered	Name	Practice(s)	Moving From	Moving To	Country
27-Jan	Karl-Erich Trisberg	Corporate/M&A	Ellex	Derling Primus	Estonia
12-Feb	Marko Kairjak	White Collar Crime	TGS Baltic	Ellex	Estonia
17-Jan	Michal Tarka	Energy/Natural Resources	Tarka Trupkiewicz and Partner	SMM Legal	Poland
17-Jan	Marcin Trupkiewicz	Energy/Natural Resources	Tarka Trupkiewicz and Partner	SMM Legal	Poland
21-Jan	Sebastian Pietrzyk	Infrastructure/PPP/Public Procurement	Brillaw Mikulski & Partners	Act BSWW	Poland
31-Jan	Slawomir Paruch	Labor	Raczkowski Paruch	PCS Paruch Chrusciel Schiffter	Poland
31-Jan	Lukasz Chrusciel	Corporate/M&A	Raczkowski Paruch	PCS Paruch Chrusciel Schiffter	Poland
31-Jan	Karolina Schiffter	Corporate/M&A	Raczkowski Paruch	PCS Paruch Chrusciel Schiffter	Poland
13-Feb	Andrzej Szmigiel	Real Estate	CEE Attorneys	Decisive Worldwide	Poland
13-Feb	Krzysztof Papros	Real Estate	CEE Attorneys	Decisive Worldwide	Poland
13-Feb	Pawel Gregorczyk	Real Estate	CEE Attorneys	Decisive Worldwide	Poland
20-Jan	Gabriel Albu	White Collar Crime	Budusan, Albu & Asociatii	Albu-Legal	Romania
21-Jan	Anda Todor	Corporate/M&A	Dentons	Todor, Istocescu & Vintila	Romania
24-Jan	Simon Dayes	Banking/Finance	CMS	Dentons	Romania
24-Jan	Simona Marin	Real Estate	CMS	Dentons	Romania
28-Jan	Iulia Stanciulescu-Ilie	Litigation/Disputes	N/A	CEE Attorneys / Boanta, Gidei si Asociatii	Romania
4-Feb	Konstantin Tretyakov	White Collar Crime	Dentons	Egorov Puginsky Afanasiev & Partners	Russia
24-Jan	Sinem Mermer	Corporate/M&A	Solo Practitioner	Boden Law Firm	Turkey
23-Jan	Olga Solovyova	Tax	SK Group	Avidbiz	Ukraine

OTHER APPOINTMENTS

Date Covered	Name	Company/Firm	Appointed To	Country
3-Feb	Andreas Hable	Binder Groesswang	Managing Partner	Austria
5-Feb	Thomas Kulnigg	Schoenherr	Equity Partner	Austria
29-Jan	Nikolay Cvetanov	Penkov, Markov & Partners	Managing Partner	Bulgaria
22-Jan	Katinka Tolgyes	Kapolyi Law Firm	Head of Competition	Hungary
11-Feb	Ugis Zeltins	Cobalt	Head of Competition	Latvia
27-Jan	Vilija Viesunaite	Triniti	Managing Partner	Lithuania
27-Jan	Przemyslaw Drapala	JDP Drapala & Partners	Managing Partner	Poland
31-Jan	Marcin Bejm	CMS	Head of Energy and Projects	Poland
5-Feb	Pawel Halwa	Schoenherr	Equity Partner	Poland
5-Feb	Dragan Karanovic	Karanovic & Partners	Managing Partner	Serbia
20-Jan	Erdem Atilla	Pekin & Pekin	Head of Dispute Resolution	Turkey

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.

Hungary

Interview with Tamas Szabo of Szabo, Kelemen & Partners


Tamas Szabo

"We had municipal elections in October, and much to everybody's surprise, the opposition to Prime Minister Viktor Orban did quite well," reports Tamas Szabo, Managing Partner at Szabo, Kelemen & Partners in Budapest. "The opposition took the Mayorship of Budapest and around half of the districts in the capital – this is very surprising, especially given that Orban holds a two-thirds majority in the Parliament. This shows that the opposition is still alive, but it remains to be seen if this signifies a new trend." He notes that the Prime Minister and his political party remain popular in the countryside.

Despite the recent success of the opposition, Szabo says that he expects few dramatic legislative changes. "The Government has been in power for ten years," he says, "and for the first eight or nine it was very active in passing new laws, so I do not expect anything of note to happen." Indeed, he says, even the constitutional amendments that were rumored to be coming are "now off the table, following the municipal elections of last year."

Turning to the economy, Szabo reports that the HUF is suffering, noting that "in the last year, the HUF went down some 6% against the EUR and 10% against the dollar." According to him, this may, in addition to everything else, have consequences for the legal industry, and suggests that "it may lead some law offices, for example, to start charging for their services in a foreign currency."

Still, he says, overall things are going well. "The economy grew some 5% last year, and with 4% the year before that we can see that the trends are favorable – we have a projected growth of 4% for 2020." Of course, he's conscious of the cyclical nature of the global economy. "We see a clear fear of a downturn, of a crisis, being present," he says. "Things have been going strong for a long time now, we're all just waiting for some bad fortune to get us."

"The opposition took the Mayorship of Budapest and around half of the districts in the capital – this is very surprising, especially given that Orban holds a two-thirds majority in the Parliament. This shows that the opposition is still alive, but it remains to be seen if this signifies a new trend."

Finally, Szabo reports that Real Estate remains active in Hungary. "Still, we have problems in Real Estate due to construction slowing down because we have a dwindling labor force," he says. The auto industry is doing well too, he says, with "BMW recently setting up and Audi and Mercedes expanding their operations in the country."

By Andrija Djonovic (February 3)

Bosnia & Herzegovina

Interview with Davorin Marinkovic of Dimitrijevic & Partners


Davorin Marinkovic

"The Council of Ministers for Bosnia & Herzegovina was finally formed, after more than a year, following the elections that took place in October of 2018," says Partner Davorin Marinkovic of Banja Luka-based Dimitrijevic & Partners.

"We can finally expect some processes to get unstuck, especially those related to infrastructure projects funded by international credits, such as the Corridor 5C motorway."

Marinkovic reports that the most important legislation impacting the ease of doing business is occurring on a lower level. "The entities of Bosnia & Herzegovina – Republika Srpska and the Federation of Bosnia and Herzegovina – have the most influence, through their legislative endeavors. Republika Srpska has a leg up here, due to having an entity government formed immediately following the 2018 elections, so things are running a bit more smoothly there."

Marinkovic feels that despite the slow economic growth in Bosnia & Herzegovina, the country has a lot of potential. "Infrastructure and energy are in a position to boom. There are a lot of plans and ideas for development, but the problem is just that – they're still in the idea stage." He says that the highest hopes – mainly related to wind parks and hydropower plants – are in the renewable energy sector. "Other than that, things have been pretty quiet – there have been some consolidations in the telecommunications sector, some takeovers, but nothing much beside that."

By Andrija Djonovic (February 3)

Serbia

Interview with Dragoljub Cibulic of BDK Advokati

"The main thing, politically, is the upcoming Parliamentary elections set for this April," says Dragoljub Cibulic, Partner at BDK Advokati in Belgrade. "We're entering a period of increased political instability, especially given the announced boycott of the elections by the major opposition block. The boycott is rooted in the imbalance on the Serbian political scene, which is heavily dominated by the ruling party. Opposition parties are cut-off from the mainstream media, the ruling party wields tremendous financial power from close ties with the privileged local business caste, and state institutions crucial for a functioning democracy have been hijacked and submitted to the interests of the ruling party."

This fallout from the situation is likely to come down the road, Cibulic thinks. "Short-term, the boycott is not likely to have a serious effect, but in the long run it carries a lot of weight because it signals that the opposition will no longer take part in a game which is pretty much rigged."

Speaking about recent legislation, Cibulic reports that a new law regarding infrastructural projects of significant strategic importance has already been passed this year. "The idea behind it is the need for more efficient realization of important strategic infrastructural projects. The new law has its good sides – but is not free of downsides. On the plus side, expropriation and construction-permitting processes are simplified. But on the minus side, the public procurement rules for the development of infrastructural projects have been heavily modified, with a possibility of their full exclusion if the Government opts to develop the project under a still hazy strategic partnership model."


Dragoljub Cibulic

Otherwise, he says, potentially important legislation is "on hold, pending the end of the elections. The first thing the Government is likely to focus on is public sector reform, which is sorely needed."

Finally, Cibulic reports that the biggest growth drivers of Serbia's economy are likely to be infrastructural projects and FDI, as well as the "recent increase of pensions and wages in the public sector." He states that the winter and the end of the construction season have not slowed down projects in Serbia, and that the sector is booming.

By Andrija Djonovic (February 11)

Austria

Interview with Florian Klimscha of Freshfields Bruckhaus Deringer

"The political situation in Austria has been stable, as you would expect – even more so, as a new government is in place following the elections we had last year," reports Florian Klimscha, Partner at Freshfields Bruckhaus Deringer in Vienna. "And the interim government – largely made up of experts and public officials – that was in place during the recent coalition talks was up to the task."

The new government is good for business, he says. "It's good to have a government that is now more output-orientated and does not only consist of experts," he says, "and that does more than mere administrative functions." According to Klimscha, "we have seen focus being placed on both improving the business environment and on making development more sustainable." To that end, he reports, the new government is expected to put greater value on green financing.

Klimscha reports that changes to the tax code resulting in generally lower taxes will be rolled out over the next year and a half, "with one focus on the tax on wages and the corporate tax."

He adds that, while there are not a lot of infrastructure projects currently under development in Austria, the ones that do exist are particularly noteworthy. "The Glass Fibre infrastructure project in Lower Austria started last year and it has already seen major investor interest," he says. In addition, he says, he expects to see changes in the automotive supply industry in Austria. "Given the recent occurrences in this area in Germany, I believe we can expect to see a spillover into Austria, which I think may result in some restructuring of the sector."


Florian Klimscha

Ultimately, he's upbeat. "Even though it is still early to say what kind of an impact the new government will have on business," Klimscha says, "compared to what the economy went through in the previous year and a slight dip we've found ourselves in – I feel that it's circling back to doing good."

By Andrija Djonovic (February 12)

Bulgaria

Interview with Victor Gugushev of Gugushev & Partners


Victor Gugushev

"Unfortunately, the political situation in Bulgaria is somewhat fragile," says Victor Gugushev, Partner at Gugushev & Partners in Sofia. "Parliament made changes to the legislation regarding the gambling industry, but it based its decision on unclear grounds and motives." In addition, he says the National Lottery of Bulgaria is set to be "practically nationalized" which could have a serious impact on the economy. "For the past three or four years, the taxes paid by the National Lottery amounted to almost a quarter billion euros. I'm not commenting whether that is right or wrong, but I am concerned about the way it was done and the agenda behind it."

Additionally, there's an ongoing controversy related to the release of audiotapes of Bulgarian President Rumen Radev by the country's prosecutor's office. "The public reaction to this was clear," Gugushev explained. "It is not fair game to wire the president if you don't have solid grounds for that, even more, to release the tapes in the public domain. There is serious debate among the Bulgarian legal society as to whether such behavior from the prosecutor's office might even be considered a crime."

"Parliament made changes to the legislation regarding the gambling industry, but it based its decision on unclear grounds and motives"

Gugushev reports that the country's economy is doing well. "We have a lot of stable companies and there are no other upcoming major changes in the legislative pipeline," he says. "We are one step closer to accepting the euro and this is something positively expected by Bulgarian businesses."

By Andrija Djonovic (February 13)

Bosnia & Herzegovina

Interview with Olodar Prebanic of Prebanic & Jusufbasic-Goloman


Olodar Prebanic

"Politically, we're seeing a continuation of last year – even though the Federation of Bosnia & Herzegovina still has no government, at least the Bosnian Council of Ministers got formed," Says Olodar Prebanic, Partner at Prebanic & Jusufbasic-Goloman in Sarajevo. "This is a reflection of the situation in the entire country – the legislative pipeline is frozen, and there are no significant acts being passed on a Federal level."

Thing are running a bit smoother in Republika Srpska, he says, due to the local government there being formed almost immediately following the 2018 elections. "There have been laws enacted in Republika Srpska that are already paying dividends in terms of easing the doing of business – including, first and foremost, the law that enabled legal entities to be incorporated electronically." Still, there are constant political clashes, and Prebanic states that "just recently the Canton of Sarajevo saw its government fall apart."

Prebanic points out that, even though there are hurdles to long term strategic growth in the country, there is a "positive movement – especially with some projects that possess the capacity to create further value." In terms of construction projects, he says, "Sarajevo is seeing a strong boom, a few motorway projects – towards the Adriatic and another towards Serbia – have come unstuck after a lengthy tender process. Also, there is a large thermal power plant project in Tuzla, which I believe to be one of the biggest projects yet."

In addition, Prebanic reports, "one of the most significant projects yet to take place in Bosnia & Herzegovina – the carbohydrate research related to oil and gas – is in the final stages of its tender process. This holds a lot of potential for economic growth and development and has the potential to spill over to other sectors of the economy."

According to Prebanic, "it is expected that this year will bring an end to the ongoing conflict between lawyers and public notaries in the Federation," which he believes would provide a much more conducive environment for doing business. Still, he concedes, this would require "a whole lot of legislative changes, most notably in terms of cadastral and notary laws."

Finally, he refers to recent charges that have been brought against the Prosecutor General of Bosnia & Herzegovina. "While these charges are secret, I can say that they have to do with irregularities in performing the duties of the Prosecutor General, illegal expenditures, and having unauthorized personnel conduct investigations." Prebanic thinks that these proceedings are a good thing and a sign that "it is possible to criticize the work of the highest state bodies and to hold them accountable."

By Andrija Djonovic (February 14)

Czech Republic

Interview with Jiri Cerny of Peterka Partners

"Politics in Czech Republic is currently stable, even though we have several ongoing issues," says Jiri Cerny, Partner at Peterka Partners in the Czech Republic. "The biggest controversy involves President Milos Zeman's close relations with China. They promised a large amount of investment, but this has never been fulfilled, and that has led to some scrutiny. Apart from that, we hadn't had any major political issues recently."

"The government has recently proposed a Digital Tax, which would apply to companies such as Google or Facebook," Cerny reports. "The proposed tax is 7% of the income these companies generate in the Czech Republic. Although the Digital Tax could work, this percentage is much higher than expected and it might be difficult to implement."

The Czech Republic, of course, is hardly the only country considering how – and whether – to tax the industry. "Currently, there is discussion across Europe about this issue," Cerny says, "which is a very delicate question. Small changes might make a big difference. This proposal is yet to be challenged and I am sure that the final result will be different."


Jiri Cerny

"Other than that, the new law regulating construction is also generating some controversy," Cerny says. "The law is supposed to make it easier to obtain building and zoning permits. Currently, getting those permits is incredibly hard. This leads to fewer construction projects, the effects of which are ▸▸▸

already visible in the country, especially in Prague, where we are lacking accommodation. The prices of apartments are high and there is an insufficient number of them, which is disastrous. The housing market is very cold. We need amendments to the existing laws, which would allow easier access to permits, seemingly the only way to fix the problem."

That's not the only legislative issue generating a lot of public attention, Cerny says. "Further discussion is based around legislation regarding class action, which, up until this point, has been almost untouched." In Cerny's opinion, new legislation is long overdue. "These discussions have been going on for more than three years and we would love to see some results."

"The Czech economy is relatively stable," says Cerny, turning to a new subject, "and we have had a low rate of unemployment, resulting in factories having no workers to employ." Contributing to the competition for workers (and the real estate shortage) is the number of companies seeking entry. "The market is quite attractive for investors," Cerny says, "and we have recently witnessed multiple large deals, such as South Korean firms buying office buildings in Prague for almost EUR 250 million."

The good times shouldn't end any time soon, he believes. "Investors feel there are no specific concerns or obstacles, meaning that we don't expect a decline of investment in the near future." In conclusion, Cerny says that: "I just hope that the system carries on functioning like it has and that our economic growth remains the same in the foreseeable future, as that is important for both lawyers and non-lawyers alike."

By Djordje Radosavljevic (February 18)

Slovenia

Interview with Mia Kalas of Selih & Partnerji

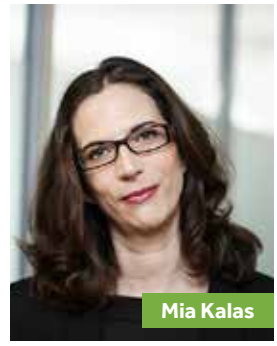
"We had an interesting turn of events last week as our Prime Minister stepped down," says Mia Kalas, Partner at Selih & Partnerji in Slovenia. "Previously, we had an ambitious government which began the tax reform and also had ambitious plans for a healthcare reform, but now this will very much slow down."

