



**CEE**

**YEAR 7, ISSUE 12  
JANUARY 2021**

# **LEGAL MATTERS**

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

**Editorial by Olena Kuchynska of Kinstellar Kyiv ■ Across the Wire: Deals and Cases in CEE  
On the Move: New Firms and Practices ■ The Buzz in CEE**

**Starting in Style: Interview with the Partners of the New NGL Symbio Alliance ■ Marketing Law Firm Marketing: Most Valuable Software Tool  
The New Foreign Direct Investment Screening Regime Under Austrian and Slovenian Law**

**The Chinese Belt and Road Initiative: Infrastructure Opportunities in CEE ■ Market Spotlight: Poland**

**Guest Editorial by Arkadiusz Krasnodebski of Dentons Poland ■ The Cutting Edge: The Technology Team at Kochanski & Partners**

**Inside Insight: Interviews with Judyta Sawicka and Kamil Lewandowski ■ Expat on the Market: Ben Davey of WKB**

**Experts Review: M&A and Private Equity**



**CEE  
LEGAL MATTERS**

**OPEN CALL FOR SUBMISSIONS!**

**YES, IT'S THAT TIME OF YEAR AGAIN:  
WE ARE NOW ACCEPTING SUBMISSIONS FOR THE 2020  
TABLE OF DEALS AND NOMINATIONS FOR THE  
2020 CEE DEALS OF THE YEAR!**

**FULL SUBMISSION GUIDELINES AND DEADLINES:  
[WWW.CEELEGALMATTERS.COM/SUBMISSIONS](http://WWW.CEELEGALMATTERS.COM/SUBMISSIONS)**

# EDITORIAL: HAS IT BEEN THAT BAD?

By David Stuckey

Well, 2020 was an *unusual* year, to say the least.

Though ... I find myself struck by the extent of the frustration people express with the events of this past year – as if they are almost *offended* by the year, as if the burdens put on them, the sacrifices required of them, are *unfair*, somehow.

This is not only nonsensical; it is, it seems to me, almost disrespectful of the incredible challenges places on previous generations – all previous generations – going back to time immemorial. Even in the past 100 years or so, the world has seen major impositions such as smallpox, polio, the Spanish Flu of 1918, pogroms, genocides, and two World Wars. Take that back several hundred years before that, and we have slave trades, bubonic plagues, inquisitions, Crusades, Viking raids, and so on, and so on.

But it's not just that. Life, for almost all of human existence, has involved rampant disease, high infant mortality rates, short life expectancy, and constant, constant, constant warfare. Not to mention, of course, for 99% of human existence, no electricity, no modern medicine, and so on.

So I find myself thinking, how absurd, to complain about limited lockdowns and short-term quarantines, in a world where we have Netflix and penicillin, Facebook and Zoom, microwaves and delivery pizza. We are a generation of whiners. I picture my grandfathers, having both fought in and survived World War II, looking around them in amazement at how soft and ungrateful we've become, depending on our PS5s and the arrival of the next NBA season for fulfillment and satisfaction.

Let me interrupt that train of thought, however, with another one, this time more positive. We are well aware of the contributions of the medical professionals so committed

to our health and continued well-being, and of course to the political class, which enacts the (often controversial) laws our societies need to operate. Less frequently acknowledged, though, is the role lawyers and good lawyering play in helping the world keep spinning. Lawyers who negotiate contracts that appropriately identify and share risks; who help investors identify and seize opportunities to finance the construction of good roads and power plants and open up new hospitals and markets; who help clients comply with basic health and safety regulations; and who work to create a level playing field by ensuring that justice is applied evenly and fairly. There are many reasons the Chernobyl nuclear disaster happened in 1986, for instance, but surely among them is the (correct) sense among political leaders at the time that there would be no great price to pay should anything go wrong, and the lack of good compliance specialists to help the engineers figure out not only what they *could* do in building it, but also what they *should* do. A world with lawyers around and empowered to make sure those thoughts are first and foremost is a better one, it seems to me.

So ok. We're soft. But that softness is a by-product of the efficient and exciting world the lawyers we work with have helped – and continue to help – create. So as this challenging 2020 turns into the perhaps more conventional 2021, allow me a minute to say ... thanks, guys. Genuinely. It remains a great pleasure to be a small part in this community of important people, and I, at least, do not take the work you do for granted. Thank you.

Happy New Year, one and all.

(And man, do I hope 2021 is better). ■



#### The Editors:

■ David Stuckey  
david.stuckey@ceelm.com  
■ Radu Cotarcea  
radu.cotarcea@ceelm.com

#### Letters to the Editors:

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

# GUEST EDITORIAL: WHAT IS CHANGING IN LAWYERING IN THE REGION

By Olena Kuchynska, Managing Partner, Kinstellar Kyiv



January is a perfect time to look back and plan for the future. To reconsider our accomplishments and learn our lessons. To think what could have been done better, more efficiently, or just in a different way. To set our expectations, make commitments, and dream big.

The past year was special for the legal profession. We all had to learn how to be more flexible, more efficient, and disciplined. We had to adapt, to establish our

new routines, both at work and at home. We came up with different means of communication and got used to numerous applications and gadgets instead of face-to-face chats. We changed our suits to t-shirts, we let colleagues and clients into our homes and lives and got them acquainted with our kids and dogs. Things which we never would have thought would be our reality in the foreseeable future.

Practically hostages of the situation, many law firms started revisiting their development strategies. More and more you hear about introducing working-from-home modes on a regular basis. Some are considering an even more radical scenario: going entirely virtual.

Admittedly, at first sight, these arrangements have proven to be effective – and even beneficial for both employees and employers. Lawyers from private practice have finally been given the opportunity to find their work-life balance, as they need not spend precious hours commuting, and employers can limit

operational expenses. Sounds like a great deal. Is it, in fact?

We are a people business in the first place, and we should not make such decisions without carefully considering their impact on various staff groups, including, to start with, junior colleagues, who very often live alone in rented apartments far away from their families. For them, switching entirely to online practice can be fun – such a great opportunity in a digital world – but only if they get enough social interactions beyond their professional lives (which can be particularly difficult these days). And they need real-life training and support more than other team members.

Similarly, for families, this can be a challenge. The most evident one can be resolved relatively easily – a separate room and a strict schedule can work miracles. But what about burning out, which is especially threatening for the female professionals who, at least in our part of the world, have a dual role – they form the majority of the professional workforce and are usually responsible for the larger share of the housework and child-care. Research shows that women are worried that the expectation that their work will suffer will cause it to be evaluated more critically. This creates additional stress and leads to more and more women leaving their jobs, thus depriving the legal profession of a significant talent pool.

These are only a few of the factors. There may be other aspects to consider, like domestic violence, undermining of the corporate culture, and the economic consequences of decreased spending. Without addressing them properly, we may get some short-term financial benefits, though we literally may be risking the lives and the well-being of people and businesses in the long run.

The past year has shown how vulnerable we are as a species. But on many occasions the past year has demonstrated the importance of the values we sustain and the people who share them. The new year will bring new challenges. We need a solid ground to turn them into sustainable success. ■

# TABLE OF CONTENTS

## PRELIMINARY MATTERS

- 3 Editorial: Has it Been That Bad?
- 4 Guest Editorial: What is Changing in Lawyering in the Region

## ACROSS THE WIRE

- 6 Across The Wire: Summary of Deals and Cases
- 18 On the Move: New Homes and Friends

## LEGAL MATTERS

- 22 The Buzz
- 29 Marketing Law Firm Marketing: Most Valuable Software Tool
- 30 The Chinese Belt and Road Initiative: Infrastructure Opportunities in CEE
- 32 The New Foreign Direct Investment Screening Regime Under Austrian and Slovenian Law

## MARKET SPOTLIGHT: POLAND

- 35 Guest Editorial: The Times They Are A-Changin'
- 36 Advising from Afar: Lawyering in a Time of Social Distancing
- 40 The Cutting Edge: The Technology Team at Kochanski & Partners
- 42 Starting in Style: Interview with the Partners of the New NGL Symbio Alliance
- 45 Energy Transition and Digital Infrastructure – The Drivers of the Polish Legal Market
- 46 Inside Insight: Judyta Sawicka, Head of Legal at Globalworth
- 48 Expat On The Market: Ben Davey of WKB Wiercinski, Kwiecinski, Baehr

## EXPERTS REVIEW

- 64 M&A and Private Equity in CEE

# ACROSS THE WIRE: DEALS SUMMARY

Date covered	Firms Involved	Deal/Litigation	Value	Country
11-Dec	Bird & Bird; Clifford Chance; Karanovic & Partners	Clifford Chance advised the Aricoma Group on the acquisition of the Seavus technology company. Karanovic & Partners advised Aricoma on Serbia, Bosnia and Herzegovina, and Albanian elements of the deal. Seavus was advised by Bird & Bird's Stockholm office.	N/A	Albania; Bosnia & Herzegovina; Czech Republic; Serbia
17-Nov	Brandl & Talos; TBS Schmidt	Brandl & Talos advised AWS Grunderfonds on its EUR 1.8 million seed investment in Vienna-based real estate startup Rendity. TBS Schmidt reportedly advised Rendity on the deal.	EUR 1.8 million	Austria
23-Nov	Graf & Pitkowitiz	Graf & Pitkowitiz advised Germany's Cherry GmbH on the acquisition of Austria's Theobroma Systems Design and Consulting GmbH.	N/A	Austria
23-Nov	Herbst Kinsky	Herbst Kinsky helped Austrian start-up Trality attract EUR 1.5 million in financing from a group of German investors including Blockrocket, VC Tokentus, FFG, and AWS.	EUR 1.5 million	Austria
26-Nov	Herbst Kinsky	Herbst Kinsky advised investment company Round2Capital Partners GmbH & Co KG on its EUR 6.6 million financing round.	EUR 6.6 million	Austria
27-Nov	AGP Advokater; EY Law; Schoenherr	Schoenherr advised Christian Bamberger, SK Capital GmbH, Foxyflo GmbH, Christian Waldheim, and Martin Mrvka on the sale of 100% of Austrian communication-platform-as-a-service companies ATMS, SMS.AT, and WebSMS to Norwegian Link Mobility Holding ASA. AGP Advokater and EY Law advised Link Mobiliy on the transaction.	N/A	Austria
4-Dec	Dorda	Dorda successfully represented Italian investor Francesco Becchetti in enforcement proceedings against the assets of the Republic of Albania in Austria.	EUR 25 million	Austria
9-Dec	Dorda	Dorda advised DLH Real Estate Austria on the sale of a 65,000-square-meter section of the Industrial Campus Vienna East to Deka Immobilien.	N/A	Austria
11-Dec	Dorda; PwC Legal	Dorda advised DLH Real Estate Austria on the acquisition of a 30,000-square-meter property in the Future Zone East industrial park from Vienna Airport Business Park and Airport Services VIE Immobilien. PwC Legal advised the sellers on the deal.	N/A	Austria
14-Dec	CMS	CMS advised A1 Telekom Austria AG on the acquisition of Alcatel-Lucent Voice Business, the classic telephony business of technology service provider NTT Ltd.	N/A	Austria
14-Dec	Clifford Chance; Linklaters; Schoenherr	Schoenherr and Clifford Chance advised Hypo Vorarlberg on the synthetic securitization of a EUR 330 million portfolio of loans to small and medium-sized enterprises, corporate borrowers, or certain private individuals, which was provided by the European Investment Fund and European Investment Bank. Linklaters advised the EIF and EIB on the deal.	EUR 330 million	Austria

