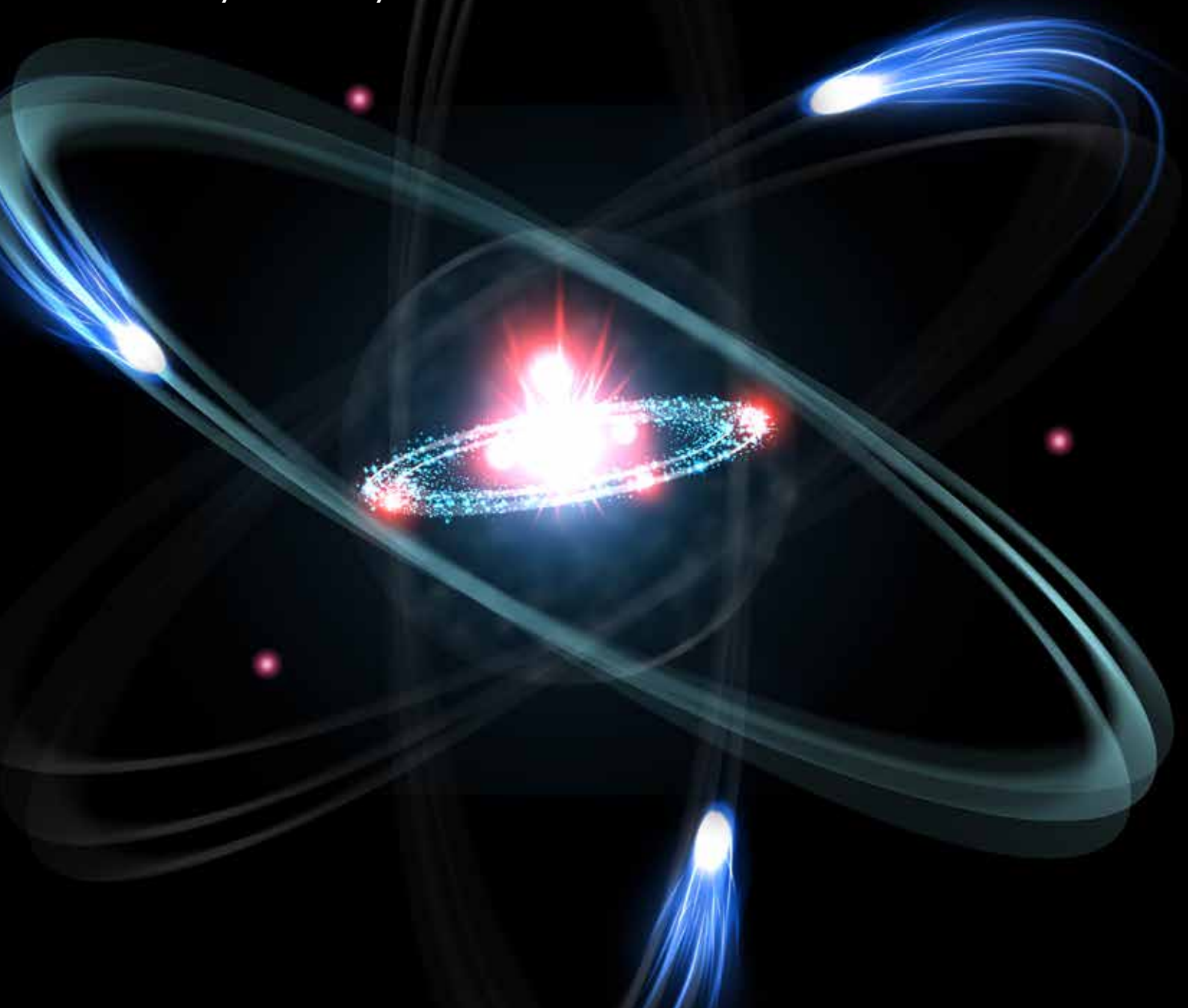




# CEE IN-HOUSE MATTERS

VOLUME 1 / ISSUE NO. 3 / MAY 2021



The GC Role: Pre-, During, and Post-Pandemic / To Think: Compliance / Safe Sailing on Open Seas: Managing Risk and the GCs Role / How To: Assessing and Managing Legal Risk / A System to Managing Legal Risk / Outsourcing the Right Way: Managing External Counsel / A Good Investment: Digitalization / The Future of Business is Driven by Digital Technologies / Digitalizing for Growth / The Soft Touch / Top Three Must-Have Soft Skills for a General Counsel / Diversity & Inclusion as an Approach to Manage a Diverse Workforce / Coming Together: Talking About the PSPP – The First In-House Counsel Association in Poland / Law Out of Work / From Boardroom to Race Track: An Interview with Adam Brzezinski, Senior In-House Counsel and Motoracing Star

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## Editorial: A Border, A Jane, A Lesson

This past month, for the first time in over a year, I traveled across a border. I was both excited and nervous about it. I had to navigate a whirlwind of mixed messages. I was unsure of the conditions under which I could travel, what I needed to do to avoid a quarantine both when leaving and returning, and how likely it was that the rules might change over the three weeks I was planning to be away.

Since working on this CEEIHM issue was at the top of my to-do list, I couldn't help but reflect: All of these challenges are keeping me in limbo while I am simply trying to plan a quick trip to visit my parents. I can't even begin to imagine what dealing with this level of ambiguity and fluidity can mean for a GC trying to steer a company through these times.

The most fascinating element of my trip was my interaction with the Hungarian border control officer — let's call her Jane — on the way back to Budapest. After the customary passport check, Jane asked me for the "paperwork" I had to have to avoid a 10-day quarantine. I presented my Romanian vaccination certificate —but she rejected it, because "it was not issued in Hungary." I then offered the negative results of a recent PCR test, which she dismissed without even looking at it (money spent on the test aside, I was quite frustrated to have undergone the unpleasant procedure for nothing). Finally, I handed over a letter from CEE Legal Matters stating that I was traveling to Hungary for "business purposes." On this basis, finally, I was allowed back into the country, sans quarantine.

"What a weird set of rules," I thought to myself, driving on towards Budapest. Jane didn't care that the letter was something that anyone could have written up for anyone — an employee of the company or not — using publicly available identifiers of our company.

That basic letter trumped official government-issued certification that I am vaccinated and a medical institution's PCR test results. Even more flabbergasting, a quarantine — a solution imposed to minimize the spread of the virus — was to be applied when I had proof that I was vaccinated and healthy, but was deemed not necessary because I was traveling "on business."

Don't get me wrong; as an entrepreneur and a journalist covering 24 countries, I'm all for facilitating business travel. Still, I couldn't help but remember all the interviews I've conducted with Heads of Legal/ Compliance who spoke at length about the need to avoid unnecessary red tape because it nurtures a compliance culture focused on blindly ticking off at-times-nonsensical boxes rather than understanding the need for those rules, facilitating their real incorporation by internal clients into their business routines. Either as a result of poor rule development or poor dissemination of the rules to the executioners, what Jane was doing did not really help reduce the spread of the virus — it was pure paper-pushing.

Don't be, or allow your colleagues to be, a Jane. Learn from the amazing contributors of this issue how to avoid that, and so much more. ||

*By Radu Cotarcea*

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## ON THE MOVE: GC MOVES



### **Austria:** Maria Lepuschitz Joins INNIO Group as Regional General Counsel

Lepuschitz began her career in 2001 at Eastern Mediterranean Maritime. From 2004–2006 she practiced with Georgiou Nicholas Solicitors in London and Schoenherr in Vienna. She was a legal advisor at Lighthouse in Vienna from 2007 to 2009 and then at BMI until 2011. She spent the following five years at RHI AG. Lepuschitz moved to Vestas in 2016 and then to Greentube Internet Entertainment Solutions in 2017 where she stayed for a little over two years. She has spent the last 15 months at Vailant Group Austria.

Lepuschitz received her bachelor's degree from the University of Westminster in 2003 and her master's degree from the University of Vienna in 2008. ||

*By Djordje Vesic*



### **Turkey:** Gunel Rzayeva Takes Charge of VavaCars' Legal Function in Turkey

VavaCars is part of a global group of companies focused on the energy sector. Worldwide, the group is invested in over 5,000 service stations, five oil refineries, and 18 million cubic meters of storage for petroleum products, as well as other energy infrastructure, including ships. In Turkey, VavaCars partners with Petrol Ofisi and operates at selected stations.

Before joining VavaCars, Rzayeva says she "single-handedly led all legal processes" at Big Chefs for over three years. Before that, she spent almost three years as Corporate Legal Counsel with the Allianz Group. Before moving in-house in 2013, Rzayeva was an Associate with DLA Piper, advising on domestic and international mergers and acquisitions.

"I am very excited about being a part of the fantastic VavaCars team and being the sole in-house legal

counsel of the company," Rzayeva commented. "I was always interested in tech companies which are very dynamic in the world. VavaCars is building the first of its kind start-up offering in the world by merging the tech and auto worlds. I hope to be able to transfer the core of what I have learned in my professional career and look forward to helping the company as it delivers on its strategy." ||

*By Radu Cotarcea*



### **Romania:** Mihaela Racles Joins Profi Rom Food as Legal Compliance Director

Racles started her career at BCR in 2005, where she stayed until she moved to Raiffeisen Leasing Romania in 2008. She returned to BCR in 2009 and stayed with the company for another two years. Later on, Racles spent two and a half years at Alpha Leasing Romania and five years at Lidl. She moved to Nobel in 2019, where she served as the Head of Legal. Racles obtained her first and second master's degrees at the Nicolae Titulescu University of Bucharest in 2008 and 2009, respectively, and her third master's degree at the University of Bucharest in 2009.

"The retail market is very challenging and competitive," Racles commented. "Profi, the biggest retailer in terms of the number of stores and geographical expansion, is a very dynamic company, focused on growth and development, which is also the way I am. I was convinced by the entrepreneurial approach and by all the exciting projects that the company has. Most of all, I am happy that I found here a very enthusiastic and engaged team. I believe in strong in-house legal teams that are real business partners, with a pro-active role — not a re-active role — within the company. I am looking forward to this new challenge!" ||

*By Djordje Vesic*





## **Austria:** CMS Partner Johannes Trenkwalder Joins Green Source in Austria

Green Source has, to date, developed and realized 27 photovoltaic plant projects with a total capacity of over 332 MW, totaling an investment volume of over EUR 650 million in Central and Eastern Europe.

Trenkwalder will leave CMS Reich-Rohrwig Hainz on January 31, 2021. He has been with the firm since 2000 and has served as the head of the CMS Reich-Rohrwig Hainz office in Kyiv, as co-head of the CEE German Desk, and as head of the Energy Group.

"Of course, we are very sorry to see Johannes Trenkwalder leave," said CMS RRR Managing Partner Johannes Juranek, "but the new appointment just demonstrates the excellent relationship our lead partners have with our clients. We are extremely thankful to Johannes Trenkwalder for the outstanding reputation and powerful team that the CMS Energy group has today."

"The decision to no longer work as a lawyer for many different companies, but to focus on one client, was made for exclusively personal reasons," explained Johannes Trenkwalder. "I have greatly appreciated the CMS environment over all these years and my enduring admiration can be seen from the fact that I am now looking forward to continuing to work with them as a client." He added that one of the main reasons for the move is that "the expansion of solar power is of major importance and many more large projects are needed in Central and Eastern Europe. As the European Environment Agency recently announced, the EU needs to shift the electricity sector away from oil, gas, and coal towards renewable energies even more quickly than originally thought in order to achieve its climate targets." ||

*By Djordje Vesic*



## **Poland:** Radoslaw Matusiak Joins Orpea Polska as Head of Legal

After graduating from the University of Warsaw, Matusiak joined the Real Estate department of Warsaw City Hall in 2008. He moved to Domanski Zakrzewski Palinka in 2010, where he stayed for two and a half years. Later on, Matusiak spent four years with Danilowicz Jurcewicz Bieddecki i Wspolnicy and another year at Noerr. He moved to Gide Loyrette Nouel in January 2018. ||

*By Djordje Vesic*





**Czech Republic:**  
Swixx BioPharma  
Hires Radka Petrzelova as Senior  
Legal Counsel

Before joining the company, Petrzelova practiced with CMS from 2012 to 2016 and worked in-house with Teva Pharmaceuticals from 2016 to 2020.

Petrzelova holds a 2011 Master of Laws from Charles University in Prague. ||

*By Djordje Vesic*



**Ozge Ayozy Promoted as Vice President and General Counsel at P&G Brazil**

Ayozy has been with Procter & Gamble since 2000, during which time she served as the Associate Director and Associate General Counsel Turkey, Caucasus, Arabian Peninsula and Pakistan, the Legal and Government Relations Director Turkey & Caucasus, and, based out of Geneva, as a Senior Legal Counsel EMEA.

"Today marks my first physical day in P&G Brazil," Ayozy commented on February 4, 2021. "After [nearly] one year of a relocation process and remote working, I am finally and happily in Sao Paulo."

Ayozy said, of her new position, that: "It is a big and challenging role as Brazil is one of the largest and most litigious countries in the world with its multifaceted legal and tax system. That said, I am very happy to seize this opportunity with P&G to move out of my comfort zone and continue my professional and personal growth with the learner mindset. I am very much looking forward to this rewarding experience in this beautiful country." ||

*By Djordje Vesic*



**Hungary:** LyondellBasell Hires  
Geza Nagy as Compliance Officer

After obtaining his Juris Doctor from Hungary's Eotvos Lorand University in 1994, Nagy joined Baker McKenzie. He spent a year with the firm and another with the EBRD, before embarking upon a nine-year-long stint at General Electric Consumer & Industrial. In December 2007 he joined Nokia Siemens Networks in Munich, staying with the company until his move to Sandoz in 2013. Nagy moved to Amsterdam in 2015 to join VEON, where he stayed for nearly five years, before joining LyondellBasell in September of 2020.

Nagy also holds a Master of Laws from the Georgetown University Law Center. ||

*By Djordje Vesic*



**Turkey:** Bengi Su Karakoylu Becomes Head of Legal at Temsa

Karakoylu joined Baker McKenzie in 2009. She joined PwC in 2011, then moved to the Bener Law Firm in 2013. In 2015 she joined the Goksu Safi Isik Attorney Partnership.

In 2019 Karakoylu moved in-house, joining GKFX Prime as Head of Legal, and later moved to PepsiCo, where she stayed until moving to Temsa in January 2021.

She obtained her Bachelor of Laws degree from Istanbul University in 2009 and holds two Master of Laws degrees from both Istanbul University (in 2011) and Harvard (in 2015). ||

*By Djordje Vesic*



**Poland:** Huuuge Games Hires CCC's Anna Atanasow As Head of Legal

Atanasow began her career at KPMG in 2004. She joined Miller Canfield a year later, and in 2008 moved to Domanski Zakrzewski Palinka, where she stayed until 2011. She then spent a year at MDDP and another two PwC Polska. After leaving PwC in 2014, Atanasow practiced at Chajec, Don-Simeon & Zyto for a year. She then spent six years with CCC in Warsaw.

Atanasow received her Master of Laws degree from the University of Warsaw in 2005. ||

*By Djordje Vesic*



**Russia:** Sergey Viktorov Joins Santen as Compliance Director

Viktorov spent a year at Arlan as Deputy Legal Director before moving to MKD Group in 2006. From 2008–2010 he worked at Lakeshore International, then moved to GSK as Legal Director for the Russia/CIS region. Finally, Viktorov moved to Novo Nordisk in 2016, where he was Legal, Compliance & Quality Director until joining Santen in February 2021. ||

*By Djordje Vesic*



**Russia:** Elena Kucheryavaya Joins LifeScan in Russia as Legal Director EMEA

At beginning of her career, Kucheryavaya spent six months at Enka in 2005. She moved to Business Dialogue in December of the same year, where she was first Legal Counsel until 2007 and then Senior Lawyer until 2008. She then joined Bacardi Rus, where she stayed for over six and a half years. Between March 2015 and December 2016, Kucheryavaya was Senior Legal Counsel at Sony Electronics. Finally, she moved to Moët Hennessy in 2016, where she stayed until joining LifeScan in February 2021. ||

*By Djordje Vesic*



**Poland:** Izabela Wisniewska Moves to Euro Net as Chief Legal Officer

Wisniewska began her career in law at Magnusson in March 2005. After a year and a half at the firm, she moved to DZP, where she spent another three years. She worked in-house with Neinver from 2009 to 2011 and was Head of Legal at Inditex from 2011 to 2014. In November of 2014 she became Legal & Compliance Director CEE at Multi Corporation (as reported by CEE Legal Matters on November 20, 2014). Wisniewska joined RF Corval in 2019 and stayed until September 2020, during which time she also ran her own law practice.

"I'm delighted to join Euro Net, owner of such brands as RTV Euro AGD and OleOle!, a company with a great business model and talented management team that positions it as a leader in its industry," commented Wisniewska. "I'm truly thrilled to have the opportunity to develop and lead Euro's legal organization and to contribute to the company's future success." ||

*By Radu Cotarcea*



### **Albania:** Elona Ganaj Joins CentralNic as Group General Counsel

She began her career at Osce in 2003. From 2005 to 2008 she was a consultant at the International Finance Corporation. In February 2008 Ganaj joined Vodafone, where she was Senior Lawyer until 2012 and then Head of Legal until 2018. Parallel to that role, she was also Acting Head of Legal at Vodafone M-Pesa between May 2013 and December 2017 and Board Trustee of the Vodafone Albania Foundation between March 2017 and January 2018. Finally, she spent over three years as General Counsel and Company Secretary at Play, from 2018 until joining CentralNic in March 2021.

Ganaj received her Master of Laws in Commercial and Corporate Law from the Queen Mary University of London in 2016 and her Master of Business Administration from the London School of Economics and Political Science in 2021.

The global crisis caused by the COVID-19 pandemic pushed the economy into digital and this shift shall have lasting effects when the economy starts picking up," Ganaj commented, adding: "The lockdowns and the restrictions triggered more businesses, organizations, start-ups, individuals, and governments to move their operations and services online to limit physical interaction and contain the spread of coronavirus. It is incredibly positive to see digital platforms thriving as people seek new ways of connecting and consumers seek education, training, entertainment, and shopping opportunities. With the acceleration of the uptake of digital solutions, I am thrilled to continue my long journey in tech, contributing to speeding up the global transition towards a digital economy, so that everyone is ready and can have the opportunity to embrace the digital existence. I am happy to be part of CentralNic and contribute to connecting individuals, SME-s, and large enterprises to take advantage of technology and the immense power of the internet as a critical tool in maintaining business and life continuity." ||

*By Djordje Vesic*



### **Russia:** Ekaterina Kobrin Becomes Head of Compliance and Litigation at Yandex

Yandex is a technology company that provides Internet-related products and services, including transportation, search and information services, e-commerce, navigation, mobile applications, and online advertising. It was established in 1997, has 30 offices worldwide, and has been listed on the NASDAQ since 2011.

This is Kobrin's first in-house role. She spent over 20 years with Baker McKenzie Moscow, after joining the firm in 2001. ||

*By Radu Cotarcea*



### **Poland:** Polish Aviation Group Hires Michal Roslon as In-House Counsel

The Polish Aviation Group represents a consolidation of four companies: LOT Polish Airlines SA, LOT Aircraft Maintenance Services Sp. z o.o, LS Airport Services SA, and Technics Sp. z o.o. According to the the group's website, the consolidation was carried out in order to "effectively compete on the market and achieve synergies that will affect the development of the aviation industry in Poland and Central and Eastern Europe."

Roslon started his legal career with Markiewics & Partners Law Office (previously Rymar & Partners). In 2010, he joined Andrzejczak & Partners Law Office. In 2016, he moved in-house as the Chief Legal Officer of TNK Capital, then in 2017 joined LS Airport Services. Roslon became CLO at LS Airport Services in 2019.

Roslon wrote the guest editorial for the CEEIHM Issue 1.2, titled "Enough with the Pandemic-Induced Self-Delusion." ||

*By Radu Cotarcea*



**Greece:** Lilian  
Kontou Moves to  
TAE- SOL Group  
as Legal Director

At the beginning of her career, Kontou was a free-lance attorney-at-law from 1992 to 1997. She joined PwC in September of 1997 and spent the following six years as Senior Manager within the firm's Tax & Legal Services Department. She moved to Air Liquide Hellas in March of 2004, where she was Legal & HR Director until December 2016, Legal Director from January to August 2017, and Legal Director South East Europe from September 2017 until joining the TAE-SOL Group in February 2021. ||

*By Djordje Vesic*



**Turkey:** Senem  
Berkem Paflak  
Moves to Modanisa  
as Head of Legal  
Compliance

At the beginning of her career, Berkem Paflak interned at the Serap Zuvun law office between July 2004 and October 2005. She then spent nearly three and a half years as Manager at Kilic Hukuk Buros. In January 2009, Berkem Paflak joined the Akugur law office, where she spent another three and a half years as Senior Lawyer. She was Assistant Manager at PwC from 2012 to 2013.

Paflak moved in-house in 2013 to join Akkok Holding as Deputy Legal Counsel at the Akkok Holding. She then joined Borusan EnBW Enerji in August 2014, where she was Head of Legal and Compliance until October 2019. Between then and joining Modanisa, she spent a little over a year as Head of Legal and HR at the Delta Group. ||

*By Djordje Vesic*





## BACK TO PRIVATE PRACTICE



**Austria:** Michael Lind Returns to Private Practice by Joining PwC Legal Austria

Lind, who joins as a Partner, spent five years at Schoenherr, before moving to Binder Groesswang, where he made in Partner in 2013. In 2014, he moved to Wolf Theiss (as reported by CEE Legal Matters on July 23, 2014), and in 2017, he moved in-house with Raiffeisen-Holding Niederoesterreich-Wien.

A graduate of the Karl-Franzens-Universitat Graz and University College London, Lind's experience also includes stints as a Visiting Associate with both Slaughter and May and Alston & Bird.

Lind commented: "I am very excited to join PwC's multidisciplinary team with its global reach." ||

*By Djordje Vesic*



## **Ukraine:** Sergiy Ignatovsky Joins Redcliffe Partners as Partner

Redcliffe Partners describes Ignatovsky as “one of the top professionals in Ukraine focusing on restructurings, high-profile complex litigation and special situations.” According to the firm, “he has previously worked as General Counsel with Metinvest, one of the largest CEE producers of steel and iron ore raw materials. In 2016, Sergiy was appointed by the creditors’ committee as the General Counsel of Mriya Agro Holding. He was responsible for carrying out the complicated, unprecedented, and unique restructuring of the group, which included more than 150 companies, following its USD1.3 billion default. As General Counsel, Sergiy oversaw the handling of hundreds of court proceedings and dozens of bankruptcies throughout Ukraine, and advised on the subsequent sale of Mriya Agro Holding to a strategic investor.”