"The government had previously worked on tax reforms, part of which involved introducing certain amendments to existing legislation, but it didn't lack controversy," Kalas says. "There was some criticism in respect of easing the personal tax income ladder, and, as expected, much more of the increase of capital-based taxes. Also, the minimal gross salary changed, which is estimated to increase the cost of work by 1.8%." In addition, she says, "proposed healthcare reform, which is always a major topic in Slovenia, hasn't progressed for quite some time."

"Anyway," she sighs, "the major opposing parties are now trying to form a government and as it looks new elections may well be coming up. We'll see how that goes."

"The market is currently booming," Kalas says, turning to a happier subject, "and the end of last year was incredibly active. The beginning of this one shows no change. M&A is the hottest field, as we have had a few large deals recently, including the sale of Abanka, which was – following the 2018 IPO of NLB bank – the largest state-owned bank in Slovenia. Also, 12 shopping centers have recently been sold in a single deal, and we still see a rising interest in hotels and logistic centers." She adds that "the recent public procurement in the Slovenian largest infrastructure project for the second railway track from the port inland attracted several bidders from - not surprisingly - China."

"The economy has recently been stable," Kalas reports. "It is worth noting our growth hasn't been as high as it was the previous couple of years, but it's still solid - somewhere around 2.5%." She says that several of her firm's manufacturing clients recently reported noticing "a bit of cooling," but shesays that "in general, I think that the business climate is positive, and investors are happy."


Mia Kalas

"It was interesting to find out that the main driver of economic growth is domestic demand," Kalas concludes, "while at the same time the Bank of Slovenia recently implemented certain macro-prudential measures which – according to unofficial estimates of the banks – decreased consumer financing by almost 25%, and these two things don't work well together. NLB bank just filed for a constitutional review of such measures and it will be very interesting also for us lawyers to see the result. I just hope that the market will remain as good as it is now in the future, even though we will have to work hard to make that happen."

By Djordje Radosavljevic (February 18)

Turkey

Interview with Sezin Dundar of Cerrahoglu


Sezin Dundar

Conflicts in the region and the ongoing political turbulence are increasing concerns in Turkey. "This is not good," sighs Cerrahoglu Partner Sezin Dundar. "Our clients, especially foreign investment companies are closely monitoring the situation. This could affect the economy in the long run."

"In general, the Rule of Law and political stability are now the essential issues that need to be established in order for investors to be able to invest safely and freely in the Turkish market"

The Turkish Government has recently increased taxes, Dundar reports, with the newly-adopted Law 7194 introducing a new digital service tax, accommodation tax, and property tax on high-value residences. "This has caused chaos," she says. As a result of the outcry, she says, "the Government had to amend the law in terms of the property tax on high-value residences."

Dundar reports that Turkey's "11th Development Plan" includes detailed information about the activities planned for 2019-2023. The plan identifies a number of projects, particularly in energy, mining, health, infrastructure, defense, law, and IT, which attract the attention of foreign investors. Blockchain-based digital central bank money will be implemented in line with the 11th Plan as well, facilitating foreign investment in that sector. In addition, she says, the Government plans to launch the "Channel Istanbul Project" – an artificial sea-level waterway connecting the Black Sea to the Sea of Marmara, and thus to the Aegean and Mediterranean seas. Unfortunately, Dundar says, although the project has great economic potential, it has gathered significant criticism from the public due to its perceived environmental hazard, and numerous lawsuits against the project are expected.

Despite significant recent deals, including the acquisition by Chinese investors of a 20% stake in Istanbul's Yavuz Sultan Selim Bridge from Astaldi S.p.a. and ongoing activity in the real estate market, primarily from European, Middle Eastern, and African investors, Dundar reports that the ongoing recession is effecting the private sector, meaning that most major projects involve the State. Some sectors, she says, like construction, are suffering more than others. On the bright side, she says, the weak Turkish lira has led some foreign investors to resume investments they started years ago, but did not complete.

"In general, the Rule of Law and political stability are now the essential issues that need to be established in order for investors to be able to invest safely and freely in the Turkish market," Dundar says. She's optimistic, she says: "I still think though, concerning our population of around 80 million and reserves of natural resources and its dynamism, Turkey introduces a very serious growth potential for the foreign investors."

By Andrija Djonovic (February 26)

PRACTICE UNDER PRESSURE: BOSNIA BOUNCES BACK

Part II of our Special Report on the Bosnian Legal Market before, during, and after the Bosnian War

By Andrija Djonovic

Aftermath of the War – An Ounce of Growth, a Pound of Development

When the November 1995 Dayton Peace Accords brought an end to the war, the former SFRY republics looked forward to the kind of foreign investment that neighboring countries had been enjoying for many years. But first, some basic rebuilding was necessary, and even when foreign investment did come in, it came in unexpected stops and starts.

"Immediately after the war, there was a wave of foreign humanitarian organizations that flocked to Bosnia & Herzegovina, aiming to dispense aid to post-conflict zones," recalls Law Firm Sajic owner Aleksandar Sajic. "Actual investment was not anywhere in sight at

Reminders of War in Mostar

that time."

Still, that humanitarian aid meant work for the law firms, and lawyers moved quickly to grab it. "These humanitarian organizations needed basic administrative legal work done," Sajic says, "and we jumped on it – corporate registrations, employment contracts, etc. But it wasn't until 2001, as the privatization process that began in 1998 really started taking effect, that foreign capital recognized the potential that Bosnia & Herzegovina had."

As new opportunities expanded, so did the kinds of work available to lawyers. CMS Partner Andrea Zubovic-Devedzic agrees that "1995 and 1996 saw a boom in terms of corporate registrations," and she says that, eventually, funds followed. "By the end of the nineties and the turn of the millennium, investments poured in, into industry, services, even agriculture – there was a rush to conquer the market."

But that encouraging start, Zubovic-Devedzic says, quickly slowed. "Because the political situation in Bosnia & Herzegovina did not uncomplicate as many expected it to," she sighs, remembering, "following the end of the war, most foreign investments slowed down, and there were even a few exits from the market."

Ultimately, it took time to create and promote an effective and stable legal system necessary to provide the confidence foreign investors required. "It would seem that investors waited until Bosnia & Herzegovina had a robust, or at least a sounder legal framework and set of laws," says Maric & Co. Managing Partner Branko Maric. "When the legal framework was laid down foreign companies started coming in as well, not just international humanitarian organizations."

In fact, the multitude of foreign parties trying to help may have been part of the problem. "The lack of a selective approach," Maric recalls," not just in a material fashion but also a consulting one, led to many misguided actions. There were a lot of foreigners seeking to lay down the foundations for exerting their influence on Bosnia & Herzegovina, under the guise of offering to help craft our laws, to undertake our legislative reform for us." Maric blames Bosnia's willingness to accept all offers to help, at least in part, for what he describes as a lack of internal legal harmonization that, he says, continues to hold the country back today. "The Bosnian legal regime has many striking similarities to a wide range of legal regimes across the world," he says. "For instance, we never had any brushes with an Anglo-Saxon conception of law – yet our Criminal Code and Criminal Procedure Act are very, very similar to those of the USA – because it was experts and consultants from that country that helped draft them." According to him, "this is one of the principal problems we have today: The tissue didn't graft well because there were so many different donors."

In fact, Maric insists, most of the foreign "assistance" in helping create a new legal system was unnecessary to begin with, as the system that existed before the war was more than adequate. "During the old regime, the courts were less dependant on the state in all matters – even criminal ones – and worked quite well. The only miscarriages of justice occurred in criminal cases where matters of national security, defense, or socialist/communist policy were brought into question. The fact that the state itself was on one side was never a problem in civil cases as it now might be."

Indeed, he says, the state had a less advantaged position before the war, if anything. "The state actually lost its fair share of cases and had to cover plaintiff damages," he insists. "Nowadays whenever you bring a case against a state organ – the process tends to be a bit more skewed towards the institution, there is a bias that seeks to protect the institution rather than justice."

> "If it hadn't been for the war, things would have been much different. The traces the conflict left on this country were felt on every level, especially on the economy, the displacement of people, not to mention all the material damage. It set the entire socio-economic system back a few decades"

"The Western Way of Practicing Law"

Over time, the nature of Bosnia's legal industry started to transform as well. "After the war, with all the economic changes that started to happen, a market for legal services slowly formed," Maric recalls. "It was then that, for the first time in the history of the legal profession in these parts, that clients started looking for and going after lawyers, rather than the other way around." Simultaneously, he says, the kind of work for which lawyers were sought started to change. "The lawyer slowly started to transform into an advisor on key transactions," which he describes as "the Western way of practicing law."

The change did not come overnight, of course, and even the most successful firms stayed fairly small in the early years. "In the early two-thousands," Zubovic-Devedzic says, "even with the borders being more open and more work pouring in, the size of law offices


Aleksandar Sajic


Andrea Zubovic


Branko Maric


Stevan Dimitrijevic

was still mostly the same as before: one or two lawyers and two or three associates."

That started to change, eventually – and, Zubovic-Devedzic says, that change came at a cost. "Back then, and in the days before the war, lawyers were held in high esteem and were spoken of with great respect, whereas today the market bears more resemblance to a service industry. With more and more work, and more and more people practicing law, there is a lot more speed in the job itself." The end result of this change was not only a shift in the way law was practiced, but also in the way offices built their business. "Lawyers don't wait for the clients to come to them anymore. Large firms invest heavily in business development and client acquisition which wasn't the case here, historically."

And inevitably, what had been an exclusively local market began to face competition from foreign competitors. "Before the war, there were no large mandates, no foreign clients, no foreign offices," Branko Maric says. "Now, after the privatization process, foreign investors started coming. Naturally, these investors wanted advice from those legal professionals that they were used to, so we've had the opportunity to cooperate with a lot of large international law firms, and that allowed our business expertise and know-how to grow."

Initially that cooperation took the form of providing on-the-ground assistance to foreign firms based elsewhere. "Cooperation with foreign offices did not start in the market until 10 or 12 years ago, I'd say," Zubovic-Devedzic says. "The complexity of the Bosnian legal framework, as well as the restrictiveness of the regulatory regime, meant that foreign offices were not able to set up shop directly – they had to find a domestic partner first. This means that there are a lot fewer foreign offices in Bosnia & Herzegovina than in the rest of the region."

Even when those foreign firms did put offices on the ground in Bosnia & Herzegovina, they came primarily from Belgrade-based law firms, capitalizing on the economic, historical, and cultural ties that remain between the former SFRY republics. "There are far fewer foreign offices than there are in, for example, Belgrade," Sajic points out. "But there are a lot of regional large offices that have their branches here, like Karanovic & Partners and BDK Advokati." (See Box A)

> "This country, this people – they are tired of war and never wish to go back to that. The days of conflict are over, yet the politicians keep fostering hostilities in their acts to gather viewership and power"

And with foreign-based firms now working next door, local firms were forced to improve their ability to compete directly for foreign clients. The market as a whole benefited. "The standard of service improved as well, and by 2006 it was no longer rare to have an English-speaking employee in your office and to be knowledgeable to serve international clients," says Dimitrijevic & Partners founder Stevan Dimitrijevic, who joined Karanovic & Nikolic (now Karanovic & Partners) in 2006 and left a decade later to start his own firm in Banja Luka, Republika Srpska. "And then, all these clients started to engage local firms, either directly or via regional partnerships, and that led to growth and

Box A: Foreign Law Firms in Bosnia & Herzegovina

Base	Firm	Office	Year
Belgrade	Karanovic & Nikolic (Now Karanovic & Partners):	Banja Luka	2006
Belgrade	Karanovic & Nikolic (Now Karanovic & Partners):	Sarajevo	2010
Belgrade	BDK Advokati	Banja Luka	2013
Vienna	CMS Reich-Rohrwig Hainz	Sarajevo	2007
Vienna	Wolf Theiss	Sarajevo	2005
Vienna	Schoenherr	Sarajevo	2006

development of the legal profession in Bosnia."

The Current Situation

Although Bosnia & Herzegovina is far more prosperous than it was 23 years ago (see Box B), its economy continues to lag behind many of the other former Communist countries.

"If it hadn't been for the war, things would have been much different," Sajic says. "The traces the conflict left on this country were felt on every level, especially on the economy, the displacement of people, not to mention all the material damage. It set the entire socio-economic system back a few decades. If it hadn't, the legal profession would have developed much faster." He also believes that "we would all be a part of the EU by now and things would be much better."

And, Sajic says, significant structural problems in the country's legal system and judiciary remain. "A failure to harmonize the system exists," he says. "There is a lot of corruption in some levels of the justice system, and case law, although not a source of law as it is in the West, means very little these days – the same set of facts may be ruled on differently by two different courts, so there is little predictability. Even the Supreme Court does not have a consistent approach to all the cases it listens to." Sajic also points to the high number of unresolved criminal cases and says that the "Constitutional Court, although a great administrative body in its own right, is toying with the political a bit too much."

Maric claims that the country's political leadership all too often trades statesmanship and good governance for short-term political benefit by manufacturing conflict. "It is more or less a public secret that politicians who are also the leaders of nationalistic parties are passing each other the torch of ethnic and religious friction," he says. Such individuals often employ tense, divisive statements, "so that they can then use them to rally their supporters and attempt to induce a frenzy in which they forget all else in life other than their nation and religion." In this way, they keep the focus off the economy and what's really important, Maric feels. "It is a simple matter of populism, and sometimes it works to great effect, especially in rural areas."

Sajic sighs in agreement. "This country, this people – they are tired of war and never wish to go back to that. The days of conflict are over, yet the politicians keep fostering hostilities in their acts to gather viewership and power."

Still, it could be worse. Stevan Dimitrijevic – a Serbian who moved to Bosnia & Herzegovina in 1999 – says that the conflicts he encounters at work are inevitably professional rather than ethnically-based. "There aren't really any lingering bad feelings today. Conflicts that might occur these days between lawyers are, mostly, of the same type as those that exist between, say, lawyers in Vienna and lawyers in Salzburg. There are no hurdles to being treated nicely in the entirety of the country, before different courts, in different places. The composition of regulatory authorities and public bodies is level and fair, so there's no envy among any of the groups living here."

So, he says, nationality is no longer an issue. "I never ran into any sort of tensions over it," he says. "There were even cases where people viewed me with a lot of sympathy and communicated warmth, although it was evident that I am not originally from Bosnia and Herzegovina. I suppose they saw it as a sign that things can, maybe, go back to the way where all communicate and cooperate and share their lives and experiences." Back when they were all one people.

Box B: Bosnia Rebounds

	1997	2019-2020
Population	3.752 million	3.5 million
Nominal GDP	EUR 3.395 billion	EUR 18.589 billion
Nominal GDP per capita	EUR 904	EUR 5,641
Inflation	5.7%	1.4%
Unemployment	44.6%	21.22%
FDI	EUR 166 million	EUR 664.5 million (projected)

WHAT MAKES A GOOD CONFERENCE GREAT?

By Tereza Green

Love them or hate them, conferences are a fundamental part of the successful commercial lawyer's calendar. But time is precious. Those calendars are full. It's vital for conference organizers to get them right, and critical for lawyers to choose wisely in determining which events to attend and which to skip.

The law firms from across CEE sponsoring the first-ever Dealer's Choice International Law Firm Summit in London are, of course, highly successful. As such, their lawyers have attended dozens of successful conferences over the years … and a not insignificant number of wastes-of-time. As a result, they have strong opinions about what makes or breaks a law firm conference.

Sussing the Speakers and Assessing the Attendees

One aspect that everyone agrees is crucial to a successful event is the calibre of its speakers – and that they're not too familiar. According to Okan Demirkan, Partner at Kolcuoglu Demirkan Kocakli (the Dealer's Choice Sponsor for Turkey), "speakers that are generally known to be difficult to reach make a conference more appealing." He says, "generally I am disappointed when I see the same speakers and the same attendees; it makes attending the conference unnecessary and just an expense item."

Vladimir Bojanovic, Partner at Bojanovic & Partners (a member of the Dealer's Choice-sponsoring Adriala alliance), agrees that the quality of the speakers is key. "Every managing partner will say the same – we need good speakers, ideally not just lawyers but people from different branches of the industry to create a good mix of speakers to support the examples being discussed. It's so great when it's like this, so interesting, it's like a good movie – you don't want it to end."

Bernd Taucher, Partner at Graf Patsch Taucher Rechtsanwalte (a member of the Dealer's Choice-sponsoring Pontes alliance), refers to the best conference he ever attended: "What made it so good was space and time to get to know people attending the conference and to network, keynotes which did not go over 25 minutes each but provided lots of room for discussion with the audience, and a perfect mix of speakers – namely people who looked at the various topics from very different angles."