Date covered	Firms Involved	Deal/Litigation	Value	Country
14-Dec	Binder Groesswang; Schoenherr	Binder Groesswang advised OBB-Technische Services on the establishment of a joint venture with Voestalpine Stahl for the purpose of freight wagon production. Schoenherr advised the co-venturer on the deal. Gleiss Lutz reportedly acted as a local advisor in Germany to Voestalpine.	N/A	Austria
15-Dec	Eisenberger & Herzog	Eisenberger & Herzog advised German real estate investment and asset manager Hamburg Trust on the acquisition of the newly constructed Siemensstrasse residential living project in Vienna from Eyemaxx Real Estate AG.	N/A	Austria
15-Dec	Herbst Kinsky	Herbst Kinsky advised Biogena Group Invest on the initial public offering of its shares and their listing on the Vienna Stock Exchange.	N/A	Austria
18-Nov	Baker Mckenzie; Clifford Chance; Lenz & Staehelin	Clifford Chance and Switzerland's Lenz & Staehelin advised the KKCG AG investment company and the Sazka Group on the EUR 500 million investment into Sazka by funds managed by affiliates of Apollo Global Management. Baker McKenzie advised Apollo.	EUR 500 million	Austria; Czech Republic
7-Dec	Allen & Overy; NautaDutilh; Paksoy; RTPR; Wolf Theiss	Allen & Overy and RTPR advised Dutch life insurance, pension, and asset management company Aegon on the EUR 830 million sale of its operations in Romania, Hungary, Poland, and Turkey to the Vienna Insurance Group. Wolf Theiss, Paksoy, and NautaDutilh advised the Vienna Insurance Group on the deal.	EUR 830 million	Austria; Hungary; Poland; Romania; Turkey
16-Nov	DLA Piper; Kirm Perpar	DLA Piper and Kirm Perpar successfully represented the Slovenian municipality of Kranjska Gora in an arbitration proceeding adjudicated at the Vienna International Arbitration Center against WTE Wassertechnik GmbH, a German supplier for municipal and industrial water management.	N/A	Austria; Slovenia
3-Dec	Baker Mckenzie; Cobalt	Cobalt and Baker McKenzie advised Flugger on its acquisition of 70% of the shares in the Eskaro Group.	N/A	Belarus; Estonia; Latvia
18-Nov	Gugushev & Partners	Gugushev & Partners 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.	EUR 500 million	Bulgaria
27-Nov	Boyanov & Co	Boyanov & Co helped Ideal Standard Vidima obtain a loan of EUR 65 million, with EUR 45 million coming from the DSK Bank and another EUR 20 million from the United Bulgarian Bank.	EUR 65 million	Bulgaria
16-Nov	Kinstellar; Linklaters	Kinstellar advised GTT Communications on the USD 2.15 billion sale of its business infrastructure in Central, Southern, and Eastern Europe to I Squared Capital. Linklaters advised the buyer on the deal.	USD 2.15 billion	Bulgaria; Czech Republic; Hungary; Romania; Serbia; Slovakia; Ukraine
26-Nov	Marohnic Tomek & Gjoic; Wolf Theiss	Marohnic, Tomek & Gjoic advised LCN Capital Partners on its acquisition of five Emmezeta retail and warehouse units in Croatia. Josip Martinic in cooperation with Wolf Theiss reportedly advised the seller on the deal.	N/A	Croatia
23-Nov	Bird & Bird; Cipic-Bragadin Mesic & Associates; Clifford Chance (Badea); Cobalt; Jadek & Pensa; Karanovic & Partners; Karanovic & Partners (Ilej & Partners)	Cipic-Bragadin Mesic & Associates assisted global lead counsel Bird & Bird on Pfizer's global business combination with Mylan N.V., involving the spin-off of Pfizer's Upjohn business and a subsequent merger of that business with Mylan N.V. to form a new global generics company called "Viatris." Karanovic & Partners provided local support in Serbia, Jadek & Pensa provided local support in Slovenia, Cobalt provided support in Latvia, and Clifford Chance provided local support in Romania.	N/A	Croatia; Latvia; Romania; Serbia; Slovenia

Date covered	Firms Involved	Deal/Litigation	Value	Country
9-Dec	Freshfields; Linklaters; ODI Law	Freshfields Bruckhaus Deringer advised the Copenhagen-based payment services provider Nets and its majority owner, Hellman & Friedman, on the EUR 7.8 billion all-share merger of Nets into Italy's paytech group Nexi. ODI Law acted as local advisor to Nexi in Slovenia and Croatia.	EUR 7.8 billion	Croatia; Slovenia
16-Nov	Forlex; Kinstellar	Kinstellar advised Kemp Technologies on its acquisition of Czech Republic-based Flowmon. Forlex advised the unidentified sellers.	N/A	Czech Republic
25-Nov	Glatzova & Co; HKR	Glatzova & Co advised Bike Fun Nederland B.V. on the sale of Bike Fun International, a company based in the Czech city of Koprivnice, to ConsilTech. HKR advised ConsilTech on the deal.	N/A	Czech Republic
27-Nov	BPV Braun Partners; Svec Rychterova	BPV Braun Partners advised Generali Investments CEE, an investment company acting on behalf of the Generali Real Estate Fund, on the acquisition of an early 20th-century building in Prague from Ferd s.r.o. Ferd was advised by the Svec Rychterova law firm.	N/A	Czech Republic
27-Nov	Kocian Solc Balastik	Kocian Solc Balastik advised ING Bank Slaski on financing to an unidentified borrower for the acquisition of two LET Aircraft Industries L-410 UVP E-20 aircrafts.	N/A	Czech Republic
9-Dec	Allen & Overy; Dentons	Dentons advised the CPI Property Group on its new five-year term EUR 700 million revolving credit facility with Banco Santander, Barclays, Credit Suisse, Goldman Sachs, HSBC, J.P. Morgan, Komerčni Banka, Raiffeisen Bank AG, UniCredit, and Bank of China. Allen & Overy's London office advised the banks on the deal.	EUR 700 million	Czech Republic
15-Dec	Dentons	Dentons successfully represented Veolia Energie CR in a dispute with Czech tax authorities regarding interest from illegal gift tax.	N/A	Czech Republic
18-Nov	Hamala Kluch Viglasky; Havel & Partners	Havel & Partners advised Austria's Innofreight Consulting & Logistics on the formation of a joint venture with Slovakia's Budamar Logistics. Hamala Kluch Viglasky advised Budamar Logistics on the deal.	N/A	Czech Republic; Slovakia
16-Nov	Cobalt	The Riga office of Cobalt helped 3Commas raise USD 3 million in series A funding from Alameda Research.	USD 3 million	Estonia
16-Nov	Cobalt; Ellex (Raidla)	Cobalt advised Estonian energy group Alexela on its receipt of a EUR 37 million loan from Sihtasutus KredEx, a financing institution established by the Estonian Ministry of Economic Affairs and Communications. Ellex Raidla advised KredEx on the deal.	EUR 37 Million	Estonia
17-Nov	Avance Attorneys; Cobalt	The Tallinn office of Cobalt advised French private investment house Ardian on its acquisition of 100% of Nevel Oy from Vapo Oy. Vapo was advised by Finland's Avance Attorneys.	N/A	Estonia
18-Nov	Sorainen	Sorainen advised Fenestra on its acquisition of Kuopion Rakennuskonttori, a Finnish provider of window installation services.	N/A	Estonia
18-Nov	Hedman Partners	Hedman Partners become Solaride's legal advisor on its project to build a solar-powered car in Estonia.	N/A	Estonia
23-Nov	Cobalt	Cobalt successfully represented Helmes, an international custom software developer, in disputes regarding the public procurement process for "Development and Maintenance Services for Collection App Software" organized by Estonia's Information Technology Center of the Ministry of Finance.	EUR 1.25 million	Estonia
23-Nov	Ellex (Raidla); Pohla & Hallmagi	Pohla & Hallmagi helped Verston Ehitus acquire Estonia's state-owned road maintenance company AS Eesti Teed at public auction. Ellex Raidla advised the Ministry of Economic Affairs and Communications on the auction.	EUR 19.7 million	Estonia
23-Nov	Cobalt; Pohla & Hallmagi	Pohla & Hallmagi advised F&A Kinnisvara, a member of the Favorite Group, on its acquisition of a residential development project near Tallinn. The unidentified sellers were advised by Cobalt.	N/A	Estonia

Date covered	Firms Involved	Deal/Litigation	Value	Country
25-Nov	Hedman Partners; Morgan Lewis & Bockius; TGS Baltic	TGS Baltic advised Gan Limited on the acquisition of the Coolbet online gaming platform from the Vincent Group. Hedman Partners and Morgan, Lewis & Bockius advised the Vincent Group on the deal.	N/A	Estonia
27-Nov	Ellex (Raidla)	Ellex Raidla advised the 1more Project on its EUR 21 million acquisition of two buildings in Tallinn from Hammerhead.	EUR 21 million	Estonia
27-Nov	Fort	Fort Legal advised LHV Pension Funds on the acquisition of three stock office-type commercial buildings in Juri in the Rae municipality of Estonia.	N/A	Estonia
27-Nov	Pohla & Hallmagi	Pohla & Hallmagi advised Arca Varahaldus on its EUR 6.2 million sale of property in Tallinn to EFTEN Real Estate Fund III AS subsidiary EFTEN SPV19 OU.	N/A	Estonia
1-Dec	Sorainen	Sorainen successfully represented Estonian meat producer Atria in its dispute with the Estonian Veterinary and Food Board.	N/A	Estonia
2-Dec	Sorainen	Sorainen and Sweden's Vinge Law Firm advised Swedish industrial group Hexatronic on the acquisition of Estonia-based Baltronic and Canada-based Toronics.	N/A	Estonia
11-Dec	Cobalt	Cobalt advised AS Ekspress Grup, on the conclusion of an employee share option program and the setting up of a new option program.	N/A	Estonia
15-Dec	Ellex (Raidla); Sorainen	Sorainen's Tallinn office advised Sunly Land on the issuance of its EUR 14 million bonds, which are to be invested in by Estonia's LHV pension funds. Ellex Raidla advised LHV on the deal.	EUR 14 million	Estonia
11-Dec	Cobalt	Cobalt advised US biotech company Biogen on launching its business in Latvia and Estonia.	N/A	Estonia; Latvia
17-Nov	Arendt & Medernach	Arendt & Medernach helped INVL Asset Management launch the INVL Sustainable Timberland and Farmland Fund II.	N/A	Estonia; Latvia; Lithuania
18-Nov	iLaw; Zepos & Yannopoulos	Zepos & Yannopoulos assisted Globecast France throughout an international open tender procedure for the provision of global signal transmission by the Hellenic Broadcasting Organization	N/A	Greece
26-Nov	Zepos & Yannopoulos	Zepos & Yannopoulos advised the Generali Group on the acquisition of an office building in Athens from Panterra.	N/A	Greece
1-Dec	KLC	Greece's KLC Law Firm advised National Energy Holdings in its first investment in Greece – the acquisition and construction of five solar parks to be constructed in Central Greece, with a total capacity of 24 MW, for which it secured financing of EUR 22 million from Piraeus Bank.	N/A	Greece
16-Nov	Schoenherr	Schoenherr advised Doosan on its EUR 210 million investment in its copper foil production base in Tatabanya, Hungary, for the construction of another factory on the location.	EUR 210 million	Hungary
9-Dec	Ban, S. Szabo & Partners	Ban, S. Szabo & Partners advised Vodafone on the demerger of Vantage Towers in Hungary.	N/A	Hungary
3-Dec	Clifford Chance; Germus & Tarsai; SSW Pragmatic Solutions; Wolf Theiss	SSW Pragmatic Solutions advised the Cotta Group on its acquisition of seven production properties in southwest Poland, and advised Cotta's sister company, Kanizsa Trend, on its acquisition of a production plant in Hungary, from Standard Properties. Germus & Tarsai, Wolf Theiss, and Clifford Chance advised the seller on the deal.	N/A	Hungary; Poland
11-Dec	Allen & Overy; Dentons	Allen & Overy advised Cisco on the acquisition of Slovakia-based Sli.do technology company from Instando, Anton Zajac, Hewor Property Management, and Kenneth Patrick Ryan. Dentons advised the sellers on the deal.	N/A	Hungary; Slovakia