Ignatovsky is a graduate of the Taras Shevchenko Kyiv National University. Before joining Mriya Agro Holding, he spent two and a half year as a Partner with the LCF Law Group, five years as a Partner at Sayenko Kharenko, and a year as Partner with Arzinger & Partners.

“We previously worked together on the sale of Mriya Agro Holding, where Redcliffe Partners acted as a buy-side counsel, and the team’s performance was stellar,” Ignatovsky commented. “The firm gained a top-tier reputation in advising on the most high-profile projects in the country and offering first-class client services, which makes it an exciting firm to join. I am looking forward to working with the team to help clients to tackle the challenges that I have seen at first hand during my time at Mriya Agro Holding, Metinvest and several other of Ukraine’s largest corporates.”

“Sergiy’s experience as General Counsel of Ukraine’s largest corporations operating in a variety of industries, coupled with a fantastic track record in delivering on highly complex mandates, bring a winning combination to the firm’s capabilities and will greatly enhance our offering to clients,” added Redcliffe Partners Managing Partner Olexiy Soshenko. “We look forward to welcoming Sergiy to the firm.” ||

*By Andrija Djonovic*



## **Poland:** Idea Bank Head of Legal Joins Clifford Chance in Poland

Prior to joining the firm’s Financial Regulation Group, Gorska served as Idea Bank’s Head of Legal between 2018 and 2020. She first joined the bank as a lawyer in 2011. In 2013 she was appointed to Deputy Director of Legal Department. Earlier still she worked as a Legal Analyst with Noble Bank.

“We are delighted to have Anna join our team,” said Andrzej Stosio, Partner and Co-Head of the Warsaw Financial Regulation Group. “Financial sector regulations are becoming an increasingly complex area, and broad expertise is required to provide legal advice in this respect. We are proud that such an experienced lawyer, who knows the sector inside out, has chosen to continue her professional career at our law firm.” ||

*By Radu Cotarcea*



## ON THE **MOVE**: GC PROMOTIONS AND APPOINTMENTS



Gozde Saygi Be-comes Assistant Vice President at DBRS Morningstar

Early in her career, Saygi was an Attorney at Law with EY in Istanbul for three years. She then moved in-house to work for UNLU & Co. In 2014, Saygi relocated to Frankfurt and joined ING-DiBa as a Legal Counsel, eventually changing departments to work as an Expert in Structured Export Finance - Risk Management with the company. She first joined DBRS Morningstar in 2018 as a Securitization Lawyer - Senior Financial Analyst.

Saygi is a member of both the Istanbul Bar Association and the Frankfurt Bar Association as a foreign qualified lawyer. ||

*By Djordje Vesic*



**Croatia:** INA Grupa Names Luka Pavlekovic Head of Legal & Compliance

Pavlekovic began his career at the Hrabar law firm in 2004. After four years with the firm, he joined INA Grupa as a contracting specialist. Between January 2010 and February 2014, he served as INA Grupa's Director of Domestic Legal Affairs and from February 2014 to December 2020 he was the company's Head of Legal Affairs. Parallel to his engagement at INA Grupa, Pavlekovic was president of the management board at Terme Zagreb from 2013 to 2019 and a member of the supervisory board at Petrol Plc. Jurdani from 2011 to 2020. In addition, he has been a member of the supervisory board of Energopetrol d.d. Sarajevo since 2014.

"I am very excited to have the opportunity to manage two excellent teams," Pavlekovic commented. "I am confident this will drive better arrangement of tasks and objectives between two functions and leverage our knowledge about legal compliance." ||

*By Djordje Vesic*



**Hungary:** Sylvania Lighting Promotes Istvan Jozsi to Legal Manager

Jozsi started his career at Videoton Holding in 2006. He joined PepsiCo as General Counsel in 2008, a position he held until 2019. He joined Sylvania in June of 2020, first as Legal Counsel for EMEA and, since December 2020, as the firm's Legal Manager for the region.

Jozsi received his Master of Laws degree from the University of Pecs. ||

*By Djordje Vesic*



Omer Sirin Promoted as Head of Legal at Credit Europe Bank

Sirin, who works out of the firm's Amsterdam headquarters, joined Guner Law Office in Istanbul in 2009 immediately after receiving his Bachelor of Laws degree from Marmara University. After spending almost three and a half years at the firm, Sirin moved to Allen & Overy where he spent another four. He joined Credit Europe Bank as Assistant Vice President – Unit Manager Legal in 2017. ||

*By Djordje Vesic*



Josef Holzschuster Relocates to Amsterdam as Head of Legal, Markets DA at Philips

Holzschuster has been in Budapest since 2018 when he was appointed Country Manager for Hungary at Phillips (as reported by CEE Legal Matters on September 11, 2018). He had relocated to the Hungarian capital from Prague, where he joined Phillips in 2014 as its Head of Legal Affairs for CEE (as reported by CEE Legal Matters on September 25, 2014).

Prior to joining Phillips, he was based in Vienna as Director of Legal Affairs for CEE at HP, Head of Legal and Regulatory at UTA Telekom AG (now Tele2), Head of Legal at ASFINAG, and Senior Corporate Counsel at Connect Austria. From July 2013 to September 2014 he also ran his own business and management consulting & coaching firm.

Holzschuster was a keynote speaker at the 2016 CEE GC Summit in Istanbul. His essay, "Do Everything With Nothing," on managing an in-house team when faced with budget pressure, was included in CEE Legal Matters' 2017 Corporate Counsel Handbook, and participated in this year's CEE Legal Matters Annual Expert Round Table (a transcript of which was published in Issue 8.1 of the CEE Legal Matters magazine).

Holzschuster received his Magister Juris and his



Master's degree in Legal Information Technology from the Karl Franzens University in Graz in 1994. ||

*By Radu Cotarcea*



**Poland:** Lukasz Machalski Becomes Deputy Director of Legal at Polish Financial Supervision Authority

Machalski first joined the Polish Financial Supervision Authority in 2009. He joined White & Case in 2010, where he stayed for three months. He spent three more months at the Financial Market Development Department of Poland's Ministry of Finance and another three at the European Commission's Internal Audit Service. He returned to the Ministry of Finance's Financial Market Development Department in 2012, this time staying for nearly four and a half years.

From 2016 to 2018 Machalski was an Associate at CMS in Warsaw, before spending another year at K&L Gates. Finally, in April 2019, Machalski rejoined the Polish Financial Supervision Authority, first as Adviser to the Chair and, as of February 2021, as Deputy Director of Legal. ||

*By Djordje Vesic*



**Turkey:** Berna Gungenci Kilincoglu Appointed as Associate Director Project Integrity at EBRD

Gungenci Kilincoglu first joined the EBRD in London in 2010. In 2012 she moved to Istanbul to join Clifford Chance. Two years later she joined Engie as General Counsel & Ethics Officer, and in June 2019 she returned to the EBRD in London as Principal, Project Integrity.

Gungenci Kilincoglu obtained her Bachelor of Laws at the Bilkent University in 2007 and her Master of Laws at the Georgetown University Law Center in 2010. ||

*By Djordje Vesic*



**Russia:** Ekaterina Kokareva Becomes Head of Regional Compliance at Beeline Russia

Earlier in her career, Kokareva was with Golden Telecom (which merged with Beeline in 2010) from 2006 to 2008. She spent another seven months as Senior Legal Advisor at Euroset in 2008. In October of that year, she joined Orange Business Services, and she was acting Head of Legal at the company from February to August 2011 and Head of Legal Department Sales & Marketing from 2011 to 2019. She spent a little over a year as General Counsel at Skyeng before joining Beeline in 2020 as Deputy Director Business Ethics and Compliance.

Kokareva received her Master of Arts in Law from the Lomonosov Moscow State University in 2005 and her Master of Arts in Financial Management from the Financial University in Moscow in 2010. ||

*By Djordje Vesic*



**Poland:** Maciej Hajewski Appointed to Regional Compliance Role With Willis Towers Watson

He was previously Regional Compliance Business Partner - Central Europe at the company, which he joined in April 2016 (reported by CEE Legal Matters on April 8, 2016).

Hajewski began his lawyering career with the Karol Rutkowski law office in 2003, and in 2004 he joined the Barbara Lukaszewicz Notary Office. In 2005, he joined Hogan Lovells, and in 2006 he joined the Polish Financial Supervision Authority. In 2011, Hajewski became the Chief Risk and Compliance Officer for both Aegon Poland (Life and Pension) and Aegon Romania (Life). In 2015, he joined AIG as a Senior Compliance Officer, his last position before Willis Towers Watson. ||

*By Djordje Vesic*



**Austria:** Katja Tautscher Becomes Senior Vice President Legal and Compliance at Borealis

Katja Tautscher has been appointed as Member of the Executive Committee in addition to her running role as Chief Legal and Procurement Officer at Borealis AG.

At the beginning of her career, Tautscher joined Wolf Theiss in 2000, when she spent six and a half years and reached the position of Partner. From 2007 to 2008, she was European Legal Counsel at Scientific Games. Tautscher then moved to Borealis. At first, she was General Counsel at Borealis in Vienna. She has been the company's Member of Supervisory Board in Linz, since 2010. In 2014, she was appointed as Chief Legal and Procurement Officer at the company and, in addition to that role, became a Member of the Executive Committee at Borealis in 2020. Parallel to her career at Borealis, she has been a Member of the Audit Committee since 2009 and Board Member since 2013 at Borogues, a joint venture between Borealis and the Abu Dhabi National Oil Company.

Tautscher was interviewed by CEE Legal Matters in 2014 as part of its Inside Insight series. ||

*By Djordje Vesic*



**Turkey:** Mustafa Yazgan Promoted as Senior Director and Regional Counsel at Stryker

Yazgan began his career at Herguner Bilgen Ozeke Attorney Partnership in Istanbul, in 2008. After two years with the firm, he moved to Coca Cola Icecek A.S., where he spent a year and a half as Legal Counsel. He then joined the Guner law office, where he stayed until 2014. Between July 2014 and March 2017, Yazgan was a Senior Legal Counsel at Oger Telecom. Finally, he joined Stryker in 2017, in

Istanbul, where he was the Regional Counsel and Compliance Officer for CEE & Turkey, for nearly two years. He briefly held the role of Interim Regional Counsel for South Africa in 2019, before moving to Cork to take on the role of Director and Legal Counsel, Global Quality and Operations, at Stryker. After nearly two years in the position, he was promoted to Senior Director and Regional Counsel in March 2021.

"I am very excited and thrilled to be back to EEMEA which is a must-win market for Stryker," Yazgan commented. "I hope to assist the business as they navigate in this highly challenging market and be a valuable business partner to them with their ambitious goals and targets." ||

*By Djordje Vesic*



**Belarus:** Karalina Tsimashenka Becomes Associate Legal Manager at EPAM Systems

Tsimashenka began her career at TiM ART, where she served as General Legal Counsel from 2011 until 2016, at which point she moved into private practice with the Revera law firm. After spending several months with Revera, she joined EPAM Systems as Legal Counsel. She became Senior Legal Counsel in 2018 and Chief Legal Counsel in 2019, working under Regional General Counsel Siarhei Zhuk.

Tsimashenka obtained a Bachelor's degree in Economic and Labor Law, a Bachelor of Laws in Tax and Bank Law, and a Master of Laws, all from the Belarusian State University, in 2010, 2013, and 2014 respectively.

"It is an honor for me to grow professionally in one of the largest IT companies in the region," Tsimashenka commented. "I appreciate being a part of the strong legal team." ||

*By Djordje Vesic*



# THE IN-HOUSE BUZZ

In “The In-House Buzz” we check in with GCs across Central and Eastern Europe for updates about professional, political, and legislative developments of significance that affect their work. Because the interviews are carried out and published on the CEE In-House Matters website on a rolling basis, we’ve marked the dates on which the interviews were originally published.



## HUNGARY

### Interview with Maida Lillemets of BaltCap in Estonia



Maida Lillemets, Legal and Compliance Manager at BaltCap in Estonia, reports that the three-pillar pension system in his country has been shaken by the recent legislative move from a mandatory to a voluntary approach to contributions into pension funds. This change, Lillemets reports, has cost the pension funds EUR 850 million already and the eventual cost may exceed EUR 1 billion.

"Until last year, contributions to the second pillar of our pension system were obligatory," Lillemets says, explaining that the second pillar consists of privately owned pension funds. "However, since January 2021, contributions to the pillar were made voluntary, so people can now apply not only to stop the ongoing payments into it, but also to withdraw their money from it."

According to Lillemets, such a radical change will most likely affect the liquidity of pension funds belonging to the second pillar. In turn, he believes, the drop in contributions to the fund will cause a drop in both the number and volume of pension funds' private equity and venture capital investments in the region. "Since pension funds must now take into account that people will be able to withdraw their money from the system, they will not be able to invest in illiquid asset classes as they used to," he says. Some of the funds may opt for feeder fund structures in order to overcome this obstacle. Through such feeder funds, PE and real estate

funds are hoping to attract retail investors and pool resources together in order to continue investing in the region.

However, the change to the pension system might pose a threat to people as well. Lillemets suggests that the first pillar, which remains mandatory and is funded by taxes, will not be sustainable due to the discrepancy between the dwindling working population and the growing number of pensioners. "In the long term," he says, "the state will probably have to raise taxes in order to fill the gaps in the first pillar."



*With lockdowns still in place, it is as important now as it was last year for lawyers to keep developing their technological prowess.*

In addition, Lillemets points to the EU Sustainable Finance Disclosure Regulation, which will come into force on March 10, 2021. According to him, It will impose new environmental, social, and corporate governance regulations aimed at making investments eco-friendly and sustainable. In turn, he says, the regulation will bring about a drop in non-ESG-compliant investments.

Finally, looking into the future, Lillemets expects the legal sector to face technological challenges. According to him, the need to implement smart solutions for marketing, communication, and doing business persists. "With lockdowns still in place," he reports, "it is as important now as it was last year for lawyers to keep developing their technological prowess." ||

*By Djordje Vesic*



## CZECH REPUBLIC

### Interview with Richard Bacek of Siemens in the Czech Republic



According to Richard Bacek, General Counsel at Siemens Czechia, there are three significant legislative changes underway in the Czech Republic, specifically in the areas of public procurement, construction, and whistleblowing. Meanwhile, Bacek reports that business in the Czech Republic is still burdened by the dearth of what he calls “reasonable regulation” of the home office concept.

“New public procurement regulation is in parliament at the moment,” Bacek says, explaining that the law will introduce a sustainability criterion into the public procurement process. “It is not generally understood what that criterion really means and how it should be evaluated during the selection process,” he says,

*Although we understand that the intention is to better protect people claiming that actions by others contravene the law, the current proposal would create an unreasonable administrative burden for companies that are part of groups, including international holdings*

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and he reports that there are doubts among experts about how it will be implemented in practice.

The new Law on Construction is another significant development. Even though Bacek applauds the new law, which is designed to speed up the construction process, he fears that its short-term effect could be quite the opposite. “The new law might affect our clients by slowing down their ability to complete their construction projects,” he says, noting that every significant legal change causes delays, until the system adapts.

Finally, Bacek reports that the Czech Republic is going to adopt a new Whistleblowing law, which, in his opinion, might present a logistical inconvenience. “Although we understand that the intention is to better protect people claiming that actions by others contravene the law, the current proposal would create an unreasonable administrative burden for companies that are part of groups, including international holdings,” Bacek says. According to him, every company will have to hire a designated officer who will handle potential whistleblowing cases and keep its own whistleblowing processes and systems, instead of sharing the same one within the group.

In terms of the move towards telecommuting (or “home office”), Bacek says, there are still many unresolved questions related to the concept. “There are two main questions,” he explains: “The first is how an employer can ensure that the home office complies with all health and safety regulations. The second is of a financial nature – should the employee be compensated for expenses incurred working from home?”

Bacek concludes by pointing out that the legal sector is still learning how to use new technologies and how to apply them in everyday work, while, of course, maintaining positive relationships within teams and helping people grow. “We use every opportunity for education and personal development,” he notes. “To that end, through the effort of the Siemens group globally and the Union of In-house Lawyers in Czechia locally, we participate as much as possible in webinars to keep contacts and to share knowledge and experience.” ||

*By Djordje Vesic*

## SERBIA

### Interview with Branko Gabric of Air Serbia



According to Branko Gabric, General Counsel at Air Serbia in Belgrade, we are living in historic times. He reports that the unprecedented pandemic, as well as the subsequent vaccination process, has greatly affected not only the aviation industry, but also the legal sector in his country.

"Only the fittest and the most adaptable will survive this situation," Gabric says, explaining that the final answer to the crisis in the aviation sector lies not in legislation, but rather on the nimbleness of every company in it. Oddly enough, despite the drop in air travel, Gabric reports that there has never been

*The time has come for the legal sector to stand shoulder-to-shoulder with the 'front end' of each company, to become more business-oriented, and more agile.*

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as much work for in-house legal teams as now. At the same time, he says, companies have become more cost-sensitive and are looking to cut corners where possible, posing real challenges to the legal profession in his country. An adequate response, in his mind, would be to change the *modus operandi*. "Legal departments had been perceived as a part of the 'back office' prior to the pandemic," he says. "The time has come for the legal sector to stand shoulder-to-shoulder with the 'front end' of each company, to become more business-oriented, and more agile." To that end, he says, the future is digital, and technology will play a more prominent role in the everyday life of lawyers.

That will come as a substantial change in Serbia, where, he says, a lot of the work is still done on paper. In addition, he adds that the structure of work itself will have to change so as to become more efficient and less time-consuming.

For Air Serbia, Gabric says, around 80% of its flights are focused on Europe. Since most of the EU is still under strict lockdown, Air Serbia has frequently had to adapt its flight itinerary, favoring certain routes, and providing stimulus to its passengers. "Serbia's decision to reintroduce possession of valid PCR tests for foreigners entering the county in December 2020 was, without question, the right decision in terms of fighting the COVID-19 outbreak," he says, but he adds that it brought additional challenges to the already burdened industry. However, he notes, with the advancement in vaccination globally, the situation might soon change. "We are eagerly monitoring the vaccination process and we are hoping that air travel will go back to normal soon."

Furthermore, Gabric reports that on March 9, 2021, Air Serbia became one of the first European airlines to introduce the IATA Travel Pass — a mobile application that helps passengers organize their flights in line with testing and vaccination rules imposed by different countries. Gabric describes the platform as a "potential game-changer," and says that "it is always interesting to be a part of the global initiative and to work jointly on something that can finally move things from where they are at the moment." ||

*By Djordje Vesic*

## BULGARIA

### Interview with Kameliya Naydenova of Mondelez International in Bulgaria



According to Kameliya Naydenova, Legal Counsel South Central Europe at Mondelez International in Bulgaria, the market has somewhat recovered from the blast wave of the COVID-19 crisis. Yet, many industries still need to overcome the change in demand and consumer habits, as well as certain difficulties brought on by the pandemic.

“Even though the food industry was less affected by COVID-19 than other industries, the ‘new normal’ brought certain changes regarding the categories of products people buy,” Naydenova says and explains that not only the people’s purchasing power but also their habits have been affected by COVID-19 measures, lockdowns, and social restrictions. “For example, people used to grab a snack on the go on their way to work,” she says and notes that, since most people are working from home, their habits followed the newfangled sedentary lifestyle. Despite these trends and their effect on the volume of sales of certain goods, Naydenova describes the Bulgarian food market currently as relatively stable and predictable.

Related to the purely legal sphere, Naydenova reports that the implementation of the EU Unfair Trading Practices Directive, which was adopted in April 2019, is one of the core topics for the food and retail industry. The directive contains rules that ban certain unfair trading practices imposed unilaterally



*My belief is that the profits and business results will come when the people feel appreciated*

by one trading partner on another. The rules are aimed to improve the position of businesses and farmers in the food supply chain. The true effects of the directive remain to be seen as some markets have implemented the directive just recently.

Naydenova also points to certain technological and regulatory hurdles which have persisted into 2021. “We still need to sort out the regulation regarding working from home, such as labor incidents, privacy, home network security of the network, as well as efficient means of communication,” she says.

As to what the future holds, Naydenova believes that optimism isn’t unwarranted. “Even though the crisis isn’t behind us, people believe that in 2021 vaccination will bring back some sense of normalcy.” Nevertheless, Naydenova treads carefully as she is aware that people are still under a lot of pressure. “There is an abundance of work ahead of us and I try to keep a positive mood, sense of belonging, and team spirit,” she says. According to her, the South Central European team is built on trust, cooperation, and open communication. “Build a team so strong you don’t know who the boss is,” she adds.

In order to maintain the morale of her team of three, she has taken, as she describes it, a people-centric approach. “My belief is that the profits and business results will come when the people feel appreciated,” she says. To that end, she makes sure her team’s efforts do not go unrecognized and she explains she tries to make their every success visible and rewarded. Furthermore, she believes that people need to properly disconnect from their job and to keep the “work-life” balance, so the practice of having “short summer Fridays,” when her colleagues may go offline earlier, will continue in the future. ||

*By Djordje Vesic*



## DEAL 5

In “Deal 5” CEE In-House Matters follows-up on deals reported by CEE Legal Matters through the lens of the firms involved and talks to General Counsel, CFOs, and business owners and CEOs, to learn more about the deals covered across Central and Eastern Europe from their business perspective as clients on these matters. These are carried out and published on the CEE In-House Matters website on a rolling basis, and a selection of recent interviews is presented here.



## Czech Republic: Immofinanz's Stefan Frommel On Acquisition of Retail Parks from Mitiska REIM

*On December 30, 2020, CEE Legal Matters reported that BPV Braun Partners had advised Immofinanz on the acquisition of retail parks in the Czech town of Litvinov and the Horni Mecholupy neighborhood of Prague from Mitiska Reim. CEEIHM spoke with Stefan Frommel, Head of Transactions at Immofinanz, to learn more about the matter.*

### **CEEIHM: To start, please tell us a few words about Immofinanz.**

Stefan: Immofinanz is a commercial real estate group with activities focused on the retail and office segments of seven core markets in Europe: Austria, Germany, Poland, Czech Republic, Slovakia, Hungary, and Romania – we are also active in Serbia, Croatia, and Slovenia. The core business covers the management and development of properties, with the Stop Shop (retail), VIVO! (retail) and myhive (office) brands representing strong focal points that stand for quality and service. The real estate portfolio has a value of approximately EUR 5 billion and covers more than 210 properties.

### **CEEIHM: What about the targets of the acquisition – what made the retail parks particularly attractive for you?**

Stefan: Both assets perfectly fit into our retail park portfolio – called Stop Shop – because of the size of the assets, the tenant mix, and the micro-location.

### **CEEIHM: How was the deal financed – and did BPV Braun Partners advise on the financing for the deal as well?**

Stefan: The deal was mostly financed by our own equity, however, we also took advantage of existing financing. BPV Braun did also advise us in this regard.