Jelena Gazivoda, Senior Partner at Jankovic Popovic Mitic (Dealer's Choice Sponsor for Serbia), insists that the experts panellists should be truly expert in the subject under discussion – perhaps professors, but at the very least people who make active and frequent use of the topics under discussion. And that's true for *everyone* on stage. "The persons leading the panels should also be experts," she says, "as they need to understand the problems, the demands, and the practical implications of the market to lead the discussion and give relevant direction." Thus, she says, "when I take part as panellist, I always try to conclude with key messages, practical advice, and tips and recommendations of what should or should not be done."

Questions raised either by the moderator or those in the audience can be another problem, Gazivoda says, rolling her eyes at "people using peculiar intonations, being difficult or mean, and

having their own agenda," as well as "those looking for a particular answer to a particular question that only applies to their case." Again, the quality of the moderator is critical. "In this case it's the panel leader's role to shape/direct the discussion and question further."

It's not only the speakers who matter – attendees also play a significant role in improving a conference. Attendees with no real interest in the event – displaying patent boredom, failing to engage/participate, and obviously eager to bolt for the door after their free lunch – can cause serious problems and affect the overall atmosphere of the day. Overly-keen networkers are another commonly-cited source of frustration.

Keeping the Trains Running on Time

Of course, that's not to say that networking is irrelevant. Indeed, Mykola Stetsenko, Co-Managing Partner of Avellum (the Dealer's Choice Sponsor for Ukraine), calls sufficient time for networking a non-negotiable requirement. He says of a one-day roadshow he attended in London last year, "I really liked the way it was organized into sessions, each devoted to a particular industry, with top-level speakers from the Ukrainian government presenting their strategy and major investment projects. At the same time there was plenty of time during coffee breaks for attendees to mingle and discuss potential opportunities."

And that can mean more than simply providing coffees and cookies, agrees Emina Saracevic, Partner at Saracevic and Gazibegovic Lawyers (Dealer's Choice Sponsor for Bosnia and Herzegovina), who enjoys the inclusion

of "round tables and speed networking, which helps *all* attendees share more meaningful interactions." According to her, these alternative structures allow all attendees to benefit from the opportunity. "Instead of only the proactive ones getting the networking chance, or holding on to the already familiar contacts without expanding the communication to potential ones." She smiles. "It also raises the overall energy of the event to a greater level."

Ultimately, whether on the stage or in the audience, during the sessions or during the breaks, interactive elements create the right atmosphere, says Janja Pihlar, Business Development Manager for the Adriala network. According to her, it's important to keep engagement high in this way, making sure that "people can actively participate in creating the content, unfolding the discussion, not just sitting and listening for ages."

The physical surroundings matter as well, of course. Richard Jones, Partner at Dealer's Choice Co-Host Slaughter and May, laughs that he once attended a conference that had a curious choice of venue. "I turned up to a one-day securitization conference to discover that it was taking place in a basement. Eight hours on this topic in a windowless environment is … less than ideal."

Of course, conference organizers need to do more than simply avoid mistakes. Silvije Cipcic-Bragadin, Managing Partner of Cipcic-Bragadin Mesic & Associates (Dealer's Choice Sponsor for Croatia), recalls being impressed by the

use of cutting-edge technology at a previous event in London. "Everyone was given a radio scanner device where you could instantly connect with someone you're talking with by scanning their name badge – the devices blinked a different color when we had connected." According to him, "it was a fun element and would be so interesting if more widely used at these events because the information tracked – like whom you met, when, where and how many people you met – would be so useful for post-event BD follow up." Perhaps the most surprising thing about the tech, he says, is that he "hadn't seen it before that event and not since, and that was two years ago."

Ultimately, the magic formula for getting things right is more than a simple checklist: who's speaking and about what, who's sponsoring, who's attending, and who's organizing. It has to be rounded out with good and innovative content that will maintain engagement levels and create a productive and engaging atmosphere, while providing sufficient opportunities for attendees to participate, both in formal sessions, and in carefully structured networking breaks.

By avoiding these pitfalls and keeping the goal clearly in mind, the organizers of this year's Dealer's Choice in London – with the assistance of law firm sponsors from across Europe – intend to make the event both successful and memorable for all.

Find out more about CEE Legal Matters' Dealer's Choice Law Firm Summit and 2020 CEE Deal of the Year Banquet at www.doty.ceelegalmatters.com

THE CORNER OFFICE: 2020 INITIATIVES

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 major initiative or new plan does your office (or firm) plan – if any – for 2020?

"CMS has decided to launch a major new training program and registered CMS Hungary as an official training center for the Bar Association. In January 1st, 2020 the Hungarian Bar Association introduced compulsory training for all lawyers. Lawyers have to collect a minimum number of credits from taking part in trainings organized by the Hungarian Bar Association. We have applied for and received a training license from the Bar Association and will provide trainings available for all lawyers in Hungary. We are very excited about this new program because it will enable us to make a meaningful contribution to the Hungarian and Budapest Bar Association's work, but also provide comfort to our own lawyers, as they can complete the compulsory bar training on our own premises. Our trainings will be subject to registration, given that we have an upper limit of 60 persons per training occasion. Compulsory training is part of lawyers' life in England and elsewhere in Europe but it is new in Hungary, so we are looking forward to working with the Hungarian and Budapest Bar Association on ironing out the details of the cooperation."

Erika Papp, Managing Partner, CMS Budapest

"Being in a new role at a new firm in 2020 – Senior CE Legal Counsel with Deloitte Legal – my "to do" list is essentially endless and a bit overwhelming. However, I already have one clear objective in mind involving the entire CEE legal community and beyond (as we say in Chicago, "have no small plans"!) with respect to which I will be personally disappointed if I don't move the needle a bit by the time this particular project on my path ends. Although Deloitte Legal is a relative newcomer on the scene, it has made remarkable progress in being recognized as a respected member of the community and achieving a position of eminence alongside the many fine traditional law firms inhabiting the same geographic and professional space. For real success, though, we need to further work on how our fellow law firms perceive us. For sure, there will always be occasions when we are simply in a relationship with the others as direct competitors, just like everyone else. Sometimes we will get the work, sometimes it will go to others, all on a fair basis and on the merits. But because Deloitte Legal is not really trying to be just another "traditional" law firm (certainly the last thing this world needs), the more sophisticated and confident of those we deal with in the legal community will understand that we should more often be in a collaborative, complementary role with them. Those that "get it" will smartly turn to us as an essential joint client tool for the bundled, technology-enhanced services that only we can provide. Because it will surely lead to a better client delivery and experience, welcoming Deloitte Legal fully into the fold has to be good for everyone."

Ronald Given, CE Senior Legal Counsel, Deloitte Legal

"In 2020 the Zivkovic Samardzic law office shall continue to operate as smoothly as possible, putting the emphasis on the following four areas: (1) Optimizing networking capacity & our ability to enter new markets, since we are currently members of five different international law/accounting associations and forming a regional one, so we need to take full advantage of all this power; we also just hired a new person dedicated to business development; (2) Our idea is to remain a full service law firm but each department should further develop the skills and approach of highly-specialized boutique establishments in order to add value on both ends; (3) Technology – the continuous improvements of internal software solutions that we invested in in 2019; (4) Compliance and standardization (final introduction of ISO 9001 and ISO 27000)

En général, People Satisfaction (both clients and employees) – was and will remain no. 1 on our list as the ultimate goal, the human aspect of our existence, and the reason we are still here (at least until AI replaces us all."

Branislav Zivkovic, Partner, Zivkovic | Samardzic

"In 2020, we are striving to implement a new cohesive marketing strategy intertwined with our corporate social responsibility, along with a serious of other administrative and technical enhancements. More specifically, this year we will be moving to a smart and ecofriendly office, one of the few such in Bulgaria, while also launching our new website accompanied by a new company presentation, which will both be displaying this new marketing & CSR strategy. For us, it is important that we are not simply a leader in the legal market, but also a leading example of ethical and responsible business as a whole. "

Victor Gugushev, Partner, Gugushev & Partners

"Since the firm's establishment as a local Slovenian boutique fifteen years ago, ODI has gone through both dynamic organic growth as well as mergers regionally, turning into a unique Slovenia-headquartered top-tier regional player. With the firm's headcount steadily yet firmly increasing accordingly, we have reached a point where the capacities of the present working environment of the firm's headquarters preclude further organic growth.

That said, and in line with the firm's strong commitment to further organic growth, we have decided to upgrade the current headquarters' capacities by adding offices at our current location, in order to allow more room for colleagues climbing up the corporate ladder, as well as providing sufficient capacities for new additions to the team. Once the current upgrade no longer suffices for the these purposes, and with the aforesaid commitment in mind, a potential relocation has already been addressed, which would allow the firm to cement its place among the regional powerhouses. "

Uros Ilic, Managing Partner, ODI Law

"2020 marks the 15th anniversary of CMS Sofia and is the first year in which the office is fully integrated, as previously it was split between CMS UK and CMS Austria. This year we plan to celebrate our success on the Bulgarian market with colleagues and clients and to continue with the integration of our local offering.

This plan includes: operating through a new joint entity called "CMS Sofia," using the unified email address "cmslegal.bg," starting a new LinkedIn campaign for CMS Sofia, shooting a special film for the purpose of celebrating our achievements throughout the first 15 years since the start of the office, refurbishing the entrance of the office in line with the international standards of CMS, and adopting various new software products.

We continue to celebrate the success of our lawyers and support staff and therefore introduced a special program for extended holiday periods based on the years of service and introduced a system of additional bonuses for over-performers. In line with the expected expansion of CMS to Africa and beyond, we are providing continuous support as many of the Sofia-based lawyers and support staff are indeed part of the international teams undertaking these global initiatives.

In 2020 CMS Sofia placed some of its our most talented lawyers on secondment with clients, who needed hands-on support for the implementation of some extremely important and challenging projects."

Kostadin Sirleshtov, Managing Partner, CMS Sofia

"After revamping our internal information system in 2019, we are currently working on its new debt collection module, which could also help us with data box messages management.

In the Czech Republic it is mandatory for lawyers to communicate with public authorities via special data box system and the sorting of these messages could be very time-consuming. In the second half of this year we are also planning to launch a new webpage, ideally together with our Slovakian colleagues."

Josef Aujezdsky, Partner, Masek, Koci, Aujezdsky

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MARKET SPOTLIGHT THE BALTICS

GUEST EDITORIAL: LEAVING KITCHEN JUSTICE BEHIND

By Lauris Liepa, Managing Partner, Cobalt Latvia

In August 2007 crime fiction admirers in Latvia were thrilled to read a book, *Kitchen Justice*, describing an influential litigation attorney, the trial cases his office handled, and his secret relationship with judges and public figures. The protagonist was immediately recognized by readers, and the legal community was able to identify heroes less known to the public: the judges in the legal proceedings, who were privately communicating with the prominent attorney about the cases they were working on. It was apparent that the disguised author had based his fictional novel on a real-life characters and cases, and without delay, Latvia's Chief Justice convened an extraordinary session of Supreme Court judges to set up a special panel of five reputable judges with a mandate to investigate the novel's plot. The commission interviewed dozens of judges who had been identified in *Kitchen Justice*.

In November 2007, the commission delivered its report, revealing a rather grim picture: a crooked system in which judges were meeting and discussing cases with attorneys in private, and in which lawyers sometimes transferred their files to judges so their reasoning could be implemented into judgments.

A few judges admitted to such *ex-parte* communications and conceded that the conduct was inappropriate. At the same time, a considerable number of the judges allegedly portrayed in the book vehemently denied any involvement or relationship with the protagonist. Their line of defense was plain and simple: there was no proof of their wrongdoing; only the dubious literary text of an anonymous author. Moreover, they said, even if specific evidence *had* been presented, the statute of limitation protected them from criminal prosecution or disciplinary proceedings. And finally, they stated, the principle of judicial independence meant that they had no duty to explain their deeds to anyone. The special commission of Supreme Court justices concluded that the communications between attorneys and judges constituted an ethical violation. At the same time, however the commission assured the public that *Kitchen Justice* was a reflection of days long gone, since the events depicted in the book most likely occurred between 1998 and 2000. Courts were under-financed then and lagged behind radical transformations in the society, and the ethical position of judges corresponded to the realities of that time.

This episode is a feature of the tumultuous nineties – an inevitable and painful component of the Baltics' enormous transformation from its totalitarian past to a democratic society with independent court systems. The reputation of the court system in the Baltics continues to rise, with 63% of Estonians expressing trust in their courts, significantly above the EU's average of 51%, and although Lithuania's 43% and Latvia's 37% is lower, trust in those courts is growing as well.

Twelve years on, the case of *Kitchen Justice* demonstrates how radical the reform of the judiciary in the region has been, in a compact period of time. The 2007 report of the investigative commission represents a snapshot of events in the court system ten years earlier. It exposed a lack of understanding of basic standards of professional conduct by many judges and lawyers. The common feature in the region in the last decade of the 20th century was the deconstruction of the heritage of fear and formal obedience imposed by totalitarian systems. In the new millennium judges and lawyers have become accustomed to a new paradigm – dealing with ethical dilemmas openly and with accountability.

The subsequent decade was a fast-forward learning experience. European integration brought synergies, with the development of international rules of professional ethics and deontology for judges and lawyers. An increasing number of cases with international dimension diminished the borders of different professional regulations and ethics guidelines between the former *East* and *West*.

In the third decade of the 21st century the legal profession is facing entirely new challenges. Judges and lawyers must now be well-versed in technological advancements, since the courts in the Baltic States are undergoing a digital transformation. Courts are moving to fully digitalize case contents and management, judges and lawyers can now openly discuss cases in professional networks and training sessions, and lawyers are required to share files digitally so that courts can use their reasoning for more efficient case management. With every step in the judicial process made accessible online, there is no chance to hide in ivory towers or secluded kitchens. Ironically, instead of alienating judges and lawyers, LegalTech has solved issues that concerned the legal profession and diminished the reputation of courts back in the days of *Kitchen Justice*.

SURVIVING THE SPLIT

Walless in Lithuania, After a Year

By Andrija Djonovic

Over many years, the Estonian, Latvian, and Lithuanian legal markets have been dominated by the same four firms, although the names they operate under have sometimes changed. At the very end of 2018, however, the market in Lithuania, the largest of the Baltic states, shook. when a large team split off from one of those four firms, and several months later merged with a leading independent firm in the country.

A year later, it is possible to evaluate the fallout and obtain some perspective on whether that split-off was a real earthquake that restructured the landscape of the region's legal markets, or simply a tremor that left the fundamental dominance of those four champions unaffected.

Dovile Burgiene relaxes at Walless

Walless Comes Into Being

Although they have, at times, operated under different names (including Raidla Lejins & Norcous, Tark Grunte Sutkiene, and Lawin), and in at least one case literally exchanged teams, the same four firms – what are now Cobalt, Ellex, Sorainen, and TGS Baltic – have more or less dominated the three Baltic legal markets. Indeed, only these four firms – let's call them, collectively, the "Historic Four" – are ranked as first tier by Legal 500 for *Commercial, Corporate, and M&A* in each of the three Baltic states, and these four firms have divvied up the CEE Legal Matters Deal of the Year Awards for the Baltics in both years of those awards' existence. They are, if not necessarily the best firms in each country, at least the best known.

Nonetheless, in December of 2018, the *status* appeared to become less *quo*, as some 30 lawyers departed in one fell swoop from the Lithuanian office of Ellex – Ellex Valiunas – to start a new firm: Walless.

According to Walless' Managing Partner Dovile Burgiene, the firm's founders found themselves frustrated both by a lack of clarity about the path to equity at Ellex Valiunas, and, even more importantly, what they saw was an inability to influence the strategy and decision-making power of the firm. Burgiene emphasizes that these problems were hardly limited to her former employer. "The thing is," she says, "many firms on the Baltic market just don't have a clear partnership model – and we wanted to do this differently. The lack of clarity on the partnership model leads to situations where partners feel there is a miscalibration in terms of performance and payment."

Indeed, Burgiene insists that she and her colleagues at Walless are committed to doing things differently, replacing what she perceived as a glass ceiling with a transparent structure that recognizes and rewards high achievers and sets very clear targets for the partners in a pure lockstep model. She insists that the ability of lawyers to practice in such a structure allows them to truly achieve, describing it as a "great opportunity in a lifetime of a lawyer."

Hitting the Ground Running: Walless' Five Biggest 2019 Client Matters

- Advising Blackstone on its acquisition of Luminor ("our team started working for Blackstone while still at Ellex and completed this transaction as Wallless")
- Helping Revolut acquire European banking license
- Assisting with Affidea's acquisition of a group of radiology and general medical practice clinics in consecutive transactions
- Helping Elecnor and Abengoa win rail electrification project
- Helping City of Vilnius coordinate national stadium PPP project

Still, the prospect of competing against the traditional market leaders was daunting; Burgiene laughs that she and her colleagues made a point of not thinking about the challenge. "Starting out, we could not know how quickly we would stabilize our business model," she says, "but I think it helped us to just do our own thing and not think about difficulties."