Date covered	Firms Involved	Deal/Litigation	Value	Country
26-Nov	Cobalt	Cobalt, acting pro bono, represented the "Association of LGBT and Their Friends Mozaika" as amicus curiae before the Constitutional Court of Latvia regarding the right of same-sex couples to parental leave.	N/A	Latvia
27-Nov	Sorainen	Sorainen advised the USS Grupp on its acquisition of the Latvian branch of the Securitas security services company.	N/A	Latvia
17-Nov	Kromann Reumert; Walless	Walless advised Sapiens International Corporation on its acquisition of Tia Technologies from EQT Mid Market. Kromann Reumert advised the seller on the deal.	N/A	Lithuania
18-Nov	Sorainen	Sorainen advised Bittiq, a Netherlands-based account information manager, on the launch of its business in Lithuania.	N/A	Lithuania
18-Nov	iLaw; SPC Legal	SPC Legal advised the Panevezys free economic zone of Lithuania on an investment from cable harness manufacturer AQ Wiring Systems. iLaw advised AQ Wiring Systems on the deal.	N/A	Lithuania
18-Nov	Primus; TGS Baltic	TGS Baltic advised the shareholders of the Baltic hotel services portal NoriuNoriuNoriu on the sale of 90% of the shares of UAB NoriuNoriuNoriu to UAB Disrupta.	N/A	Lithuania
23-Nov	Fort	Fort advised the EIKA real estate development company on a five million bond issue, distributed by Siauliu Bankas.	EUR 5 million	Lithuania
27-Nov	Eversheds Sutherland; Squire Patton Boggs; Walless	Squire Patton Boggs and Eversheds Sutherland advised the Miss Group on its acquisition of Interneto Vizija from its founders. Walless advised the sellers on the deal.	N/A	Lithuania
27-Nov	Walless	Walless advised DiPocket on setting up a subsidiary in Lithuania and obtaining an electronic money institution license from the Bank of Lithuania.	N/A	Lithuania
27-Nov	Ellex (Valiunas)	Ellex Valiunas advised Norway's Baltic Sea Properties real estate management company on its sale of 13 buildings to Rivona, a subsidiary of the Norfa Group.	N/A	Lithuania
27-Nov	Motieka & Audzevicius	Motieka & Audzevicius successfully represented the Panevezio Keliiai road construction company in a dispute against the City of Vilnius administration.	EUR 500,000	Lithuania
27-Nov	Sorainen	Sorainen advised Startup Wise Guys on its investment in logistics startup GoRamp. Startup Wise Guys, together with Presto Ventures, invested EUR 450,000.	EUR 450,000	Lithuania
27-Nov	Sorainen	Sorainen advised the Modus Group on its launch of a second public bond issuance, expected to attract investment of EUR 8 million. The bonds are being distributed by Saiuliu Bankas and will be traded on First North, an alternative market administrated by Nasdaq.	N/A	Lithuania
27-Nov	TGS Baltic	TGS Baltic successfully represented Lithuanian Airports in a dispute with the Active Construction Management over major repairs carried out in Vilnius Airport.	N/A	Lithuania
27-Nov	TGS Baltic	TGS Baltic advised the Maxima Group on the merger of its Maxima LT and (Netherlands-based) Lincoln Land Erste subsidiaries.	N/A	Lithuania
1-Dec	Triniti (Triniti Jurex)	Triniti Jurex defended the interests of AB Lietuvos Radijo Ir Televizijos Centras in a dispute with the Darnu Group over an EUR 6 million sale of real estate.	EUR 6 million	Lithuania
3-Dec	Walless	Walless advised Norway's BCP Logistic Property III on its sale of the Lithuania's Vinges Terminalas logistics center.	EUR 10 million	Lithuania
3-Dec	Sorainen	Sorainen advised the INVL Sustainable Timberland and Farmland Fund II on its EUR 13.6 million acquisition of seven companies from the Linas Agro Group.	EUR 13.6 million	Lithuania
4-Dec	Walless	Walless advised Capitalica Baltic Real Estate Fund I on the issuance of EUR 3 million bonds and their listing on the First North market of Nasdaq Vilnius.	EUR 3 million	Lithuania

Date covered	Firms Involved	Deal/Litigation	Value	Country
4-Dec	Walless	Walless helped Crius LT obtain a specialized banking license from the European Central Bank, following the Bank of Lithuania's assessment and proposal.	N/A	Lithuania
15-Dec	Cobalt	The Vilnius District Prosecutor's Office terminated a pre-trial investigation against the former Speaker of the Lithuanian Parliament, Arunas Valinskas, involving charges of incitement of hatred. Cobalt represented Valinskas in the process.	N/A	Lithuania
15-Dec	Fort; Sorainen	Sorainen's Lithuanian office advised the SBA Group on its EUR 28.6 million sale of a logistics center and a furniture component factory to Estonia's EFTEN Real Estate Fund 4. Fort advised the buyer on the deal.	EUR 28.6 million	Lithuania
15-Dec	Sorainen	Sorainen advised Emotika on attracting a EUR 100,000 investment from an unspecified US-based investor.	EUR 100,000	Lithuania
16-Nov	Decisive Worldwide Szmigiel Papros Gregorczyk	Decisive Szmigiel Papros Gregorczyk helped Enel-Med extend its medical clinic lease agreement with the CPI Property Group until 2030.	N/A	Poland
16-Nov	Domanski Zakrzewski Palinka; SDZLegal Schindhelm	SDZLegal Schindhelm helped Max Streicher win a PLN 1 billion contract from Gaz-System to construct compressor stations in the Polish communities of Goleniow and Gustorzyn as a part of the Baltic Pipe project. Domanski Zakrzewski Palinka advised Gaz-System on the deal.	PLN 1 billion	Poland
18-Nov	Dentons	Dentons advised Stadler Polska on the conclusion of a framework agreement and execution of contracts worth PLN 600 million with Krakow's public transport company to provide 60 Lajkonik II trams.	PLN 600 million	Poland
19-Nov	B2RLaw	B2RLaw helped WalkSee attract an investment from the EVIG Alfa venture capital fund.	N/A	Poland
19-Nov	DPPA Legal; DWF	DWF advised International Workplace Group plc on its lease of space in the Skanska Wave complex in Gdansk. DPPA Legal advised Skanska on the deal.	N/A	Poland
20-Nov	Dentons; Greenberg Traurig	Greenberg Traurig advised Hines Pan-European Core Fund on the acquisition of a mezzanine warehouse facility in Wroclaw from GLL Real Estate Partners. Dentons advised GLL Real Estate Partners on the deal.	N/A	Poland
23-Nov	Baker Mckenzie; Gessel	Gessel advised the Haitong Bank as the issue organizer, dealer, calculation agent, and documentation agent on Polska Grupa Farmaceutyczna's PLN 150 million bond issue. Baker McKenzie advised the issuer on the deal.	PLN 150 million	Poland
23-Nov	Dentons; Rymarz Zdort	Dentons advised Aviva Investors on the sale of two warehouses in the Wroclaw Business Park to an unspecified construction company managed by Griffin Real Estate. Rymarz Zdort advised the buyer on the deal.	N/A	Poland
23-Nov	Kochanski & Partners	Kochanski & Partners helped Idea Bank become the first Polish financial service sector entity to obtain ISO 27017 and ISO 27001 certifications, confirming that its cloud computing solutions meet the necessary international standards.	N/A	Poland
24-Nov	Baker Mckenzie; Sheridans	Baker McKenzie advised the Embracer Group on the acquisition of Polish game developer Flying Wild Hog from Supernova Capital. Sheridans advised the sellers on the deal.	N/A	Poland
26-Nov	SSW Pragmatic Solutions	SSW Pragmatic Solutions helped Mo-BRUK get prospectus approval from the Polish Financial Supervision Authority.	N/A	Poland
26-Nov	CMS; SSW Pragmatic Solutions	CMS advised British insurance intermediary PIB Group Limited on the acquisition of WDB, an independent insurance broker in Poland. SSW Pragmatic Solutions advised sellers Mariusz Muszynski, Mateusz Holly, and Piotr Kumiega on the deal.	N/A	Poland
26-Nov	Grant Thornton; Jara Drapala & Partners	Jara Drapala & Partners helped the 4PL Central Station Group establish a joint venture with an unidentified Polish company. Grant Thornton advised the Polish co-venturer on the deal.	N/A	Poland

Date covered	Firms Involved	Deal/Litigation	Value	Country
27-Nov	SSW Pragmatic Solutions	SSW Pragmatic Solutions advised Stelmet on the squeeze-out and withdrawal of its shares from the Warsaw Stock Exchange. Stelmet's majority shareholder, Stanislaw Bienkowski, purchased all of the shares previously owned by minority shareholders.	N/A	Poland
30-Nov	DLA Piper; Greenberg Traurig	Greenberg Traurig advised Abris CEE Mid-Market Fund III L.P., managed by Abris Capital Ltd., on the acquisition of the Scanmed S.A. healthcare provider from Life Healthcare Group Holdings Limited. DLA Piper advised Life Healthcare Group Holdings on the transaction.	N/A	Poland
30-Nov	Rymarz Zdort	Rymarz Zdort advised European Logistics Investment on the acquisition of land and the construction of a high-tech warehouse complex in Radom, Poland.	N/A	Poland
2-Dec	Act (BSWW); Hogan Lovells	Act BSWW advised investment funds managed by Pekao TFI S.A on the PLN 2.5 billion bonds issue program of Miejskie Przedsiębiorstwo Oczyszczania w m. st. Warszawie sp. z o.o., aimed at financing the modernization and extension of a municipal waste incineration plant and the construction of a waste segregation plant in Warsaw. The program was developed in cooperation with Bank Pekao S.A. and Pekao Investment Banking S.A., both of which were advised by Hogan Lovells.	PLN 2.5 billion	Poland
3-Dec	B2RLaw; Paul Hastings; Ropes & Gray; Soltysinski Kawecki & Szlezak	B2RLaw, working alongside lead counsel Ropes & Gray, advised a consortium of banks, including Goldman Sachs International and Barclays, as global coordinators and joint bookrunners, and HSBC and NatWest Markets as joint bookrunners, on Boparan Holding Ltd.'s GBP 475 million high yield bond issue of five-year (non-call two) 7.75% secured notes. The new financing package also includes a new GBP 80 million revolving credit facility. SK&S and Paul Hastings advised Boparan.	N/A	Poland
3-Dec	Allen & Overy; White & Case	White & Case advised joint bookrunner Erste Group Bank AG on the Tauron Polska Energia SA issue of Series A Bonds for a total nominal value of PLN 1 billion. Allen & Overy advised Tauron Polska Energia on the deal.	PLN 1 billion	Poland
3-Dec	Taylor Wessing	Taylor Wessing advised the MLP Group on the public offering of its EUR 15 million bonds and their placement on the alternative Catalyst market of the Warsaw Stock Exchange.	EUR 15 million	Poland
3-Dec	Chabasiewicz Kowalska & Partners; White & Case	Chabasiewicz Kowalska & Partners advised PragmaGO on the sale of 100% of its shares to Polish Enterprise Fund VIII, managed by Enterprise Investors. White & Case advised the buyer on the deal.	EUR 11.9 million	Poland
4-Dec	Rymarz Zdort	Rymarz Zdort advised European Logistics Investment on the acquisition of the Wroclaw Business Park warehouse complex from Aviva Investors.	N/A	Poland
4-Dec	DWF; Haynsworth Sinkler Boyd; Mayer Brown; Wolf Theiss	DWF, working with US lead counsel Haynsworth Sinkler Boyd, advised Sonoco Products Company on the divestiture of its Europe contract packaging business, Sonoco Poland-Packaging Services sp. z o.o., to Prairie Industries Holdings. Mayer Brown and Wolf Theiss advised Prairie Industries Holdings on the deal.	USD 120 million	Poland
4-Dec	Deloitte Legal	Deloitte Legal advised New Energy Investments on a green bonds issuance with a total nominal value of up to PLN 500 million.	PLN 500 million	Poland
7-Dec	B2RLaw	B2RLaw advised Skanska Residential Development on the acquisition of two properties in the Wlochy district of Warsaw from an unspecified seller.	PLN 80 million	Poland
8-Dec	CMS; SDZLegal Schindhelm	CMS advised Macquarie's Green Investment Group on the acquisition of an operational 25.3 MW onshore wind farm in the western Polish village of Jozwin from Vortex Energy Poland and Max Bogl International SE. SDZLegal Schindhelm advised the selling shareholders Max Boegl and VPL Projects.	N/A	Poland