### **CEEIHM: What would you say was the most challenging/complex aspect of the deal?**

Stefan: As the deal in the Czech Republic was linked to another portfolio from the same vendor in Serbia, we had to consider more parameters for this deal in order to align both acquisitions in terms of timing and commercial aspects. Since legal advisory

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*As the deal in the Czech Republic was linked to another portfolio from the same vendor in Serbia, we had to consider more parameters for this deal in order to align both acquisitions in terms of timing and commercial aspects.*



in Serbia was not covered by BPV, it had to cooperate with a Serbian firm in this deal. Other challenging aspects were related to the structure of the deal (it was a share deal) as well as several topics that came up during the due diligence process.

**CEEIHM: What were the considerations based on which you opted to turn to BPV Braun Partners for legal advice on this deal?**

Stefan: We have a very close relationship with BPV for several years and have worked many times together in M&A transactions. We appreciate that BPV has a hands-on mentality as well as deep legal knowledge, and a good commercial understanding, which is important to us. ||

*By Bianca Bonta*

## Latvia: Girts Apsitis, Member of the Management Board at AS Ventspils Nafta, on Mandatory Share Repurchase

*On January 14, 2021, CEE Legal Matters reported that the Riga office of Eversheds Sutherland had represented Euromin Holdings Limited before the Court of Justice of the European Union in a proceeding with the Financial and Capital Market Commission. CEEIHM spoke with Girts Apsitis, Member of the Management Board at AS Ventspils Nafta, to learn more about the matter.*

### **CEEIHM: Let's start with an introduction as to what AS Ventspils Nafta does and the transaction that gave rise to the proceedings.**

Girts: AS Latvijas Kugnieciba (the former name of AS Ventspils Nafta) is part of Vitol, an energy and commodities company. Historically AS Ventspils Nafta was privatized and listed on the stock exchange before Euromin Holdings Limited – which is also a part of Vitol – bought it out.

### **CEEIHM: Euromin Holdings Limited asked the court to declare a decision of the FCMC unlawful and to retrieve the overpaid amount as damages on the grounds that the FCMC had incorrectly calculated the price of the AS Ventspils Nafta share. What was the basis of this claim?**

Girts: In September 2015, Euromin Holdings (Cyprus) Limited acquired more than 90% of the shares of the publicly listed AS Ventspils Nafta, thus triggering the statutory obligation to commence the mandatory bid procedure. The value of one share within a mandatory bid is calculated in accordance with a formula prescribed by the law; however, the final value of one share is approved by the regulator, the Financial and Capital Market Commission of Latvia.

A dispute arose between Euromin and the FCMC as to how the value of one share is calculated. Taking into account that AS Ventspils Nafta is a holding company, a non-controlling interest of more than EUR 150 million was indicated in the company's

consolidated financial statement. Euromin calculated the price of one share deducting the amount of non-controlling interest as assets that actually do not relate (belong) to AS Ventspils Nafta. FCMC insisted that non-controlling interest can't be deducted because it is not explicitly stated in the law and it obliged Euromin to buy one share of AS Ventspils Nafta for EUR 4.56 instead of EUR 3.12. The FCMC denied all alternative solutions offered by Euromin, leaving Euromin no other choice but to obey its decision.

Eversheds Sutherland Bitans, on behalf of Euromin Holdings (Cyprus) Limited, filed an application to the court requesting that the court declare the FCMC's decision unlawful and compensate Euromin for its losses in the amount of EUR 7.2 million (the difference between the value of the acquired shares calculated by the FCMC and calculated by Euromin).

### **CEEIHM: What would you say was the most challenging/complex aspect of the deal?**

Girts: The first instance court has rendered a judgment in our favor, however, it limited the recovery to 50% of the claim due to statutory caps of state liability. The Supreme Court has initiated cassation proceedings and requested a preliminary ruling of the Court of Justice of the European Union. Eversheds Sutherland Bitans has represented Euromin Holdings (Cyprus) Limited in a hearing before the CJEU. The judgment in a preliminary ruling case was adopted on December 10, 2020.



*The FCMC denied all alternative solutions offered by Euromin, leaving Euromin no other choice but to obey its decision.*

The CJEU decided that the Latvian state liability rules are incompatible with the principles of European Union law, that the rules governing the pricing of shares in a mandatory bid must be clear and precise, and that Directive 2004/25/EC prescribes a single definition of an equitable price and the main method of calculating it and derogations from this method are allowed only under clearly defined conditions and criteria. Finally, the CJEU clarified that the Directive does not allow the value of a share to be obtained for the purposes of a takeover bid by dividing the parent company's net assets, including non-controlling interests, by the number of shares issued, unless it is a method of determining the share price which is based on an objective valuation criterion commonly used in financial analysis and which can be considered as "clearly defined."

The next step is for the Senate to rule on the matter, considering the conclusions of the CJEU.

**CEEIHM: At what stage was Eversheds Sutherland brought in and what is the firm's mandate?**

Girts: After the FCMC obliged Euromin Holdings (Cyprus) Limited to pay a certain purchase price in the mandatory bid of AS Ventspils Nafta in 2015, litigation was initiated to challenge the calculation of the share price. Eversheds Sutherland Bitans has been our representative in this case for the past five years and we are pleased to see that this case is likely to form the first significant example of case law in Latvia on the issues of limitation of the amount in damages and determination of the share price in the mandatory bid process.

**CEEIHM: What led you to turn to them specifically for representation in this matter?**

Girts: The cooperation of AS Latvijas Kugnieciba (the former name of AS Ventspils Nafta) with Eversheds Sutherland Bitans goes back more than ten years. We have entrusted them both with regular legal support and some of our most complex legal issues. These include commercial, employment, real estate, and construction, administrative and tax issues, and related litigation. Eversheds Sutherland Bitans team's litigation experience is another important reason for turning to them with this complex issue. We believe that litigation and dispute resolution are some of the firm's key strengths and we highly value the expertise, professional approach, and perseverance brought to this case by Maris Vainovskis, Ilze Kramina, Krista Berzina, and their team.

Eversheds Sutherland Bitans provides high-level services in all they do. We are highly appreciative of their work and value the relationships we have built over the years. ||

*By Bianca Bonta*









## **Romania:** Restart Energy's Armand Domuta on Agreement with Interlink Capital Strategies

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*On January 19, 2021, CEE Legal Matters reported that Bondoc si Asociatii had advised independent electricity and gas supplier Restart Energy on its co-operation agreement with DC-based consulting and fund management company Interlink Capital Strategies to develop green energy projects worth USD 500 million in Romania and neighboring countries and to launch the blockchain-based RED platform in the USA. CEEIHM spoke with Armand Domuta, Chairman of the board at Restart Energy, to learn more about the agreement.*

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### **CEEIHM: To start, please introduce Restart Energy, its history, and mission.**

Armand: Restart Energy is an independent electricity and natural gas supplier for homes and companies, with 100% Romanian capital, established in 2015 in Timisoara, Romania.

Restart Energy has over 30,000 household customers and approximately 5,000 corporate customers. The company is present in the Romanian and Serbian markets and, starting with 2021, intends to develop in several European markets, including Germany and Spain.

Our Vision: We envision a vibrant, sustainable world, where affordable energy is created and consumed by anyone, anywhere.

Our Mission: To fund, research, and develop the systems necessary to make energy universally accessible and useful.

**Responsibility:** Sustainability is our north star as we expand and innovate our company into the future.

**Value Propositions:**

*Powering homes and businesses with 1,000 GWh of Renewable Energy and 500 GWh of Natural Gas Supply.* Restart Energy has leveraged its renewable energy production assets to provide cleaner energy alternatives to coal for thousands of consumers. Our forward business strategy involves the purchase of additional MWh of renewable energy production assets to provide a healthy supply side for the RED Platform. As a result, we expect this upstream integration of production assets to bring major advantages in cash flow optimization and production flow stability for our users.

*Helping businesses and entrepreneurs earn from energy and start their own supply business.* A big part of the company's success to date has been based on its ability to successfully develop a multi-channel sales strategy by quickly identifying market opportunities and leveraging local resources, such as micro-entrepreneurs, through the first retail energy franchise in the European Union.

*Giving consumers access to cheaper energy directly from renewable energy producers on the first retail P2P energy marketplace.* At Restart Energy, we are firm believers in democratizing access and production of renewable energy through technologies to facilitate what Omnitric aptly refers to as Community Energy or citizen utilities. By reducing the bureaucratic and economic transaction costs of the retail energy business, we can empower households and businesses to become self-sustaining energy prosumers within their communities.

**CEEIHM: As reported by CEE Legal Matters, Restart Energy recently concluded a cooperation agreement with Interlink Capital Strategies. How will that cooperation look like in practice?**

Armand: Our partnership with Interlink has two main facets, one is related to the launch and operation of the RED platform in the US which will be operated through our US subsidiary where we took Interlink as partners in the company. The other facet, equally important, is the one where they will help structure finance solutions for our investment plans in Romania and the region.

**CEEIHM: The end goal of the agreement is to "develop green energy projects worth USD 500 million in Romania and neighboring countries"**

**and launch our innovative blockchain-based platform, RED in the US market we set-up a subsidiary in partnership with ICS. Can you share a few details as to what these projects will consist of?**

Armand: We are targeting the acquisition of operational and ready-to-build projects that we will integrate into our existing downstream business through financing arrangements made in partnership with Interlink Capital Strategies (ICS).



*We envision a vibrant, sustainable world, where affordable energy is created and consumed by anyone, anywhere.*

**CEEIHM: Another end-goal of the agreement is the launch of a blockchain-based RED platform in the USA. What is this platform's mission and how does it work?**

Armand: The end goal of the RED platform is to support faster renewable energy development. Firstly, we try to give renewable energy producers a way to have a more significant impact on the power generation market. We are doing this by offering them a simpler, more cost-effective, and direct way to reach the end customer through a p2p system and also by offering them an incentive in the form of green tokens that they can sell. Second, we are trying to incentivize also the consumer by offering a similar system, and giving them a reward in the form of tokens for every CO2 kg they offset by having a responsible consumption of energy and responsible behavior towards our planet.

**CEEIHM: What were the specific aspects that Bondoc si Asociatii advised on and why did you opt to turn to them for support on this agreement?**

Armand: Bondoc si Asociatii assisted us successfully on a number of operations both domestic and international. They have vast experience in trans-border transactions, so it was only natural that we'd ask them to assist us as well on this strategic project for us. They helped us structure and prepare the agreement with ICS and also provided valuable input in setting up the RED USA subsidiary. ||

*By Bianca Bonta*

## Poland: Marvipol Development Head of Legal Maria Brzozowska on Sale of Three Residential Projects in Warsaw

*On February 2, 2021, CEE Legal Matters reported that Greenberg Traurig had advised companies in the Marvipol group on the sale of residential and commercial units in three built-to-rent residential projects in Warsaw to Swedish company Heimstaden Bostad. CEEIHM spoke with Maria Brzozowska, Head of Legal Department at Marvipol Development, to learn more about the sale.*

### **CEEIHM: What is Marvipol's story? How is your company structured and what area does it operate in?**

Maria: Marvipol Development Capital Group has been operating in the real estate market since 1996. Since the very establishment of our company, the quality of all our projects has been of great importance to us. Marvipol Development has been listed on the Warsaw Stock Exchange since 2008 and our core business is divided into two segments: residential and warehouses.

We have completed 33 residential projects consisting of more than 7,500 residential units with a total usable floor area in excess of 448 thousand square meters.

Our residential offer is diversified and targeted at a varied range of clients. It is made up of units in distinctive buildings and is increasingly popular with clients, as reflected by the group's sales performance. The strategy for growth of the group's property development segment provides for an increase in the value and volume of apartments sold with a margin of more than 20 percent on residential sales.

In the warehouses' segment, Marvipol Development is a JV partner of Panattoni Europe. To date, we have invested in 12 industrial properties with a gross leasable area of 460 thousand square meters.

**CEEIHM: It was reported that your company recently sold residential and commercial units in Warsaw's Unique Tower, Moko Botanika, and Studio Okęcie projects to Heimstaden Bostad. Could you tell us a bit more about the deal? What, in particular, made these projects attractive to the buyer?**

Maria: The transaction comprised of three projects in Warsaw with 647 residential units of 29,851 square meters and commercial units of 1,068 square meters for approximately PLN 381 million (EUR 83,9 million) and an option to acquire an additional 60 apartments. The acquisition is structured as a forward purchase for the Unique Tower, and a forward funding commitment for the other two. The transaction was challenging from a legal point of view as each project is at a different stage of completion, the legal nature of the subject of the transaction varied and therefore required a different package of collaterals. I am particularly proud of the fact that, for the Unique Tower sale, we have created a pioneering legal solution for the market allowing for greater flexibility for PRS investors.



*I am particularly proud of the fact that, for the Unique Tower sale, we have created a pioneering legal solution for the market allowing for greater flexibility for PRS investors.*

The projects are situated in prime areas of Warsaw and feature an optimal structure of apartments and convenient amenities for future residents.

Moko Botanika, Studio Okęcie, and Unique Tower are attractively-located projects that stand out for their quality and functionality. Being able to attract an investor as acclaimed as Heimstaden validates our operational philosophy of placing the quality of our investments front and center. The agreement with Heimstaden is in line with Marvipol Development's growth strategy that includes diversification of the customer base for our projects.

### **CEEIHM: What is the next move for Marvipol after the sale? What other projects are on the horizon?**

Maria: The company is looking for new land opportunities to replenish its land bank and expand



operations. We are starting sales of new projects in Warsaw and Gdansk in Tri-City in the first quarter of 2021 and we have bold goals for the second half of the year.

**CEEIHM: Greenberg Traurig advised your company on this transaction. Could you tell us how the legal work was divided between the firm and your team?**

Maria: This was a really complicated transaction, which required a lot of coordination of different teams: commercial, technical, and legal. The Marvipol legal team coordinated the work of all teams and was supported by Greenberg Traurig. In addition, Greenberg Traurig implemented agreed provisions into transaction documents and was responsible for the drafting of all legal documentation. The main negotiations were led by myself with great support from GT Partner Agata Jurek-Zbrojska in some particular aspects. This was a great teamwork achievement.

**CEEIHM: Finally, what were the main qualities of Greenberg Traurig that made you choose it as your company's advisor?**

Maria: GT's real estate lawyers specialize in different areas of real estate, which allows the team to provide comprehensive transaction advice and address even very specific legal issues in a timely manner. They effectively cooperate with other GT practices, which is crucial for the most complex real estate transactions. The lawyers in Agata's team are responsive and very thorough. They also represent a business-oriented approach, which adds substantial value to our transactions. ||

*By Bianca Bonta*



## Bulgaria: Fr. Lurssen Werft Managing Director Dirk Malgowski on Modular Patrol Vessels Public Tender

*On November 18, 2020, CEE Legal Matters reported that Gugushev & Partners had helped Fr. Lurssen Werft GmbH & Co KG, part of Northern Germany's Lurssen shipyard group, win a public tender for the supply of two multipurpose modular patrol vessels to the Bulgarian Navy. CEEIHM spoke with Dirk Malgowski, Managing Director at Fr. Lurssen Werft, to learn more about the matter.*

### **CEEIHM: To start, please introduce Fr. Lurssen Werft and its operations.**

Dirk: Lurssen is an independent and family-owned company with more than 145 years of experience in shipbuilding. We specialize in the design and manufacturing of yachts, naval, and coast guard vessels. In addition to new builds, we offer extensive after-sales services that include repairs, refits, maintenance, and worldwide logistics services. Lurssen is headquartered in Bremen, Germany. Today, our group of companies includes six highly-specialized production sites in northern Germany and more than 2,800 skilled and qualified employees. In addition to building ships in Germany, we also offer local infrastructure support and the transfer of knowledge and technology. We can build vessels locally in the customer's country and cooperate with domestic shipyards as well as with the local supply industry.

### **CEEIHM: What do you believe it was about your bid that ultimately made it come on top?**

Dirk: At Lurssen, trust is the foundation of our business and we are very grateful for our customer's confidence in our company, our people, and our capabilities. When putting together the tender documents, we put a focus on staying within the given

budget whilst, at the same time, offering the renowned Lurssen quality. We listened carefully to the specific requirements of the Ministry of Defence and integrated them into our design. We also made a very conscious decision to build both ships in Bulgaria and in cooperation with our local shipbuilding partner MTG Dolphin.

### **CEEIHM: What was the process like from your perspective and what did you find to be the most challenging aspects of it?**

Dirk: As with any project, the process was complex and the customer's requirements high. Nevertheless, we were able to close the contract in a comparatively short period of time. This success was based on a trustful working relationship, the expert team presented by the MoD, and the support of our local partners such as Gugushev & Partners.

### **CEEIHM: At what stage was Gugushev & Partners brought on and what was the firm's mandate precisely?**

Dirk: Gugushev & Partners joined our team at a fairly early stage of the Request for Proposal.

### **CEEIHM: And what was it about Gugushev & Partners that made it the firm of choice for you?**

Dirk: At that phase of a Request for Proposal, we were looking for a reliable local partner with a deep knowledge of the local law and tax structure. Our goal was to find a Bulgarian law firm with international experience to support us throughout the entire process from the Request of Proposal, all the way to the contract negotiation phase. We evaluated a number of potential partners but it soon became clear that Gugushev & Partners were the ideal choice: they had an excellent portfolio, experience in working with the Ministry of Defence, and strong local knowledge. At the same time, they were internationally experienced and shared our values as a family-owned company such as trust, teamwork, transparency, and flexibility. With their support, we were able to manage the complex process well. We are very pleased to say that the cooperation with Gugushev & Partners has proved to be highly successful. ||

*This success was based on a trustful working relationship, the expert team presented by the MoD, and the support of our local partners such as Gugushev & Partners.*



*By Bianca Bonta*







## Serbia: Frontier Pharma Managing Director Kiren Naidoo on Zdravlje Leskovac Acquisition

*On January 15, 2021, CEE Legal Matters reported that BDK Advokati had advised Frontier Pharma and the Baystone investment group on the acquisition of Zdravlje Leskovac, a Serbian pharmaceutical company owned by Actavis, which is itself a subsidiary of Israel's Teva. CEEIHM spoke with Kiren Naidoo, Co-Founder and Managing Director at Frontier Pharma, to learn more about the acquisition.*

### CEEIHM: To start, tell us a bit about Frontier Pharma.

Kiren: We are a UK-based, EMEA-focused pharma investment company with operational expertise spanning major pharma (e.g. GlaxoSmithKline), generic pharma (e.g. MN Pharma), and investment banking (e.g. Merrill Lynch). Our team has a track record in building high-quality international pharma companies and experience in manufacturing and selling pharmaceuticals to both emerging and developed markets, including the US.

### CEEIHM: What was it about the target that you found particularly attractive?

Kiren: There are multiple reasons. The quality of manufacturing is world-class – the company supplies approximately 40 countries around the world across Europe (Western & Eastern), Asia-Pacific, Southern Africa, and Latin America. The company supplies both Teva (its parent) and a range of other multinationals on a contract manufacturing basis. Employees are highly qualified, well-trained, and loyal. The company also has a high-value brand (Zdravlje, which means “Health”) which dates back to the 1950s and is synonymous with quality. This is an ideal spring-board to build a high-quality multinational pharmaceutical company.

### CEEIHM: What are your plans for Zdravlje Leskovac in the near and mid future once the deal closes?

Kiren: Our first priority is to expand the company's contract manufacturing offering as it offers a very attractive quality/price proposition to third parties looking for outsourced supply (which is a growing trend in the business). We have already secured

new business in this regard. We would also look to build a commercial business with our own products (Zdravlje-branded) across prescription and consumer health (non-prescription). We would also like to leverage the existing international approvals to expand internationally (across CEE, Asia-Pacific, Middle East, Africa, etc.) to build a more international business. We have a robust organic strategy but will also use M&A / alliances / joint-ventures where it can accelerate our strategy.

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*Our first priority is to expand the company's contract manufacturing offering as it offers a very attractive quality/price proposition to third parties looking for outsourced supply (which is a growing trend in the business).*

### CEEIHM: What would you say was the most complex aspect of the deal?

Kiren: COVID-19 posed multiple logistics and administrative challenges. It also brought about a degree of uncertainty regarding supply chains and demand. There are other traditional complexities that are typical when carving out businesses from broader corporate structures but nothing the principals could not overcome.

### CEEIHM: Why did you choose BDK as your advisor on this acquisition?

Kiren: We have worked with BDK before (including on a privatization project in 2016) and in those cases found them to be professional, commercial-minded, pragmatic, and very supportive. ||

*By Bianca Bonta*

## Ukraine: Aspect Energy GC Amy Flakne on Oil and Gas Production Sharing Agreement with Ukraine



*On January 19, 2021, CEE Legal Matters reported that Redcliffe Partners had advised US investors Aspect Energy and SigmaBleyzer — acting jointly through a special-purpose vehicle, Ukrainian Energy, L.L.C. — on an oil & gas production sharing agreement with the Republic of Ukraine. CEEIHM spoke with Amy Flakne, General Counsel at Aspect Energy, to learn more about the deal.*

### **CEEIHM: Let's start with an overview of Aspect Energy and its operations.**

Amy: Aspect is a privately held oil, gas, and helium exploration and production company based in Denver, Colorado, and Budapest, Hungary. Aspect's mission is to bring technology, agility, and creativity to the search for new sources of energy in an environmentally and socially responsible manner. Alex Cranberg, our Chairman and CEO, formed Aspect in 1992. Aspect is most currently active in the United States, Hungary (as the leading oil producer), Croatia, Slovakia, Romania, and Ukraine. Aspect has also participated in significant discoveries in Belize, Kurdistan, and Peru. Aspect has drilled over 500 exploration wells and built and sold a large unconventional gas development in Texas and Arkansas.

In the renewable energy space, Aspect has been the lead investor in a pioneering US wind developer, an investor in a cutting-edge battery material company, and the holder of a highly prospective geothermal permit in Hungary. Aspect is particularly proud

of its proprietary know-how and track record in the use of the 3D seismic tool for large-scale exploration purposes.

Aspect is deeply committed to partnering with the local communities in which we operate to act as a responsible neighbor, safeguard the environment, and find opportunities to address existing social issues in those communities, with a focus on education, health, and the environment.

### **CEEIHM: For the purpose of this deal, you acted jointly with SigmaBleyzer through a special-purpose vehicle. How did this partnership come to be and why did you choose this set-up?**

Amy: Aspect is a private international exploration company with substantial experience working in Central and Eastern Europe, but with no experience working in Ukraine. SigmaBleyzer is a private equity firm with deep roots in Ukraine. There was a natural symbiosis resulting from partnering together on an oil and gas investment in Ukraine.