Sometime in the middle of last year, she says, confidence grew across the firm's management that its model was working. Most of Ellex Valiunas's Banking & Finance practice – eight of ten lawyers – had made the move, which Burgiene says made the transformation especially smooth. "This part of the business had no impact from the name change, [and kept] competing with all the larger firms for the same mandates as usual." She insists that was true in other practices as well. "For all the other practices, it turned out to be similar – the market knows the partners as leading individuals, capable to do the same large and complex mandates as they were working under a different brand."

Although Burgiene is reluctant to reveal Walless' financial returns from its first year in operation, she reports that "what we can say with our deep knowledge of the market is that we have met the same KPIs of average turnover per fee earner and turnover per full equity partner as in our previous practice, and our profitability KPIs (operating margin and net margin) are better." According to her, "this proves to us that our business model was built on the right assumptions, and we are now encouranged to further invest into maintaining top quality and strengthening our team."

Despite their success, and although all of the Historic Four have offices in each Baltic country, Burgiene insists that Walless has no plan to enter into a pan-Baltic alliance anytime soon. "If we're going to do something that big, we have to do it properly, and we just aren't there yet. We *do* get a lot of interesting international projects, but we wouldn't want to rush into an alliance just for the sake of being able to say we're in one." According to her, if Walless is eventually to consider a pan-Baltic presence, it would have to be one that has a real infrastructural presence, integration, built on aligned strategy, and "not just be a


Dovile Burgiene


Gediminas Dominas


Irmantas Norkus


Rolandas Valiunas

partnership or a cooperation scheme with another local firm."

The Market Takes Note

It wasn't only clients that took note of Walless's success. After only a few months, on April 1, 2019, the Lithuanian office of the Levin law firm alliance, Dominas Levin, led by longtime Glimstedt Vilnius Managing Partner Gediminas Dominas, decided to join Walless as well.

"They were very motivated, very ambitious, but mostly very, very spirited and driven," Dominas remembers thinking of the Walless team. "This mentality of always improving and going for being number one is what got my attention the most, aside from them having all the requisite capabilities of a strong firm and personnel with a proven record." According to Dominas, who now heads Walless's International Arbitration and Litigation practice, that core team is "experienced but still hungry," and it remains highly motivated to succeed. "There are about 50 or so lawyers now in our ranks, and they're all working towards the same goal of being better – day in and day out."

And indeed, the traditional market leaders paid close attention to Walless' creation as well. "This was the largest spin-off we've ever had in Lithuania, since we've had a legal market," says Cobalt Managing Partner Irmantas Norkus. "And it's not only about the numbers – these were seasoned experts in banking & finance, tax, real estate … all of this makes Walless a strong contender in Lithuania." He believes that the spin-off reflects a generational shift, with "younger lawyers not being satisfied with the *status quo* and deciding to make their own future."

Still, Norkus insists that he welcomes the new competitors. And perhaps "new" isn't quite the right adjective anyway. "These are all established specialists and experts," he points out. "Not some college grads rushing into it. The people in Walless have a lot of experience – they're just organized under a different banner – which is why we choose not to ignore them."

Norkus suggests that the Historic Four would be well-advised to consider the significance of Walless's departure, understanding what the next generation of high-achieving lawyers is looking for. For its part, he says, Cobalt has taken an err-on-the-side-of-caution approach. "Reacting to what's going on, we increased our partnership from 10 to 17 over the past two years. We decided to expand and integrate young, next-gen partners." He also points with pride to the fact that Cobalt didn't *lose* any of its lawyers in the past year, which he takes to mean that that the lawyers at the firm are satisfied with its current structure.

Ellex 2.0

While Cobalt, Sorainen, and TGS Baltic had the opportunity to observe Walless' departure from the sidelines, Ellex wasn't so lucky.

Ellex Valiunas Managing Partner Rolandas Valiunas concedes that the abrupt departure of almost all of the firm's Banking & Finance group and significant parts of the firm's Tax and Real Estate practices represented a major wake-up call. "Speaking of the time around December of 2018," he admits, "I can honestly say that they weren't the most enjoyable months of my professional career." The firm had to move quickly to respond. "We had to cope and move on while keeping our professionalism and level of service intact," Valiunas

recalls, "so we turned to changing things internally, to crafting a more productive corporate culture."

This proved the right approach, Valiunas says, noting that the firm's rebuilt Banking & Finance group is larger now than it was before the separation and is "working over our capacity on some of the biggest projects in the banking sector." He reports similar success in the M&A and litigation practices as well.

"A strong culture, that's what made this possible," Valiunas says. "We used the dissipation to make changes within, to consolidate the opinions of all the partners, and make amendments to our remuneration system to get people motivated."

Valiunas describes this new approach as "Ellex 2.0," and he describes the three pillars of the firm's new culture. "First, he says, "we started focusing all of our competitiveness on the outside, trying to get our folks to cooperate more, to get them incentivized to offer help cross-teams, not just within one practice." Second, Valiunas says, the firm changed its remuneration system to provide a more balanced approach to profit-sharing. "Third, we introduced more measures to have people be able to meet each other – the firm is huge, and sometimes folks would go for weeks on end without running into one another." All that, he says, allowed Ellex Valiunas to weather the storm relatively undamaged: he claims that Ellex Valiunas completed more deals last year than any other firm in Eastern Europe.

Too Much Is Never Enough?

The Baltic legal markets, outsiders are inevitably reminded, are extremely small – even combined, the Baltic states' nominal GDP is half that of the Czech Republic. The legal market in each of the countries is, consequently, significantly smaller than most of its CEE neighbors.

"I've always had a belief that market laws and logic mean these markets can only support firms of a certain size," says Gediminas Dominas, who believes that, as a result, some of the larger firms may have outgrown their ability to keep all their lawyers busy and profitable. "I don't think that these firms have anything wrong with them *per se*," he says. "It's just that, being that big, market conditions will force them to be ripped apart." As a result, he says, the growing number of young lawyers starting to reach their full potential will make the generational change felt more strongly – so that what happened to Ellex "could happen elsewhere too."

Burgiene agrees with her colleague that some firms are simply too big. "Personally, from experience, I know that any law firm with over 40 lawyers in one office is a big firm in our small markets – and if a team has over 70 people, then I fear that it cannot be utilized effectively." She feels that it is very difficult to "utilize profitably a large team capacity due to the limited amount of work in the market in some specialized practice areas, a limited number of truly large M&A deals, and the conflicts of interests that a team that large inevitably finds itself in."

Nonetheless, Burgiene waves away the idea that the other big firms are in any danger, suggesting that it is in fact the *smaller* firms that are facing the real threat. "Legal spending grows as does the GDP of our economies. This work is then distributed between all of the tiers on the market, and larger firms maintain and grow their market share by hiring and developing practitioners from smaller generalist firms or merging with smaller specialist firms. So it is more likely that the number and size of the big players will increase over time, provided, of course, that they can get their partnership model right."

Unsurprisingly, the managing partners at the traditional market leaders also reject any suggestion that their model is flawed. Irmantas Norkus points out that the Historic Four are "very far ahead, at least for the time being," and he says that, ultimately, "cracking into the big four is a tall order." Ultimately, he believes, a pan-Baltic presence is necessary to compete even in one of the markets. Thus, he praises Walless as being an excellent example of a "one-country strong showing," but says that "they run a tight ship, but still cannot compete Baltics-wide."

Rolandas Valiunas also believes that Historic Four are likely to remain on top going forward. "I'd say that three or four firms are completely enough to handle the market. There are other firms having good partners and lawyers – I mean, if somebody leaves Ellex they still have the same experience and competence," he adds, smiling, "but no more firms are needed. I feel we have enough experts for our current market size."

It may be that there simply hasn't been enough time to determine the ultimate significance of Walless. Will it, eventually, turn into a permanent and prominent member of the top tier of Baltic law firms, or or will it settle into a successful and stable member of the next tier – widely-known and respected, but only occasionally competing for top mandates? Only time will tell. In other words: *Watch This Space*.

BETTER FOR BUSINESS?

Latvia's Leading Commercial Lawyers Consider the Country's New Economic Affairs Court

By Djordje Radosavljevic

On November 5th, 2019, the Latvian Government approved a plan proposed by the country's Justice Ministry to establish a Specialized Economic Affairs Court – a first-instance court designed, in the words of Latvia's Ministry of Justice, to "ensure rapid and high-quality proceedings concerning complex commercial disputes, corruption, economic and financial crimes."

The first instance court in Riga, initially sitting ten judges, is expected to begin hearing cases on January 1, 2021, with a specialized panel of judges at Riga Regional Court empowered to hear appeals. According to Latvia's Government, the identity of the judges who will be serving on the court will be announced in March 2020, and their training will begin shortly thereafter. The specific infrastructure and venue will be settled in December.

The court's establishment is part of an ongoing effort to demonstrate that the country has turned a corner in prosecuting financial crimes, as Latvia seeks to shed its reputation of being soft on money laundering, offshore tax- evasion, and other similar financial sector crimes.

Overall Approval from Latvia's Lawyers

Overall, the response from Latvia's business law community has been positive. According to Cobalt Partner Ingrida Karina-Berzina, "business needs have changed during the last decades and business-related cases are becoming more and more complicated than they used to be 20 years ago when a regular court could handle these matters. The cases have become exceedingly complex, and this is one of the reasons why the new court needs very professional and courageous judges [to] preside over proceedings … and use their business-oriented knowledge when drafting their rulings."

"The proposed benefits [of the court] are highly related to Latvia's needs," says Ellex Klavins Partner Daiga Zivtina.

According to her, the success of the country in creating new courts in the past suggests this experiment is likely to work as well. "We have had some examples of similar courts that showed great results, such as the Administrative Court and a court which specializes in resolving disputes concerning the hostile takeover of companies. The rulings of those courts are understandable and business-oriented, which is what the Ministry of Justice wants to achieve with this court."

Finally, Zivtina says, the need to convey an affective and constant rule of law to outsiders is critical as well. "Investors know that Latvia is a small country that has suffered from various economy-related issues," she says. "They need to feel like there are courts that will grant them the protection they seek to invest. I think that we are on the right path."

Andris Taurins, Partner at Sorainen in Riga, is also enthusiastic about the prospects of the new court. "I expect this reform to lead to a positive outcome," he says. One key element, he believes, is making sure that the judges are prepared for the kind of complicated and challenging cases that they are likely to face – and which have sometimes posed problems for less-experienced courts. "The plan," he says, "is to train judges so that they can take on complex, economy-related disputes."

TGS Baltic Partner Nauris Grigals adds his voice to the enthusiastic chorus. "When knowledge is accumulated and the judges' only job is to review a very specific type of case, the time they need to reach a decision is shortened. The indirect benefit is, of course, a better business environment and more trust of the investors in the court system in Latvia."

External European Examples

Although Latvia's Economic Affairs Court will be the first such court in the Baltics, specialized courts are not a rarity in Europe. Ellex Klavins' Daiga Zivtina points to the Court for Employment Matters in Helsinki and Commercial Courts in the Netherlands are successful examples of experiments elsewhere. "They work with great efficiency and speed in dealing with specific matters," she says.

"Similar courts in Denmark and Sweden are the examples we should follow on how to set our court up," Cobalt's Karina-Berzina says. "However, while most specialized courts in Europe only handle civil cases, the specialized economic affairs court in Latvia will have jurisdiction for both civil and criminal disputes, including economic crimes, money laundering, commercial disputes, all of which can be extremely complex."

"There are several countries that have courts specially designed for certain issues," agrees Sorainen's Andris Taurins. "The World Bank says that over 100 jurisdictions have implemented such measures, including European countries such as Austria, Belgium, Ireland, and Croatia." Still, he emphasizes, that doesn't mean Latvia can simply copy another country's model and be done with it. "Each country has different needs and different ways of solving their problems, so I believe we can't just copy the same model. We need to understand the specific problems and find specific solutions."

Judges Object

Certainly, most of the Latvia's government supports the creation of the specialized Economic Affairs Court, and the country's Justice Minister, Janis Bordans, has claimed that it "could be a turning point for the Latvian court system."

However, not everyone is as confident about the decision to establish the court. The country's Justice Council has objected to the proposal, as have several of the country's Supreme Court judges. Latvia's Interior Minister Sandis Girgens has raised his voice in objection to the court as well, claiming that in moving to support it, the government did not give full consideration to the objections raised by the Judicial Council.

But TGS Baltic's Grigals believes that those objections suggest that the Council and various judges means that they "take the creation of the court as an offense regarding their capabilities. Their main arguments are mainly focused on the lack of need to create anything so specific and that you can just specialize judges in the existing court system." He believes those claims are, ultimately, wrong. "I tend to disagree. It's still better to have trained judges all at one spot, instead of scattered around the country, with previous experience in a given field. If we look at how complicated these cases are, I think it's better to have people work together and share knowledge to solve the cases faster and with greater quality."

Andris Taurins, however, is more sympathetic to the points made by Latvia's Judicial Council. According to him, the Council "feels like the problem wasn't discussed enough, that the proposed outcomes are in some segments utopian, and that this is not the best way to solve existing problems." While reiterating his general support for the court, Taurins suggests that some of these concerns may have merit. "The entire procedure needs to be fixed, which is a much harder job than creating a court itself, but also since we are still talking about incredibly complex ideas, I am unsure


Andris Taurins


Daiga Zivtina


Ingrida Karina-Berzina


Nauris Grigals

how this will reduce the time it takes to reach a decision." He also wonders about the limited time to prepare. "It's also worth noting that everything has to be done before January 2021," he says. "That means that they have less than a year to set up all systems, train and hire people, and do all of the administrative work. The problem here is that nobody can tell with certainty which cases will be adjudicated and why."

Taurins points to changing descriptions of the court's proposed jurisdiction. "The latest proposal presented in January differs very much from the one presented a half year ago," he says. "For example, now the draft law provides that the new court, in addition to other matters, will adjudicate matters related to trade secrets and liability in the building industry. Yet, the authors of the reform have removed crimes related to fraud and tax evasion from the list." There's more, he says. "If the plan is to entrust the new court with complex commercial disputes, why, for example, are IT disputes not included? They tend to be as complex as trade secret matters or even more complicated." He sighs. "All of the above means that currently, we have more questions than answers – and that we need more time and more discussion."

Ultimately, Taurins says, the rush to have the court begin in January of next year means "risking that a good idea might fail because we lacked discussion and planning. We need to be brave and look at the facts – the idea is not sufficiently thought through."

Karina-Berzina dismisses such objections. "In each of the countries where specialized courts exist, somebody used to be against it," she says. "That's mostly because the idea is new and yet untested. The same is true for Latvia, but I don't see any evident reasons for opposition, apart from a group of people that are already abusing power. Judges are split, and those who oppose it give two reasons: First, a new court could create unnecessary competition with the existing courts, and second, such a court is not a top priority." She doesn't find those objections compelling, and she points out that "the local business community and investors still favor it."

Indeed, although Karina-Berzina concedes that "in order to implement the Economic Affairs Court there are three laws that need to amended – the Civil Procedure Law, Criminal Procedure Law and the Law of Power of the Courts," she emphasizes that "there is no need to build a new system, no significant changes to the procedural rules, and the court will initially only recruit and train ten judges." In addition, she points out, "unlike other countries such as Benelux, where proceedings can also be held in English, the proceedings [here] will take place only in Latvian." As a result, she says, "all in all, there is no reason to panic."

On Balance

Overall, Latvia's leading business lawyers seem enthusiastic about the prospects of the new Specialized Economic Court. According to Karina-Berzina, "court cases based on complex commercial disputes or economic crimes are complicated, and litigation in such cases can sometimes exceed a decade. This is a much-needed change, and I hope that this will be an important step toward a better business environment, which will be beneficial for everyone."

Nauris Grigals has the last word. "If we can count on having great judges, ready and willing to work, I think that these complicated issues will be resolved faster and better. Frankly, this is a thing Latvia needs."

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MARKET SNAPSHOT: THE BALTICS

NEW CASE LAW ON THE DISMISSAL OF AN EMPLOYEE WITH A DISABILITY

By Ivita Samlaja, Head of Employment Litigation, Deloitte Legal

The Labor Law of Latvia states that an employer is generally prohibited from dismissing employees with disabilities and has to provide such employees with adequate jobs. Employees with disabilities can be dismissed, however, on these grounds (and only these grounds): a) misbehavior; b) inability to perform the contracted job; or c) the employer's liquidation. Additionally, until a recent judgment of the Supreme Court of Latvia, employers were unable to bring actions in court seeking the dismissal of employees with disabilities.