Date covered	Firms Involved	Deal/Litigation	Value	Country
9-Dec	Domanski Zakrzewski Palinka; Jacek Kosinski	Domanski, Zakrzewski, Palinka advised the Krakow Roads Authority on selecting a consortium of PPP Solutions Polska sp. z o.o. and Gulermak Agir Sanayi Insaat ve Taahhut a.s. as private contractor for the Krakow Fast Tram stage IV project, which involves the design, construction, and operation of the final stage of a new tram line. Jacek Kosinski advised the private partners on the deal.	PLN 1.25 billion	Poland
9-Dec	CMS	CMS advised the BaltCap Infrastructure Fund on its entrance into a public-private partnership agreement for the construction of street lighting in the municipality of Kobylnica, in Poland.	PLN 12 million	Poland
10-Dec	Studnicki, Pleszka, Cwiakalski, Gorski	Studnicki, Pleszka, Cwiakalski, Gorski advised Enterprise Investors on the reorganization of Nu-Med Grupa S.A.	N/A	Poland
11-Dec	Mrowiec Fialek & Partners	Mrowiec Fialek and Partners advised Ferro S.A. on the acquisition of a majority stake in Termet S.A. and 100% of the shares of Tester sp. z o.o.	N/A	Poland
11-Dec	DLA Piper; Konieczny Wierzbicki	DLA Piper advised Polish Enterprise Fund VIII, managed by Enterprise Investors, on the acquisition of a majority stake in Polish software company Software Mind from Ailleron. Konieczny Wierzbicki advised Ailleron on the transaction.	PLN 111 million	Poland
15-Dec	Dentons; DWF	Dentons advised Heimstaden Bostad on its EUR 65 million acquisition of two build-to-rent projects in Warsaw's Praga-Polnoc and Sluzewiec districts from Eiffage Immobilier Polska. DWF advised the seller on the deal.	EUR 65 million	Poland
17-Nov	D'Ornano Partners; Dechert; Eversheds Sutherland; Freshfields; Norton Rose Fulbright; Popovici Nitu Stoica & Asociatii; Tuca Zbarcea & Asociatii	D'Ornano Partners, PNSA, and Norton Rose Fulbright advised the Orange Group on its EUR 268 million acquisition of a 54% stake in Telekom Romania from the OTE Group. Dechert and Eversheds Sutherland advised the OTE Group and Tuca Zbarcea & Asociatii advised Telekom Romania.	EUR 268 million	Romania
18-Nov	Allen & Overy; RTPR	Radu Taracila Padurari Retevoescu and Allen & Overy advised Macquarie Infrastructure and Real Assets on its acquisition of the CEZ Group's Romanian assets.	N/A	Romania
18-Nov	RTPR	Radu Taracila Padurari Retevoescu advised Mitiska REIM on its subsidiary's sale of property in Romania.	N/A	Romania
25-Nov	Kinstellar; Nestor Nestor Diclescu Kingston Petersen	NNDKP advised CTP on the acquisition of the A1 Bucharest Park from Cromwell Property, acting as the Central European Industrial Fund's intermediary. Kinstellar advised the seller on the deal.	N/A	Romania
26-Nov	BPV Grigorescu Stefanica; PeliPartners	BPV Grigorescu Stefanica advised Supernova on its acquisition of the Jupiter City Shopping Mall in Pitesti, Romania, from Mall Retail Rom. PeliPartners advised the seller on the deal.	N/A	Romania
26-Nov	Allen & Overy; RTPR; Simmons & Simmons; Zamfirescu Racoti Vasile & Partners	RTPR and Allen & Overy advised EximBank as the coordinating mandated lead arranger and a syndicate of Banca Comerciala Intesa Sanpaolo Romania, Banca Transilvania, CEC Bank, Garanti Bank, ING Bank's Bucharest Branch, International Bank for Economic Co-operation, OTP Bank Romania, Raiffeisen Bank Romania, and UniCredit Bank on the refinancing and maturity extension of a USD 150 million revolving facility granted to Romanian aluminum producer Alro. Zamfirescu Racoti Vasile & Partners and Simmons & Simmons advised the borrower on the deal.	EUR 150 million	Romania
3-Dec	D&B David and Baias; RTPR; Wolf Theiss	RTPR and D&B David si Baias advised shareholders Doina and Roxana Cepalis on the sale of Te-Rox Prod to Sweden's Holmbergs group. The Bucharest office of Wolf Theiss advised the buyer on the deal.	N/A	Romania

Date covered	Firms Involved	Deal/Litigation	Value	Country
4-Dec	Nestor Nestor Diculescu Kingston Petersen; Stratula & Asociatii	Nestor Nestor Diculescu Kingston Petersen advised a syndicate consisting of Banca Comerciala Romana as the bookrunner, mandated lead arranger, documentation agent, and facility and security agent, CEC Bank as mandated lead arranger, and participating banks EximBank, Intesa Sanpaolo Romania, and OTP Bank Romania on an EUR 90 million loan facility to the Carmistin Group. Stratula & Asociatii advised the borrower on the deal.	EUR 90 million	Romania
9-Dec	Orrick, Herrington & Sutcliffe; Stratulat Albulescu	Stratulat Albulescu, working alongside Orrick Herrington & Sutcliffe, advised GapMinder Venture Partners on a follow-on investment in Romanian start-up Deepstash.	N/A	Romania
14-Dec	Hogan Lovells; Schoenherr	Schoenherr advised Allianz-Tiriac on the acquisition of Gothaer Asigurari Reasigurari from the Gothaer Group. Hogan Lovells advised the Gothaer Group on the transaction.	N/A	Romania
14-Dec	PeliPartners; RTPR	RTPR advised the OLX Group on its acquisition of Kiwi Finance from Oresa Ventures. PeliPartners advised the seller on the deal.	N/A	Romania
15-Dec	Musliu & Asociatii; Nestor Nestor Diculescu Kingston Petersen	Nestor Nestor Diculescu Kingston Petersen advised Opel Groupe PSA on the sale of its Romanian business to Trust Motors, an independent importer for the Peugeot, Citroen, and DS brands. Trust Motors was advised by Musliu & Asociatii.	N/A	Romania
15-Dec	Hategan Attorneys; RTPR	RTPR advised 123FormBuilder and its shareholders Catalyst Romania, Florin Cornianu, and Adrian Gheara on attracting an investment from the 212 venture capital fund. Hategan Attorneys advised 212 on the deal.	N/A	Romania
15-Dec	Kinstellar; Pop Attorneys At Law	Kinstellar advised the Black Sea Fund I on the acquisition of Romanian dental imaging network DigiRay. Cluj-based Pop Attorneys at Law advised the seller on the deal.	N/A	Romania
19-Nov	D&B David And Baias; Karanovic & Partners; Maravela, Popescu & Asociatii	MPR Partners helped J. Christof E&P Services S.R.L. and Christof Private Firefighting Services S.R.L. provide notification to Romanian and Serbian competition authorities of the economic concentration arising from OMV Petrom's externalization of several operations and general surface services ancillary to extraction and production of petroleum as well as natural gas, together with the relevant assets and dedicated staff. D&B David and Baias and Karanovic & Partners provided advice to J. Christof E&P and Christof Private Firefighting Services.	N/A	Romania; Serbia
17-Nov	Clifford Chance; Debevoise	Clifford Chance advised BNP Paribas Personal Finance on the sale of its 20.8% stake in its Cetelem Bank joint venture to JV partner Sberbank. As a result of the deal, Sberbank, which was advised by Debevoise, became the sole shareholder of Cetelem Bank.	N/A	Russia
18-Nov	Korelsky Ischuk Astafiev	Korelsky Ischuk Astafiev advised founders Philip Ilyin-Adaev, Kirill Ilin-Adaev, and Elena Ishcheeva on the sale of their stakes in Banki.ru to Elbrus Capital and another unspecified investment fund. Dentons advised the buyer on the deal.	N/A	Russia
20-Nov	Semenov & Pevzner	Semenov & Pevzner successfully represented the interests of Domino's Pizza in the Russian city of Chelyabinsk in litigation against a former franchisee.	N/A	Russia
26-Nov	Egorov Puginsky Afanasiev & Partners	EPAM successfully represented ZMK 1520 in a dispute with New Forwarding Company over the replacement supply of railway wagons.	N/A	Russia
27-Nov	Hogan Lovells	Hogan Lovells advised Digital Assets on its acquisition of Zvuk, a Russian independent music streaming service.	N/A	Russia
2-Dec	Debevoise; Latham & Watkins	Latham & Watkins advised the underwriters on the USD 1.1 billion initial public offering of Russian e-commerce platform Ozon Holdings PLC on Nasdaq. Debevoise & Plimpton advised Ozon Holdings on the deal.	USD 1.1 billion	Russia
3-Dec	Bryan Cave Leighton Paisner; Dentons	Bryan Cave Leighton Paisner advised Gazprom Neft PJSC on the creation of Digital Industrial Platform, a joint venture with the Tsifra Group. Dentons advised the Tsifra Group on the deal.	N/A	Russia

Date covered	Firms Involved	Deal/Litigation	Value	Country
3-Dec	Bryan Cave Leighton Paisner	Bryan Cave Leighton Paisner advised the HeadHunter Group, which operates Russian online recruiting platform hh.ru, on the acquisition of the Zarplata.ru online recruiting platform from Hearst Shkulev Digital Regional Network B.V.	RUB 3.5 billion	Russia
11-Dec	Bryan Cave Leighton Paisner	Bryan Cave Leighton Paisner advised Teva on the sale of a pharmaceutical company located in the Yaroslavl Industrial Park to Russia's R-Pharm Group.	N/A	Russia
14-Dec	DLA Piper	DLA Piper advised Sberbank Investments on its provision of a RUB 2 billion secured mezzanine loan to Russian construction company Avtoban to finance the construction of Startup Facilities No 3 and No 4 of the Central Ring Road in the Moscow Region.	RUB 2 billion	Russia
16-Nov	Jankovic Popovic Mitic	Jankovic Popovic Mitic helped chemical company BASF implement GDPR best practices in Serbia.	N/A	Serbia
20-Nov	BDK Advokati; Gernhandt & Danielsson Advokatbyra KB; Sunjka Law	BDK Advokati, working alongside Sweden's Gernandt & Danielsson Advokatbyra KB, advised the Embracer Group AB on the acquisition of all issued shares of Mad Head Games d.o.o., a game development studio in Novi Sad, Serbia. Sunjka Law advised Mad Head Games shareholders Nenad Tomic, Uros Banjesevic, and Aleksa Todorovic on the deal.	N/A	Serbia
26-Nov	Zivkovic Samardzic	Zivkovic Samardzic was appointed the representative of SNAP Inc. under the Serbian Data Protection Act, following a decision by the Commissioner for Information of Public Importance and Personal Data Protection.	N/A	Serbia
27-Nov	Andric Law Office; Dentons; Schoenherr	Dentons advised Umweltbank Aktiengesellschaft, GLS Gemeinschaftsbank EG, and two investment funds managed by Triodos Investment Management on the acquisition of a majority stake in Opportunity Banka a.d. Novi Sad from Opportunity Transformation Investments inc. Andric Law Office provided Serbian advice to the buyers, and Schoenherr advised Opportunity Transformation Investments.	N/A	Serbia
1-Dec	Zivkovic Samardzic	Zivkovic Samardzic was appointed the representative for Yandex LLC pursuant to the Serbian Data Protection Act, following a decision by the Commissioner for Information of Public Importance and Personal Data Protection of Serbia.	N/A	Serbia
15-Dec	BDK Advokati	BDK Advokati advised Affidea Diagnostic B.V. on the sale of Affideal Special Hospital in Belgrade to Medigroup System.	N/A	Serbia
17-Nov	Havel & Partners	Havel & Partners advised Vision Ventures on its investment in Slovakian start-up Eatster, which operates an online food order application.	N/A	Slovakia
17-Nov	Kirkland & Ellis; Paksoy; Shearman & Sterling	Paksoy and Shearman & Sterling advised Canada's Telus International on the USD 935 million acquisition of Lionbridge AI. Kirkland & Ellis acted as legal advisor to Lionbridge AI.	USD 935 million	Turkey
20-Nov	Caliskan Okkan Toker; Paksoy	Paksoy advised Volex on its entrance into a EUR 61.8 million share purchase agreement for the acquisition of the entire issued share capital of DE-KA Elektrotechnik in Turkey. Caliskan Okkan Toker advised the seller on the deal.	EUR 61.8 million	Turkey
24-Nov	Aksu Caliskan Beygo Attorney Partnership; Durukan+Partners; Herguner Bilgen Ozeke; Kabine Law Firm; Milbank, Tweed, Hadley & McCloy; Skadden, Arps, Slate, Meagher & Flom; Sullivan & Cromwell; White & Case	Istanbul's Durukan+Partners and Skadden Arps advised LetterOne on the recent restructuring of Turkcell's shareholding structure. Milbank and Turkey's Aksu Caliskan Beygo Attorney Partnership advised the Turkey Wealth Fund and Ziraat Bank, Sullivan & Cromwell and Herguner Bilgen Ozeke advised Telia Finland, and White & Case and the Kabine Law Firm advised Cukurova on the deal.	N/A	Turkey