### **CEEIHM: What was it about this project that Aspect Energy found particularly attractive and what are the main terms of the agreement reached with the Republic of Ukraine?**

Amy: The geology! We are very excited about the prospectivity of the Varvynska block. Subject to certain conditions precedent, we have committed to spending at least USD 41.5 million during the first four years of the exploration period, as well as drill at least three exploration wells and carry out 3D seismic on 700 square kilometers of land. We have also committed to investing in the development of local communities and professional development programs for Ukrainian personnel. We are very



*Aspect has a long history of reducing exploration risk by acquiring proprietary seismic and then processing it using our own specially-designed processing protocols.*

excited to develop our block and contribute to Ukrainian energy independence. And it doesn't hurt that our work takes us to Kyiv, where we get to enjoy borsch and Chicken Kyiv ... the Kyiv restaurant scene is one of my favorite in the world.

**CEEIHM: As you mentioned, USD 41.5 million is expected to be spent in the first four years of the exploration period. What are the first steps, and what is your broad timeline?**

Amy: We've collected and purchased some data to evaluate the prospectivity of the block. Now we are acquiring additional well and older 2D data, and building maps to define the best areas to begin our exploration efforts. This next exploration phase entails shooting 3D seismic. Aspect has a long history of reducing exploration risk by acquiring proprietary seismic and then processing it using our own specially-designed processing protocols. Multiple play types have been identified over the block and we will now design the surveys to optimally image these diverse oil and gas reservoirs. Once the data is shot and processed Aspect and its teams in Kyiv, Budapest, and Denver will begin an intensive interpretation effort to precisely locate the first prospects to be tested.

**CEEIHM: Why did you select Redcliffe Partners for assistance on this deal?**

Amy: Redcliffe is one of the few firms in Ukraine with experience negotiating PSAs with the government, and that was important to us. But beyond that, the entire Redcliffe team impressed us from the moment of introduction and throughout the process with their professionalism, hard work, and savvy legal counsel. They have been fantastic partners, critical to getting the signed PSA across the finish line, and we are so appreciative of their efforts and contribution. I have worked with counsel all of the world, and Redcliffe stands among the very best. ||

*By Bianca Bonta*



## Latvia: VSS Legal Counsel Ilze Saviele on Sale of 83.14% of Share Capital

*On February 26, 2021, CEE Legal Matters reported that Eversheds Sutherland had advised Valmieras Stikla Skiedra on the sale of 83.14% of the share capital from the company's controlling shareholder group to Duke I S.a.r.l. CEEIHM spoke with Ilze Saviele, Legal Counsel at VSS, to learn more about the sale.*



### CEEIHM: Can you tell us a bit about VSS?

Ilze: VSS is located in the city of Valmiera in northern Latvia and is one of the leading glass fiber manufacturers in Europe, with more than 55 years of experience in the production of glass fiber. At the moment Valmiera has one subsidiary in the United Kingdom – Valmiera Glass UK Ltd., which produces glass fiber products for the aviation industry, thermal insulation applications, and architecture.

VSS specializes in the manufacturing of glass fiber and glass fiber products using three different types of glass with different temperature resistances (as much as 1000+ degrees Celsius). Our products are used for further processing, in technical (electrical, thermal, and acoustic) insulation materials, and as finished materials in mechanical engineering, construction, and elsewhere.

We like to say, that our mission is “crafting the impossible.” With our products, we help improve the quality of life and ensure energy efficiency and fire safety, thus creating a safer and more environmentally-friendly world.

*In my opinion, the glass fiber business is the future with good demand and opportunities. In fact, maybe we do not even realize it, but we see glass fiber products every day – in mobile phones, airplanes, buildings, autos, etc.*



### CEEIHM: Your company recently restructured its debt and sold 83% of its shares to Duke I S.a.r.l. Why, in your view, did Duke I take an interest in your company?

Ilze: In my opinion, the glass fiber business is the future with good demand and opportunities. In fact, maybe we do not even realize it, but we see glass fiber products every day – in mobile phones, airplanes, buildings, autos, etc. We are producing the start of these products and this business also has the perspective to make the world more environmentally-friendly. Beyond that, Valmiera is a company with strong roots and experienced employees. And I believe that is what ‘Duke I’ saw in the company.

### CEEIHM: What are some of the next steps for your company, following this transaction?

Ilze: During this transaction, we managed the restructuring of existing liabilities for another five years and attracted new funds. The main focus at the moment is to invest these funds in the business to increase our competitiveness in the market through a larger capacity and the development of new products. One of the biggest projects this year is one related to glass melting furnace repair.

### CEEIHM: How did Eversheds Sutherland handle the intricacies of this complex deal?

Ilze: We are very thankful to the Eversheds Sutherland team, led by Partner Maris Vainovskis. The structure of the transaction was not very easy



because there were many parties involved – VSS, two financing banks, existing shareholders (who remain as minority shareholders of VSS) and the new investor. Furthermore, VSS's shares were listed the whole time, thus under the regulations of NASDAQ and the Financial and Capital Market Commission.

During the deal, Eversheds Sutherland always had the right feeling for what was feasible and what was necessary, and, of course, always had an eye on costs.

**CEEIHM: Why did you choose Eversheds Sutherland as your advisor?**

Ilze: We started to work with Eversheds Sutherland at the beginning of 2019. During several projects where Eversheds Sutherland was our legal advisor, the team proved its professionalism and experience in different fields. When you work with a partner like Eversheds Sutherland during a difficult time, you naturally develop a certain trust and understanding of its business and needs. It was extremely helpful to complete the project on two continents, in four countries, and with a total of up to 12 contracting parties, cost-effectively and on schedule. ||

*By Bianca Bonta*



**Lithuania:** Managing Partner & Founder at Evli Growth Partners  
Riku Asikainen on CGTrader's USD 9.5 Million Series B Funding Round

On March 4, 2021, CEE Legal Matters reported that Walless had advised Evli Growth Partners as one of the investors in the USD 9.5 million Series B funding round of 3D model trading platform CGTrader. CEE-IHM spoke with Riku Asikainen, Managing Partner & Founder at Evli Growth Partners, to learn more about the deal.

**CEEIHM: Tell us a bit about Evli Growth Partners. What is your story?**

Riku: All the Senior Partners at EGP are entrepreneurs. We love to establish, run, invest in, and finally exit from fast-growing companies. And that is what we all have been doing for all of our professional lives. We could all be golfing, but we decided to support other founders by running a EUR 200 million funding program because we like this more.

EGP was founded to serve the lack of lead investors in later-stage funding rounds in European tech. We understood that there is (and there has been) ample early-stage funding for fast-growing European companies, but when the company grows and needs something between EUR 10-30 million, there are far fewer choices for the founders.

Because we value our time, we invest only in companies that are clear in their ethics. We have little time for me-and-myself-type of people or businesses. They can be great, but they are not for us. We also hate dictators.

**CEEIHM: Walless recently advised your fund on a Series B investment in CGTrader. In your opinion, what made CGTrader interesting from an investment standpoint?**

Riku: We were in talks with CGTrader for more than a year. We actually said no to them first, less than a year before the actual investment. At that time, we really liked the team and the marketplace business but the offering on BtoB-side was still in its infancy and the company was a little small for us. But Dalia and Marius did wonders on the BtoB-side of the business during spring and summer (despite Covid) and we were happy to continue from where we left the discussions a year earlier. Finally, the decision was easy: we liked the market, the product, the traction, and the people behind everything. And we also felt that we could still help them to grow and prosper even more.

**CEEIHM: What are Evli Growth Partners' plans for the investment target following this deal?**

Riku: You always have to hear what the real experts — the founders — say and plan. They usually have the best understanding of where the company can go and how. It is very dangerous to think that the investors possess some secret to prosperity. But of course, we are only happy when CGTrader achieves world dominance (in 3D models, that is).



*Because we value our time, we invest only in companies that are clear in their ethics. We have little time for me-and-myself-type of people or businesses. They can be great, but they are not for us. We also hate dictators.*

**CEEIHM: What were some of the complexities of this transaction and how did Walless handle them?**

Riku: This was our first investment in Lithuania. We needed a briefing on local business law, board structures, option programs, and from a small part on taxation. Just to name a few.

After the basics were done, we first went through a very detailed term sheet negotiation process. I like it that way, it is better for the founders and investors alike that most of the difficult issues are dealt with from the beginning. After all, I want to run the business jointly with the founders for the next few years and there needs to be trust between us from the launch until the exit. We need to be open about the difficult issues from the outset.

Building trust in the process is key, and Dovile Burgiene and Walless excelled in that.

**CEEIHM: Finally, what made you choose Walless as your advisor?**

Riku: We got a nice and warm intro from our trusted Helsinki law firm Avance Attorneys. ||

*By Bianca Bonta*

## Poland: Pekao TFI Head of Legal Dominik Mielczarek on MPO Warszawa Bond Issuance

*On December 2, 2020, CEE Legal Matters reported that Act BSWW had advised investment funds managed by Pekao TFI S.A. on the PLN 2.5 billion bond issuance program of Miejskie Przedsiębiorstwo Oczyszczania w m. st. Warszawie sp. z o.o., (MPO Warszawa) aimed at financing the modernization and extension of a municipal waste incineration plant and the construction of a waste segregation plant in Warsaw. CEEIHM spoke with Dominik Mielczarek, Head of Legal Department at Pekao TFI, to learn more about the matter.*

### **CEEIHM: To start, please tell us about Pekao TFI S.A.**

Dominik: With almost 30 years of experience, Pekao TFI S.A. is the longest-running investment fund company active on the Polish market. Currently, we provide services to more than 400,000 clients. Our numerous experts have extensive knowledge and experience in the investment markets.

### **CEEIHM: What is the PLN 2.5 billion intended for?**

Dominik: The PLN 2.5 billion issue of bonds of Miejskie Przedsiębiorstwo Oczyszczania w m. st. Warszawie sp. z o.o. is aimed at financing the modernization and extension of the municipal waste incineration plant, as well as the construction of a waste segregation plant for Warsaw.

This project is of strategic importance for Warsaw. Following the project's completion, this is going to be Poland's biggest facility of this sort, and among the largest in Europe. It is supposed to combust over 300 tons of mixed waste annually and generate energy for more than a twelve thousand households. It will be a very modern and eco-friendly facility, as it was designed in line with top environmental standards related to waste management.

### **CEEIHM: The program was developed in cooperation with Bank Pekao S.A. and Pekao Investment Banking S.A. What were the roles of these partners?**

Dominik: Bank Pekao S.A., working together with Pekao TFI S.A. and Pekao Investment Banking S.A., developed the structure of the bonds' issuance,

which will ensure that financing for this investment is obtained at the most advantageous market conditions.

Bank Pekao S.A. will act as the coordinator of the bond issuance program, issuing agent, calculation agent, paying agent, and collateral agent with respect to the bonds.

Meanwhile, Pekao Investment Banking S.A. will play the role of the offering agent for the bonds issued as part of the program (in accordance with the Financial Instruments Trading Act).

### **CEEIHM: What would you say was the most complex aspect of the issuance from a legal perspective?**

Dominik: The complexity resulted from a wide range of operational factors. First of all, the project involved multiple entities and their legal advisors, which made the negotiations and the logistics behind the program a challenge in itself. Also, when preparing the structure of the issue program, we had to take into account the specific needs of the issuer's sole shareholder, i.e. the City of Warsaw, and the long financing period of 20 years, which is quite unusual when compared to other market transactions. Finally, the value of PLN 2.5 billion and the sense of the project's strategic importance added an extra bit of pressure to the whole process.

### **CEEIHM: Why did you choose Act BSWW as your legal advisor on this matter?**

Dominik: We have been working with Act BSWW for years now on various projects, especially bonds, and their work has always proved seamless.

Turning to them for legal advice, in this case, meant I was sure this project would run smoothly. They did not disappoint us this time, either. The law firm has a large bonds team that knows this business inside out, having considerable experience in complex financing and various collateral structures across a range of sectors. They easily identify key risks and loopholes. The project was unconventional and challenging thus this team was a natural choice for such tailor-made legal solutions. ||

*By Bianca Bonta*



# Thank You To Our Country Knowledge Partners For Their Invaluable Input and Support

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## Hungary: Hackrate CEO & Founder Balazs Pozner on Development of an Ethical Hacking Program

*On March 10, 2021, CEE Legal Matters reported that Provaris had advised Hackrate on the development of an “ethical hacking services” offer for clients. CEEIHM spoke with Balazs Pozner, CEO & Founder at Hackrate to learn more about the matter.*

### **CEEIHM: Could you please tell our readers a bit about Hackrate?**

Balazs: Hackrate is a B2B startup providing IT security and bug bounty services. A bug bounty uses the power of crowdsourced security to prevent potential data breaches by reducing security risks. During a bug bounty program, a company can offer rewards to ethical hackers for reporting software vulnerabilities.

Levente Molnar, co-founder of Hackrate, and I previously worked together in IT security, and we developed the platform based mainly on our experiences in penetration testing and bug bounty programs.

### **CEEIHM: Provaris recently advised your company on the development of its “ethical hacking services.” How do these services work, and whom are they intended for?**

Balazs: Our bug bounty platform connects companies and ethical hackers. The platform can help companies to manage software vulnerabilities and the disclosure of such vulnerabilities in their systems. Bug bounty programs must be carefully planned and responsibilities must be crystal clear before the launch of a bug bounty program.

*Our services are aimed at companies where the protection of companies’ data is crucial to secure uninterrupted business continuity.*



Our services are aimed at companies where the protection of companies’ data is crucial to secure uninterrupted business continuity. Companies that follow agile developing principles can profit the most from a bug bounty program. For example, if new product releases are rolled out frequently, traditional penetration testing services can be very time-consuming and costly. Our secure platform helps companies easily manage software vulnerabilities and keep the related reports centralized while our clients can immediately access the identified vulnerabilities in their systems, and software and the related proof-of-concept code.

### **CEEIHM: What is on Hackrate’s horizon, now that this project is complete?**

Balazs: The next project will be the automation of our onboarding process. Currently, we are offering consultations to our clients during the preparation phase. Until the end of the year, we will automate some part of the consultation while direct support will be available if required by clients.

### **CEEIHM: What were some of the legal intricacies of this project, and how did Provaris handle them?**

Balazs: Our project with Provaris started when our platform was in the finalizing stage. In some cases, we could not provide details in some questions. Therefore, flexibility on Provaris’ part was necessary. With clear and honest communication and reprioritization of the tasks, we handled that.

### **CEEIHM: Finally, what made you choose Provaris as your advisor?**

Balazs: During the selection process, field experience in IT security and legal issues of cybersecurity services was an essential factor for us. We have contacted several advisors, and Tamas Bereczki and Adam Liber have demonstrated considerable IT security experience concerning the services that we intend to provide. Beyond fulfilling the legal requirements, our focus was to provide practical examples to make conditions easier to understand for our users. ||

*By Bianca Bonta*



## Croatia: Orqa Holding Limited CEO Srdjan Kovacevic on EUR 1.3 Million Investment

*On March 3, 2021, CEE Legal Matters reported that Marohnic, Tomek and Gjoic had advised both Day One Capital and Orqa Holding Limited on the former's EUR 1.3 million investment in the latter. CEEIHM spoke with Srdjan Kovacevic, CEO at Orqa Holding Limited to learn more.*

### **CEEIHM: Let's talk a bit about your company. What is the story of Orqa Holding Limited?**

Srdjan: We originally started out as a Hardware Engineering company, providing R&D services to clients; basically a one-stop-shop for anyone that wants to do hardware. We offered EU-based full-stack hardware dev, with in-house manufacturing capability for small and mid-sized volume runs. Our selling point was to offer an EU-based service for something people would normally go to China for.

This was back in late 2016. We first served clients from the SEE, but quickly started to get clients world-wide: from the US all the way to Singapore. We grew our capabilities with each project, and started toying with an idea of doing a product of our own.

We started working on the FPV.One, our flagship product, back in 2017. Some time during 2019, Orqa was born. Ever since then, we were slowly shifting our focus from engineering services to our own product portfolio.

Today, around 4.5 years after inception, we are a tech company of 45 employees, doing immersive video, high-performance video systems, low-latency wireless comms links, various forms of drone tech, etc.

Our R&D is based in Croatia, but our holding company is based in Dublin.

**CEEIHM: Marohnic, Tomek, and Gjoic recently helped your company obtain a EUR 1.4 million investment from Day One Capital and your existing angel investors. What, in your view, made your company attractive for such an investment?**

Srdjan: Our Angel Investors have been with us through thick and thin since late 2019, and Day One Capital was actually the first fund ever to reach out to us. We got to know each other back in 2018, and they've been following our growth and development for almost 2 years before signed a term sheet.

So I guess it was the consistency of growth and overall development of our company that signalled to them that we are a good investment opportunity.

To turn the tables a bit, this protracted 'courting period' has also given us an opportunity to get to know Day One better, and to realise that we have an excellent fit. We grew to like how they function, and we came to a conclusion that it will be a pleasure and a great opportunity to work closely with them.

### **CEEIHM: What's next in line for your company, now that the funding is secured?**

Srdjan: We will spend the first 12 months consolidating our operations, growing our sales volume, and extending our product portfolio. We have very exciting products and projects in the pipeline, and this capital injection will help us focus on getting them to market.

### **CEEIHM: It was reported that MTG advised both your company and the investor. Why did the parties prefer to have a sole advisor assisting them both and at what stage of the deal was MTG involved in the matter?**

Srdjan: It was incredibly efficient to have a single advisor handle both due diligence and transaction, I would definitely advise this to anyone looking at a

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*We have very exciting products and projects in the pipeline, and this capital injection will help us focus on getting them to market.*



deal like this. Further to this, being that MTG is our legal advisor, checking conditions precedent off the list, and resolving issues found in the DD was simple and straightforward.

It makes so much sense, that I'm wondering why this is not happening more often.

**CEEIHM: What were the key qualities that made you choose MTG in the first place?**

Srdjan: I had a pleasure of working with Josip Marohnic (the M in MTG) long before either MTG or Orqa were founded. Before that, during my career in finance and after, I had various degrees of pleasure and displeasure working with other legal counsels.

After having delivered a rather complicated with Josip and his team, in record time, I realised that if you find a lawyer that you actually enjoy working with, you better make sure you stick with them (haha). ||

*By Bianca Bonta*





## MSIN Group Corporate Legal Advisor Tina Bacic on Acquisition of Neograf

*On April 1, 2021, CEE Legal Matters reported that ODI Law had advised the MSIN Group on the acquisition by member company EGP of a 75.11% stake in Croatia-based cardboard packaging manufacturer Neograf from Croatian entrepreneur Dusan Boras. CEE In-House Matters spoke with Tina Bacic, Corporate Legal Advisor at MSIN Group, to learn more about the matter.*

### **CEEIHM: Tell us a bit about the MSIN Group.**

Tina: MSIN Group is a private equity group, located in Slovenia, that focuses on opportunity investments in the share capital of middle to large, mostly, production companies. Our portfolio consists of companies that are involved in security printing, commercial printing and packaging, producing gasket materials and gaskets, metal solutions, the traffic and license plates business, innovative mobile solutions, production and sale of refractory materials, painting solutions, and brushes. Although the headquarters of our company is in Slovenia, we do stretch our business to global markets and our companies have established daughter companies abroad - within the EU, Africa, China, and the USA. Our beginnings date back to the year 2002 when two partners started with a few investments. Today,

our network of companies employ more than 1,100 people, and we register a yearly revenue of approximately EUR 100 million. We are proud to be one of the largest and most successful private holdings in Slovenia, with a long-term ownership focus.

**CEEIHM: ODI Law recently advised MSIN on its acquisition of a 75.11% stake in Neograf. What made that particular target attractive to the MSIN Group?**

Tina: Neograf d.o.o., located in Kraljevica, Croatia, was a particularly interesting investment for our company EGP d.o.o., from Skofja Loka, Slovenia, which is involved in commercial printing and cardboard packaging.

With Neograf d.o.o. the business of cardboard packaging can be consolidated in terms of new markets and new sales opportunities. Besides Skofja Loka in Slovenia, the location in Kraljevica, Croatia, represents an additional production site, which adds value to our production potential, and which is particularly important for our customers from the pharmaceutical industry. By integrating Neograf d.o.o. into the MSIN group we have broadened the scope of our printing business with leaflets/instruction leaflets printing for the pharmaceutical industry. And, last but not the least, Neograf's production site and building are quite new, and their knowledge combined with technically well-equipped production results in effective operations and keeps them up-to-date with trends in the industry.

*By integrating Neograf d.o.o. into the MSIN group we have broadened the scope of our printing business with leaflets/instruction leaflets printing for the pharmaceutical industry.*



**CEEIHM: What are your plans for Neograf post-acquisition?**

Tina: We would like to continue with their usual business operations, exchange know-how and maximize each other's productivity through learning and sharing of each other's best production practice and operations, implement new standards to broaden their scope of work and production potential, and bring some more business from markets where they were previously not present.

**CEEIHM: What was ODI Law's mandate and what legal challenges did you face on this cross-border deal?**

Tina: ODI Law was appointed to help our legal team conduct the legal due diligence on some legal points, particularly in the fields where we assessed a potential higher risk connected to the need for knowledge of Croatian legislation. ODI Law is present in most ex-Yugoslav markets and therefore employs lawyers with knowledge and experience in the Croatian legal system and regulations as well. ODI Slovenia's M&A team also recently worked with us on another transaction, which was also connected to Croatian markets, which further encouraged us to use their services.

Finally, Primoz Mikolic, Head of M&A at ODI Law, led the legal part of negotiations on the SPA on our side. The greatest threat we saw to the deal was our lack of familiarity with Croatian legislation, but that was minimized through the help of the ODI team and their experience. As Croatia is our neighboring country and we can understand their language, our legal team did not face that many problems with studying their legislation and assessing open points/main risk factors. Ultimately, it was easier for us as, we are familiar with the mentality of Croatian people and their culture and values.

**CEEIHM: Finally, why did you choose ODI Law as your advisor on this deal?**

Tina: ODI Law has been our loyal business partner and legal advisor and supporter through the past ten years. We respect their work, and they respect our business experience. We believe that their lawyers can easily incorporate into our legal team and we both prosper through our business relationship. ||

*By Bianca Bonta*

## Ukraine: Former Deputy Head of the State Customs Service of Ukraine on Dismissal Dispute

*On April, 6, 2021, CEE Legal Matters reported that the Esquires law firm had persuaded Ukraine's Sixth Administrative Court of Appeal to revoke an order of the Cabinet of Ministers of Ukraine dismissing former Deputy Head of the State Customs Service of Ukraine Denys Shendryk from that position. CEE In-House Matters spoke with Shendryk to learn more about the case.*

### **CEEIHM: Please give our readers a bit of background with regards to your case.**

Denys: A few words about myself – I have more than 15 years of experience working as a professional tax and customs consultant in a Big 4 company. Also, in Ukraine for several years I led the Customs Committee of a Ukrainian professional association, so I am well known as a customs expert and lobbyist in the interests of transparent business.