Recently, the Supreme Court of Latvia ruled that an employer may bring an action before a court for the dismissal of an employee with a disability if the employer has an important reason – which the court ruled is any condition not allowing the continuation of an employment relationship because of fairness and good faith considerations. A court will have discretion to determine on a case-by-case basis whether or not it believes the important-reason test has been met, based on evidence provided by an employer.

In the particular case, the court had to ascertain whether the repeated refusals to accept vacancies by an employee with a disability met the test for dismissal. The final judgment held that the employee's repeated refusal to accept vacancies in the particular circumstances should be viewed as an act of the employee that is contrary to fairness and ethical standards and in conflict with the legitimate interests of the employer. It was found that the employee had been exercising his right not to be made redundant unfairly and not in good faith by refusing to cooperate reasonably with the employer by taking up other positions or accepting other compromise actions. Consequently, the employee's dismissal was upheld by the court.

This new case law could actually have a positive impact on the employment of people with disabilities in Latvia. Employers have been cautious in recruiting people with disabilities due to the limited dismissal rights, particularly in the case of redundancy and position eliminations, the latter being the most common grounds for dismissal used by employers. The new case law could reduce employers' caution by allowing them to protect their legitimate interests if a person with a disability refuses to cooperate in cases of redundancy or position-elimination. The state should also be in a better position to properly promote the realization of the right to work stipulated by the UN Convention on the Rights of Persons with Disabilities, which Latvia has ratified.

The Supreme Court of Latvia certainly did not deliver a "bright line" test that will be easy to apply and administer. It is a subjective rule, entirely dependent on the facts of each case, and we will no doubt see some variation among cases as practice develops. But the ruling is a clear step in the right direction, rooted in the idea of requiring fairness and good faith in relations between employees with disabilities and their employers.

The employer in this case was represented by Ivita Samlaja, an Attorney at Law and Head of the Employment Law Practice Group at Deloitte Legal Latvia.

RECENT AML AND SANCTIONS DEVELOPMENTS IN LATVIA'S FINANCIAL SERVICES SECTOR

By Maris Liguts, Partner, and Inese Otersone, Senior Associate, Deloitte Legal

In 2019, amidst the money-laundering scandal of a Latvian bank and the increasing risk that the country would be included in the Financial Action Task Force's so-called "Grey List," Latvia's Financial and Capital Market Commission introduced new regulations on Anti-Money-Laundering and Counter Terrorism Financing (AML/CTF) and Sanctions.

One of the main priority actions in Moneyval's fifth-round mutual evaluation report on Latvia was the introduction of additional measures to ensure the independence of the audit function and the effective and substantial implementation of internal controls and procedures. Hence, the Parliament of the Republic of Latvia developed an action plan to tackle these deficiencies.

On February 12, 2019, the FCMC's "Regulations on the management of sanctions risk" came into force. These regulations were significant because they stipulated that every financial institution had to carry out an assessment of sanctions risk and establish an internal control system for their management. The regulations were later amended to allow financial institutions to provide financial services to a person on whom restrictions on financial services were put where the provision of services is justified and the FCMC consents. It is yet to be determined whether the prohibition on providing financial services to a person can be circumvented with this exception.

Furthermore, on August 16, 2019, the FCMC adopted regulations related to the independent audit of the AML/CTF internal control system. Although the AML/CTF Law already obliged subjects to conduct an independent audit, these new regulations defined the specifics, namely, the scope and the procedure of the audit. The regulations also included the requirements for the independent auditor, such as, at least five years of experience and competence in AML/CTF and Sanctions field and the absence of any conflict of interest with the financial institution.

Moreover, on December 1, 2019, the FCMC's "Regulations on due diligence, enhanced due diligence and the establishment of a client risk scoring system" came into force. These regulations were necessary mainly because the European Banking Authority published its guidelines on simplified and enhanced due diligence, which included new risk factors and defined the scope of the enhanced due diligence. Thus, the previous regulations were combined and the EBA guidelines were implemented. The regulations also obligate banks to establish a client risk scoring system to indicate the level of money laundering or terrorism financing risks for business relationships, taking into account various factors, such as client, geographic, service line, and product delivery channel risks.

According to statistics published by the FCMC, foreign deposits in Latvian banks have decreased from EUR 12.4 billion in 2015 to EUR 3.2 billion in 2019, representing a 74% decrease. This might be due to stronger controls and more regulations in the AML/CTF and Sanctions sector, such as prohibition against providing services to shell companies.

To conclude, the FCMC and other supervisory authorities have been focusing mainly on implementing the recommendations indicated in the fifth-round mutual evaluation report on Latvia. As previously mentioned, among other things, the FCMC has: (1) obliged financial institutions to carry out an assessment of sanctions risk and establish an internal control system for the management of sanctions risks; (2) specified the scope and the procedure of an independent AML/CTF audit; (3) implemented EBA guidelines on simplified and enhanced due diligence; and (4) obliged financial institutions to establish client risk scoring systems.

These measures have effectively helped Latvia to strengthen its AML/CTF and sanctions regulations, and as a result, on February 21, 2019, the Financial Action Task Force decided not to put Latvia under increased monitoring, i.e., keeping it off its so-called "Grey List." The FCMC has already declared its next aim, namely, to: (1) develop the dialogue between it and the members of the financial and capital market; (2) develop the supervisory process based on the risk assessment; and (3) strengthen and develop its supervisory powers.

INSIDE OUT:
AVIA SOLUTIONS BOND ISSUANCE

On December 12, 2019, CEE Legal Matters reported that Dentons, Magnusson, and TGS Baltic had advised the Avia Solutions group – a Lithuanian aviation services group – on a five-year bond issuance with a total value of USD 300 million, an annual interest rate of 7.875%, and a maturity date of 2024. The bonds were issued in US dollars and distributed in the US and European markets. White & Case and Sorainen helped JP Morgan and BNP Paribas organize the issuance.

We spoke to Dentons' Partner Cameron Half, who (along with Partner Nick Hayday) led his firm's team, about the deal.

CEELM: How did you become involved in this matter? Why and when were you selected as external counsel to Avia Solutions initially?

Cameron: We were invited to participate in a competitive pitch process against eight to ten other international law firms, based on the strength of our capital markets team (particularly in CEE) and our geographic focus. [Avia Solutions] also had previous contact with some current Dentons partners. The final selection was made following a number of meetings between our core team for the transaction, the company, and its financial advisors. The final selection was based on our team's substantive offering and the overall fit between our team and approach and ASG's requirements as well as Dentons' expertise in the aviation sector, including on a number of EMEA capital markets transactions.

CEELM: What, exactly, was the initial mandate when you were retained for this project, at the very beginning?

Cameron: As US and English counsel on a high yield bond offering, our overall scope of work was largely as we had anticipated. However, at the outset of work none of the parties to the transaction truly anticipated the number of acquisitions and resulting complexity of financial disclosure. In the end, the offering memorandum included five separate sets of financial statements and five distinct components to the business and financial disclosure, which was one of the most complex presentations that we have seen. Through the breadth of the Dentons offering, we were also able to advise a guarantor on corporate matters in connection with the bond, as well as to provide specialist advice on matters that arose in the course of due diligence.

CEELM: Who was on your team, and what were their individual responsibilities?


Cameron Half

Cameron: Our team was led jointly by me and Nick Hayday, a London-based capital markets partner. We worked with associates in our capital markets team in London, with support from our US-based US tax and sanctions and trade policy lawyers. We also involved associates in our Scottish offices to assist on various aspects of the transaction, particularly managing and conducting the due diligence process across the complex and multi-jurisdictional group structure and to help coordinate our work on diligence and disclosure with

the TGS Baltic and Magnusson teams.

CEELM: Please describe the final agreements with all parties in as much detail as possible.

Cameron: The transaction was documented as a Eurobond with high yield covenants, with an English-law trust deed structure, listed on Euronext Dublin's Global Exchange Market. The notes were issued by ASG Finance Designated Activity Company, an Ireland-incorporated finance vehicle for the group, and guaranteed by Avia Solutions Group (CY) plc, AviaAM Leasing AB, Baltic Ground Services UAB, Chapman Freeborn Holdings Limited, FL Technics UAB, and SIA Smart Aviation Holdings. The listing reflected practice in the Eurobond market, with GEM chosen as the appropriate market in light of the complex financial disclosure. As US and English counsel to the issuer and guarantors, Dentons led advice to the company throughout the process, including negotiation of the transaction documentation and drafting of the offering memorandum, delivery of customary legal opinions, and coordinating the listing.

CEELM: What's the current status of the issuance?

Cameron: The transaction was completed on December 3, 2019.

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

Cameron: The most challenging part of the process was the complexity of the group structure and the timing of the acquisitions in relation to the bond issuance. As ASG only completed the acquisition of AviaAM Leasing, Chapman Freeborn Holdings, and SIA Smart Aviation Holdings (in turn a holding company for two ACMI, or aircraft, crew, maintenance and insurance, operators, Smartlynx and Avion Express) in October 2019, there were a number of complex accounting, disclosure, and diligence matters arising until quite late in the process, for which we and the other transaction participants were required to find solutions on a "real time" basis.

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

Cameron: The ASG team was very focused on completing the transaction in 2019 before the 1H2019 accounts went "stale" for a Rule 144A offering. They kept an open dialogue with us and other working group participants to ensure that any matters within their control were quickly raised and resolved.

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

Cameron: Based on the successful completion of the bond offering, we believe that this aligned with our initial mandate. The process by which we got there was however somewhat more complicated!

CEELM: What specific individuals at Avia Solution directed you?

Cameron: We worked most closely with Vladas Bagavicius (Adviser to the Chairman), Aurimas Sanikovas (CFO), Ricardas Laukaitis (Deputy CEO), and Ronaldas Kontautas (Legal).

CEELM: How were the responsibilities divided between Dentons, Magnusson, and TGS Baltic on this matter? How did the firms coordinate/communicate/collaborate?

Cameron: As US and English counsel to the issuer and guarantors, Dentons led advice to the company throughout the process, including negotiation of the transaction documentation, drafting of the offering memorandum, and coordinating the listing. The TGS and


Nick Hayday

Magnusson teams were responsible for advising the guarantors (other than Chapman Freeborn, which is incorporated in England and Wales and was advised by Dentons) as to provision of the guarantees and entry into the transaction documentation, as well as conducting due diligence on the portion of the business in the relevant jurisdictions.

CEELM: How would you describe the working relationship with Sorainen and White & Case on the issuance?

Cameron: We have a very good working relationship with the White & Case team, both as a firm and individuals. Most day-to-day discussions were by telephone and email, with in person diligence sessions at ASG's headquarters in Vilnius.

CEELM: How would you describe the significance of the deal to the Baltics and/or CEE in general?

Cameron: This was a ground-breaking transaction for the Baltic region. It was the first high-profile debt offering by a fast-growing pan-European Baltics-based business, and will fund the further growth and expansion of the group's operations. The offering structure demonstrated investor support for complex issuances by growing businesses from the region, as well as the sophistication of the Group's management.

EXPAT ON THE MARKET: THEIS KLAUBERG OF KLAUBERG BALTICS

Theis Klauberg took a circuitous route to managing his eponymous firm in the Baltics. He began his education in Germany, at the University of Hamburg, Heidelberg University, and Humboldt University of Berlin, before obtaining an LL.M. at the University of the Western Cape in South Africa, then concluding his formal education with an MBA at the Baltic Management Institute. His professional career has been no less diverse, as he has worked in Germany, Latvia, Lithuania, Estonia, Belarus, and Zimbabwe.

In January, 2019, Klauberg left bnt in the Baltics, which he had helped found in 2003, to start his own pan-Baltic firm: Klauberg Baltics. We reached out to him to learn more about his career path, growing firm, and plans for the future.


Theis Klauberg

CEELM: Run us through your background, and how you ended up in your current position as head of Klauberg Baltics.

Theis: I am a German lawyer based in the Baltic States, and my bar memberships are from Hamburg, Latvia, Lithuania, and Estonia. I arrived in the Baltics with a group of students from Berlin´s Humboldt University in the 1990s, initially to set up a student exchange program. That student exchange actually still exists, and 20 Latvian and German law students participate in it each year. Following the end of communism in CEE this was obviously a very interesting region, and over the years I decided to become part of this evolving legal market. A Latvian friend and I opened up a law firm in Riga in 2003, which later became one of the founding offices of the CEE law firm alliance bnt. Following that we founded local law firms in Lithuania, Estonia, and Belarus as part of bnt. The timing was of course lucky, as after EU expansion to the region in 2004 international law firms started to refer a lot more work here. It wasn't exactly difficult – we picked up a Magic Circle firm over a chance encounter in a Riga hotel bar, and we still advise them regularly today!

In 2018 I left the bnt alliance, and as Managing Partner of Klauberg Baltics I oversee the teams in Riga, Tallinn, and Vilnius. I still enjoy the emerging market feeling in this region, but there is a lot more to discover here, and summer in the Baltics is fantastic!

CEELM: What is Klauberg Baltics, and how has it grown since its creation? What's your plan for the firm?

Theis: It's a full-service Baltic firm, with four legal focus areas – and another focus is of course on German-speaking inbound investment. We started out with ten legal professionals, and in 2020 the team will grow to 15 lawyers at different levels of seniority. The firm is structured as an integrated legal services provider for the Baltics: Our clients are based in Frankfurt, London, Singapore, and everywhere in-between, and they

view the three countries as one (and they often mix them up, even though we keep reminding them that the Baltic States are arranged in alphabetical order from North to South). We are an innovative firm and try to incorporate IT, AI, and new working arrangements, but in terms of the values we represent in our work it's quite a traditional law firm. Everyone on the team is used to working across borders, cultures, and of course legal systems and practices. The mix simply makes our work more interesting. International exchange is something we also support in other initiatives, such as our international trainee program, and the annual DIS Baltic Arbitration Days conference. The plan is to grow the firm´s capabilities, not necessarily its size.

CEELM: You have moved around the world a great deal in your studies and professional career. Was it always your goal to work abroad?

Theis: Yes, and after CEE opened up, I wanted to work here. I like the region a lot. It is simply more interesting to work in an emerging market, and there is still a lot of enthusiasm for open markets and the EU here. Also, living abroad in Europe is not as big of a step as it used to be: cheap air travel connects the Baltics to most major European cities, which is quite different from when you had to take a bus for 30 hours to get from Riga to Berlin. Soon you will be able to take a brand-new high speed rail link on that exact route.

CEELM: How would clients describe your style?

Theis: Reliable and straight-forward – I hope!

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

Theis: The legal and judicial systems of the Baltic States and Germany are actually quite closely-related and similar, especially in business law. Estonia and Latvia for example follow German company and commercial law very closely, and EU law has harmonized most legal areas connected to commerce. Since the end of the USSR and especially EU accession the Baltic justice systems have obviously moved much closer to what lawyers are used to in Germany. Court practice still differs a lot, though not always in a way one would expect: electronic communication, use of IT in legal sources, and electronic signatures are common in the Baltics, but Germany is far behind. Baltic lawyers struggle to believe that German courts still tend to rely on fax machines rather than email.

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

Theis: The Baltics are very open to IT and innovation in general. Germany is actually quite conservative and changes are slow, whereas in the Baltics there have been 30 years of constant change. There is a very open business culture here, and investors like that. Regarding the office culture in the Baltics, there is a tradition to create a good working environment, and help each other out. For Baltic lawyers, international assignments are common. Whereas in most Baltic business projects there is a cross-border element, German lawyers in even large firms may never deal with international issues in their entire career.

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

Theis: Ideally they bring a network of contacts and international experience, and they can ease communication with expat clients. Knowledge of different jurisdictions makes it easier to explain legal concepts, or evaluate risks from the client's perspective. For the firm itself it may be an advantage to introduce the kinds of work processes and outcomes that Western clients are familiar with.

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

Theis: I haven't thought about it, and the Baltics are very attractive to live and work in, so most likely Germany is more for visiting than to move back to.