Date covered	Firms Involved	Deal/Litigation	Value	Country
2-Dec	Ciftci; Clifford Chance; GKC Partners; White & Case	GKC Partners and White & Case advised the Qatar Investment Authority on its acquisition of a 10% stake in the Borsa Istanbul stock exchange from the Turkey Wealth Fund, which retains an 80.6% stake. Clifford Chance and the Ciftci Law Firm advised the Turkey Wealth Fund on the transaction.	N/A	Turkey
3-Dec	Bener Law Office; Paksoy	Paksoy advised chemical distributor IMCD on its acquisition of the Ejder Kimya Ilac Danismanlik Sanayi ve Ticaret personal care business from Pervin Ejder. Bener advised the sellers.	N/A	Turkey
14-Dec	TOCC Attorney Partnership	TOCC Attorney Partnership advised AKLease, the leasing subsidiary of Turkey' AKBank, on a USD 25 million loan from Dutch entrepreneurial development bank FMO for the financing of eligible green projects in line with FMO's Green Principles and Criteria.	USD 25 million	Turkey
14-Dec	Akol Law Firm	Akol Law advised Turkish candy producer Kervan Gida on the initial public offering of its shares and their listing on the Istanbul Stock Exchange. Akol Law also advised Oyak Yatirim, which acted as the broker on the deal.	TL 465.7 million	Turkey
16-Nov	CMS	CMS helped the PrimoCollect Group secure the approval of the National Bank of Ukraine for its acquisition of a substantial interest in the Kredyt-Kapital LLC financial institution.	N/A	Ukraine
16-Nov	Integrites	Integrites successfully defended the interests of Dominoni, an Italian manufacturer of agricultural machinery, in an unfair competition claim made to the Antimonopoly Committee of Ukraine.	N/A	Ukraine
19-Nov	Asters	Asters advised the EBRD on its EUR 3.3 million loan to the Kormotech Group.	EUR 3.3 million	Ukraine
20-Nov	Eterna Law	Eterna Law helped the War Childhood Museum project open a museum in Ukraine.	N/A	Ukraine
23-Nov	Sayenko Kharenko	Sayenko Kharenko advised the EBRD on its provision of a USD 100 million secured financing package to Novus.	EUR 100 million	Ukraine
23-Nov	Aequo	Aequo successfully defended the rights of Ukraine's Darnitsa pharmaceutical company to the shares of the Borshchahivskiy chemical-pharmaceutical plant in the Supreme Court of Ukraine.	N/A	Ukraine
24-Nov	CMS	CMS advised Discovery Life Sciences, a US-based bio-specimen, genomic sequencing, cell, and immunohistochemistry services firm, on its acquisition of East West Biopharma, a Ukraine-based human bio-specimen solutions organization.	N/A	Ukraine
24-Nov	Asters	Asters successfully represented the Globus shopping center in a dispute with the Ukrainian tax authority.	UAH 300 million	Ukraine
26-Nov	Asters	Asters advised Naftogaz Energoservice on the construction of a 33 megawatt solar power plant in Chudniv, Ukraine.	N/A	Ukraine
27-Nov	Antika	Antika Law Firm successfully assisted Ukrainian insurance company Persha with its claim for reimbursement of legal fees from a previous dispute.	N/A	Ukraine
27-Nov	Asters	Asters successfully defended PrivatBank CB JSC in a dispute with the Bukovel Ski Resort heard by the Commercial Court of Cassation of the Supreme Court of Ukraine.	UAH 7.5 billion	Ukraine
30-Nov	Sayenko Kharenko	Sayenko Kharenko successfully represented the interests of the Auchan Group in a case involving the illegal alienation of land plots belonging to it in the Odessa region of Ukraine.	EUR 10 million	Ukraine
30-Nov	Dentons	Dentons advised Innovatus Capital Partners on a USD 10 million pre-export secured facility to an unidentified group of companies dealing with producing and trading of grains, oilseeds and byproducts of oilseeds, and other farming services.	USD 10 million	Ukraine

Date covered	Firms Involved	Deal/Litigation	Value	Country
30-Nov	Ilyashev & Partners	Ilyashev & Partners successfully protected the interests of Karpatnaftochim LLC in a safeguard investigation regarding the import of polymeric materials to Ukraine.	N/A	Ukraine
1-Dec	Ilyashev & Partners	Ilyashev & Partners, representing the interests of OBIO LLC, persuaded Ukraine's Interdepartmental Commission on International Trade to initiate an anti-dumping investigation of the import of heat-insulating materials to Ukraine from the Republic of Belarus and the Russian Federation.	N/A	Ukraine
1-Dec	Esquires Attorneys at Law	Esquires successfully reversed the seizure of immovable property on behalf of Entertainment Center of Sport, a hotel and entertainment complex with a total area of more than 3.500 square meters located in the suburbs of Kyiv.	N/A	Ukraine
4-Dec	Ilyashev & Partners	Ilyashev & Partners successfully challenged the arrest of 50.3% of the shares of Ferrexpo Poltava Mining, owned by Ferrexpo AG Switzerland.	N/A	Ukraine
4-Dec	Aequo	Aequo helped Estonia's SupplierPlus Group OU launch SupplierPlus, a supply chain finance solution, in Ukraine.	N/A	Ukraine
9-Dec	Aequo; KPMG Legal	Aequo advised Dragon Capital on the acquisition of Industrial Park Rzasne-2 from European industrial park developer CTP. KPMG Ukraine advised CTP on the deal.	N/A	Ukraine
11-Dec	Asters	Asters advised the EBRD on its issuance of a loan to Ukraine's Enzym yeast manufacturer.	EUR 10 million	Ukraine
11-Dec	Everlegal; Integrites	Integrites advised JSB UkrGasbank on a EUR 50 million deal with UFUTURE to finance its UNIT.City project in Ukraine. Everlegal advised UFUTURE on the deal.	EUR 50 million	Ukraine
15-Dec	Asters; Bryan Cave Leighton Paisner; Everlegal	Everlegal advised Novopecherska School on a EUR 10 million loan agreement with the Black Sea Trade and Development Bank for the construction of a school in the UNIT.City innovation park. Bryan Cave Leighton Paisner and Asters advised BSTDB on the deal.	EUR 10 million	Ukraine
15-Dec	Avellum	Avellum helped LVN Limited obtain clearance from the Antimonopoly Committee of Ukraine for the privatization of a part of the assets of Ukrspyrnt – Ukraine's state-owned producer of alcohol and liquor.	N/A	Ukraine



### The Ticker:

- Full information available at: [www.ccelegalmatters.com](http://www.ccelegalmatters.com)
- Period Covered: November 16, 2020 - December 15, 2020

### Did We Miss Something?

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

# ON THE MOVE: NEW HOMES AND FRIENDS

## **Bulgaria: Boyanov & Co. Launches Technology, Corporate Governance and Compliance, and Construction Groups**

By Andrija Djonovic



Nikolay Zisov

Boyanov & Co. has formed new Technology, Corporate Governance and Compliance, and Construction

Law practice groups.

Boyanov & Co. describes its new Tech Group, which will be led by Partner Nikolay Zisov, as a “multi-disciplinary practice covering a broad spectrum of legal challenges the innovation and digital transformation imperative is posing on our clients.” According to the firm, “the team [consists of] professionals with knowledge in different legal fields which allows us to offer strategic and commercially oriented advice on a large range of tech-related legal matters the industry is facing.”

According to the firm, the Corporate Governance and Compliance Group, which will be led by Partner Nikolay Kolev, “combines vast experience with extensive regulatory and industry knowledge in providing comprehensive services on corporate governance

matters.” According to the firm, “our multidisciplinary and business-focused approach has been relied on by many leading global and local companies.”

Boyanov & Co. reports that the Construction Law Group, which will be led by Senior Associate Georgitsa Petkova, “is dedicated to delivering high-level expertise on all legal aspects of construction.” According to the firm, “in [this] particularly complex industry, we provide our clients with practical and focused advice throughout all project stages – from tender and procurement, risk assessment, and contract drafting through on-project assistance and advice, including contract administration and claim management, up to dispute resolution and settlement.” ■

## **Romania: Mares & Mares Teams Up with Israeli-European Regulatory Consultancy Firm on Criminal Cases**

By Andrija Djonovic

Mares & Mares and the Tel Aviv-based Israeli-European Regulatory Consultancy firm have announced they are teaming-up to cooperate in criminal cases in the fintech, cryptocurrency, artificial intelligence, and cybersecurity industries.

According to Mares & Mares, the collaboration will revolve around assisting

and representing Romanian clients in the ambit of EU and Israeli technology regulation frameworks, as well as Israeli clients who are involved in white-collar crime in Romania.



Mihai Mares

“We are seen as a Fintech, HLS, Maritime, and Proptech EU Legal authority in the Middle East and we are delighted to bring to the table our wealth of experience,” said Israeli-European Regulatory Consultancy founder Ella Rosenberg. “We hope to become the go-to advisors for local and Israeli tech entrepreneurs when it comes to regulatory aspects and business crimes files in this field.”

“We have witnessed over the past years an increased volume of deals in the tech industry in Romania, which is also a good signal for the entire economy,” added Mares & Mares founder Mihai Mares. “In this context, all companies, whether start-ups or investors, welcome such a mix of expertise between market leaders in white-collar crime and tech regulatory in Europe and the Middle East.”

The Israeli-European Regulatory Consultancy firm consults foreign governments, electronic money institutions,

and financial institutions on their anti-money-laundering practices. The firm was founded by Ella Rosenberg, the former CEO of the Israel-EU Chamber of Commerce and Industry. ■

## Russia: Beiten Burkhardt to Close St. Petersburg Office

By David Stuckey



Philipp Cotta

Beiten Burkhardt has announced that it is closing its St. Petersburg office at the end of 2020, concentrating the firm's Russian business exclusively in its Moscow office.

Partner Natalia Wilke, who heads the St. Petersburg office, will leave the firm.

"The closure of our St. Petersburg office is a strategic decision," explained Beiten Burkhardt Managing Partner Philipp Cotta. "We have decided to bundle our activities in our Moscow office, where we have been successfully serving our international and Russian clients throughout Russia for 28 years."