With the election of the new President – Mr. Zelenskiy – I agreed to a proposal of the newly appointed Prime Minister and Head of Ukrainian Customs to help to reform the Ukrainian Customs agency. One of the immediate and challenging tasks was to separate the Ukrainian Customs and Tax Service of Ukraine, which previously were combined into one fiscal authority.

Also, together with my team, we started to implement a number of other reforms, including updating the legislation and IT instruments used by the customs service. While the international business community was supportive of many reforms, the bureaucratic system was extremely resistant.

After the dismissal of the Prime Minister and the entire Government, support for the reform began to drain away, and I and my team of reformers become undesired. So the new Prime Minister used controversial provisions of the law to dismiss me, even though I was appointed through the procedures of the public contest for a five-year period.

### **CEEIHM: What was your main claim?**

Denys: It is worth mentioning that I become aware of my dismissal from the press, as I was sitting at my workplace on a Friday at 8 p.m. There were no

communications of reasons, no negative evaluation of my work. Just a formal resolution for dismissal.

Such an attitude is against my principles. I am accustomed to planning my career and appreciate my personal and business reputation. Therefore, I decided to go to court to prove to myself and to demonstrate to the government that this kind of behavior is unacceptable.

### **CEEIHM: The court ordered you reinstated to your former position. What did they rely on in doing so?**

Denys: I believe that the court ruled in my favor by accounting for the following:

- The procedure through which I was appointed. As I mentioned there was a public contest won by me based on clear and transparent rules.
- The fact that my Constitutional rights were disrupted; and finally
- The controversial provision of law that was used as the formal reason for my dismissal had been removed from the law as being in contradiction of the Constitution of Ukraine.

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*I am accustomed to planning my career and appreciate my personal and business reputation. Therefore, I decided to go to court to prove to myself and to demonstrate to the government that this kind of behavior is unacceptable.*

### **CEEIHM: What are your plans following the reinstatement?**

Denys: Immediately after my dismissal I was hunted for a managing position by my current employer – one of the leading international audit and consulting companies. So, reinstatement was not the ultimate



goal. Moreover, in Ukraine, you need to fight to implement a court ruling. I believe that the current government is not aimed at reform and I am not sure that I will be comfortable working with the acting team.

Nevertheless, I do believe that, at some point, there will be political will and a strong desire to destroy the highly corrupt system around Ukrainian customs.

**CEEIHM: Finally, why did you choose the Esquires law firm as your legal counsel on this case?**

Denys: Preparation of homework. This was a key reason I selected Esquires law firm. Their lawyers came to the initial meeting well-prepared, with an already combined set of arguments, and also were honest in evaluating the chances of the case.

Compared to other law firms I had conversations with, Esquires really demonstrated that they cared about my case, and it follows that I made the right choice. ||

*By Bianca Bonta*



## Hungary: Bank of China Deputy Head of Corporate Banking Lucy Shen on Photovoltaic Power Plant Financing in Hungary

*CEE Legal Matters reported today that Kinstellar's Budapest office had advised Bank of China on an approximately USD 75 million loan to China National Machinery Import and Export for the construction and operation of a 100 MW photovoltaic power plant in Hungary. CEEIHM Spoke with Lucy Shen, Deputy Head of Corporate Banking Department at Bank of China (CEE) Limited to learn more about the deal*

### **CEEIHM: To start, please introduce the Bank of China and its operations in Hungary.**

Lucy: Bank of China Hungary was established in 2003 and now serves as the regional center in Central and Eastern Europe with 4 cross-border subsidiaries in Austria, the Czech Republic, Romania, and Serbia, covering business in the whole CEE region. It has a comprehensive range of services and products: corporate financing, trade services, RMB settlement services, a financial institution business, and a treasury business.

We are one of the largest banks in Hungary by assets and we have a solid customer base in the region with Bank of China having established strong business relationships with top corporates in the CEE region, including local companies and Chinese companies.

We have a strong support and commitment to the Hungarian government: the Hungarian government and Bank of China signed a strategic cooperation agreement in 2017; Bank of China issued the first RMB dim sum bond and a total of 3 billion RMB Panda bonds for the Hungarian government. Bank of China, as the only RMB Clearing Bank in the CEE region, acts as the RMB clearing bank for MNB.

### **CEEIHM: What was it about this project that initially caught your attention and what were its main selling points as a lender when considering it? What other projects do you envisage in the CEE region – what sectors are you looking at?**

Lucy: There were several aspects for us. First, the size of the project – it is currently the largest photovoltaic power plant project in Hungary. In order to

reduce greenhouse gas emissions, Hungary has greatly focused on developing clean energy in recent years. In the development of renewable energy, photovoltaic electricity is one of the main focuses. After the completion of the Kaposvar photovoltaic power plant, it will be able to provide stable and affordable electricity within Hungary.

Second, we considered environmental protection. During the construction, environmental-friendly instruments are used for the protection of plants and the soil. On top of that, landscape planning is being carried out for the site.

Third were considerations linked to resource integration. The Kaposvar photovoltaic power station project is mainly invested and constructed by Chinese companies, with support from regional sub-contractors and local market players. It is one of the key projects for China and Hungary to strengthen exchanges and cooperation in the fields of ecological and environmental protection and green development under the framework of the "Belt and Road Initiative."

Inspired by this project and encouraged by the climate-related trend, we are looking at green projects such as renewable energy electricity, new energy vehicle manufacturing, the rechargeable battery production where the Chinese market players are showing their interest or have been making successful investments in the CEE region.

### **CEEIHM: What were the main challenges in concluding the deal – both in terms of negotiating and structuring the deal as well as from a legal perspective?**

Lucy: The main challenges were the Hungarian real estate laws and the electricity laws when the lender structured the local security package, analyzed the chain effect from different project documents.



*In order to reduce greenhouse gas emissions, Hungary has greatly focused on developing clean energy in recent years.*



**CEEIHM: What were Kinstellar's and Arhusts' mandates precisely? How did you split the legal work between your in-house team and your external advisors?**

Lucy: Kinstellar's Budapest office and Ashurst have advised on the review, negotiation, and signing of all related finance documents. Our in-house team has followed the day-to-day negotiation with the external advisors, made necessary comments to the finance documents from a compliance point of view, helped our business team to understand and clarify certain legal questions with the external law firms, provided guides on the communication with the external advisors, and did the final internal reviewing before the signing of the finance documents. In short, our in-house team put its trust in our external advisors and relied on the legal opinions issued by them.

**CEEIHM: And, while on the subject, why did you opt to use Kinstellar / Ashurst specifically to assist on this project?**

Lucy: We selected our legal counsel mainly based on qualitative criteria. These two law firms stood out from other candidates in terms of their record in project financing in the electricity sector and PV projects. We are impressed by both firms' considerable support and their strong cooperation with each other. ||

*By Radu Cotarcea*





## The GC Role: Pre-, During, and Post-Pandemic

**Gligorije Brajkovic, Head of Legal Department at UniCredit Bank Serbia, reflects on the impact of the COVID-19 pandemic on the role of the general counsel.**

A couple of years ago I wrote a short article for CEE Legal Matters related to the evolution of the general counsel role. Back then, I made some comparisons with the past and tried to predict the future, and in how the role would develop. I analyzed the speed with which our world is changing and how to adapt to those changes. When the pandemic hit the world last year, the work tempo suddenly increased like when the Millennium Falcon in *Star Wars* jumps to warp speed while being chased by imperial forces. Adapting to the new reality was no longer a matter of choice. We could see how important proper political leadership was on the global level, as it meant the difference between life and death for millions. Similarly, the survival of companies depended on leadership at all managerial levels. The role of a general counsel was put under the spotlight. Its main tasks were keeping the company updated with



changing regulations in the new environment and communicating with regulators and the now-remote team management.

Social distancing was a big change, and it affected all of us deeply, but it also brought a million legal questions to the table. *How can we sign a contract? How should we communicate with competent registers? Are we obliged by orders placed by phone? What safety measures must be implemented? How should points of direct sale operate? Can we penalize employees for not wearing a mask?* Those questions required immediate answers, so every company turned to its general counsel and legal team. The change came out of nowhere, like a tsunami, and no one believed that it would last for more than a month or so. People were laughing at predictions that the pandemic would steal a year or two of our lives. Before the pandemic, it would have taken months to answer the above-mentioned questions. But now, finding answers could be critical to the survival of the business, so pondering the questions for a long time was a luxury we did not have. Needless to say, our options were to either adapt or die. So, the whole team was put on alert and directed to handle the important questions.

If you are working as a general counsel in a highly-regulated area like the financial industry, then the regulator is your primary concern. Whether you are dealing with a new product, security issues, risk parameters, financial stability, or interaction with other industry participants, obtaining clearance (whether official or unofficial) from the regulator is necessary. In the pre-pandemic era, this communication ran at a moderate pace, somehow accepted by all sides. But the pandemic made an impact: emails and formal letters with regulators were exchanged faster and the implementation of orders or agreements was immediate. General counsels were required to sign off on all of it – from simple working hours at points of sale to discussions about complex agreements with the regulators trying to preserve the financial stability of the entire market. Negotiations on such important documents were hard, especially without being able to meet in person. It was a huge personal and professional challenge.

Digitalization, which had been perceived as our future, came to us as an immediate need. It was *“terra incognita”* in practical and legal terms. How could we negotiate, sign documents, and – most importantly for GCs – litigate, with digital documents and in a digital world? As I said before, there was no time to contemplate risks, but only to describe them to the company and propose a less painful solution.

The cherry on top was trying to build new bridges with external lawyers. A GC needs to check whether his or her external counsel can handle all of the assigned tasks, which ones the GC must take over, and whether the partner firm can respond to new requests that your company might have.

Finally, bearing all of this in mind, a GC still has a team to lead. Team members were sent home and put in a state of urgency with new tasks that needed to be explained in online meetings. Each individual reacted differently. When you are in the office, you can predict or feel the mood, but in a digital environment, that social intelligence may be useless. Some team members may be depressed, most of them confused, and some happy to be at home with more time for themselves. Regardless, all of them have questions and concerns addressed to you, the boss. This is where your leadership skills must go one step further and hold back the tide. A tailor-made approach to each colleague is essential. In crises, a team member should feel that he is not left alone, especially at the beginning. With this understanding, we accommodated our approach to the problems or concerns of our team members. Our team had an extreme example – one of my colleagues was left stranded at an airport in the Middle East on his return trip from a vacation in Asia. With a hurt leg and no plane to take him home, he moved from one airport to another. He needed personal help, and we were ultimately able to successfully resolve this serious situation. Remote team-leading has become normal, but it conflicts with our highly social *homo sapiens* nature. At least for now. Hopefully, we will not have to adapt to this change.

With every new wave of the pandemic, our tasks changed accordingly. We survived the first big hit. It is obvious it will make our civilization different in many ways. So what is changed for GCs, and what will the future look like? Gurus often use the one-line story that “challenge is opportunity.” Although I’m not in favor of such general conclusions, because they say nothing and everything at the same time, this pandemic and how the world is shaped as a consequence may give rise to the importance of a GC within an organization. The pandemic has shown how important the role is, and how hard it is to function without it. Whatever the industry is, a GC must be present to steer the company with advice. An organization that does not recognize this will face certain problems. This is a unique opportunity to promote this concept, and my strong recommendation is to use it. ||

**Glgorije Brajkovic, Head of Legal Department at UniCredit Bank Serbia**

## To Think: Compliance

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**Paulina Sosnowicz,**  
Director of the Legal  
Department at Centrum  
Usług Informatycznych  
we Wrocławiu, uses Get-  
Back in Poland as a case  
study of potential pitfalls  
to avoid in the compli-  
ance function.



As it seems, compliance, in the sense of adhering to the provisions of the law and the guidelines of the regulatory authorities in the practices of organizational units (not only enterprises), has entered the Polish reality for good. Implementation of a compliance culture is particularly visible in the entities of regulated market sectors, such as finance, telecommunications, and health care, as well as the “new technologies” industry, which quickly follows the trend. It is no longer surprising that banks, insurance companies, and telecoms have specialized compliance risk management units. Also, healthcare entities use lawyers – often external – to ensure that the processes are adjusted to applicable law. Commercial entities, especially those belonging to the larger chains, are also now increasingly expected to operate in accordance with compliance.

However, implementing the compliance *function* in an organization is less difficult than introducing a full compliance *culture*. The difference is simplified as follows: in theory, there are three lines of defense responsible for the compliance function (although it can easily happen – and unfortunately it quite often does – that in fact the second line of defense remains alone). In successfully implemented organizational compliance cultures, the theory ceases to diverge from practice and all three lines of defense, including “business” and audit, play an active part in securing compliance.

The implementation of a compliance culture can be reduced to the cognitive model of human functioning, in which a given situation is at first interpreted by the mind. The person experiences emotions, instantly followed by interpretation via thought, which leads to the taking of a specific action.

Therefore, the key to implementing an ethical organizational culture is changing existing ingrained patterns that are, in actuality, not adaptive, and ultimately harmful. This can be achieved in two ways – by changing situations that will be interpreted by employees of a given organization, or by directly promoting a better-suited mindset.

The following is an experience-based and subjective set of factors that can shape the thinking in the organization as desired. It is impossible to avoid negative examples, which are more eloquent. It is worth learning from mistakes – preferably someone else’s.

### **I. A Negative Example – How Not to Think and What Not to Do**

Life itself usually provides examples. In the field of practices that frustrate the implementation of at least a substitute of a compliance culture, it is worth getting acquainted with the GetBack SA case from 2018, which got media coverage in April and then again at the end of November, 2020, when (with some delay) the President of the Office of Competition and Consumer Protection (UOKiK) issued the first decision on an infringement of collective consumer interests, listing the company’s sins. The situation of GetBack was also brilliantly analyzed by lawyer Andrzej Nartowicz, in his *The Case of GetBack SA (2018) In the Light of Corporate Governance report*.

From available sources, including the two mentioned above, one can draw exciting conclusions about the roots of a compliance anti-culture. So what went wrong?



*Therefore, the key to implementing an ethical organizational culture is changing existing ingrained patterns that are, in actuality, not adaptive, and ultimately harmful.*

#### **1. Having Something vs Using Something**

The first practice that stands out in the GetBack case, involving a well-known debt collection company, is that it had the documents required by supervisory practice – from a compliance risk management policy, through control procedures, to the regulations of the company’s governing bodies. The problem was that the approach to applying internal regulations was, colloquially speaking, very loose. The business practice differed significantly from the requirements set out by the internal regulations, including, for example, in the misselling obligation identified by the UOKiK. To sum it up: the internal regulations were illusory and functioned only as the scenery of a properly operating company.

Unfortunately, one of the main reasons for this state of affairs was quite simple – it happened because the company was allowed to treat internal regulations as an unnecessary ballast that inhibits business, overly emphasizing the role of the latter at the expense of promoting stable and legalistic management.

## 2. Half-Compliance

Supervisory documents, such as the exemplary Polish Financial Supervision Authority Principles of Corporate Governance, or some of the Commission's recommendations for banks (e.g., Recommendation H), clearly define the role and principles of an efficient compliance unit. I am referring to the financial market because it was a precursor in this respect and is perhaps the most heavily regulated in terms of the need to manage compliance risk. The main features of a properly functioning compliance unit are its independence and wide access to complete and reliable information. In the GetBack example, both of these features were missing, and the compliance system was shaped based on the perception that the compliance unit was a threat to the development of the organization, and not as an ally able to prevent the occurrence of risks, which – in the case of GetBack – fully materialized.

## 3. Example Comes from Above

It is a truism to say that a bad example comes from above. Unfortunately, this is a truth based on an evolutionary social mechanism – the principle of authority. A person who possesses titles and power in a social context is accepted as having authority that ought to be obeyed. The case of GetBack began and ended with the president of its management board, who allowed various types of organizational pathologies to develop.

## 4. Unreal Control

Controlling mechanisms – from those used by the compliance unit to the supervisory board – failed in the case of GetBack, because the organizational units and company bodies responsible for their application received incomplete or false information. The moral that can be drawn from this is: in the case of entities responsible for controlling the compliance of an entity's operations with the law, the obstruction of access to the data and the treatment of such information as *top secret* prevents the implementation of controls. And this is a straightforward way to overlook gross mistakes and condone lawlessness.

*A person who possesses titles and power in a social context is accepted as having authority that ought to be obeyed.*



## 5. Transparency and Order Above All

In the example of GetBack, many sources claim that the company was an overwhelming organizational mess, which created a kind of a smokescreen for not-very-reliable business attempts. Thinking about the organization in terms of transparency and order will always support ethical attitudes, and consequently will prevent efforts to sweep disturbing practices or common shortcomings under the carpet.

## 6. You Should Not Hurt Your Customer

Customers are protected by law for a reason, as especially relative to large business entities they are usually practically helpless. In the case of GetBack, a debt collection company, customers were treated only instrumentally, as a source of money necessary to ensure the financing of the company, which, even if this operation had been successful, would only have extended the downward slope on which the company was located. A long-term business plan – always, of course, focused on profit – does not have to hurt customers by trying to circumvent their rights (e.g., by misseling). Imagining the customer as a business partner builds trust in terms of public perception, which translates into an increase of interest and increases competitiveness.

## 7. We Look Nice on the Charts

The topic of falsified information has already been mentioned above in the context of the system of control mechanisms, but there is one more aspect to be considered. In GetBack's case, the company's supervisory board, despite frequent meetings, was unable to detect the falsehood in the data presented to it, as these had the signs of credibility. With less drastic consequences, you can often encounter a broader practice of bending reported data. The temptation to present oneself in a better light is disastrous in the long run because falsified information gives an unreal image of the subject to its decision-makers and thus leads to erroneous decisions, based in part on a fictitious factual state. The solution to this issue seems to be a change in the superiors' thinking about the received data. Instead of the reluctance and negative perception of these red indicators, it is desirable to analyze the causes and solve the problem in a skeptical manner.

## II. What Else Could Go Wrong, That Didn't Happen at GetBack?

I would like to mention two more circumstances that destroy a culture of compliance, which are easy



to encounter in practice, even though they did not clearly manifest in the GetBack case. Both are related to schematism.

#### 1. They Have Checked It for Sure.

Who has not heard of this sentence in work-related conformity testing? A far-reaching mental simplification aimed at saving even a bit of valuable time is based on the mechanism mentioned above, regarding authority. If we receive a given material from a person or entity that we believe has a good reputation, we tend to trust that everything has been done correctly. Such a misconception leads to the repetition – sometimes for an impressive amount of time – of the same errors.

#### 2. We've Always Done This, So it Must be Correct.

This is another simplification, relating to an attachment to an ingrained scheme that saves energy and time devoted to re-examining an issue. In a dynamically changing regulatory environment, such a practice does not work for obvious reasons: it leads to the obsolescence of specific solutions, and thus an increasing divergence of processes concerning both provisions and regulatory guidelines.

### III. Conclusions

Thinking about a compliance culture is not an easy task -- but it is certainly possible. Most of the situations dangerous for market entities consist of the materialization of one of the risks (usually regulatory or image-related), resulting from incorrect beliefs rooted in the organization and triggering erroneous thinking that it was possible to prevent. The lessons arising from the problems of a specific entity, which have shaken the entire industry, shows why it is worth implementing an organizational compliance culture by changing the way of thinking about it. ||

*By Paulina Sosnowicz, Director of Legal Department, Centrum Usług Informatycznych*



## Safe Sailing on Open Seas: Managing Risk and the Senior Counsel's Role

**Ioannis Voskos, Legal Director at Hellenic Petroleum's Retail Legal Division in Greece, talks about the role of senior in-house counsels in a world where risks can no longer simply be "controlled."**

The number and diversity of risks are growing as companies expand, introduce new products, diversify the supply chain, and face evolving "black swans," leading to dramatic changes in the current regulatory framework, both locally and globally. Our ability to manage these risks has not kept pace.

We must understand the source of such risks in order to predict them and identify appropriate responses. The days when risks could simply be "controlled" are over. Not only is control a costly and sometimes ineffective response to risk, but it is also often the wrong approach. Instead, we must be proactive, identify the risks, and take measures to mitigate them.

In addition, we need to focus on risk as an inherent driver of innovation and business development. Ships are safe in harbor, but they are built to sail the open seas. Calculating the risks allows them to do this.

Providing internal clients with business-oriented advice requires a combination of commercial awareness and legal knowledge.

We need to know our company and the industry in which it operates, and we must make sure that we are taking advantage of both public and internal information before we draft legal advice.

A legal counsel needs to know the group he or she is advising much better than any other third party does, and must be able to provide more than mere technical advice. Instead, we must furnish internal clients with legal advice that combines input from all interested group stakeholders and identifies the consequences of business decisions executed in the relevant legal and regulatory framework.

Instead of answering with a mere yes or no, or explaining the range of grey in between, legal counsels must provide the client with a full explanation of the risk curve. We need to provide answers that explain the probability and level of exposure, proactively mitigate risks, and suggest action plans in case the risk materializes.

Risk management in legal analysis enriches the counsel's knowledge with know-how from other business sectors, enhances the decision-making process, and improves the perception of the legal counsel as a trusted legal and business advisor.

A legal counsel serving as Data Protection Officer provides a typical example. The legal counsel must not only provide the organization with a typical memo summarizing the legal rules and explaining potential fines for breaches. The DPO must also minimize the level of risk tolerance, taking into consideration the harm that a violation may cause to the client's reputation, and propose mitigating measures, such as internal audit procedures, training of involved stakeholders, drafting policies, acquiring the necessary certificates, performing regular audits, etc.

*We need to provide answers that explain the probability and level of exposure, proactively mitigate risks, and suggest action plans in case the risk materializes.*



Legal Counsels in a DPO role must also take advantage of publicly available information and engage IT-AI Data Protection Systems for support. Technology can enable the creation of a risk profile from a vast array of otherwise unrelated information and provide a holistic approach to legal questions.

The Hellenic Petroleum Group of Companies' Code of Business Conduct is an excellent example of how to understand other zero-tolerance risks and suggests that legal counsel must be extra careful when addressing relevant matters. The Code of Business Conduct focuses on principles of safety, adding value to customers, operating responsibly towards society and the environment, respecting colleagues and partners, promoting meritocracy, encouraging teamwork, innovation, continuous improvement, and results-orientation. It also focuses on investment for sustainable development and continuously enhancing competitiveness by applying high standards of corporate governance, while creating value for shareholders and focusing on the continuous improvement of results and cash flows. Last but not least, the code addresses the attributes of integrity, professionalism, commitment, judgment, initiative, and extroversion.

Finally, we must ask how we should train our team to not only identify risks but also assess their potential impact, to decide if they need to escalate those risks internally.

To start, we need to acquire a deep understanding of our client's organizational chart and relevant people and study internal processes and group policies, available IT systems, and whistleblowing channels. We also need to be extroverted to the extent necessary to inform the organization promptly of emerging risks, taking under consideration the need to safeguard the requisite level of confidentiality.