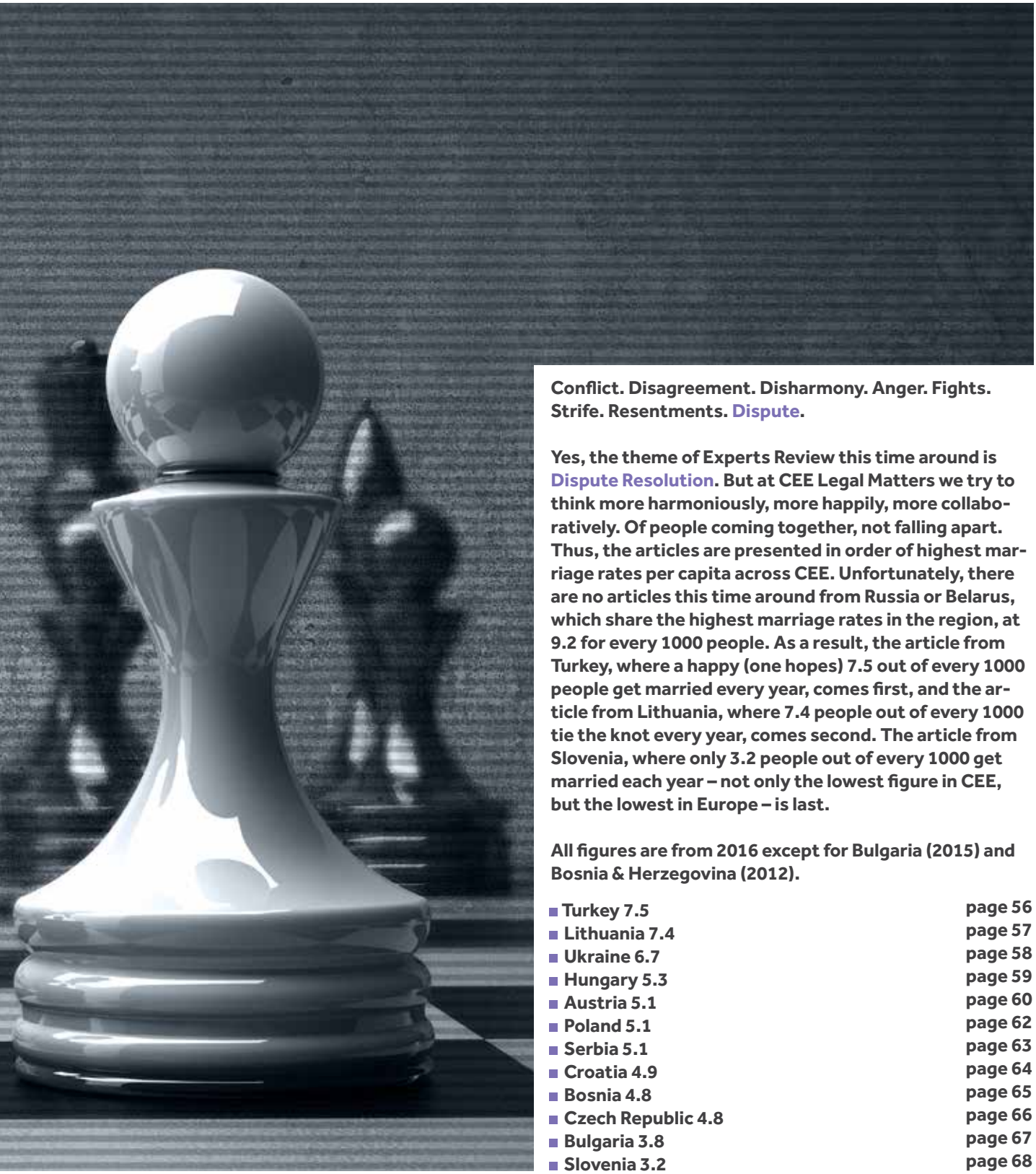
CEELM: Outside of the Baltics, which CEE country do you enjoy visiting the most, and why?

Theis: That's a hard question, I like visiting the Caucasus region, and would like to get to know Ukraine and Russia much better. Romania and the Balkans are on top of the travel list. Rather than a particular country I always enjoy visiting the main cities in CEE, their unchanged architecture, or brand new developments next to cafes unchanged since the 1980s.

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

Theis: Miera iela has become a favorite to go out, it has kept the distinct and slightly chaotic feeling of the 90s, pop-up bars and cultural events in former factory buildings. But if you allow Riga's beach resort of Jurmala to be counted here, I would recommend heading there by train to enjoy the sea and the impressive architecture. Indeed, our Baltic Arbitration Days conference on June 11-12 would be an excellent opportunity to see both Riga and Jurmala.

EXPERTS REVIEW DISPUTE RESOLUTION



Conflict. Disagreement. Disharmony. Anger. Fights. Strife. Resentments. Dispute.

Yes, the theme of Experts Review this time around is Dispute Resolution. But at CEE Legal Matters we try to think more harmoniously, more happily, more collaboratively. Of people coming together, not falling apart. Thus, the articles are presented in order of highest marriage rates per capita across CEE. Unfortunately, there are no articles this time around from Russia or Belarus, which share the highest marriage rates in the region, at 9.2 for every 1000 people. As a result, the article from Turkey, where a happy (one hopes) 7.5 out of every 1000 people get married every year, comes first, and the article from Lithuania, where 7.4 people out of every 1000 tie the knot every year, comes second. The article from Slovenia, where only 3.2 people out of every 1000 get married each year – not only the lowest figure in CEE, but the lowest in Europe – is last.

All figures are from 2016 except for Bulgaria (2015) and Bosnia & Herzegovina (2012).

TURKEY: CRITICAL APPROACHES TO MANDATORY MEDIATION IN TURKEY

By Demet Yilmaz Utkaner, Executive Partner, and Zuhra Acar, Attorney, Sezer & Utkaner

Nowadays, alternative methods of dispute resolution, not involving the courts, are increasing. Since disputes are getting ever-more complicated, and general peace between parties is preferable, parties now prefer to solve disputes with more peaceful and flexible alternative dispute resolution methods instead of litigation – and judicial systems are encouraging parties to employ these methods. In this context, mediation has in recent years become the most preferred and fastest-growing alternative dispute resolution method.

Mediation is a voluntary dispute resolution method. Since the origin of all alternative resolution methods is the parties' desire to solve their disputes with negotiation and free will instead of binding and compulsory court processes, one of the core aspects of mediation is its voluntary basis. Disputes are solved with the assistance, contribution, and navigation of a third-party "mediator," upon the application of parties regarding the disputed matters.

There is also a mandatory mediation system, which requires an application to a mediator as a mandatory preface to filing a lawsuit. This is common in many countries like the United States, England, and Australia, as well as many European countries. Mediation also became mandatory for labor and commercial lawsuits in Turkey in 2019. This rule has been criticized in Turkey for converting a voluntary system to a mandatory requirement, and many wonder if this system is really going to decrease the workload of courts without obstructing people's right to access the courts.

Mandatory Mediation and Notions at Turkish Law

Fundamentally, mediation is not new – it has a history as long as mankind, although integrating mediation into law is more recent. For this reason; even though mediation systems have many benefits, there are some problems in both theory and practice. Due to mediation's expected ability to reduce the workload of courts, its mandatory use has been welcomed as a savior.

Under one view of the doctrine, however, mandatory mediation conflicts with the core aspect of mediation – its voluntary nature. Rules forcing parties to attempt mediation before filing a lawsuit raises concerns about the possibility that parties will be forced to settle. By definition, many argue, if mediation is mandatory it becomes less voluntary. As a result, many claim, mediation in Turkey is transforming into an unproductive and bureaucratic obligation.

On the other hand, many note that Article 26 of Turkey's Constitution secures each citizen's right to make an application to judicial bodies. Mediation simply replaces the *way* of making this application; it is not an alternative to the judicial bodies themselves. This view also states that because mandatory mediation supplements traditional judicial remedies parties should be willing to attempt it. If one or both parties are not willing to join mediation, the chances of coming to a settlement decrease. In accordance with this view, even though the voluntary basis of mediation is damaged with mandatory mediation system, because parties still have the free will to settle or not and they can decide for themselves on the conditions of settlement, criticisms of the mandatory mediation system are exaggerated. To sum up, this view defends the notion that parties can be forced to apply for mediation because since it will not be possible to force them to make a settlement, the main principles of mediation are not damaged.

Conclusion

As a result, when positive and negative outcomes of mandatory mediation are evaluated together, it is safe to say that the benefit it brings in decreasing the workload of the courts does not come at the cost of obstructing people's right to access justice.

LITHUANIA: A NEW WAVE OF MEDIATION IN LITHUANIA - WHAT DOES IT MEAN FOR LAWYERS

By Rimantas Simaitis, Partner, Cobalt

In recent years, the government and courts of Lithuania have intensified their attempts to develop mediation. There are many reasons for this – promoting social peace, decreasing court caseloads, saving time and money for the end-users, and providing them with higher satisfaction among them.

The constant pressure to introduce mediation that is coming from policy- and decision-makers has resulted in more tangible results. It is already common for state courts to offer mediation to parties and their lawyers in civil and commercial court cases. Courts generally put even more pressure on parties to attempt mediation in particularly complicated cases. In 2019, the Lithuanian legislator even empowered civil courts to require parties to attempt mediation when it is deemed appropriate. Mediation is made more attractive by a reduction in court fees as a "carrot" and possible litigation costs sanctions for failure to use it or misuse of it as a "stick." As a result, the number of cases involving formal attempts at mediation has already increased almost tenfold from 2015, when only about 100 were attempted. And that's only the beginning, as more significant changes have been brought to life by the legislator at the start of 2020.

Mandatory Mediation

By following the example of Italy and some other states, Lithuania launched mandatory mediation as a prerequisite to contentious family legal actions in court at the beginning of this year. An obligation to try mediation before filing a claim extends to litigation involving divorce, maintenance of a child, determination of residence, property obligations, and other family disputes. Over the first month of 2020, more than one hundred applications to initiate mediation were received. The number of applications is expected to grow on a monthly basis, as there are around four thousand family disputes in courts each year. Extending mandatory mediation into other fields of disputes is likely to be considered as well if its performance in family matters turns out well. The Mediation law envisages possible up-scaling to other fields.

Under the new legislation, if one party applies for mediation, either the mediator or the State Guaranteed Legal Aid Service will send the other party a notice of initiation. If the consent of the other party to the dispute is not obtained within fifteen working days, that party is deemed not to have consented to the mediation. In such cases, the party to the dispute who initiated the mandatory mediation is entitled to apply to the court for a judgment in its favor. If parties do not turn to mediation on their own initiative and at their own expense, mandatory mediation services will be paid for from the state budget and provided for up to four hours. The State Guaranteed Legal Aid Service assists in selecting and appointing mediators. There is certain degree of obstruction and worry that the mediation infrastructure is not yet well prepared. Nevertheless, resistance is far from resembling the lawyers' strike that broke out in Italy when mandatory mediation was first introduced in that country.

What Does That Mean for the Practice of Law?

First and foremost, Lithuanian lawyers are now aware that mediation is no longer just a theory or an extraordinary phenomenon and that they will need to integrate it into their day-to-day professional lives. Clients appreciate having more information and more efficient assistance in the course of mediation by lawyers when the added-value of such services is demonstrated. Multiple examples show that clients are ready to pay for it at legal services market fee rates. Many lawyers have already adjusted and can offer appropriate assistance in mediation. The ones who struggle with it are negatively perceived by judges, and the threat of cost sanctions is not helping conservatives. So hostility to mediation in such a context inevitably results in the reduction of professional success. In addition to being sharp and skilful lawyers in legal battles, Lithuanian lawyers have found a door to a new practice, and an increasing number are receiving mediator training and enrolling on the mediators' list.

I believe that the rise of mediation in Lithuania has brought interesting and exciting changes. A higher level of flexibility in choosing and applying means of dispute resolution, as well as more happy clients winning disputes with mediated settlements, will bring our profession more satisfaction from both a psychological and business perspective.

UKRAINE: UKRAINE IMPROVES THE OPERATION OF THE SUPREME COURT

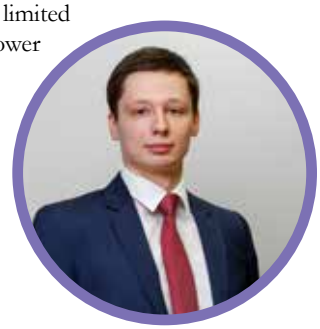
By Vadim Medvedev, Partner, and Andriy Fortunenko, Senior Associate, Avellum

A little more than two years following its establishment, the Ukrainian Supreme Court is undergoing significant reform of its role in delivering justice. As distinct from the massive judicial reform back in 2017, which was launched by a single comprehensive law, the new overhaul of the Supreme Court is happening gradually.

That process of reform essentially started in October 2019, when the Ukrainian Parliament adopted a law requiring that the number of the Supreme Court judges be halved from 200 to 100. This initiative was not welcome by the judges, as the law neither provided a specific procedure for the process nor set out the relevant criteria to be considered. It remains unclear how the dismissal of judges will be handled. In addition, practicing lawyers were also deeply concerned with the downsizing of the Supreme Court as well, as some units of the Court are already significantly overloaded and unable to cope with the magnitude of incoming cases (especially tax and regulatory disputes), even with the current number of judges on board.

At the same legislative session in October, the Parliament made a first move towards reducing the Supreme Court's caseload. The rules of procedure were amended with respect to the operation of the top unit of the Supreme Court – the Grand Chamber, which deals with the most complicated cases and jurisdictional conflicts. Initially, the rules of procedure were drafted to require that every application reaching the Supreme Court involving an appeal of jurisdictional issues (*i.e.*, arguing that the case should properly be considered by the administrative court rather than the commercial court) be reviewed by the Grand Chamber, even if the Chamber had already ruled on proper jurisdiction for the same category of disputes dozens of times before. Parliament rectified this inefficiency by inserting a procedure to sidestep the Grand Chamber where there is a prior ruling determining a proper jurisdiction.

Although this legislative change was fairly positive, it was clearly not enough to reduce the burden on the Supreme Court. A new round of changes soon followed, and in January 2020 Parliament adopted another law, now targeting the caseload of the entire Supreme Court rather than its separate units. From now on, cassation appeals should pass through several procedural gateways to be admitted for consideration. Grounds for review of a case by the Supreme Court are essentially limited to three situations: (i) where the lower court has failed to follow an existing precedent of the Supreme Court; (ii) where there is no precedent of the Supreme Court applicable to the case; or (iii) where an applicant demonstrates that the Supreme Court should overrule its previous precedent in the case.



In practice, these changes dramatically increase the precedential value of the Supreme Court's decisions. This approach, however, also leaves the Supreme Court reasonable discretion to regulate its workload and to set up thresholds for applications for review. We expect that the Supreme Court will rigorously apply new gateways limiting review of the cases, meaning that most cases will end up in the appellate courts.

By approving the series of legislative amendments, Parliament has justified (at least to a certain extent) its initiative to halve the number of the Supreme Court of judges and it seems that we will observe a new stage of the reform soon.

Meanwhile, in February 2020 the Constitutional Court of Ukraine handed down a controversial decision declaring that the liquidation of the predecessor of the Supreme Court – the Supreme Court of Ukraine – violated the Constitution. Although the consequences of this decision are not yet quite clear, we believe that it will not affect the ongoing enhancement of the Supreme Court.

HUNGARY: THE ACTIVITY OF THE ARBITRATOR UNDER HUNGARY'S NEW ARBITRATION ACT

By Lajos Wallacher, Counsel and Co-Head of Arbitration Practice at Wolf Theiss Hungary

The extent to which a judge may be active in obtaining the facts necessary to adjudicate a dispute or in finding the legal norms on which a decision is based is a fundamental question of any legal proceeding. Can judges invite the parties to present facts which they consider essential? Or can a judge tell the parties that in his or her view the dispute can be settled on the basis of legal provisions which they have not invoked? These fundamental questions apply to arbitrators as well. In this respect, does arbitration give arbitrators a smaller or greater role than that which judges have? Perhaps surprisingly, arbitrators may in fact have stronger powers in this respect than state-authorized judges.

A key element of the procedural rules for litigation in national courts is the regulation of the statement of claim and defendant's counter-claim, which determine the subject-matter of the dispute. Other important legal concepts, such as *lis pendens, res judicata*, and the extent and limits of judicial activity are also linked to these rules. The Hungarian Arbitration Act does not contain such rules; it merely defines the minimum contents of the claim and the defense in a general clause, without any details. It is a striking difference that the Arbitration Act does not require any indication of the law to be enforced; the claimant is merely required to state the nature of the dispute, what the claimant requests from the arbitral tribunal, and what facts support such request. There is no word on the activity of arbitrators.

Although the law does not resolve these important issues, arbitrators, while conducting proceedings, are confronted with them on a daily basis. For example, the parties may have a different legal view on the matter than the arbitral tribunal, and may even disagree as to what law should be enforced by the facts presented – and it may also happen that the facts presented are not in line with the specific law being enforced, or the parties present information to which they do not attach great importance but the arbitral tribunal does. A typical case is where the arbitral tribunal resolves a matter on the basis of a provision of the written contract filed in the case to which the parties failed to refer, or, if they did refer to it, the arbitral tribunal interprets it differently than the parties did. It may also happen that a party requests the arbitral tribunal to oblige its opponent to file a document or other evidence that the petitioner considers to be relevant but does not possess. These situations must be dealt with by the arbitrators in practice.