According to a statement that appeared on the Beiten Burkhardt website, "Natalia Wilke and we part in mutual amicable agreement and harmony. We thank her for the great work she has done for Beiten Burkhardt for over ten years as Head of our St. Petersburg Office and wish her all the best in her new position."

Beiten Burkhardt opened its Moscow office in 1992. ■

## Czech Republic, Slovakia: Czech and Slovak Firms Come Together to Form MKA Nosko

By David Stuckey



Josef Aujezdsky

The Czech Republic's Masek, Koci, Aujezdsky has joined forces with the Slovak Republic's Nosko & Partners to form MKA Nosko, serving clients in both countries.

According to its partners, MKA Nosko will "specialize in the provision of legal services in the field of IT law, including e-commerce, legal services for financial institutions, real property transactions and litigation."

"In the past more-than-17 years we have built trust among the owners of Czech and foreign companies who we assist with their business, and together with whom we have grown," stated MKA Noska Partner Josef Aujezdsky, from Prague. "From the very beginning, our focus has been on providing highly professional legal services by modern means while maintaining a personal approach. Our colleagues in Slovakia have a similar approach."

"Bringing two strong legal teams on the markets of the former Czechoslovakia together is an important and natural step in the development of our law firm," added Partner Milena Noskova, from Bratislava. "More than 25 lawyers in Prague and Bratislava will be able offer their professional services to business and other subjects in the whole of Central Europe." ■

## Ukraine: Sayenko Kharenko Opens Office in Strasbourg Under Leadership of Oleksandr Ovchynnykov

By Andrija Djonovic



Oleksandr Ovchynnykov

Sayenko Kharenko has opened an office in Strasbourg to, in the firm's words, "fully ensure

the protection of the rights and interests of the firm's clients in the European Court of Human Rights right before Human Rights Day."

According to Sayenko Kharenko, the firm's presence in Strasbourg, "and direct access to the ECHR, will enable our White-Collar Criminal Defense and Litigation practices to help our clients much more quickly in situations where every minute counts or when our courts and law enforcement agencies are unable to ensure a fair hearing."

The new office will be headed by Partner Oleksandr Ovchynnykov – a French lawyer of Ukrainian origin with experience in the ECHR.

"The ECHR can often literally be the last instance where one can defend their rights," commented Partner Yevgeniy Solodko. "The opening of the Sayenko Kharenko office in Strasbourg is a step in the implementation of our long-term strategy. We have been preparing for this for a long time, and I am glad that the global economic crisis and global financial stagnation did not stop us from implementing our plan." ■

## PARTNER MOVES

Date	Name	Practice(s)	Moving From	Moving To	Country
4-Dec	Philipp Baubin	Banking/Finance; Capital Markets	Herbst Kinsky	Weber & Co.	Austria
9-Dec	Georg Burger-Scheidlin	Corporate/M&A	Finad	Weber & Co.	Austria
16-Nov	Rainer Frank	Insolvency/Restructuring; Banking/Finance	Kocian Solc Balastik	Dentons	Czech Republic
24-Nov	Daniel Dozsa	Litigation/Dispute Resolution	Dechert	Queritius	Hungary
15-Dec	Ieva Judinska-Bandeniece	TMT/IP; Corporate/M&A	Fort	Drill Law Firm	Latvia
15-Dec	Ramona Miglane	TMT/IP; Corporate/M&A	Fort	Drill Law Firm	Latvia
15-Dec	Uldis Judinskis	TMT/IP; Corporate/M&A	Fort	Drill Law Firm	Latvia
24-Nov	Igor Muszynski	Energy/Natural Resources	Radzikowski, Szubielksa i Wspolnicy	SSW Pragmatic Solutions	Poland
3-Dec	Mariya Nizhnik	Competition	Antimonopoly Committee of Ukraine	Aequo	Ukraine

See what's at the top of the agenda for General Counsel in CEE.

Check out our recently launched sister publication:

[www.ceeinhousematters.com](http://www.ceeinhousematters.com)



**CEE**  
**IN-HOUSE MATTERS**

## IN-HOUSE MOVES AND APPOINTMENTS

Date	Name	Moving From	Company/Firm	Country
27-Nov	Yigit Issever	Yilmaz Attorneys-at-Law	Bayer	Turkey
3-Dec	Pawel Debowski	Dentons	Cornerstone Partners	Poland
7-Dec	Urmas Volens	Nove	Estonia Supreme Court	Estonia

## PARTNER APPOINTMENTS

Date	Name	Practice(s)	Firm	Country
8-Dec	Ieva Povilaitiene	Labor; Corporate/M&A	TGS Baltic	Lithuania
8-Dec	Vytautas Silinskas	Labor; Real Estate	TGS Baltic	Lithuania
8-Dec	Indre Barauskiene	TMT/IP	TGS Baltic	Lithuania
8-Dec	Dovile Armalyte	Litigation/Dispute Resolution	TGS Baltic	Lithuania
27-Nov	Oleg Todua	Litigation/Dispute Resolution	White & Case	Russia

## OTHER APPOINTMENTS

Date	Name	Company/Firm	Appointed To	Country
25-Nov	Julia Kuszniar	KPMG Law	Co-Head of IP/IT	Austria
9-Dec	Klaus Pfeiffer	Weber & Co.	Equity Partner	Austria
3-Dec	Ondrej Chlada	DLA Piper	Head of Employment	Czech Republic
18-Nov	Erik Salur	Njord	Head of Corporate and M&A Practice	Estonia
1-Dec	Piotr Szafarz	Dentons	Head of CEE Real Estate	Poland
4-Dec	Nigar Gokmen	Esin Attorney Partnership	Head of Energy, Mining, and Infrastructure	Turkey
1-Dec	Natalia Kirichenko	DLA Piper	Head of Intellectual Property and Technology	Ukraine



### On The Move:

■ Full information available at:  
[www.ceelegalmatters.com](http://www.ceelegalmatters.com)  
 ■ Period Covered:  
 November 16, 2020 - December 15, 2020

### Did We Miss Something?

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

# THE BUZZ

In “The Buzz” we check in on experts on the legal industry across the 24 jurisdictions of Central and Eastern Europe for updates about professional, political, and legislative developments of significance. Because the interviews are carried out and published on the CEE Legal Matters website on a rolling basis, we’ve marked the dates on which the interviews were originally published.

## Moldova:

### Interview with Daniel Cobzac of Cobzac & Partners



Daniel Cobzac

“The most important news right now in Moldova relates to the results of the recent presidential elections,” says Cobzac & Partners Managing Partner Daniel

Cobzac, referring to the November 15 victory of former World Bank economist Maia Sandu over incumbent Igor Dodon, the leader of the pro-Russian “Party of Socialists of the Republic of Moldova,” which holds a parliamentary majority.

Cobzac believes that President-elect Sandu will try to strengthen cooperation with the United States and EU. He says that the relationship with Russia “will not be a priority as it was before, but I don’t believe it will be disrupted either.” Sandu is known for her desire for reform, he reports, which he says is “a good thing, given that, for the past 20 years or so, there have been no actual

reforms.” According to him, “Moldova just didn’t have the luck of other ex-Soviet states that had leaders who had the well-being of their citizens as a priority.” Instead, he says, “almost every leader we had was either quite unpopular or ended up on trial for corruption.”

Although Sandu won almost 58% of the vote (which Cobzac describes as “remarkable,” as “the Socialist party controls the government and all administrative resources”), she will need additional support to pursue the reforms she has promised. “The office of the President has no outright legislative power,” he points out, “so parliamentary support is crucial.” Accordingly, he says, “the President-elect is hoping for the opportunity to take control of parliament and has hinted at potentially calling for a general election soon, where this may be attempted.”

Moving away from politics, Cobzac reports that the only recent major change to Moldova’s legislative landscape involves amendments to the country’s Insolvency Law. “The reforms to the Insolvency Law were brought on by the EU and were drafted by a group of experts from Moldova, US, the World Bank, and local qualified judges,” he

says, adding that the changes “solved a lot of issues,” including, most importantly, the ability for companies to prolong the restructuring period. “The total period, now, is five years,” he says, “as opposed to the previous three-year limit, which was not enough to restructure a business.”

Finally, assessing Moldova’s economy, Cobzac says that “the situation is not good, for all sectors of business.” He reports that, because of the Covid-19 crisis, there have been no major deals for the past six months.

“The government has applied for several relief programs with donors from the EU and the USA but that these are all contingent on detailed plans for the way the assistance will be utilized,” he says. “There are no indications that the government has completed any plans, so all of this is still on hold.” Nevertheless, on November 25 President-elect Sandu announced that Moldova will receive EUR 51.6 million in financial assistance from the EU. According to him, “although this money will come as a loan, it is still good news for the ailing Moldovan economy.” ■

By Andrija Djonovic  
(November 26, 2020)

## Serbia

### Interview with Djordje Novcic of Jankovic Popovic Mitic



Djordje Novcic

“This was an election year for Serbia, and as a result we had a technical government for a very long time,” says Djordje Novcic, Partner at Jankovic Popovic Mitic in

Belgrade, referring to the four-month-long period of deliberation before the new government was finally formed on October 28.

There has not been much legislative activity otherwise, Novcic reports, which he attributes to the slowness of the political process. Still, he says, draft laws reorganizing the judiciary and the

administrative sector are expected to be voted on by the end of the year.

In addition to its effects on the legislature, the systematic sluggishness also affected the economy. “Foreign investors have become more cautious about investing in the country,” Novcic says, though he notes that the government is trying to address the problem. To that end, he says, “Serbia signed the Washington Agreement at the end of October, as a result of which the US International Development Finance Corporation opened its office in Belgrade.” Novcic reports that the IDFC is expected to invest millions of dollars in the years to come.

The pandemic and the elections notwithstanding, the economic outlook for Serbia is not grim, in Novcic’s opinion. “Our economy did not take a huge hit, and we can see large infrastructure projects are still under way,” he says, pointing particularly to the construction

of the Belgrade-Sarajevo highway and the Turkish Stream gas pipeline. “It is also very clear that the pandemic gave rise to the IT, pharmaceuticals, and online retail sectors,” he says.

Another area on the rise in Serbia is arbitration, Novic reports. “There has been a growing interest by business entities in resolving disputes through arbitration,” he says, due in part to the “adaptability of arbitration tribunals, which were able to continue their proceedings via the implementation of new technologies even during the state of emergency.”

Novcic sounds optimistic even about the industry which suffered the most at the hands of the pandemic – tourism – which he says will reemerge with help from the government. Ultimately, though, Novcic says that “the full effect of the pandemic remains to be seen in the coming years.” ■

By Djordje Vesic (December 1, 2020)

## Turkey

### Interview with Altug Ozgun of Cetinkaya

The economic effects of the Covid-19 pandemic continue to resonate in Turkey, says Cetinkaya Partner Altug Ozgun. Ozgun reports that Turkey’s economy has been “shaken because of the reduction in productivity during the lockdown.” In particular, he says, “tourism as a whole was impacted severely ... affecting the overall economic condition.”

President Recep Tayyip Erdogan recently accepted the resignation of Treasury Finance Minister Berat Albayrak, Ozgun

reports, and appointed previous Transportation, Maritime and Infrastructure Minister (from 2013-2015) and Development Minister (from 2016-2018) Lutfi Elvan in his place. According to Ozgun, the government has also recently announced a program to fight inflation by concentrating on the production and agriculture sectors, as well as the exportation of defense technology.

Despite the economic and political fallout of the pandemic, the Turkish parliament is still active, Ozgun reports, noting that, after the US election, Turkey’s government announced a program of legal and human rights reform. A new law providing for online court proceedings is expected to be passed

and implemented soon, he says, and changes will soon be coming to the country’s criminal laws as well. Additionally, at the beginning of 2020, Turkey’s

prosecution system adopted a plea bargain system for some specific crimes to reduce court workloads, and Ozgun reports that “we can expect that prosecutors soon will be given the prerogative to offer settlements similar to the deferred prosecution agreements in the



Altug Ozgun

UK or the US.”