We must also invest more time and effort into training. Seminars, teamwork, exchanges of knowledge between various stakeholders, mixing teams of experienced colleagues and young members, using case studies – all should be considered. To make it more personal: in order to enhance my knowledge during the current pandemic, I focused on seminars, book and article reading, case studies, and online research. I had watched many presentations and opinions publicly available on YouTube or other online platforms while at home, and listened to various presentations while walking alone, wearing my mask. ||

*By Ioannis Voskos, Legal Director at Hellenic Petroleum's Retail Legal Division*

A close-up portrait of Iwona Dorota Gajek, a woman with dark brown hair and blue eyes, wearing round, dark-rimmed glasses and a dark top. She is looking directly at the camera with a slight smile. The background is a soft, out-of-focus blue and green.

## How To: Assessing and Managing Legal Risk

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Iwona Dorota Gajek, Country Head of Legal at BNP Paribas in Warsaw, Poland, sheds light on her approach to managing legal risks before a problem materializes.



In *The Future of Law*, Richard Susskind predicts a paradigm shift in the approach to legal problems from problem-solving to problem prevention: “While legal problem solving will not be eliminated in tomorrow’s legal paradigm, it will nonetheless diminish markedly in significance. The emphasis will shift towards legal risk management supported by proactive facilities, which will be available in the form of legal information services and procedures. As citizens learn to seek legal guidance more regularly and far earlier than in the past, many potential legal difficulties will be dissolved before needing to be resolved. Where legal problems of today are often symptomatic of delayed legal input, earlier consultation should result in users understanding and identifying their risks and controlling them before any questions of escalation.”

In my opinion, this is also the most important task for in-house lawyers – not just to solve legal problems, but to manage legal risks in such a way as to minimize them.

There is no legal definition of legal risk in European Union law, or in Polish law. For our particular purposes, legal risk can be defined as the probability of incurring material and non-material losses, arising, *inter alia*, from instability and imprecision of legal regulations, changes in the jurisdiction of courts or public administration bodies, erroneous shaping of the content of legal relations (failure to protect the entity’s legitimate interests), or incorrect or late implementation of internal regulations reflecting changes in the law. If we wish to be more specific, legal risk can be any of the following:

(1) Risk of incurring a material loss, e.g., from improper construction of civil law contracts (imprecisely defined rights and obligations of the parties resulting in interpretation doubts or defective definitions of the scope of the parties’ liability, time limits, or place of performance), or from administrative sanctions (e.g., administrative penalties for unfair market practices or regulatory violations).

(2) Litigation risk – associated with the initiation of civil, criminal, or administrative proceedings, as well as the likelihood of adverse judgments in the course of such proceedings.

(3) Risk of misinterpretation of legal regulations – this risk is particularly significant if legal regulations are highly variable and imprecise.

(4) Legislative risk – this is the risk arising from the

adoption of new legislation that may significantly change the principles for conducting business, with the simplest example being the introduction of new taxes or charges, but also other restrictions on activity, both by national and EU legislators.

(5) Reputational risk – in a competitive market, this is of great importance, particularly in the age of social media, where any legal error can be instantly made public and result in the loss of a carefully built image and customer loyalty.

Another division may include risks caused by external actions (such as changes in legislation or case law) or internal events (such as business decisions, operational errors, or incorrect interpretations). In a further classification, the time when a risk is likely to materialize is important – typically, we have short-term risk (where the assumed materialization will occur within up to three years), medium-term risk (three-to-five years), and long-term risk (more than five years).

Working out a definition of legal risk is the first step towards managing it. The next steps are:

- Legal risk assessment using existing data and scenario planning;
- Identifying legal risk appetite on an individual and organization-wide level;
- Taking preventive action (legal information system);
- Transparent reporting of legal risk and control effectiveness to the board and relevant committees.



*Working out a definition of legal risk is the first step towards managing it.*

The second step is to identify the risks and assess them. Broadly speaking, this involves identifying what, why, where, when, and how the risk might affect the organization’s objectives or the value of its assets. In making this assessment we use our knowledge of the law, but also of the organization and its history. At this stage, it is extremely important to have one’s own databases, as the information such databases contain allows for a more accurate estimation of probabilities.

The next step in the management process should be

determine the so-called “risk appetite,” which means an analysis, carried out with the business division, of what risk level can be tolerated. It often depends on the industry or business objectives and the strategy of the entity. It will certainly be different for a bank operating in a highly-regulated market than it is for an aggressively growing chain of online shops. Lawyers tend to think differently from people working directly in individual business lines and rarely like numbers. They are more likely to use qualitative criteria, but determining risk appetite requires combining the two approaches and using quantitative criteria as well. Legal risks are estimated using two basic parameters – “probability” and “consequences.”

On one hand, we analyze the probability of the occurrence of an undesirable event (such as losing a court case, initiating administrative proceedings, the occurrence of a premise resulting in the payment of a contractual penalty, etc.) in percentages; on the other, we also analyze the consequences, i.e., the potential losses, in the broad sense of the term, which may result from the undesirable event. When analyzing impacts, we take into account losses (e.g., the risk of paying contractual penalties or administrative sanctions) but also costs, including the costs of legal services. However, impact analysis is also an analysis of the benefits that may arise from a risky action (e.g., entering into a favorable contract with a high contractual penalty and estimating the probability of its payment).

*Lawyers tend to think differently from people working directly in individual business lines and rarely like numbers. They are more likely to use qualitative criteria, but determining risk appetite requires combining the two approaches and using quantitative criteria as well.*



work; creating internal regulations precisely defining the rules of operation; preparing multi-variant contract templates; creating systems to supervise court proceedings; introducing the rule of the second pair of eyes when analyzing key legal issues; constant monitoring of legislative changes and the rulings of national courts and the European Court of Justice; properly bringing information about these changes to the attention of business line representatives; and keeping statistics about court cases, unfavorable rulings, misinterpretations of law, and other events causing legal risk.

The risk management process should also include the reporting of these risks, meaning that both significant risk events and the extent to which a pre-determined risk appetite has been used are reported. In the first case, the event and its consequences should be presented, as well as the causes and proposals for preventive action for the future and for minimizing the risks that have already arisen.

Risk management understood in this way enables in-house lawyers not only to react and respond to negative legal events but, above all, to co-create, with business lines, an operating model that minimizes the risk of their occurrence. ||

***By Iwona Dorota Gajek, Country Head of Legal at BNP Paribas Poland***

The next stage of the risk management process is to undertake actions mitigating this risk. To this end, we use the whole spectrum of activities, such as increasing the qualifications of our legal team members, or organizing trainings for business units; selecting proper legal advisors and supervising their

# A System to Managing Legal Risk

**Yota Kremmida, Regional Counsel Greece, Turkey, and Africa and EMEA & LatAm Indirect GTM & Competition Law GBU Counsel at Hewlett Packard Enterprise in Athens, explains how standardization and solid operational preparedness can help mitigate legal risks.**

**CEEIHM: Would you agree with the assertion that every company has to incorporate some form and level of legal risk?**

Yota: There is no such a thing as a risk-free business and the legal risk naturally goes together with, or comes after, commercial risk. Even the most risk-averse organizations will necessarily have to incorporate some form of legal risk in areas they cannot control. As an example, legal risk may arise from external factors such as country risk (an enhanced risk for companies operating in many jurisdictions), or currency risk, or change-of-legislation risk, just to mention a couple of areas beyond one's control. Legal risk may also arise from the business operation itself. Businesses make profits by undertaking risks and consequently every business organization is designed to tolerate a level of legal risk – and thus every organization must be well prepared for it. Thus, avoiding legal risk is not an option. A reasonable business person will, instead, invest in foreseeing, assessing, and addressing risks. So, yes, I agree with the statement.

**CEEIHM: Can you give us some examples of “acceptable” risks within your company, and what steps you are taking to mitigate potential fallout from them?**

Yota: The level of risk appetite a business has, in my opinion, is one of the first elements an in-house counsel has to discuss and understand. The better this risk appetite is defined and communicated, the more efficient the operation of the business is. The in-house counsel can be an important partner for a business when defining the company's risk appetite and can help the business put in place appropriate rules for risk identification and assessment.

In my company, we accept contractual risks in order to simplify and expedite the closing of deals and to improve the contracting experience of our customers. Several years ago we simplified our contracts by using plain language instead of the usual difficult-to-understand legalese, accepting, on a standard basis, a high limitation of liability cap irrespective of the value of the deal, and offering warranties. Where permissible, we are comfortable with bypassing formal signature requirements and we accept electronic transactions. We assess the risk on the basis of the history with our customers, but also on our proven high-class performance and our “customer first” attitude.

**CEEIHM: On the flip side, what are some of the types of risks you’ve categorized as zero-tolerance risks?**

Yota: Definitely reputation risks. There is zero tolerance for this. In my company, how we do business is as important as the business we do.

Violation of the law is also not an option. We do not violate the law. On the contrary, we will spend as much time, effort, and money as it takes to ensure that our company complies with the law. We follow our Standards of Business Conduct while doing business and we avoid red flags.

**CEEIHM: As a GC, what tools are at your disposal to identify current risk elements within your company, and how do you set up a system to constantly monitor for the ones that might come up?**

Yota: Standardization of contractual terms and operation processes is the most common and most effective way to predict, streamline, and quantify acceptable risk. It is also a way to expedite deal closing and ensure operational efficiency. We have put in place a pre-approved set of contractual terms which reflect acceptable commercial and legal risks. The vast majority of our business runs under these pre-approved terms. An established deal governance process with identified roles, rules, and escalation paths is also in place. We follow policies with standard commercial norms on the risks we can accept and under which criteria or conditions we can accept them. We use technology and base our judgments on data. The deal risk assessment is a team effort where experts in legal, finance, tax, credit, business, and delivery operations collaborate to best position, quantify, and mitigate the risk if acceptable, or reject it if unacceptable.

There are obviously risks a company cannot foresee,

and this became painfully obvious last year when most businesses found themselves addressing the impact of the pandemic. Good preparation on the operational front ensures business continuity in such circumstances, reducing legal risk. While most of our colleagues in legal went back to their law school books to refresh themselves on force majeure, well-prepared businesses mobilized their business-continuity processes and continued delivering essential services seamlessly. Some of them even grew their footprint during these times. While this is specific to only some business sectors, as certain industries have been totally grounded, it is also a result of the solid preparation via processes and operational readiness to affront disruption risk and avoid legal exposure.

**CEEIHM: Once you’ve identified a new risk, what is your methodology and metrics to assessing it internally?**

Yota: It depends on what the new risk is. In our team, we address risks based on their nature and the impact they will likely have on our operations in terms of the likelihood of occurrence, the duration of the disruption, cost, reputational exposure, time to recover/rectify, and many other parameters. We are known for being diligent in adapting our operational models to the prevailing circumstances on the market.

Our assessment of the potential impact and our response to the risk is a team effort that involves several departments, with legal as an essential stakeholder, because we believe that most legal risks are usually better addressed via appropriate, simple-to-follow but robust business processes, policies, and controls, rather than through contractual clauses or sophisticated legal processes. As an example, the ability of a company to collect payments – or, in contrast, the risk of not collecting payments – may not be any different for customers who were sent an invoice than those having signed a 100-page contract. A good payment plan or a robust credit check on a customer is more effective most of the time. Commercial companies have no interest in entering into disputes with their customers anyway. In other words, a good contract is a contract that is signed and stays in the drawer and none of its parties ever have to invoke it.

**CEEIHM: How do you train your in-house legal team members both on how to identify risks?**

Yota: The ability to identify risks and to decide when and how to escalate them, are important skills for an in-house lawyer. I would say that, if there are two



qualities a successful in-house lawyer should have, those would be good judgment and appropriate internal reporting.

We focus a lot on the training of our legal counsels in my company, and as much as we believe in good legal knowledge, we also invest in creating a culture of adequate legal risk assessment and empowering them to make decisions. Lawyers, like everyone else, are usually averse to change and see risks in innovative ideas. Throughout the years, I have found that the “what if” question helps younger company lawyers to appropriately address legal risks. So, my advice to team members is usually, “ask the ‘what if’ question.” What if we do not ask for a wet signature during the pandemic? What if we are not able to prove a transaction via a signed document?

Another good learning method is to make a judgment on data. I ask team members to collect appropriate information and explore their risk area to get to know it inside out. Partial information can itself be a risk, so accurate data is very important. Historical data may help assess customers’ behaviors, country data may help with the assessment of a country’s legal system, and performance data can help understand the risk of failure of suppliers.

Last, but not least, following the governance processes ensures the appropriate level of risk review and the appropriate level of decision-making. While our lawyers are empowered to make a number of important assessments, they are also trained to follow our internal governance processes so that the decision is made at the appropriate level each time. ||

*By Djordje Vesic*



# Outsourcing the Right Way: Managing External Counsel

**Anton Petrov, Head International Legal Affairs and Deputy Director Legal at First Investment Bank in Sofia, Bulgaria, shares tips and tricks for managing relationships with external counsel.**



Executives in a lot of corporations have developed a resentment of the law, of lawyers, and of law firms, meaning that general counsel often have to maneuver in a harsh environment. This was first recognized a couple of decades ago in the USA, but I am confident it still holds true in many places around the world today. More and more executives, however, are beginning to see that the law's impact on their corporations is constant and largely unavoidable. The days of episodic relationships with laws and regulations are long gone. The sums of money involved and the impact of these laws and regulations on the business are of the highest importance. As members of the in-house legal team, our job, therefore, is a very hard one: not only do we have to provide the best legal advice and assistance to our company, but we also need to make sure that the company receives optimal services from outside legal counsel.

Managing outside legal counsel is a complicated and dynamic exercise, from setting and agreeing on a scope of work and a budget that is acceptable, to executing an engagement agreement, providing instructions, and coordinating the actual work. But before I enter the essence of the topic, I should devote a few words to why an in-house team would need the assistance of outside counsel, and how to find one.

Corporations have gone a long way from the formerly-common *"single firm, single lawyer"* environment, and nowadays more and more are building small law firms within their organizations. However, most of the

work handled in-house is related to the core business of the company. We are living in an era of proliferation of laws. The number of regulations continues to escalate in all areas, from payments to taxes to consumerism. This has dramatically increased the responsibilities of the in-house team – and of the GC in particular. The explosion of new laws and intensifying regulatory enforcement has resulted in an increased need for sophisticated legal advice, which is usually provided externally. External law firms generally offer the necessary specialized expertise, an independent perspective, and sheer numbers necessary to address the challenging problems that the business world is facing now more than ever. Therefore, when we, as in-house legal team members, identify the need for such expertise, we should try to select external counsel that is most suitable to help us. Naturally, we would want to find a law firm with excellent technical expertise in the relevant field of law and vast experience with similar issues. Nevertheless, although really important, technical and practical knowledge are not per se equal to great service, which would typically require a mixture of these with a number of other not-less-important qualities and factors, such as reliability, readiness to meet the client's preferred engagement mechanics, willingness to get to know the client and focus on what is important to it, comprehension of the market, and ability to properly assess the work to be provided and set a reasonable price for it.

When we start asking around or otherwise researching who does quality work in a specific area, the names of certain firms will inevitably come up. Once we invite their representatives to come in and make a pitch, my advice would be to try to find out who has really invested some energy into understanding our perspective on the particular matter. Then, in as much detail as possible, discuss with the firm anything you might consider important to allow you, as the one having overall responsibility for the matter, to be able to do your job both effectively and efficiently. Let me provide a practical example: Under Bulgarian law, the fees provided by a Bulgarian company to a foreign law firm are generally subject to the so-called withholding tax, requiring the payer to withhold the amount of the respective tax from the payment. This tax is usually subject to relief provided that the payee is willing to produce and hand over to the payer a set of standard WHT relief documents in advance of payment. However, as a rule of thumb, fees for the services of law firms are exclusive of any taxes or disbursements. Therefore, your budget for the respective project may be significantly affected by the readiness of the foreign

law to cooperate in a rather administrative matter. And you may ultimately choose between two otherwise equally good law firms based specifically on their willingness to help you be more efficient from a financial point of view.

Now that we have identified the right counsel for the job, we can move on to the challenges of managing our relationship with that counsel and what the insiders can do to address them.

Successful management of the relationship with outside counsel often involves a delicate balance between cooperation and oversight. One should remember that assigning work to an outside counsel does not free the in-house team from its responsibility with respect to a specific matter or project.

To begin with, the in-house team still needs to gather the necessary information, compile and structure it, and communicate it safely to the outside counsel.



*Successful management of the relationship with outside counsel often involves a delicate balance between cooperation and oversight.*

Moreover, the in-house team usually assumes responsibility for the budget and therefore needs to ensure there is no duplication of efforts or inefficiencies on the part of the outside counsel, as well as time erroneously billed to the wrong project (if outside counsel is used for several different matters). There are many steps that may be taken in this regard, but the key ones, in my view, are to divide the budget as narrowly as possible (e.g., by phases), require detailed legal bills that specifically describe the services performed as well as the respective fee earner, and regularly track spending against the budget.

Also, the in-house counsel generally contributes to team coordination, experience, and a thorough understanding of the needs of the corporate client. After all, the in-house team should be best placed to understand what is at the core of the corporation's needs.

Sometimes a company may not need to understand every facet of a specific transaction, and the mere fact that a respected outside counsel has been mandated and has assisted on the matter may on its own be sufficient for a decision. Or the external counsel may even be asked to present the case directly to the executives, with no further input from the GC or the in-house team. In such cases, a very hands-on approach would be required from the outside counsel, and this should be clearly communicated and agreed on from the outset. In the majority of cases, however, the in-house team should coordinate the process closely and the GC would often play an active part in extensive discussions about whether to proceed with a deal.

The organization of the work may also depend on the nature of the project. If you need outside counsel for a transaction abroad or with cross-border implications, you may prefer that external lawyers apply the hands-on approach and communicate directly with the outside counsel of the other party (or parties). Such a structure may bring a lot of efficiencies, if applied in the right context. For instance, it may work well for a legal due diligence of a property located abroad – where there is usually a very standardized set of checks that the lawyers should cover – but at the same time prove hugely ineffective where inside coordination is crucial and the outside counsel's expertise is only needed from time to time.

*If you need outside counsel for a transaction abroad or with cross-border implications, you may prefer that external lawyers apply the hands-on approach and communicate directly with the outside counsel of the other party (or parties).*

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In view of all of the above, in my opinion, one of the most important tools for effectively managing outside counsel is the structuring of a project plan with clear instructions, which should always be agreed upon from the start and monitored closely. In my experience, outside counsels do not always ask about how the in-house team prefers the work process to be structured. And if you don't bring this up proactively, or if you are not experienced enough to recognize the need or to be able to assume control

over the process at a later stage, you may well find yourself with the job half done in a way other than that which would have best worked for you.

And a final note relating to continuity: the in-house team should look for the best value in legal services in exactly the same way as a company would with respect to services in general. Truly, outside legal counsel usually becomes a trusted partner to the company and most of the large corporations have already established long-term relationships with certain law firms – such as the full-service law firms present in most jurisdictions. Nevertheless, this should not prevent the in-house team from considering alternatives when assigning new work and should stop giving work to under-performers. ||

***By Anton Petrov, Head International Legal Affairs and Deputy Director Legal at First Investment Bank, Bulgaria***





## A Good Investment: Digitalization

**Christopher Fischer, Vice President Legal Affairs at Paysafe-card.com, talks to CEE In-House Matters about digitalization in his company.**

**CEEIHM: Digitalization has been a buzzword in legal spheres for a while now. What does it mean to you?**

Christopher: So many buzzwords and yes, digitalization is an important topic for us as well. In the end, for me, it comes down to improving efficiency. The earliest forms of digitalization were reusable digital files and the fax machine. More recently a big focus has been on online research. And with the COVID-19 pandemic, digitalization has evolved into online collaboration. For instance, we had multiple teams collaborate on a regulatory risk assessment document simultaneously via Microsoft Teams.

**CEEIHM: What do you see as the main driving forces for the digitalization of the legal function?**

Christopher: From an accounting perspective, legal departments are typically seen as just a cost center. Companies are focused on maintaining costs while growing revenues. That means we are often asked to do more with the same number of lawyers. The best way to manage that is to increase efficiency and, to that end, digital tools are a good investment.

**CEEIHM: Building on the above, what aspect/kind of digitalization are you looking to incorporate in the future?**

Christopher: In the near future, we are looking to consolidate our document storage into a single cloud-based solution. After that, we plan to evolve to include document management solutions that will allow our clients more flexibility in creating contracts themselves from templates that we manage in the system.

**CEEIHM: What are the main challenges you foresee in achieving this, and how are you thinking of overcoming them?**

Christopher: The saying goes that you can lead a horse to water, but you can't make it drink. As with most IT implementations, getting everyone to learn and use a new system while dealing with a thousand other things at the same time is a challenge. So we have created an implementation team with members from across the broader legal department to understand our needs. We have also engaged a consultant to help us manage the process. I am also planning on dedicating some time for my team and me just to play with the software, together with the consultant.

*Companies are focused on maintaining costs while growing revenues. That means we are often asked to do more with the same number of lawyers.*



**CEEIHM: In relative terms, would you assess lawyers as a tech-savvy or not? What can a GC do to create the necessary skills and know-how within the team to fully engage in projects like the ones you mentioned?**

Christopher: For me, people are people. Some have a greater affinity for technology and some less. As a group, I would assess lawyers as being less tech-savvy than most. That being said, technology is an unavoidable part of our daily lives. Thankfully, software creators also focus on UX, the user experience, which makes using software relatively easy. With support and repeated use, I feel confident that my team will come to love the new solution.

**CEEIHM: Do you prefer using external IT solutions or develop them internally?**

Christopher: Technology advances so quickly that I wouldn't even consider an internal solution. In my experience, it is best to choose a solution with plug-and-play connectivity to other applications, such as Salesforce. In the future, I expect we will use a solution that integrates our collaboration with outside counsel and even our legal invoicing system. An

internal solution could never keep pace with the rapidly changing environment.

**CEEIHM: What are the main elements you'd use to assess the different vendors/solutions?**

Christopher: Certainly, benefit-per-dollar is a major element. But in the end, the solution itself is what sells the product. The ease of use, integration with other software solutions, and the ability to collaborate across organizations are key winning attributes. A high level of AI is now a standard prerequisite. Finally, the track record of the supplier and the likelihood of sustained future support needs to be evaluated.