One possibility is that, even in the absence of specific rules, the arbitral tribunal will attempt to construct a dogmatic system similar to the procedure judges apply. Alternatively, the arbitrators may accept that the Arbitration Act does not regulate the above issues, and may therefore conclude that the arbitral tribunal has more freedom than the national courts to determine the manner of the procedure, and in particular to set the limits of its own activity. The arbitrators choosing this interpretation may argue that this greater freedom is rooted not only in the less-regulated legal environment but more importantly in the fact that the competence of the arbitral tribunal is based on the consensus and agreement of the parties, which provides a contractual basis for the view that the arbitrators should actively do everything necessary to carry out their task. The parties thereby implicitly undertake in the arbitration agreement to provide all assistance to this effect, to submit themselves to the target-oriented procedures of the arbitral tribunal, and to accept its active role. This contractual background provides a solid conceptual basis for the arbitrators to adopt a different approach and play a different role than the national courts. The only limit to this more informal and looser procedural regime is that the parties should be treated equally. As any step taken by an arbitrator in the spirit of active engagement may "favor" one party and "disadvantage" the other, the arbitrators must always act with great care when making such decisions.

AUSTRIA: LITIGATION FUNDING IN CEE - WHERE HAS IT BEEN?

By Leon Kopecky, Partner, and Marina Stanisavljevic and Lukic Sebastian, Associates, Schoenherr

Until a few decades ago, litigation funding was nowhere to be seen. Today, it is daily business across law firms in the US, UK, and Australia. Although it has taken longer to reach Europe, and particularly CEE, it has now firmly made its mark, and it looks like it is here to stay.

What is Litigation Funding?

Simply put, litigation funding (or legal finance) is where a non-related third party (the funder) provides monetary support to a party in a legal claim. In return, the third party receives an agreed portion of the proceeds resulting from that claim – or nothing, if the claim fails. In other words, the funder *invests* in the claim; the party receiving the funds *benefits*.

What Makes It So Appealing?

Legal disputes can be pricy, to say the least, and the outcome is never guaranteed. This can deter a party from pursuing its claim, even when the chances of success are high. There is often a fear of losing, of being ordered to pay the other side's costs, and of the negative impact on a business's financial status.

Litigation funding reduces the trepidation involved in pursuing a claim. By investing in the asset value of the legal claim, the funder shifts the costs and risks of the proceedings, thus alleviating budget pressures. A party can keep operating, making profit, and pursuing its legal claim.

Practically Speaking, What is Involved?

The funding process typically involves three stages: (i) project setup; (ii) agreement on financing; and (iii) running the dispute. At the outset, the party and its lawyers will work together to get the facts straight, gather information, and conduct a preliminary assessment of the claim. This is then presented to the funder, who carries out its own due diligence. Once the funder accepts the claim (and budget), the terms of the financing are agreed to and signed.

Since no two cases are the same, the funding process will always be tailored. Some funders will also offer financing to respondent parties, not just to claimants. Or, in the case of multi-claimant disputes, funders may provide financing to all claimants collectively. Each scenario will require a different setup and financing agreement (including, for example, how proceeds will be distributed between multiple claimants).

But with the right setup, a party can run a risk-free dispute, protected from legal fees, expenses, and even adverse costs.

A Closer Look: How Has Litigation Funding Fared in Austria?

As in other CEE jurisdictions, litigation funding is new to Austria.

An early concern was the prohibition of *quota litis* agreements (or contingency fee agreements). Under the Austrian Civil Code, contingency fee arrangements are prohibited; a lawyer cannot act as "a funder" for its client. But this does not apply to third party funders. So long as the arrangement with the funder does not resemble a lawyer/client contingency fee arrangement and the funder does not provide representation or legal advice to the party, the funding arrangement is not prohibited.

Any doubts about the legality of litigation funding in Austria were put to rest in 2013, when the Austrian Supreme Court (in its Ob 224/12b decision) approved the concept.

Today, the environment for litigation funding in Austria is stable. To a large extent, it remains unregulated (*e.g.*, there is no formal obligation to disclose a funding arrangement in Austrian proceedings). Although yet to reach its full potential, litigation funding continues to grow and has become accepted practice in Austria.

Why Has Litigation Funding Come to CEE?

Several factors may explain why litigation funding has reached CEE now.

To begin with, legal disputes have become increasingly popular. As more businesses appreciate the advantages of international dispute resolution, more arbitration clauses are making their way into a variety of agreements. This increase in arbitration, coupled with the costs involved, has led to more claimants seeking

funding options.

Mass claims are also on the rise, both in arbitration and litigation. For CEE, this a completely new trend. Traditionally, mass claims were rarely pursued. Meanwhile, investment arbitration is experiencing some of the largest mass claims to date (*e.g.*, the case of *Theodoros Adamakopoulos et al. v. Cyprus*, with approximately 1,000 claimants). Multi-claimant disputes will often catch a funder's eye. For their part, claimants are more likely to opt for a mass claim if they know their legal fees and expenses will be covered.

But perhaps the most obvious reason is this: litigation funding works. Worldwide its popularity has grown exponentially. Most of that growth has been in the last decade. The demand for funding comes from both investment arbitration and commercial arbitration. The parties seeking litigation funding are not just small businesses, but large well-capitalized companies that like keeping their balance sheets clean. This growth in demand has allowed funders to expand into other regions, including CEE.

Is Litigation Funding Here to Stay?

Litigation funding is readily available and a perfect solution for many claimants. The CEE region is becoming more arbitration-friendly. Word is spreading that parties can pursue their legal claims essentially risk free. As a result, it is clear that litigation funding is likely to stay and grow.

POLAND: THE RISING TIDE OF CLIMATE-CHANGE-RELATED RISKS AND DISPUTES

By Malgorzata Anna Surdek, Partner, CMS Poland

Climate change-related risks have climbed to the top of the agenda of various stakeholders across the globe: governments, international organizations, NGOs, businesses, and ordinary citizens. The Global Risk Report 2020, presented this year at the World Economic Forum in Davos, demonstrates that climate-related risks – including extreme weather, climate action failure, natural disasters, biodiversity loss, and human-made environmental disasters – are among the top five long-term risks over the next ten years. Most notably, according to survey respondents, the failure of climate change mitigation and adaptation is this year's number one long-term risk by impact. The report underscores that, in the 2020s, "concerted action is required not only to reduce emissions but also to develop credible adaptation strategies, including climate-proofing infrastructure, closing the insurance protection gap, and scaling up public and private adaptation finance."

The CO2 reduction targets pledged in the 2015 Paris Agreement (adopted under the UN Framework Convention on Climate Change) look insufficient given that over the last five years the adverse effects of climate change have been more rapid and severe than expected and are continuing to grow exponentially. The Intergovernmental Panel on Climate Change 2018's "Special Report on Global Warming of 1.5°C" warns that avoiding the worst effects of climate change will "require rapid and far-reaching transitions of energy, land, urban and infrastructure (including transport and buildings) and industrial systems."

In January 2020, the European Union adopted the European Green Deal – an ambitious package of measures designed to cut greenhouse gas emissions, invest in cutting-edge research and innovation, and preserve Europe's natural environment. It is estimated that achieving the EU's goal of climate neutrality by 2050 will require at least EUR 1 trillion of investments. There is a clear tension between calls to create a green society and the urge in less-developed regions, such as CEE, to boost economic growth through investment in carbon-heavy energy and transport infrastructure projects. Poland will be particularly affected by the transition and will need to undergo profound economic and social transformation. Therefore, the Just Transition Mechanism will support those most affected – including Poland if it subscribes to the European Green Deal - through a package of financial and practical support worth at least EUR 100 billion.

A global response to climate change involving new investments will inevitably generate legal disputes. Such disputes may arise out of commercial contracts relating, for example, to carbon emission trading schemes, licensing of climate change technology such as Carbon Capture and Storage, supply of renewable energy, decommissioning of non-renewable power plants, and adaptation of existing buildings and infrastructure, including transportation systems, to a warming climate. Climate-related disputes may also arise as a result of investors' claims concerning regulatory measures implemented by states and driven by climate change action. Several such claims have already been brought against states which are amending solar energy investment incentives, suspending wind energy offshore development, or phasing out nuclear power. There will also be disputes with local communities impacted by new investments affecting arable land or fisheries.

In 2014, the International Bar Association published a report on "Achieving Justice and Human Rights in an Era of Climate Disruption." Its key part relates to dispute resolution and recognizes that arbitral institutions offer specialized procedures and dispute settlement methods apt to resolve climate-related disputes, such as review panel proceedings, fact-finding commissions, and mediation or conciliation.

In this vein, in November 2019 the ICC Commission on Arbitration and ADR published a report on Resolving Climate Change Related Disputes through Arbitration and ADR, which identifies several features that may serve the effectiveness of resolving climate-related disputes and provides sample wording which can be introduced to dispute-resolution mechanisms. These features include securing climate-change-related expertise of arbitrators and experts to ensure that decisions reflect sound and up-to-date scientific and technical knowledge; providing procedural tools which take into account the complexity, urgency, and special sensitivities of the climate-change response (such as expedited procedures, time and cost management techniques; emergency, interim, and conservatory measures; and multi-tiered conflict escalation procedures, including mediation, expert determination, and dispute boards); the possibility of integrating climate-change policy or law into the dispute-resolution procedure; the possibility of adopting an increased measure of transparency of arbitration; and providing options for involving third parties in the dispute-resolution procedure. The existing caseload of major arbitral institutions like the ICC, SCC, and PCA already proves that arbitration of climate-related disputes is in use and growing.

SERBIA: ARBITRATION – JUSTIFIED FEAR OF COST OR UNJUSTIFIED LACK OF UNDERSTANDING OF COST?

By Nedeljko Velisavljevic, Partner, and Nenad Kovacevic, Attorney at Law, CMS Belgrade

When it comes to resolving disputes between contracting parties, the threat, *"I'll see you in court!"* often is the first thing to cross peoples' minds. This call to arms is still common, despite the availability now of different dispute resolution methods, such as arbitration.

Over the last several years, arbitration has become increasingly popular in the SEE region, primarily in more complex commercial agreements, although clients are still trying to fully understand its benefits, which usually include being faster and less expensive than the courts.

Unfortunately, many clients do not pay sufficient attention to the advantages and disadvantages of arbitration, as many of them, especially those considering international arbitration, are put off by one thing – the cost.

In principle, the costs of arbitration include attorney fees, procedural costs (such as registration fees, administrative costs, and arbitrators' fees) and additional expenses (such as translation, travel, and so on). While procedural costs and additional expenses can be predicted to some extent, the biggest chunk of the costs are usually the attorney fees, as the tribunal and institution fees may account for as little as 10% to 15% of the parties' legal costs.

In addition, apart from the (more or less) transparent costs, there are hidden costs, such as the opportunity cost of the dispute (that is, the lost use of the financial resources that remain idle during the dispute). In addition, there are also the costs of internal resources (such as in-house counsels, etc.) and the costs of reservation of funds in case of loss.

Last but not least, although time is money, the loss of time is another real cost of a dispute.

These costs have been a legitimate concern for clients in international and domestic disputes as, at first glance, arbitration indeed looks costlier, especially when dealing with complex and high-value cases with cross-border elements. However, in a real and complete comparison between arbitration and traditional litigation, it does not tell the whole story.

At first glance, the domestic courts might seem cheaper and (sometimes) faster. However, although in Serbia the backlog of old cases is decreasing, in 2018 there were 1.7 million court cases pending, nearly 200,000 of which have been pending for more than a decade. Although not all these cases are commercial and complex disputes, the ability of the court to properly and timely handle new cases is certainly endangered with the existing backlog.

The only proper response of clients to observations that justice in Serbia is too slow is that justice delayed is justice denied. Indeed, this is especially true when justice does not even have a place to arrive, when either the plaintiff or the respondent faces financial difficulties or even bankruptcy before justice finally shows up! In addition, even after the court has issued final and binding judgement, enforcement can be problematic (*e.g.*, despite the strong ties between Serbia and Austria, there is no reciprocity regarding recognition of commercial court decisions).

By contrast, local Serbian arbitration institutions, such as Permanent Arbitration at the Chamber of Commerce and Industry of Serbia and Belgrade Arbitration Center (BAC) have established that, as a rule, arbitral proceedings shall be completed within six months from the date of constitution of the arbitral tribunal or appointment of the sole arbitrator.

In addition, unlike with court judgements, enforcement of foreign arbitral awards is greatly facilitated by the New York Convention, of which Serbia is a signatory.

The question remains whether the fear of arbitration costs is justified.

The most popular response given by any lawyer is that it depends on the case. If a company is looking not only at real costs but also at hidden costs, values its time and recognizes the opportunity costs of the dispute, and is ready to preserve its resources especially in complex cases, it should stay away from the seemingly cheaper alternative of traditional litigation, which often proves to be significantly more expensive at the end.

If a company believes that arbitration is too expensive for handling its high value dispute – it should try the courts.

CROATIAN: E-COMM(FUSION) – CROATIA'S AMBITIOUS STEPS TOWARDS E-JUSTICE

By Ana-Marija Grubisic Cabraja, Partner, Divjak Topic Bahtijarevic

"You've got mail!" Unfortunately, instead of coming from Tom Hanks, it's the commercial court informing you that your company is being sued. Online! Are you and your SPV ready for the new mandatory electronic communication with Croatian courts?

The good news is, you might be reading this in time – Croatia's new Civil Procedural Code (revised for the first time in five years) requires all legal entities to communicate electronically with courts in civil litigation proceedings as of September 1, 2020. You probably have some questions.

Does it work? Yes – surprisingly well in some cases. Attorneys-at-law, court-appointed experts, and state attorneys have been using the system to communicate with Croatian commercial and certain municipal courts for over a year, with experimental use going back two years – mostly successfully, at least from the attorney's perspective. However, not all attorneys have been quick to adapt to the new system. To speed them up, some courts (most notably the Split Commercial Court, on the Croatian coast) took drastic steps, even barring attorneys from personally delivering motions to the clerk's office. The same could happen to authorized representatives of legal entities after September 1, 2020, so the new rules should not be taken lightly.

It's a gimmick, surely – I can still send motions to the courts in good old pen and paper, right? Wrong! After receiving a motion or submission in written form, the court will request that it be resubmitted in proper electronic form or have it be deemed withdrawn.

Will it save any money or time? It might! For starters, court fees are halved for motions filed electronically. On top of that, clients will be able to save time and money on motions that, due to urgency, previously needed to be filed personally. Your Zagreb-based company can instantly file a motion, for example, in Dubrovnik; there's no need to fly over or hope that the express courier will deliver the lawsuit, injunction, or appeal in time.

Is it at least a comprehensive solution? Unfortunately, despite being equipped to electronically deliver motions between the parties, the court may still request that the parties send each other (written) submissions. The system is – in our opinion without any good reason – currently envisaged more to facilitate communication between the parties and the courts, not necessarily with each other. However, as September 1, 2020 approaches, and as attorneys, companies, and courts get used to the new system, it is envisaged that practically all communication between the parties outside of hearings will be conducted electronically.

What do I need to do to be compliant? All companies will have to obtain their own electronic business certificates, which are already fairly common in Croatian companies. Fortunately, the same communications system is used to communicate with all the Croatian courts, and documents can be signed with any Qualified Electronic Signatures compliant with the EU's eIDAS Regulation. Therefore, as long as the signatory has eIDAS compliant signature and business certificates, there should be no need to obtain a new signing certificate in Croatia.

As a recent addition to the system's functionality, the system allows for the appointment of proxies simply by entering their Croatian PIN number, so it's not too early to start thinking about who within your organization will perform the official duty of receiving court documents.

What if I'm not compliant? Ignoring the new e-communication rules could have grave consequences, as improperly-filed appeals could simply be rejected outright while claims or motions sitting in the e communication inbox might simply go unnoticed and thus unchallenged.

Croatia's endeavour to bring judicial proceedings into the 21st century has the potential to shorten the length of proceedings and reduce costs, but it can only work with a proactive approach from companies and attorneys. Don't let September 1st catch you off-guard – check whether you have the necessary certificates and select your e-communication proxy. If done right, your next subpoena might be just a click away.

BOSNIA & HERZEGOVINA: EXPEDITED LIQUIDATION PROCEDURE IN THE REPUBLIC OF SRPSKA

By Milica Savic, Partner, and Lejla Popara, Attorney at Law, in cooperation with Karanovic & Partners

The Republic of Srpska's much-anticipated Law on Liquidation Procedure (the "Law") entered into force in October 2019. The Law was adopted three years after the reform of the Republic of Srpska's bankruptcy procedure and is part of ongoing reforms targeted at cutting costs and improv-ing the overall efficiency of business management by providing new and simpler ways of conduct-ing business.