The Turkish government has also been active lately in enforcing certain laws, and Ozgun explains that, “since the Social Media Law was passed a few

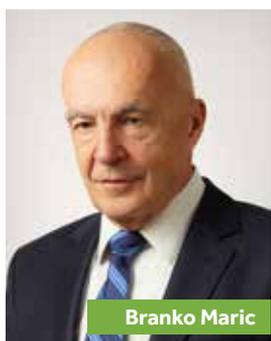
months ago, not one of the big companies – Facebook, Twitter, YouTube, and Tiktok – has registered a local representative in Turkey.” To combat the issue, he says, the Turkish Government has fined each of the companies ten million

Turkish lira, and given them another 30 days to register. “If they fail to do so,” he says, “they will be fined an additional 30 million lira.” ■

By Djordje Vesic (December 3, 2020)

**Bosnia & Herzegovina**

**Interview with Branko Maric of Maric & Co**



Branko Maric

“The country we live in is, in many ways, just a mirage – there are indications of there being a functioning state, but in reality it is very difficult to see it,” says Maric

& Co. Managing Partner Branko Maric. In fact, he says, the structure of political parties in the country is such that often “divisions are created based on nationality and religion in order to get to power – only to push all important issues to the background once that power is grabbed.”

However, he says, there are indications that this may change soon. In the November 2020 municipal elections across Bosnia & Herzegovina, ruling parties in both of the constituent entities of the country, the Federation of Bosnia & Herzegovina and Republika Srpska, won the majority of municipalities – but lost in key cities like Sarajevo and Banja Luka. “This is a strong indicator that the people have had enough,” Maric says. “The people have begun to realize that they have been played for fools for a

long time and that they need a change.” According to him, the strong showing of the opposition does not necessarily mean that its ideas captivated the public, but instead reflects a “desire to change the course that the ruling parties have been taking.”

Still, he says, this rare opportunity for change is fragile. “This is a crucial period for the country – if the opposition messes up in any way, the ruling parties will only solidify their positions and we’ll be facing another long period of absolutely no change or progress.”

There has been no significant legislation passed in recent months, Maric reports. “Because we have a technical government, legislative movement has been at a glacial pace,” he says. “No important laws have been updated, amended, or even announced to have entered a procedure for any such change or revision. There have been some indications about potentially changing certain frameworks related to investments, but this is all still puffery.”

Maric says that the infrastructure of the country is maintained by EBRD and EIB loans that seek to improve structural issues. “These loans are what keeps us afloat – all of the other economic programs have stalled.” Other reforms, he says, targeted at improving the country’s overall condition as part of the EU

accession process, amount to “minor cosmetic changes,” and he says that “core change is impossible until an actual government is in place. As long as this is stalled, there won’t be a strong actor with whom the EU can work to help the country go through tough times.”

Ultimately, Maric insists that the economy of Bosnia & Herzegovina is “tough as nails,” but he says that this is almost entirely due to the “tenacity of the private sector.” According to him, “the legal and tax framework for business is rather convenient,” and he adds that the state “does not interfere in business activities and the business is habituated not to have any help of the state but at least the state does not do much harm.”

According to Maric, “structural investments in infrastructural projects, on the part of the country, are non-existent.” There have been announcements, however, of plans to initiate major projects like the C5 corridor highway towards Hungary, the 2-track speedway towards Serbia, and the possibility of having some of the South Stream pipeline go through Bosnia, but he says that nothing has been settled yet. According to him, “it is not possible to predict what will happen with any of them in the near future.” ■

By Andrija Djonovic (December 4, 2020)

## Greece

## Interview with Panagiotis Drakopoulos of Drakopoulos

“Things are pretty steady,” says Drakopoulos Senior Partner Panagiotis Drakopoulos, of the current political climate in Greece. “The past few months have seen no major changes or updates, so there is nothing special to report on.” He says that, as most efforts have been focused on the pandemic, little room is left for anything else.

This steady political sailing also means there has been little variety when it comes to new legislation, Drakopoulos says. “But there has been a strong push for digital transformation,” he notes, “especially in the public sector.” He points to a “lot of laws and drafts of laws on this that have been emerging in recent times – such as those related to digitizing the courts and the land registry.” He also says that increased “digital activity” in the private sector is also

prompting legislators to create a framework that would “take into account a lot of remote work and follow how employment transforms as well.”

Drakopoulos says that there are indications that business is getting back on track. “Investments that froze solid at the beginning of the pandemic are slowly thawing now and picking up speed,” he says. “Private equity projects and real estate projects especially, these are leading the pack – fraught with caution but gaining more traction every day.” It is difficult to predict how the economy will behave, he says, and it is unclear whether there will be a bounce-back in 2021. “Optimistic predictions that the economy would heal as early as the first quarter of 2021 have now changed, especially in light of the hits our tourism sector took. One cannot say if 2021 will see significant improvements or if we will have to wait until 2022.”

Finally, Drakopoulos reports that the

legal market is getting back on its feet as well. “There are a number of reactivated foreign mandates that fuel this,” he says. “A lot of foreign funds and MNCs willing to invest again and pursue their pre-pandemic goals.” He also describes a noticeable uptick in “soft audits and compliance work, with a lot of companies wary of doing business in a fully-online environment. Folks want to double-check everything, which is prudent.” According to him, “this is why I believe that practices such as TMT/IP and compliance will be what prop up the legal market in the near future, more than traditional work.” ■



Panagiotis Drakopoulos

By Andrija Djonovic  
(December 7, 2020)

## Russia

## Interview with Torsten Syrbe of Clifford Chance



Torsten Syrbe

Syrbe, Partner at Clifford Chance in Moscow.

Already suffering from the Covid-19 pandemic, Russia has been heavily affected by the volatility of the ruble, Western sanctions, and the price of oil, notes Torsten

All these hurdles notwithstanding, he says, “Life Sciences, IT, and E&NR are the cross-border sectors that keep us busy, in particular, because transactions are often complex and require non-standard legal solutions.” In addition, he reports that “most major national projects, such as the construction of LNG infrastructure, petrochemical plants, and infrastructure projects for ports, roads, and other facilities, are still moving forward as planned.”

Russia seems keen to attract foreign investment, Syrbe says, which is complicated “by many multinational [companies] being in ‘wait and see’ mode, focusing on their core businesses and

markets during the pandemic.”

One of the ways the Russian government is compensating he says, is by enhancing the “localization” process, which “is intended to promote local production of different goods such as medical equipment, pharmaceuticals, and construction equipment, among others.” The process is several years old, but it has picked up pace recently, and he reports that “laws here have been put in place to establish quotas for locally manufactured products in public procurement.” According to him, the newest localization law went into effect this summer, although he says that the specific quota levels for different goods

have yet to be defined by the government.

Another new law, Syrbe says, relates to the certification of medicines for Covid-19. “The law is aimed at simplifying and accelerating the process for registering pharmaceuticals for the treatment of the Covid-19 infection,” he says. Efforts to combat the virus are present on the local level as well, and he says that “there has recently also been a push in Moscow to begin monitoring people’s interactions with infected persons through a mobile app.”

Despite economic ups and downs and the struggle with the pandemic, Syrbe reports that the political landscape

is fairly stable, with the only notable change involving the head of the Federal Antimonopoly Service. “The change of the FAS’s leadership – the first in fifteen years – will see the former Vice-Governor of St. Petersburg, Maxim Shaskolsky, assume office,” he says. “Most observers expect him to maintain continuity with the good practices of the system formed by [former head] Igor Artemyev, but also to bring a breath of fresh air.”

Speaking of things fresh, Syrbe reveals that Clifford Chance’s team in Moscow is soon to undergo significant changes. “We decided with our lead litigation partner that our Litigation practice will function as an independent law firm un-

der a separate brand,” he says. He notes that Clifford Chance will continue to advise on cross-border disputes involving Russian parties through the firm’s global arbitration and litigation practice. The decision to spin the practice off – which follows similar decisions made by several other international firms – was influenced by a combination of factors, he explains. “The legal market has faced challenges for quite some time and demand for legal advice has been shifting between industry sectors. It is important that our office focuses on those sectors where our clients expect us to assist them in the coming years.” ■

By Djordje Vesic (December 9, 2020)

## Hungary

### Interview with with Anthony O’Connor of Kinstellar

“Right now, there is a bit of press around Hungary, for a variety of reasons,” says Kinstellar Partner Anthony O’Connor. “Some of that is related to the perceived tension between Hungary and the EU and the fact that the EU seems to be trying to tie certain expectations it has of Hungary to the funding it is due to receive.”

The EU, facing political opposition from Poland and Hungary around the stimulus package aimed at providing pandemic relief to the member states, is still considering various political options to solve the recent deadlock emerging from the situation. O’Connor, however, believes that this can be de-coupled from foreign investors’ appetite for Hungarian M&A opportunities. “To a

large extent, there is a seeming friction, which is currently receiving press coverage – it has not, for now, reduced the appetite of investors for deal-making in Hungary.”

What *can* have a more practical effect on deals and investment activity, he says, is the existence of some of the measures put in place earlier in the year. “When the pandemic started, the government passed laws calling for screening of certain types of investments from certain types of investors or in some particular sectors,” O’Connor reports. “These measures have continued and, while they have yet to block any deals, they have caused some of our clients to ask for clarification on whether and to what extent they might pose a threat to closing a deal.” Noting that other European governments have also turned to similar tools, O’Connor does not expect the measures to stall deals in Hungary significantly, saying that “some people

may have been less inclined to look at Hungary as a place for their investments, but in our experience there has been no real threat here, rather an issue around managing perceptions and charting a course through any concerns raised by clients.”



Anthony O’Connor

Several recent deals support O’Connor’s report that opportunities remain, including GTT Communications’ recent USD 2.15 billion sale of its infrastructure business to I Squared Capital (on which, O’Connor points out, Kinstellar advised) and the sale of Dutch insurer Aegon’s assets to Vienna Insurance Group via a bidding process. “Both deals had a cross-border element,” he

says, “but with a significant asset value in Hungary.”

Other than the VIG-Aegon transaction, which O’Connor describes as “the really big one for Q4,” he reports that there is “strong foreign investment interest to be sure, mainly in renewables, especially solar, although we are still doing deals for clients involving more traditional energy sector assets.” In addition, he

says, “aside from that, the banking and finance sector is very active – there are some opportunities we expect to come to market soon.” Investors are also active in the healthcare and technology sectors, he says.

Finally, even with all the activity in Hungary, O’Connor still describes the back half of 2020 as mostly “stop and start in M&A.” According to him, “the mar-

ket was very enthusiastic in September, looking forward to a strong last quarter, but in the period leading up to the recent lockdown, the market was more cautious.” The good news, in the end, is that deals are being done, he says, “even if not at the usual pace and volume.” ■

By Andrija Djonovic  
(December 10, 2020)

## Slovakia

### Interview with Viliam Mysicka of Kinstellar



Viliam Mysicka

According to Kinstellar Bratislava Partner Viliam Mysicka, the Covid pandemic has posed a significant challenge for Slovakia’s government.

“The government was formed just before the March 2020 lockdown happened, and the majority of the ministers are new,” he says. “They have more experience as CEOs than as politicians.”

In addition to the government’s relative inexperience, Mysicka describes a running disagreement between Prime Minister Igor Matovic and Richard Sulik, the Minister of Economy, on certain Covid-related measures. Mysicka describes Sulik as a strong individual who served as Minister of Economy ten years ago. “He is forming a sort of opposition within the government,”

he says. “He is very vocal about his stances, and sometimes his dispute with the prime minister spills over to social media.”

Despite the conflict in the government, Slovakia’s executive authority seems to be steadfast in its fight against corruption, according to Mysicka. “The leading party of the government won the election with the pitch to the public that they will fight corruption – and they are really trying to deliver on that promise,” he says, adding that “many politicians, judges, and other influential people have been taken into custody and interrogated about their potentially illegal activities, and many are being prosecuted.” He reports being generally encouraged by this initiative, but he warns that certain practices of the Slovak police in recent months are being criticized as unbalanced. For example, he says, the Slovak Bar Association has recently expressed its concerns that the principle that lawyers cannot be prosecuted for providing legal advice is being disregarded in certain cases.