**CEEIHM: In many instances, these kinds of digitalization efforts come with a hefty initial price tag. How do you, as a GC, build an internal case for such a project?**

Christopher: We did not receive a blank cheque for digitalization. It helps when the overall organization is focused on increased and improved digitalization. But the USP for the internal case is that digitalization won't merely benefit the legal department, but will benefit the organization as a whole. The repository function is likely to eliminate the need for some of the other document-storage solutions. The collaboration functionality will empower sales and marketing functions. An investment needs to be looked at from all angles as it can include benefits that go beyond what is initially obvious and can support the organization in many ways. ||

*By Djordje Vesic*



## The Future of Business is Driven by Digital Technologies

**Aleksandra Popovic, Director of Legal Affairs Serbia and Macedonia at Atlantic Grupa, describes the digitalization process at her company and its impact on the legal function.**

The world around us is becoming increasingly digital, and digitalization represents one of the primary means of increasing the operational efficiency of companies, through standardization based on the real needs of the company and the improvement of all business processes. In a world in which digitalization is increasingly prevalent, in-house lawyers must adapt to new trends in order to provide legal support in a more efficient and effective way. It should be borne in mind that digitalization requires certain budget funds in order to be implemented.

For the digitalization of the in-house legal department, first of all, an analysis of the operational affairs of lawyers should be performed. The idea is to free in-house lawyers from administrative tasks and paperwork, so they can devote more time to the essence of legal work. One of the most common lawyers' jobs in companies is drafting contracts/agreements, and most companies have established procedures for drafting contracts and approving their conclusion. Atlantic Grupa has set digitalization as one of its strategic goals, and a few years ago began using *Office Point*, which offers electronic contract approval among its digitized processes. The digitalization of this process has allowed

more people, from different operational functions in the company, to participate, simultaneously making the process shorter and more efficient. The situation of all Atlantic Grupa contracts in this register in electronic form makes them available to a larger number of people, which allows us not only to unify legal support more easily, but also to exchange good legal practices quickly and effectively.

The intellectual property database has been digitized through the Intellectual Property Register as well, allowing for the storage of registered trademarks and industrial designs. Our state also recognizes digitalization as one of its priorities. With the introduction of electronic trademark registration, the entire process from registration to archiving of trademarks has been digitized in this way, which has significantly improved the efficiency of in-house lawyers. Atlantic Stark received the Users' Trophy Award from WIPO for the year 2020, as the home legal entity that had the largest number of international trademark applications filed.

There is a danger that, as the carriers of electronic records (ranging from video cassettes to flash drives), improves with technology, certain records

may to be lost in employees' computers, on CDs, and so on. Digitization has made data storage easier and safer. That is why we store all copyrighted works, in the form of videos and other advertising materials created during advertising campaigns of our *Smoki*, *Bananica*, *Najlepše Zelje*, *Grand Kafa*, *Barcaffè*, *Cedevita*, *Donat*, and *Cockta* brands, for which the rights have been transferred to us indefinitely in time and space, stored in *Office Point* –which links them to the corresponding contracts in the Contract Register. In this manner, all the intellectual property of the company is preserved in one place.

*Modern technology brings a lot of positive elements, but also a lot of unknowns. We are in an era where lawyers may have to learn the most, given that technology is evolving faster than regulations are changing.*



We lawyers say that we love paper. But today, when information is exchanged instantly in electronic form, and when speed is one of the important business factors, the speed and accuracy of the legal responses we give to our business colleagues requires easy and fast access to a large quantity of information. In that sense, the use of paper databases of regulations or books/logs of court practice has ceased. Its place was taken by the electronic databases of regulations, case law, and opinions of relevant state institutions. These databases have, in a sense, strengthened the role of in-house lawyers, as they reduce the frequency with which the opinions of external legal advisers need be sought, which leads to savings in the budget of legal affairs as well.

Recognizing the need to speed up the exchange of knowledge and experience, large companies are introducing the *Share Point* portal. Within the *Share Point* of Atlantic Grupa, all organizational units have their own portals, where they upload their relevant documents and information. Due to the diversity of legal systems of the countries in which Atlantic Grupa operates, we have portals at both the local and group level. At the local level, on the *Share Point* portal, we can easily access general enactments of all legal entities that are part of Atlantic Grupa in Serbia, contract templates, other general and individual enactments, replies we have given to the

business in the field of labor relations, marketing, protection/safety, and competition, and the like, the opinions of relevant ministries and external lawyers, and so on. At the group level, we store information about things like various group policies, intellectual property, and GDPR or competition protection, in order to unify the practice, *i.e.*, the provision of legal support within the entire company.

Thus, the day-to-day work of in-house lawyers is subtly changing. Information is easily accessible in one place, the experiences of others are at hand, and inefficiencies of administrative communication are significantly reduced. A lawyer can focus more on the law itself and on business inquiries.

And of course the business itself is also experiencing the digitalization process. Atlantic Grupa, for example, has introduced a digital monitoring system for KPI production and distribution processes. It has also introduced the "Pick by Voice" technology for commissioning goods via voice guidance, a project to introduce artificial intelligence and robots for warehousing operations, a supplier certificate digital tracking system, SAP Success Factor solutions for recruitment and digitization of recruitment, and a private cloud construction project.

Modern technology brings a lot of positive elements, but also a lot of unknowns. We are in an era where lawyers may have to learn the most, given that technology is evolving faster than regulations are changing. And we have to provide answers. We need to learn, for instance, about intellectual property protection in respect of marketing on various platforms such as Instagram and the like, to learn IT processes related to personal data protection, and to understand the various software processes that have been introduced to harmonize them with applicable law. The need for in-house lawyers to learn about modern technologies is a priority, which is itself, in part, facilitated through digitalization.

That the future of business is in digital technologies was also confirmed by the pandemic, when working from home became the norm. Modern IT solutions allow work to be done smoothly from home, regardless of the different locations of people and businesses. Working from home significantly reduces costs, so the work of an in-house lawyer is likely to look different in 2025. How? We will see what the future, and digitalization, shall bring. ||

***By Aleksandra Popovic, Director of Legal Affairs  
Serbia and Macedonia at Atlantic Grupa***



# Digitalizing for Growth

**Artem Afanasiev, Vice President Legal Affairs and GR at Ozon in Moscow, Russia, explains how his legal team uses digitalization to cater to the in-house legal needs of his fast-growing company.**

**CEEIHM: Digitalization has been a buzzword in the legal sphere for a while now. What does it mean to you and what examples of it happening within your team can you point to?**

Artem: I absolutely agree with the statement. For me, it still sounds like a buzzword. Let me explain. Historically, the legal profession included different kinds of work: starting from legal research and looking up a proper precedent or regulation in a library, to sophisticated legal solutions and interpretations of the law and its complexity, and appearing before the Supreme Court. When I started many years ago as a paralegal in one of the Magic Circle law firms, I remember that we had specialists in our legal support team who assisted us in finding proper documents in the legal library.

Several years later, special software was put in place – it was faster and more convenient for everyone. You may say that a piece of software replaced the technical aspect of legal work, which is true. Nowadays we have much more than simple search programs, including litigations management organizers and simple contracts constructors. All these solutions facilitate technical legal work and assist modern lawyers to properly address the challenges of modern and digital business. These solutions upgrade the profession in general by replacing technical work with modern IT solutions and crystalizing sophisticated and challenging types of work that require true professionalism, hard skills, and experience.

Today, the work of a modern lawyer cannot be imagined without the use of digital products. For everyone, various legal systems are already an

absolute norm, including electronic systems for signing contracts, powers of attorney, work with court cases, and knowledge bases. Ozon is the leader of the Russian e-commerce market and, for us, these tools are not a matter of fashion. They are a reality, without which the work of a lawyer cannot be efficient. All these solutions assist my team to be more responsive, more business-focused, and result-oriented. Clearly, current solutions are very helpful and important but are still very far from what they should and what we want them to be. I believe that the legal profession is not only about the law. It is much more complicated nowadays and also includes project management, analytic, presentation, and business skills. I am sure that very soon we will see new, progressive IT solutions digitalizing the legal profession and assisting lawyers and the business.

**CEEIHM: What do you see as the main driving forces for the digitalization of the legal function?**

Artem: The constant changes that are taking place both in Russia and around the world are driven by efficiency, quality, and speed. I worked for several well-known multinational companies operating in different industrial sectors. In my opinion, large Russian companies are likely to be some of the most accepting of, and thankful to, digitalization. The main drivers for digitalization are the increase in speed of internal processes, the reduction of bureaucracy, the standardization of technical work, and, lastly, a decrease in costs. I would add that digitalization makes things more predictable. With it, a lawyer should be able to quickly find the best and most effective solutions. That can be facilitated when routine work is automated across multiple platforms. Nowadays, a lawyer is also generally responsible for implementation of solutions and projects as part of the business team. In this regard, digitalization is a tool assisting not only with the legal function, but also the company as a whole. It may start as a simple electronic library, then switch to an electronic contract preparation and negotiation platform, then to a unified and incorporated automated internal approval system, ending up with project management and control over execution and performance with automated adjustments on the basis of regular performance analysis. All these steps, and much more, are already available via digitalization.

**CEEIHM: Building on the above, what is on your “wish-list”? What aspect/kind of digitalization are you looking to incorporate in the near-/mid-future?**



Artem: Ozon is the leading platform in the large, fragmented, and growing Russian e-commerce market. Over the years, we have become the most trusted and respected online retailer in the country and our brand has become synonymous with online shopping for our approximately 12 million active buyers in Russia. The integral part of this success is the service we offer to our partners and clients. Obviously, it includes quality and speed of our legal work, deep knowledge in various categories of goods, and, ultimately, proactive business-oriented legal function.

This year, I wished for a project management tool. Our legal team is currently implementing an external solution that would allow us to track and coordinate all projects that the Ozon Group's lawyers are working on. This solution will also include a service platform for business people to order and track internal legal services. Such a platform is an important step in transforming the legal function to become more focused on results and ways how to reach them. Apart from a transparent project management tool, a similar solution for litigation management is being developed internally. We also plan to launch a new, upgraded version with deeper analytics and a better presentation of internal approval processes and timeline. That should enable online checking for delays and internal systems and also enable immediate reaction. My goal is to make the fastest and most efficient internal approval system. We have many more ideas, but the ones mentioned above are of top priority for this year.

**CEEIHM: What are the main obstacles you foresee towards achieving this and how are you thinking of overcoming them?**

Artem: We are growing fast and, therefore, our business requires the most prominent and exceptional legal support 24/7. This is quite challenging but very interesting to each member of my team. We already replaced all the grunt work with IT solutions. Currently, I am deeply involved and in the implementation of the abovementioned solutions with our IT team.

I see two key obstacles at the moment when it comes to digitalization in general. Firstly, the lack of already recommended, standardized, and proven IT solutions. Some say that each of the solutions is specific to each company and should not be standardized. I would disagree. Most of the successful and standard solutions perfectly match various companies. Secondly, the transformation of mindset: it is highly important to focus on progressive technologies and solutions and to drive further changes – i.e.

to love and promote technologies rather than keeping old-fashioned regimes. Successful incorporation of modern IT solutions and digitalization of the legal function would highly benefit from involvement and proactive approach of all team members.



*The world is rapidly changing and the digitalization of the legal function is a must. The companies that successfully digitalize will reap the benefits for many years to come.*

Digitalization brings challenges. Increased globalization based on disruptive technologies has transformed laws and contractual mechanisms and led to greater regulation and greater opportunities. Lawyers must become facilitators of these fundamental changes with current and future legal solutions.

**CEEIHM: In relative terms, would you assess lawyers as a tech-savvy profession or not?**

Artem: It makes a big difference when you are talking about different levels of lawyers. What I see is that new generations of senior lawyers are purely tech-savvy professionals. I like the energy, professional attitude, and proactive approach of the new generation a lot, and it is very important for me to hire and promote rising legal stars – prominent and brilliant professionals.

Companies are becoming more agile and efficient. Business is becoming more globalized and complex due to collaborative ecosystems, big data, cloud technology platforms, and enhanced regulatory activities around the globe. The world is rapidly changing and the digitalization of the legal function is a must. The companies that successfully digitalize will reap the benefits for many years to come.

**CEEIHM: Do you prefer using external IT solutions or develop them internally? Why?**

Artem: We rely on the collaboration of both internal and external resources. This allows us to find a balance both in automating processes within the company and to find the best solutions for our business.

Our mission is to transform the Russian consumer economy by offering the widest selection of

products, the best value, and maximum online shopping convenience among Russian e-commerce companies while empowering sellers to achieve greater commercial success. We attribute our success to our focus on enhancing the buyer and seller experience, our nationwide logistics infrastructure, which is one of the largest among Russian e-commerce companies, and our cutting-edge technology and a strong culture of innovation. Ozon has one of the most sophisticated and powerful IT teams. Each time we try to find the proper balance and the proper solution – whether to approach external developers or build it internally from scratch. It is important to explain, however, that each and every new IT solution is reviewed and supported in its implementation by our in-house IT team. Therefore, it is always a result of collaboration.

**CEEIHM: How do you choose between different vendors/solutions when looking at external solutions?**

Artem: There are 3 main things that are important to us in any digital product:

- a. ease of use, friendly navigation, and interface;
- b. high performance and innovation;
- c. the ability to quickly integrate (including with other products) and the possibility for further improvements.

These are the main criteria we start with when we choose the integrator. Then we establish the respective project team responsible for implementation, launch, and customization of the product.

**CEEIHM: In many instances, these kinds of digitalization efforts come with a hefty initial price tag. How do you, as a GC, build an internal case for such a project?**

Artem: You are right – it can bear a hefty initial price tag. It is very important to clearly understand the result you want to achieve and to make sure that the particular solution is what you need.

Of course, when choosing between various products and solutions we take the price factor into account. But what is important to understand is that digitalization is an investment in the development of a company. If we spend money today on development and implementation, tomorrow we will profit because we will do our work faster and more efficiently.

The value we create with modern solutions should be much higher than our expenses. This is a very simple principle and guide on how to deal with digitalization, especially when the respective project has a hefty initial price tag.

To increase the efficiency of our improvements we recently decided to establish internally a new unit focused on legal technologies as part of the whole legal department. Currently, we are hiring professionals with sophisticated knowledge and expertise in LegalTech.

The key function of this unit would be to provide IT solutions (including development and integration) to other legal team functions and to the company in order to speed up and simplify processes, decrease bureaucracy, optimize and make efficient legal and paperwork.

We already have a list of talented and prominent IT solutions and an understanding of what can be done next and what improvements we may want to introduce. When we talk about the result in LegalTech obviously, it is the teamwork of the whole company, but for each project, you need to have an appropriate legal project manager.

Previously such work was initiated and coordinated by the head of the relevant legal practice. It became clear to me that we need a special new function focused on LegalTech developments and future growth. I do believe that we will be able to establish proper function with talented project LegalTech managers within the next several months and during 2022-2023 we will introduce the most powerful and sophisticated solutions available today and will start elaborating proper solutions for the future. ||

*By Djordje Vesic*



## The Soft Touch

**Aybars Yagiz, Legal Counsel at GAMA Enerji, Turkey, and Board Member at the GAMA group of companies, shares his thoughts about the soft skills senior in-house legal counsel should possess.**



**CEEIHM: The last year or so has been very difficult for both companies and professionals around the world. How large is your team, and how did it adapt to the crisis?**

**Aybars:** We have a rather small legal team. In addition, I also manage the contracts team, which includes valuable engineers and trade specialists. Our company operates in the energy sector, and we produce and sell electrical energy generated from different sources. At the beginning of the pandemic, there was a gap between the supply and demand of electricity. No one had the opportunity to prepare for such a big crisis, so our initial reaction was somewhat slow. However, energy isn't a luxury but a necessity, so the market gradually went back to normal.

In order to adapt to the crisis, we maintained fairly stable working hours. My management policy is not to push my team to work past 6 p.m. If and when there is anything urgent to do, I tell my team to adapt their schedule and, if I need them to stay after normal working hours, I tell them a few days in advance. My approach is that, if the task is not urgent, it's better for an employee to do it when they feel more like it. So, if someone from the team hasn't finished all the work by the end of the day, they can always continue tomorrow. Working in a more relaxed environment makes for a happy team.

**CEEIHM: What skills should GCs possess in order to mitigate the negative effects of the crisis and keep their teams productive?**

Aybars: Soft skills are very appealing to me. I recently completed the Executive MBA program at the Bilkent University in Ankara. We would talk at length with our professors about the importance of soft skills, and how to develop them.

I believe that there are four key soft skills any GC should possess.

*The first one is self-assurance.* This should not be confused with self-awareness, which only stands for being aware of your potential. Self-assurance, which builds on that awareness, means to be content with yourself and with what you can and cannot do. This skill is very important in overcoming the “legal ego,” which is a huge problem among some legal professionals. A GC is a very substantial element in any company, yet not the leading one, unless the main field of activity is law. Even acknowledging this fact helps to overcome the “legal ego.”

*The second important soft skill is conflict management.* A GC must be able to handle and solve the conflicts that arise between his or her company and a third party. However, a general counsel must also be able to solve internal conflicts between employees, or between employees and the company.

*The third skill is communication.* This is useful not only for conflict resolution but also for risk evaluation. The problem with many non-legal disciplines is that they evaluate risk only in financial parameters. Good communication is essential to providing multiple view-angles to the risk assessment and problem-solving processes. A general counsel should never put a full stop after his factual findings, but rather hear out and accept different opinions. In other words, the task is to build a bridge between the wishes of the company and reality. The wishes are never-ending but need to be adapted to reality. Of course, communication within the legal team is very important as well, as it is the legal department that sets the tone of the company.

*Finally, coaching is very important.* At our company, we divide coaching into role-play and self-evaluation. During the role-play, I delegate the leading role on a project to one of my colleagues. That person is put in charge of the team and decides, with my supervision, what our strategy should be, assigns tasks to the team members, and so on. This approach not only gives my team a better overview of the legal work we do but also puts me in their shoes and helps

me better understand how they feel and work. We also organize regular self-evaluation sessions where all the team members express constructive criticism of their own work. I believe that these activities help build integrity and closer relations within a team – and it definitely has in our team, thanks to my colleagues, Yuksel and Mina.

**CEEIHM: What is your advice to other GCs on how to develop and improve those skills, not only in themselves, but within their team as well?**

Aybars: It depends on the size of the team. If you have a manageable number of people, the right way is to spend time with your team outside work. It is difficult to empathize with someone you barely know, which makes it difficult to understand and help them handle their problems. If your team members feel that they are cared for, they will feel much better, be more productive, and that will also help resolve most of the issues that arise. Strictly speaking, you are recruiting a lawyer, not a friend. But being able to have good relations with your team members is crucial. Otherwise, without good communication and a friendly relationship, you won't benefit from that person's knowledge and expertise as much as you could.

As for self-assurance, the most important tool for calming the legal ego is to learn to say “I don't know.” Of course, if that answer becomes too frequent, perhaps that person is lacking technical knowledge. That's why a proper follow-up would be “but I will get back to you.”

**CEEIHM: Finally, how long into the future do you expect this crisis to persist, and what challenges lie ahead?**

Aybars: The government is taking proactive measures to end the pandemic. However, it is most likely that these conditions will stay for a little while longer. One of the government's measures was to pass regulations on remote working. Under the new regulations, companies can have their teams work from home, or split the work week between home and the office. I believe that this work model will become permanent. We are also discussing whether to hire people from other parts of the country or even from abroad. Communication, coaching, and team management, in general, would become a bit more challenging in any of these scenarios. I count on new technologies to help us solve these problems. ||

*By Djordje Vesic*

# Top Three Must-Have Soft Skills for a General Counsel

**Vladislav Nikolov, General Counsel at EnduroSat in Sofia, Bulgaria, explains why creative problem-solving, critical thinking, and communication skills are necessary for GCs in today's world.**

*"Panta rei ..."*

Once, an Ionian philosopher said a few simple words which remain an unbeaten concept to this day – "everything changes, everything flows." Heraclitus of Ephesus, the ancient Greek who lived around 500 BC, bequeathed us something so obvious, that it is easy to neglect it in our day-to-day life.

Nowadays we live in a much more open and complex world than the one of Heraclitus. Current geopolitical contrasts are leading to an increase of international and local regulations (often being limitations, in fact) resulting in a more complicated legal framework, which challenges the business environment.

At the same time, the technological revolution, with its constantly increasing temptations and its aspiration for an "Open World," lives its own life. These parallel processes bring lots of challenges to any legal counsel who is keen on the profession and daring to make things happen. Here I am not even attempting to differentiate between in-house and external corporate professionals. All we do is facilitate business by solving or avoiding problems.

Can we find the best corporate perspective for the business in this changing world? How to be agile and flexible by providing solutions or advising an executive to take the right corporate decisions.

Soft skills are not taught in law schools. They are developed while building up a rich and successful

corporate practice – but they also depend on the specific personality of the individual.

Thus, I am convinced that each legal advisor is, to a certain extent, unique, and at any moment could come up with a solution that is of crucial importance for a specific business. Soft skills can be the difference between otherwise excellent lawyers. Soft skills are also known as our "people skills," which define how we relate and communicate within the business environment.

One can list plenty of important soft skills that are must-haves for the successful GC of tomorrow. However, for me, creative thinking oriented towards problem-solving is paramount.

I strongly believe there is no way to build the new and inspiring business of tomorrow by using the streamlined classical stereotypes of yesterday. The same is valid for the corporate part of the picture, including, of course, the legal one, at its core.

Entrepreneurs are always trying to be game-changers, to avoid obstacles and limitations their businesses face, and to get more from each person or situation right away. These types of people want to build their own world and rules, which is fantastic, to some extent. This is the how one out of a thousand, or maybe out of a million, eventually brings progress, leading to the betterment of mankind.

On the other hand, entrepreneurs must constantly comply at least with the main principles of law and

the mandatory restrictions of local legislation. And here comes the big challenge for a GC – her/his role is to be the business pathfinder to the set goals, navigating the company around all the legal limitations.

And here I revert again to creative problem-solving. It does require a certain level of successful legal and corporate experience. Each in-house professional needs to sort out his/her hard skills first – legal knowledge, at least a basic overview of the business, awareness of the market the company operates in, *etc.*

*I think this is the hardest part of a GC's job – to be able to analyze a certain case and to provide answers in a language that is understandable and not irritating to the listener.*



I see *critical thinking* as the second vital soft skill for the in-house lawyer. It facilitates a lawyer's ability to build, on a case-by-case basis, the proper fundament of facts, to recognize and understand connections, to form possible scenarios and outcomes, to prepare good sets of arguments (and to analyze and evaluate those of others), to justify reasoning, and to defend positions in a dispute. Such an ability is the key to finding the best solution to a problem or providing the best suggestion to the company's management.

I believe this soft skill should be accompanied by the courage to defend your position for the good of the company internally, even if the general manager does not realize it at the moment. CEOs are typically excellent visionaries, people with a good sense for success, but they are quite often incapable of seeing the pure legal logic behind a given case and the possible negative implications for the company.

And this leads me to the third item on my list: *communication skills*. This is the human ability to present possible results in the best way, based on which subsequent management decisions would be more accurate.