The Law resolves some of the many issues that have arisen in practice over the last 17 years. Be-fore the new Law, the liquidation procedure was laid out in a scarce 18 articles of the old 2002 Law on Liquidation Procedure. Among other things, the Law provides for a shortened voluntary liquida-tion procedure (the "Expedited Procedure") which represents a quick and cost-effective way of closing down a solvent company.

The Expedited Procedure is initiated by a voluntary decision of the company's shareholders, who must provide a statement verified by a Notary Public. The statement serves as confirmation that the company has no outstanding debts towards any private or public entity and that the shareholders agree to compensate any creditor in joint liability for three years after the company has been re-moved from the relevant Business Companies Registry.

Apart from these statements, the shareholder/s must provide attestations from tax and local govern-ance authorities as well as confirmations that there are no blocked accounts in commercial banks. The court to which the application for Expedited Procedure is filed does not appoint a liquidation administrator or make any further analysis of the state of indebtedness of the target company or the truthfulness of the statement of the shareholders. After confirming that the prescribed documents have been provided, the court publishes an announcement that the Expedited Procedure has been initiated and immediately closed over the company in the Official Gazette of the Republic of Srpska.

The Law allows a creditor of the company to file an appeal against the court's resolution announc-ing the Expedited Procedure within 15 days to stop the procedure. This appeal will be adopted in cases where the shareholders or company have not immediately and completely satisfied their debt to the creditors after receiving the appeals. Creditors who fail to report a claim in the 15 days after an Expedited Procedure has been announced in the Official Gazette have an additional three years to seek fulfilment of their claims – but only from the shareholders, and not the erased company.

Although the Expedited Procedure is indeed a quick and a cheap process for the shareholders and the company, the downside for creditors, at first glance, is the lack of certainty that due diligence was adequately performed to ensure that the company is solvent and that no creditor remains un-paid, as the court relies solely on the statement of the shareholders (except for taxes and local gov-ernance authorities from which formal attestations are required). Consequently, creditors need to be diligent in reviewing each and every Official Gazette to stay informed of any Expedited Procedure that are announced involving their debtors. Foreign creditors who generally do not have access to Official Gazettes of the Republic of Srpska are left entirely out of the loop.

In cases where creditors are not informed about an Expedited Procedure, there are additional ques-tions about the solvency, availability, and value of the property of the shareholder/s, as their state-ment could remain a formal yet ungrounded guarantee. This question is even more potent in cases where the shareholders are foreign entities, where – in addition to the lack of information and guar-antee that the warrantor has enough means to compensate creditors – there are also questions about the enforceability of the notarized statement and accruement of costs for pursuing collection abroad. Finally, there is no guarantee that the shareholders will not undergo liquidation or bankruptcy or similar wind-down procedures as soon as the Expedited Procedure is finalized.

It appears from the get-go that there is room for wrongdoing and damages and it only remains to be seen in practice what other new issues will arise and how the situation will further develop.

The information in this document does not constitute legal advice on any particular matter and is provided for general informational purposes only.

CZECH REPUBLIC: PRACTICAL ASPECTS OF THE USE OF PROROGATION CLAUSES UNDER CZECH LAW

By Tomas Matejovsky, Partner, and Petr Benes, Senior Associate, CMS Prague

Prorogation clauses are forum-selection clauses in contracts between entrepreneurs, who agree in writing on the local jurisdiction of a first-instance court for disputes arising out of or in connection with their business matter, unless the law states otherwise and prescribes an exclusive jurisdiction. It is possible to enter into a separate prorogation agreement instead of a contractual clause with the same effect.

This practice constitutes a good representation of freedom of contract and the emphasis is put on the maxim *pacta sunt servanda* ("agreements must be kept"). In line with the freedom to agree on the jurisdiction of courts of one country, entrepreneurs are explicitly allowed to select their local jurisdiction as a place of adjudication for possible disputes. A prorogation clause may refer to a specific litigation or cover any and all disputes arising from the contract. The law requires that prorogation clauses be in writing and be sufficiently certain to allow an independent third party to be able to identify the intended forum any doubts. In practice, the parties often choose a court in the jurisdiction of the seat of one of them, or by some other party-related factor. It is also possible to agree on prorogation by reference to the General Terms and Conditions available online as indicated in the written contract, if they were known to the counterparty or attached to the contract on its exe-cution. However, parties contracting under Czech law should be aware of the battle-of-forms issue where the "knock-out" rule of contradictory prorogation clauses can lead to the applicability of the general rules of a local jurisdiction under the Czech Civil Procedure Code.

In practice, there were problems related to the exclusivity of prorogation clauses. In contrast with Regulation (EU) No. 1215/2012 of the EP and the Council of 12 December 2012 on the jurisdiction, recognition, and enforcement of judgments in civil and commercial matters (recast) (the "Brusel I Bis (recast)"), the Czech Civil Procedure Code does not expressly stipulate that the chosen jurisdic-tion must be exclusive. It was therefore unclear whether a general prorogation clause without refer-ence to exclusivity would exclude the option of the parties filing a lawsuit with a court that has ju-risdiction by operation of law. This question was resolved by the Constitutional Court of the Czech Republic, which rejected the opinions of legal commentators and ruled that prorogation clauses that did not include a remark about the exclusion of courts with jurisdiction by operation of law were nonetheless to be interpreted as exclusive. The Constitutional Court argued that as the law grants entrepreneurs such discretion, it falls within the parties' constitutional rights to do as they wish un-less prohibited by law. Public law should respect the will of the parties to the fullest possible extent, therefore where the parties express their will for a specific jurisdiction but do not express their will towards general jurisdiction, they are to be understood to have intended to exclude the latter.

Another unclear feature about prorogation clauses is their elasticity with factual changes over time. If a prorogation clause states that jurisdiction is to be determined based on the seat of one of the parties as of the date of execution of the contract and later the company moves its seat, it is unclear whether the prorogation remains with the court with jurisdiction attached to the original seat or if it moves to the company's new seat. Legal commentators unanimously state that prorogation aligns with the place on the date of execution. Adjudication on this matter is awaited.

All of these scenarios relate to domestic settings. Cases with an international element will generally be resolved by international treaties or norms (such as the Brusel I Bis (recast), bilateral treaties on legal cooperation, *etc.*), and will be assessed on a case-by-case basis. The Czech Supreme Court has ruled that for cases with an international element, unless it is clear from the prorogation clause that the parties intended to agree on the jurisdiction of a particular court, such arrangements should be understood as agreements on the choice of international jurisdiction or the jurisdiction of a particular country.

Although there are potential risks attached to prorogation clauses, with careful and clearly defined wording, the use of prorogation clauses should predominantly be beneficial for entrepreneurs to achieve clarity at the initial stages of a dispute.

BULGARIA: NEW CONSUMER PROTECTION RULES INTRODUCED FOR ORDER FOR PAYMENT PROCEEDINGS IN BULGARIA

By Antonia Kehayova, Co-Head of Dispute Resolution, CMS Sofia

The "order for payment procedure" was initially introduced in Bulgaria with the adoption of the new Civil Procedural Code in 2007 as an accelerated enforcement procedure for debt collection. This procedure provides creditors with a relatively fast and easy way to obtain an enforcement order against debtors. In general, the order for payment procedure is like a closed administrative procedure and requires only the submission of a standard application form and payment of a state fee of 2% of the amount claimed.

The Civil Procedural Code introduced two different types of order for payment procedures providing different levels of protection to creditors. The ordinary order for payment procedure applies when collecting sums of money up to BGN 25,000 or fungible items, and for the delivery of movable items that the debtor has received with an obligation to return which are encumbered by a pledge, or which have been transferred to the debtor with an obligation to surrender possession. In such cases the court issues an ordinary enforcement order which is not immediately enforceable.

When the creditor has a receivable, regardless of the amount, based upon a specific document as listed in the Code, the court can issue an order for immediate enforcement and a writ of execution against the debtor. Through this order the creditor can, in most cases, immediately undertake execution actions against the debtor, regardless of any objections from the debtor's side. The immediate execution can only be stopped by the court if the debtor provides adequate security to the creditor.

Following official notification of the European Commission dated January 24, 2019, referring to Council Directive 93/13/EEC of April 5, 1993 on unfair terms in consumer contracts and strongly recommending revision of the current enforcement procedure regulations in Bulgaria, the existing rules of the order for payment procedure were significantly amended, and new consumer protection rules were introduced in December 2019.

To fulfil the EU Commission's recommendation and provide sufficient protection to debtors under consumer contracts, the Bulgarian parliament adopted several crucial amendments. One revolutionary change is the new procedural rule that the court is *officially* obliged to check for unfair terms in a contract with a consumer, and if any are found, not to enforce them. Court claims against consumers must be filed in the court in the region where the consumer *currently* resides, and exceptionally before the court where the consumer permanently resides.

With regard to the ordinary order for payment procedure, the changes include a requirement that the consumer contract be attached to any application for an enforcement order and a requirement that the court reject the application if it is grounded on an unfair clause in the consumer contract or if an assumption that it is so grounded could reasonably be made. The new rules also extend the term for objecting to the issued enforcement order from two weeks to one month as of the date of service in order to provide the consumer with enough time to react adequately.

The procedure for immediate enforcement has also been adapted to the recommendations of the EU Commission. One of the most criticized options for obtaining an order for immediate enforcement was the right of the banks to apply for an order against a consumer based *only* on excerpts from their accounting ledgers. Therefore, to provide more protection for consumers, banks are now also obliged to attach the document on which the receivable is based (and all attachments and general terms and conditions thereto) to the application for an order for immediate enforcement. Going forward, courts are obliged to cancel issued orders for immediate enforcement if receivables are based on unfair clauses in consumer contracts.

Consumers are also protected by the introduction of special new rules for suspending immediate enforcement. It is now enough for the consumer to provide only one third of the receivable's amount as security to suspend the enforcement. Further, the court may also suspend immediate enforcement against a consumer even without security when there is written evidence that the receivable is based on an unfair clause in a consumer contract.

The amendments to the Civil Procedural Code from December 2019 are also reflected in amendments to Bulgaria's Consumer Protection Law.

SLOVENIA: SLOVENIAN LEGISLATURE FINALLY ADOPTS ACT TO PROTECT EXPROPRIATED HOLDERS OF BANKS' QUALIFIED LIABILITIES

By Helena Butolen, Partner, and Tamara Drobnic, Senior Associate, Selih & Partners

In December 2013 and (for one bank) in 2014, the Bank of Slovenia – the Slovenian central bank –imposed various extraordinary measures on six Slovenian banks. These measures resulted in a comprehensive bail-in and the termination of not only all the shares in each bank but also all subordinated financial instruments issued by them.

The measures were purportedly imposed to maintain financial stability and to comply with the European Commission's proposed state aid requirements. As a result, more than 100,000 aggrieved investors shared the burden of the banks' bail-in, losing their investments without receiving any compensation in return.

Unsurprisingly, these disaffected investors initiated numerous lawsuits in the Slovenian Courts. The investors won an important battle in the Constitutional Court, which found that the investors' constitutional rights to a fair trial and to property had been violated as they had lacked any legal remedy either to dispute the Bank of Slovenia's decisions or to be fairly compensated for their lost investments.

While the Constitutional Court affirmed that the legal basis for terminating the six banks' qualified liabilities had been constitutionally sound, it held that existing banking legislation had failed to offer effective judicial protection to affected investors. The Constitutional Court ordered the National Assembly – Slovenia's legislature – to introduce new legislation to provide adequate judicial relief for expropriated investors, including improved access to information.

The Constitutional Court set a deadline of May 2017 for the legislature to comply. However, the National Assembly passed its revised law only in November 2019 – and, even then, only after the European Court of Human Rights had initiated its own legal action against Slovenia in late 2018.

The new act passed by the National Assembly introduces special procedural rules that offer protection to former investors. Although all former investor in a given bank will have to file individual actions, all actions brought by investors in a particular bank will be combined into one joint action before being served on the defendant – in each case the Bank of Slovenia. This means that there will be only six actions seen by the Court and that in each a joint decision for all the plaintiffs will be issued. The Bank of Slovenia will be obliged to prepare all relevant documentation relating to the bail-in, and to make it accessible to all affected investors via virtual data rooms. Moreover, the new act shifts the burden of proof onto the Bank of Slovenia to demonstrate that it has met the statutory conditions for the bail-in.

The new act has come under criticism from several parties and has still not yet been fully ratified. The Bank of Slovenia, supported by the European Central Bank, has raised loud objections to the law, most notably on the basis that it will make the Bank of Slovenia directly liable for any damages awarded. The Bank of Slovenia also stresses that the new act will not only severely interfere with its financial independence, but will also breach the prohibition on monetary financing. As such, the Bank of Slovenia has filed requests for a review of the new act's constitutionality and for the temporary suspension of its implementation.

Meanwhile, the aggrieved investors also have issues with the new law. In particular, small investors believe that they will be forced into long and expensive court proceedings, in effect once more denying them practical judicial relief. The judiciary, too, has raised doubts as to whether the act has been sufficiently thought through, on the basis that the legislature did not consider the logistical impact of such massive litigation. There are even pitfalls at an administrative level: the current judicial information system limits the number of plaintiffs for any given case to 9,999, and would thus be unable to handle a case with the more-than-10,000 plaintiffs that are expected in each action.

To summarize, it is still unclear whether the new law will offer assistance along with the prospect of compensation to affected investors, or whether the new law and the various constitutional and civil lawsuits which may arise from it will simply make an already complex legal situation even worse.

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CONTRACT DRAFTING: A STYLISTIC COMEDY

By Aaron Muhly

When drafting an obligation in a contract, which of the following is the preferred format of your office?:

1. The Seller is obligated to transfer possession of the Property to the Purchaser.
2. The Parties hereby agree that the Seller shall transfer possession of the Property to the Purchaser.
3. The Seller covenants and agrees to transfer possession of the Property to the Purchaser.
4. The Seller agrees to transfer possession of the Property to the Purchaser.
5. The Seller undertakes to transfer possession of the Property to the Purchaser.
6. The Seller shall transfer possession of the Property to the Purchaser.
7. The transfer of the Property's possession to the Purchaser shall be carried out by the Seller.
8. The Seller must transfer possession of the Property to the Purchaser.
9. The Seller is responsible for transferring possession of the Property to the Purchaser.
10. The Seller is required to transfer possession of the Property to the Purchaser.
11. The Seller will transfer possession of the Property to the Purchaser.
12. An obligation exists on behalf of the Seller with regard to the transfer of the Property's possession to the Purchaser.

When I run this exercise with lawyers, they always disagree on the right way to draft it. In the context of an actual contract, these sorts of disagreements can be time-consuming, frustrating, and damaging to your bottom line.

In this article, you will (i) learn about three problems caused by not having an office policy on standard contract language (*e.g.*, standard formats for obligations, rights, conditions, *etc.*). and (ii) receive some tips for setting up a contract style policy for your office.

The Problems: Wasting Time and Annoying Clients

First, if you are not certain about the right method for drafting standard provisions like obligations, it takes you a lot more time to create one. Don't believe me? Just give your colleagues some client instructions and ask them to pump out some provisions. When I do this with my students, many of them fall into an endless loop of writing and rewriting provisions due to their uncertainty about the "right" language. (In fact, some don't stop writing until either they run out of paper or I tell them to stop.) However, once they select preferred language formats for provisions, they quickly and confidently transform client requests into sophisticated contract provisions. They also write better quality provisions – since they no longer need to waste time thinking about minor matters like word choice, they can focus their energies on uncovering higher-value legal protections for their client.

Second, clients find it annoying when key wording in contracts they are trying to understand changes from provision to provision. At most companies, you would get yelled at for writing complex instructions utilizing inconsistent language.

Third, your firm's branding takes a hit from inconsistent language. When you provide clients with a contract that incorporates drastically different drafting styles from provision to provision, you reinforce the feeling that your firm's contracts are merely lazily slapped-together copy-and-paste jobs. By contrast, firms that take the time to harmonize contractual provisions via a drafting style guide make their contracts look more professional and organized.

The Solution: Office Style Guide

Creating a consistent style for your provisions does not mean you need to go crazy with writing a super style guide. You can accomplish a great deal by just standardizing the language for (i) obligations, (ii) rights to act, (iii) rights to receive actions, (iv) prohibitions, (v) lack of obligations/rights, (vi) conditions, and (vii) definitions.

If you find yourself struggling to identify the right language for any of these options, I recommend Ken Adams' *A Manual of Style for Contract Drafting*, which breaks down contract language into finite parts to help readers identify best practices for their provisions.

Aaron Muhly is an American lawyer who has been training European professionals on clear writing and effective communication for over 15 years

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