To some extent, it is funny that today, successful entrepreneurs from across the world are almost untutored in basic corporate matters. Recently,

one such entrepreneur even tweeted, *"As much as possible, avoid hiring MBAs. MBA programs don't teach people how to create companies."* This way of thinking leads to a common problem nowadays. The visionaries make most of the strategic decisions and, when they are not well-informed about possible outcomes and how their decisions could affect the business, a problem occurs.

I think this is the hardest part of a GC's job – to be able to analyze a certain case and to provide answers in a language that is understandable and not irritating to the listener. None of us, including entrepreneurs or CEOs, are always prepared to hear about possible negative scenarios and the way out of them. An experienced lawyer should have the ability to present the information in a clear, short, and plain way, avoiding linguistic ornaments or additional facts and arguments. And, of course, always accompanied by a potential resolution!

This is a very tricky moment because such a simple way of communication often comes at the expense of thorough argumentation, which bears additional risks. We need to find the sweet balance between saving time and the emotions of the CEO and, at the same time, painting the picture in the most realistic and fair way.

One teasing question for the readers: *If you could choose between taking a politically correct and polite approach with the general manager by withholding some unpleasant facts or risks for the company, or raising awareness of an issue knowing this would damage your reputation or relations with your management – which would you choose?*

Finally, the field of law is heavily detail-oriented. A single word out of place or an insignificant revision can change the meaning of a clause or even an entire contract. Additionally, grammatical errors in documents or emails have no place in this profession, especially in the age of AI. There's always room to be a better, more detailed, precise, and productive lawyer, and it's never too late to improve your soft skills. Building the balance between your soft and hard skills, constantly looking for feedback about your work aimed at self-improvement, and exploring and using new software solutions are all part of your personal development and preparing for tomorrow. ||

***By Vladislav Nikolov, General Counsel at EnduroSat in Bulgaria***







## Diversity & Inclusion as an Approach to Manage a Diverse Workforce

**Marta Ziolkowska-Nasinska, Regional Legal Counsel at Ferrero, offers insights into her company's Diversity & Inclusion project.**

### **CEEIHM: What do diversity and inclusion mean to you?**

Marta: Diversity matters. It has been confirmed that diversity drives better business results. Diverse teams show more creativity and are more inclined to innovate, while retaining people and boosting their company's image. Today's international expansion requires a new pace and direction, engaging all of us to create a more diverse and inclusive work environment, where all people, regardless of their background, have equal access to opportunities and resources. Because all people are talented in their own ways.

What I find particularly important is that diversity is about a mix. Diversity without inclusion does not work, however. It is the inclusion that unleashes the power of diversity, and makes the mix work.

### **CEEIHM: Tell us a bit about Ferrero's approach to diversity and inclusion.**

Marta: Ferrero is committed to building a diverse and inclusive culture in which all employees feel welcomed and appreciated and have equal opportunities. With our expansion to other continents, our workforce became more and more diverse, and Ferrero wanted its diversity to be a strengthening element. As a result of internal analysis, the Diversity and Inclusion project was started at the headquarters level in order to identify areas for improvement. Four basic dimensions were defined on which the company would further focus: gender, nationalities, generations, and working culture. These were linked to several UN Sustainable Development Goals – number 5 – gender equality; number 8 – decent work and economic growth; and number 10 – reduced inequalities – which are considered a compass to define global priorities and aspirations for 2030. A dedicated project team worked on identifying key performance indicators and initiatives to move our company from “as is” to “to be.” One such initiative was the appointment of 17 Ambassadors that established a global network of D&I Ambassadors who chair and facilitate Regional D&I Councils.

**CEEIHM: When were the Councils established and what is their purpose?**

Marta: The project was implemented globally in 2020. The D&I Councils are composed of 130 people of 25 nationalities representing a cross-section of departments, positions, ages, and genders. Their task is to promote and adapt the vision of the project at Ferrero's local structures around the world. In Poland, there are 12 members of the Council.

**CEEIHM: What is the structure of the Council in Poland and what is your role within it?**

Marta: We made D&I an organizational priority rather than simply an HR priority. Our D&I Council includes seven women and five men that represent four different nationalities and ten different departments. So far, our representation included *Boomers*, *Generation X*, and *Millennials*, whose work experience at Ferrero ranged from a few to as much as 37 years.

To create and promote an inclusive work environment, every organization must start with "the tone from the top." Ferrero's senior leaders, including four members of the management board, show commitment and promote the Initiative by being part of the Council and by actively participating in its work. I was happy to receive an invitation to join the Council, an invitation that I see as an example of the D&I approach as well as recognition of the steps the legal department at Ferrero makes towards the creation of a more inclusive work environment in the legal industry.

**CEEIHM: How does Ferrero promote diversity and inclusion among its workforce?**

Marta: At Ferrero, we increase our employees' awareness of and engagement in the D&I program. A special platform dedicated to D&I was created and each employee can learn about the program and the goals identified by the company. Every employee who wants to contribute his or her ideas and energy to the implementation of the D&I program is welcome to apply for cooperation. We also celebrate World Day for Cultural Diversity on May 21.

Ferrero puts effort into onboarding actions to make sure that our newcomers have an inclusive and successful onboarding experience and can start building their network to feel included from the first day (for example, the "Buddy Program" for newcomers).



*We made D&I an organizational priority rather than simply an HR priority. Our D&I Council includes seven women and five men that represent four different nationalities and ten different departments.*

We have also developed D&I-focused learning tools like the online cultural intelligence tool or D&I training that is mandatory for all employees. In addition, we pay attention to our leaders, as they are expected to be role models for best practices, and we have designed learning modules and objectives especially for them.

One of our latest initiatives is the revision of the guidelines on office and remote working practices. Flexible working and remote working guidelines are expected to foster productivity and employee satisfaction.

**CEEIHM: Which part of this work do you enjoy the most?**

Marta: During our D&I Council meetings we discuss and share practices related to diversity and inclusion. That gives me the opportunity to hear arguments from colleagues of different ages, work experience levels, and backgrounds. I find those discussions very interesting as they provide me with a different perspective and help me see issues from a different angle.

**CEEIHM: In your experience, what are some of the best methods for a company to cultivate diversity and inclusion within its ranks?**

Marta: It starts with attracting diverse candidates. Companies should ensure that their assessment and selection process is inclusive of underrepresented groups, is bias-free, and that the most competent talents are hired and retained. It is also about constant education, communication, and awareness campaigns about diversity and inclusion as well as the creation of cross-communication tools and solutions (like, for instance, mentoring programs). ||

*By Djordje Vesic*



# Coming Together: Talking About the PSPP – The First In-House Counsel Association in Poland

Waldemar Koper, Legal Director at Kompania Piwowska, was one of the co-founders of the Polish Corporate Lawyers Association in 2009 and is currently serving as its President. CEEIHM spoke to Koper to learn more about the association and its activities over the last decade.

## **CEEIHM: To start, tell us about the Polish Corporate Lawyers Association and its mission statement.**

Waldemar: The Polish Corporate Lawyers Association (or PSPP) has been present on the Polish market since 2010 as the only association representing the interests of in-house lawyers.

One of our fundamental objectives is to facilitate networking and create a communication platform for legal departments of business entities. The association consists of 300+ members, including the representatives of leading companies from the main economic sectors in Poland, such as the banking, automotive, pharmaceutical, publishing, food, construction, IT, and telecommunication industries.

Our main statutory activity is the organization of meetings, workshops, and conferences for the members of the association. Our rich educational offer, the continued patronage of over 20+ events a year, and the opportunity to grant awards and host the annual Gala Dinner have actively shaped the development of the association. Its main objectives are to represent the professional environment of in-house lawyers, promote best practices, and bring together chief legal officers of Polish companies.

## **CEEIHM: When and how was the association established and what were the main drivers for you to get involved?**

Waldemar: In response to the demands of the legal community, 24 leaders of legal departments established the PSPP in 2009. I can still recall the lively exchange of thoughts and expectations, powerful energy, and determination. The strong emotions of the moment were turned into action.

At that time, there was no other forum of in-house lawyers that would facilitate integration, exchange of experiences, and a raising of professional standards. We also noticed a great need to change the way our profession was perceived, both by corporate boards and internal customers. While providing legal opinions has always been our priority task, chief legal officers' work responsibilities are much more than that.

However, it was not clear back then that a leader of the legal department should participate in the strategic decision-making process shaping the development of the company. We were determined to change that.

The potential of our initiative was quickly noticed by the leaders of legal departments from all major economic sectors, as well as by leading law firms, professional corporations, international law organizations, and media. All of them became involved in the activities of the association.

**CEEIHM: How has the association evolved over the course of the past ten years? How is it different now from when it was established?**

Waldemar: Ten years in, we can say that the PSPP is not only an organization that represents the interests of in-house lawyers but also a vibrant platform of educational services directed to lawyers and business people. As an entity, we have significant influence over the legal services sector. The PSPP is a community hub for professional and social integration. The association has had an unquestionable impact on shaping the image of in-house lawyers in Poland.

Together with our partners, we organized over 100 conferences and networking events in the last years. We conducted three large-scale research projects, producing reports which became an important source of information about the shifts in the work of in-house lawyers in Poland. We launched the Legal MBA – a professional program of business education for lawyers. The PSPP served as an advisor on many bills as a partner of the state. We have also collaborated during many prestigious events, such as the yearly Corporate Legal Counsel Forum and the Legal Directors Forum. We have also had a long and collaborative relationship with the most acclaimed economic newspapers in the country. We are a proud partner of the Ranking of Law Firms and the Rising Stars competition which recognizes the most gifted young lawyers. We also co-organized a number of training sessions and meetings dedicated to professionals from outside the corporate law area. For the last five years, we have been regularly giving out the Leader of Corporate Lawyers award.

Having achieved our main goals, we identified new areas of involvement – education being one of them. What puts us above other institutions organizing educational workshops and programs for lawyers is the thorough knowledge of the current needs in the corporate legal environment. Consequently, we can effortlessly tailor educational programs to

answer particular demands in the field. Our flagship initiative – the Legal MBA – is the only such program for Polish in-house lawyers. It offers comprehensive business knowledge and helps develop soft skills that are indispensable in our daily work and in creating a leadership position in an organization. They are generally absent from most law schools' curricula. More educational projects are to be launched in the coming fall.

**CEEIHM: Looking back at your past decade, what would you highlight as the association's main success?**

Waldemar: I believe that our main success is that we accomplished all the objectives that we identified ten years ago. All members of the PSPP Board serve as a chief legal officer in their respective companies – a job that carries a lot of responsibility. Still, the association has been in full swing, organizing many networking events and conferences throughout the year. We strive to meet the immediate demands. In the first six months of 2020, we launched a new service for our members called *Coronavirus and the Law*. We are now conducting webinar-style training and continuously supporting the work of our members. So far, we have awarded the Leader of Corporate Lawyers prize four times. Our professional environment is integrated, aware of its function in the business world, and able to constantly develop skills and capacities thanks to our educational offer. We are also present in the economic press, where our members regularly publish articles under the column *Corporate Lawyer's Perspective*.



*Our professional environment is integrated, aware of its function in the business world, and able to constantly develop skills and capacities thanks to our educational offer.*

**CEEIHM: On the flip side, what have you not yet had a chance to kick-off and are hoping to in the near future?**

Waldemar: The pandemic has curbed our plans for new educational programs for in-house lawyers. The prolonged restrictions have caused us to decrease our training initiatives. Nevertheless, we have not



ceased searching for new ways and possibilities to develop our offer. As a result, the fifth edition of the Legal MBA program set off mid-March, this time in an online version. We were able, however, to attract almost the same number of participants as during previous editions, which is a big success.

We are currently working on adjusting other educational programs to the new circumstances, and we are hoping to start to brand new educational series in the autumn. They will be complementary to the present offer of PSPP and our Partners.

It is an essential part of our development plan, which responds to market demands.

### **CEEIHM: Why should any GC in Poland look to join the PSPP?**

Waldemar: There are ample benefits of the PSPP membership for in-house chief legal officers, including integration, exchange of experience, and professional development support. Every year, together with partnering law firms, we organize free conferences, workshops, and webinars, as well as offer discounts on the prestigious events under our patronage.

Another successful initiative is an educational series for members of legal teams – the *Corporate Lawyer Academy*. It provides our members – note, they are only CLOs – with development opportunities for their whole teams, providing an excellent motivational tool for the most talented young lawyers.

Membership in the association brings prestige and a chance to build one's brand, not only as a lawyer but also as a leader among employers. The nominations and the main prize in the *Leader of Corporate Lawyers* competition is the best way to highlight one's professional capacity in the field.

*Young lawyers, who have just started their work as chief legal officers, benefit immensely from the opportunity to share experiences with their more seasoned colleagues.*



Young lawyers, who have just started their work as chief legal officers, benefit immensely from the opportunity to share experiences with their more seasoned colleagues. It helps them in everyday tasks and makes their transition into their new position smoother. After all, even the best law school will not teach you how to be a good manager of a legal department. Through sharing experiences with other professionals, young lawyers can avoid making mistakes in their new assignments.

### **CEEIHM: How does one go about becoming a member?**

Waldemar: The first step is to submit a member application on the PSPP's site. The statutory assumptions require a law degree, a leadership position in the legal department of a company, and a reference from another PSPP member. The board of the PSPP examines the submissions against the statutory requirements and asks the candidates follow-up questions when necessary. The board's decision to accept new members must be unanimous.

### **CEEIHM: Looking into the future, what project are you most excited about?**

Waldemar: Certainly, our biggest challenges are our new digital strategy as well as the development of the association's educational projects, as providing need-based products and learning from experts who are willing to contribute creates great prospects for our continuing operation.

A good example is the Executive Legal MBA program, which is the next version of our flagship initiative directed at the most experienced legal managers. Depending on circumstances, it can be offered online or in a traditional, in-class form. Developed by lawyers for lawyers with the support of PwC, it is an innovative program on the Polish market. Thoroughly practical and interactive, the program focuses on enhancing the non-legal skills needed by the most demanding heads of legal. ||

*By Djordje Vesic*



# Law Out of Work

From educating youth about the rule of law to promoting gender equality, Alina Dumitrascu, Head of Network Technology, Development and Commercial Operation Legal Assistance at Enel Global Infrastructure and Networks in Rome, Italy, is certainly making the most of her time past her nine to five life. CEEIHM spoke with her to learn a bit more about some of the projects she is involved in.



**CEEIHM: You are Head of Legal at Enel, but that is not your only role. Tell us a bit about other things you work on.**

Alina: My life's journey has always been about the law. Everything started when I was around the age of nine or ten, when I began to read legal books and when I internalized the word "lawyer." I became single-minded about what I wanted to be when I grew up. Although I was pressured by my family to attend a computer science-focused high school, the law remained the only option for me. So, now, I am where I was meant to be – I occupy a global role in the legal family of the Enel Group. But indeed, that is not all – I write kids' books about law and legislation; I am the co-founder of an NGO dedicated to supporting the rule of law, human rights, gender equality, and the empowerment of children in Romania; and I am part of Professional Women's Network Romania, a global movement of people working towards gender-balanced leadership.

I like what I'm doing and, on this path, I got to meet, intentionally or serendipitously, a lot of open-minded people who showed me that "we all need a human reason to care."

**CEEIHM: You are a single mother and an expat during these trying times. How does one achieve success both as a legal expert and as a parent in these circumstances? What methods help you keep those two roles in balance?**

Alina: It is quite simple. I have a very strong sense of humor and I make laughing a priority. This helps me a lot in any circumstance.

I love laughing with my son and my friends. Here in Italy, I met some special people, including my boss, who understood that happiness and joy do not conflict with the profession but, on the contrary, they help and amplify the results and strengthen the team unity. I must admit that I was lucky to be working in a pleasant atmosphere, keeping the same optimism that is part of my being also in the relationship with my child.

In addition, I am a very creative person and I have used this trait to persevere in difficult or fearful moments.

I love to spend my free time with my son, who is a small artist and who inspires me in every way. Also, being in Italy is fantastic. It is the most beautiful country with warm people, great coffee, and delicious pasta. I really could not have asked for more during such terrible times.

**CEEIHM: You mentioned you also authored a children's book about the Romanian Constitution. What's the name of the book and why do you believe it is important to tell children about this topic? What elements of the constitution did you focus on?**

Alina: I wrote a book called "What is the Constitution? Play and find out!," which was published by one of the most prestigious publishing houses in Romania – the Curtea Veche Publishing House. It is the first Romanian book for kids that explains clearly, simply, and playfully, the Romanian Constitution through images, games, and activities. It is a happy, fun, and interactive lecture dedicated to primary school children.

My goal was to plant the seed, catching kids' attention, and inspiring them to discover the Constitution, the fundamental rights and obligations, the existence of the courts of law, and the way in which the state is organized.

They are small, but they are citizens. We need a legally educated generation, ready to make decisions.

I dream of the day when it will be "cool" to know the Constitution and to know your rights.

**CEEIHM: You also focus on non-profit work through Smartastic Lab, an NGO that promotes the rule of law and gender equality. What is the connection between these two values and what is their individual significance for you?**

Alina: The Smartastic Lab NGO was founded by an enthusiastic group of lawyers who believe that children are *smart* and *fantastic* at the same time. In my opinion, it is important to start the discussions about fundamental values, human rights, laws, society, and the common good as early as possible, because they are all interconnected.

A properly functioning society, grounded on the rule of law, depends on all of us equally. In this respect, we need to be educated, have strong values, and respect human rights. This is the foundation of everything.

Also, thinking about the connection, let's not forget that the European Convention on Human Rights refers specifically to "the governments of European countries which are like-minded and have a common heritage of political traditions, ideals, freedom, and the rule of law."

**CEEIHM: What are some of the projects your NGO has worked on and what about its work are you most proud of?**

Alina: I am proud of every project and every meeting with children.

I like the Constitutional literacy project named "Start With the Right," which was implemented in the primary schools in Bucharest and was endorsed by the Ministry of Justice.

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*They are small, but they are citizens. We need a legally educated generation, ready to make decisions. I dream of the day when it will be "cool" to know the Constitution and to know your rights.*

Also, during these terrible times, we did a fantastic project together with The Museum of Recent Art in Bucharest. We combined art and law in a workshop called "Equality Through Creativity" that had a theoretical component in which we discussed equality, followed by a practical component in which children, with the help of the museum's educational team, created their own "manifesto for equality" using various artistic techniques and recycled materials. We used art to learn and connect. We all need to use every chance we get to experience art and culture, especially during times like these.

**CEEIHM: Despite the strides made in the area in recent years, what more can be done to improve gender equality not only in Romania but also globally?**

Alina: I think that networks, in general, can be powerful tools for change and they can make women's contribution visible while connecting and empowering them at the same time. Professional Women's Network Romania is a good example. I also think that promoting education and awareness in this direction can be effective, using cross-disciplinary courses.

Last, but not least, I think that equality can be promoted through art and, in this sense, I wish to continue the project initiated with The Museum of Recent Art.

Thinking about the legal framework, I must admit that sometimes the interpretation and implementation remain the main challenges.

Also, passing a law is not always sufficient; it is more about the people's mentality, about growth and understanding, about a society that is becoming more open and accepting.

To get to this point, perseverance and endurance are mandatory because, as Ruth Bader Ginsburg (the great US Supreme Court Justice and women's rights activist) said: "Real change, enduring change, happens one step at a time." ||

*By Djordje Vesic*

## From Boardroom to Race Track: An Interview with Adam Brzezinski, Senior In-House Counsel and Motoracing Star

**Adam Brzezinski, President of the Management Board and Assistant General Counsel Global Employment and EU Privacy at MoneyGram Poland, recently announced that he will be representing MoneyGram International in an amateur motorcycle racing league. CEEIHM spoke with Brzezinski to learn about his plans.**

**CEEIHM: Tells us about the league and what races you have in front of you.**

Adam: Thank you. Before I answer that let me please thank you for taking the time and giving me an opportunity to talk about MoneyGram and my hobby. I appreciate that!

As to the league itself, it is pretty much a series of race events held by different organizers, such as Dafit Motoracing in the Czech Republic. I select the date of the event based on my availability, trying to balance this out with work and family time. I do not know yet if I will have enough time to take part in all races that are a part of the championship this year – or even if the full series of races will be organized, as we still see events being canceled due to the COVID-19 pandemic. That being said, my goal is to start with the event held on the Brno circuit on the 12th and 13th of May, 2021, in the Czech Republic. Please keep your fingers crossed for us as we hope we'll be able to actually participate.

**CEEIHM: Was it the chicken or the egg? Is this an old passion of yours and you got your company involved or did you jump on board a company initiative? How did this come about?**

Adam: This is definitely an old passion of mine. I have no hesitation in saying that I am an example of a happy employee and that I truly love MoneyGram. As to the origins of the idea, I just thought, "hey why not make my motorcycle a MoneyGram-themed bike." I am a complete amateur, though the pictures







from the events are getting lots of views on social media nowadays. I figured that this was a good way to offer my employer a bit of extra publicity and increase its brand awareness. I reached out to our communications department in the US and presented the idea to them. They loved it. At that point, I contacted my design studio and asked them to design a MoneyGram racing theme. They delivered. The result can be seen in the picture. The bike is getting wrapped as we speak. I am very excited to take MoneyGram on the track with me this May. I can't wait!

**CEEIHM: Have you competed in such a league in the past? What was your best result to date and what performances are you most proud of?**

Adam: Yes, I have. I have not won a championship (yet!), but I won a race! It was a race in 2019 organized by Dafit Racing in Brno. Believe it or not, when I close my eyes I can still feel the thrill of getting past the finish line first. It can't be described, so I won't even try.

**CEEIHM: What was the elevator pitch? How did you convince the company to get involved?**

Adam: As I said, they loved the idea right off the bat. There was no convincing work, really. This is partially why I love MoneyGram this much. It is truly a great place to be, and MoneyGram, as an organization, is happy to accommodate employees' needs and support their ideas, even if they are a bit unusual. Our mission is to connect friends and family throughout the world, in a way that is convenient,

by providing a reliable financial connection for life essentials and daily needs. I am proud to represent that mission on the race track!

**CEEIHM: What's it like leading up to a race? How do you prepare for it – both mentally and physically?**

Adam: This is a dangerous sport. Every time you get on the bike there is a certain mixture of emotions involved. The beauty of this is that all this goes away once you hit the track and enter the first couple of corners. The joy of riding and the adrenaline take over!

**CEEIHM: If you had to point out the one lesson you've learned on the track that is most useful in the office, what would it be?**

Adam: This is a good one. Track riding is all about precision. You need to break at a certain point, you need to be in a given spot of the track to hit the apex of the corner. It is all about precision. Precision beats power and timing beats speed. Understanding these aspects is very useful in the office. Be precise in your advice as a lawyer, know the pressure points of a case, learn how to solve issues quickly and efficiently. Do not waste business people's time on issues that are irrelevant to the case at hand or by dwelling on risks that have literally zero chance to materialize. A perfect lap around the track can be like good legal advice, if you think about it. ||

*By Radu Cotarcea*







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