The Slovak economy has, in any event, several challenges to overcome, as the country has already suffered greatly due

to the pandemic. “Slovakia’s economy is dependent on the automotive sector,” Mysicka explains. “Peugeot, Land Rover, KIA, and Volkswagen have manufacturing plants here and generate between 10-50% of the Slovak economy.” Thus, he says, “we have an export-driven economy, and since the sale of automobiles has decreased significantly in some countries, we will probably have a 5-10% drop in GDP this year.”

Other industries, such as real estate, banking, and energy, remain healthy, Mysicka reports. “One of the biggest transactions in the energy sector was E.ON’s acquisition of Vychodoslovenska Energetika Holding from RWE.”

New economic opportunities may arise in the future, Mysicka explains, with the arrival of the 5G network in the country. According to Mysicka, a draft law on the network was recently introduced in parliament and is expected to pass soon. “Slovakia will have to choose between two Scandinavian and two Chinese network providers,” he says, “but based on the public comments of several politicians, Slovakia will most likely choose one of the Scandinavians.” ■

By Djordje Vesic (December 10, 2020)

## Austria

## Interview with Axel Anderl of Dorda



"I can't not mention Covid – it's still making the entire situation quite difficult," says Dorda Managing Partner Axel Anderl, when asked what's happening in

Austria. "The current coalition between the Greens and the Conservatives is facing a lot of challenges."

The most important measures that were implemented by the government to combat the crisis were quite intrusive, Anderl says, and were eventually repealed by the Constitutional Court. The government justified its actions by claiming that those measures were necessary to combat the crisis, and the fact they they were eventually found unconstitutional didn't make them any less useful when implemented. He sighs. "This could be a hint of a potentially pernicious trend – how much can citizens trust the government and in democracy if it acts without proper consideration of its actions?"

Furthermore, Anderl says that the government is struggling to provide adequate financial stimuli to businesses. "The government first stated that it would do whatever it takes, at all costs, to prevent negative effects of the crisis," he reports. "However, access to the funds was quite cumbersome and bureaucratic and thus triggered much criticism."

While the government was extremely

strict and focused during the first phase of the COVID crisis, that leadership has been less evident recently. "It would not appear that the government is as still as dedicated and 'clean' in its actions as it should be," Anderl notes, critically. He insists that the government waited too long to introduce the most recent lockdown, which started as a "soft lockdown" on November 3, was subsequently tightened, and then ended on December 6 to allow Christmas shopping, despite a still-high infection rate. That lifting of the lockdown, he says, "could cost us dearly."

Unsurprisingly, all of this has led to tensions in the ruling coalition itself. "The conservative majority wanted to take the reins of battling the crisis on its own with a quite strict regime," Anderl reports, "but the Greens have advocated for a more hesitating approach, and, given that they control the Ministry of Health, this led to friction and a lack of decisive action."

Anderl also says that there are problems with how the new aid during the second lock-down is distributed. "Some businesses, for example in the hospital-ity sector and restaurants, got as much as an 80% of their last year's turnover for the same period in aid, which is far more than what they actually lost during the time of lockdown," he says, describing "dust and uncertainty" surrounding business relief packages.

Anderl says that there have also been several legislative developments that, although Covid-inspired, could have more far-reaching consequences. "A law was put in place to prevent foreign investors from swooping in and acquiring significant domestic businesses for a bargain price," he says. "These protective instruments, while useful now, have

the potential to bleed over after the crisis ends, and the situation should be monitored to see how the government deals with it in the future."

Austria is working to introduce the necessary structural and regulatory reforms and improvements to set up a 5G infrastructure, Anderl reports. "This is a hot topic in the EU," he says, "and Austria, unlike some member states, has no issue with Chinese companies providing infra-structural support. The Austrian regulations just aim at objective criteria instead of discriminating against suppliers from certain countries or regions. If anything, the pandemic taught us all the importance of a stable Internet connection, especially in rural areas. Thus, 5G is one of the government's lighthouse projects enabling more digitalization."

Finally, Anderl reports that there have been regulatory changes in the transportation sector, reflecting substantial amounts of litigation between taxi companies and Uber and other comparable platforms. "Established taxi companies advocated heavily for removing Uber from the market, conflicting mostly over whether start prices for the rides should be fixed or not," he says. While the old government rendered an act that was extremely protective of the taxi companies and requiring restricted taxi licenses for all means of individual transport, the new coalition took a more liberal approach. Right now, he says, it appears that Uber will prevail and will still be available to Austrian users. "The government made it possible to agree on prices, in the future, rather than have a fixed price – so we should see both taxis and Uber in the streets." ■

By Andrija Djonovic  
(December 15, 2020)

## MARKETING LAW FIRM MARKETING: MOST VALUABLE SOFTWARE TOOL

New technologies are all the rage, as law firms adapt to the telecommuting and digitalization realities that accompanied the Covid-19 pandemic. Accordingly, we decided to ask our Law Firm Marketing experts from across the region a simple question: **“What is the single most important/valuable piece of software you use?”** As always, we asked respondents to focus on the question at hand, rather than – as we put it – using the question simply as an excuse to “tell us that their firms are awesome.” Not everyone was able to resist.



“Snipping tool: Incredibly useful for faux print screens, saves time downloading, it never fails to respond. It allows you to ‘cut out’ a piece of screen you see and then copy paste that in Word, email, power-point, without opening extra screens or saving the image first. I wouldn’t go back to my pre-snipping tool era.”  
– **Jelena Bosnjak, Senior Business Development Manager, CMS Croatia**

“The single most valuable software I use has to be Outlook. Hardly ground-breaking, but I’m pretty sure I’d be lost without it. In terms of ease of organization, it’s unparalleled and keeps me on track with the coordination of all my tasks, meetings, appointments, and deadlines. The way it works so well with MS Teams and Zoom is a new bonus considering the increased number of online meetings these days. Oh, and did I mention that my firm is awesome?” – **Klara Loranger, Communications Manager, Bittera Kohlrusz & Toth**



“WhatsApp. WhatsApp kept me sane during lockdown and working from home and such informal info exchange kept the creative juices flowing. Whether it’s a share of a Friday tippie, horror story or dog pic!”  
– **Charlotte McCrudden, Business Development & Marketing Manager, CMS Istanbul**

“We use quite a useful tool for video-clip-creation for our social media: The Lumen5 video creation platform powered by A.I., which enables anyone without training or experience to easily create engaging video content within minutes. As video posts have always more engagement we use this quite a lot. You just enter the text, the tool suggests a visualization of this text, you easily correct it, and there you go.”  
– **Anastasia Kotenkova, Marketing and BD Manager, CMS Russia**



“MS Teams has been a game-changer in these Covid times, serving to tighten those human bonds that have been severely weakened by lockdown, social distancing, and online work. Incredibly, we were able to close a huge transaction right in the middle of the first lockdown; we were able to foster teamwork, cooperate closely, and communicate effectively on Teams.” – **Raf Uzar, Head of Communication and Development, Penteris**

“The tool that helps me have a concise overview of the tasks, schedule and deadlines is the timekeeping software we use. It allows me to accurately see and plan my course of action and log all activities at once. Although I often rely on my memorizing abilities, having this electronic companion certainly helps. Another tool that makes my life a lot easier – and this might make you smile – is the Snipping Tool App. The fact that I can instantly take any piece of my screen I need and insert it into whatever material I am working on at any time well, simply makes my working process a lot easier.” – **Olivia Popescu, Marketing & PR Manager, MPR Partners**



# THE CHINESE BELT AND ROAD INITIATIVE: INFRASTRUCTURE OPPORTUNITIES IN CEE

By David Stuckey

The Chinese Belt and Road Initiative is one of the most ambitious development projects since the turn of the century. Through thousands of individual projects implemented under the BRI umbrella, China intends to develop land and sea corridors to support economic trade and development, integrate various regions of the world, and facilitate policy coordination, connectivity, unimpeded trade, financial services, and the connection of people. The BRI was launched in 2013, and last year was revamped with a new set of objectives.

CMS Partners **Marcin Bejm** in Poland and **Kostadin Sirleshtov** in Bulgaria explain what has changed with the BRI, which sectors will most likely benefit, and what CEE companies should expect when doing business with Chinese parties. CMS Partners **Vladimir Zenin** in Russia and **Nicolas Zhu** in China offer additional insight.

“The BRI is a seriously ambitious development by China to implement one of the largest infrastructure projects in world history,” Bejm begins. “Although there is no single database of BRI projects, it is generally accepted that more than 3,000 projects in over 130 nations have been started. Every CEE nation has signed up to the initiative and, with its strong geographical position, CEE is a key BRI route.” In fact, Bejm says, BRI is no longer simply a theoretical presence for CEE. “China is already present in CEE,” he says, “and has big plans for the region, recognizing its relative stability compared to some other

“Results in previous years may have justified some degree of doubt, but with BRI 2.0, hopes now are higher given the huge opportunities that CEE has to offer, especially in renewable energy and digital.”

BRI regions. While the top sectors for future investment have included roads, energy and logistics, the emphasis in CEE is now shifting towards investment in renewables and digital.”

Zhu, from Shanghai, agrees. “Chinese sentiment towards investment in CEE is very positive.” According to him, “with the backing of the Chinese government, the majority of Chinese companies foresee their participation in BRI projects growing in the near future. However, Chinese companies also feel that China’s vision for the BRI is not sufficiently appreciated by some international counterparties, including those in CEE.”

Bejm explains that hesitant degree of appreciation. “In addition to the known obstacles to doing business with Chinese counterparties – which include legal frameworks, operational difficulties, and political issues – the initial rollout of the BRI was met with some skepticism in CEE because the



Marcin Bejm, Head of Energy and Projects, CMS Poland

preliminary high expectations were not immediately fulfilled. This skepticism was, in my opinion, not entirely justified. Furthermore, Chinese investment in the CIS region and Russia has outstripped that in CEE, and now it is time for CEE to catch up.”

Zenin says the Chinese investment in



Kostadin Sirlishtov, Managing Partner, CMS Bulgaria, and CEE Head of Energy and Climate Change



Vladimir Zenin, Head of M&A, CMS Russia



Nicolas Zhu, Head of Lifesciences and Healthcare Sector Group, CMS China

Russia is natural. “Russia has a long history of being at the crossroads of East and West,” he says. “It is very similar to China in its ability to develop quickly and adopt new technologies.” There are significant geographical advantages as well, obviously. “Russia’s land border with China, along with those of the other members of the Eurasian Economic Union, runs for thousands of kilometres, creating many opportunities for both nations.” As for the *kind* of projects, he says, “infrastructure projects have covered the whole range of transport types, from a 2,000 kilometer pipeline taking gas from the Russian Arctic down to China, to airports, ports, railways, and roads. However, it comes as no surprise that energy projects have been the best performers, especially natural gas and oil.”

If the initial rollout of the BRI in CEE did not meet expectations, what has the Chinese government done to produce more positive results? According to Zhu, “last year, the Chinese government revamped the initiative’s objectives. BRI 2.0 has refreshed principles including the need to improve lives and promote sustainable development, adhere to international rules and standards, and make a stronger commitment to transparency and good governance.” He concedes that not everyone is convinced, however, noting that “this commitment to greater transparency has also met with some disbelief internationally.”

From Bejm’s perspective, the “refreshed” BRI has significant potential for the region. “Results in previous years may have justified some degree of doubt, but with BRI 2.0, hopes now are higher given the huge opportunities that CEE has to offer, especially in renewable energy and digital.”

For businesses in CEE that are thinking

about working with Chinese investors, Sirlishtov offers some insight: “From a Chinese perspective, there are too many jurisdictions in CEE, so they look for a single law firm that can advise them throughout the region. Chinese companies are generally happy to use joint ventures but CEE companies do not share this enthusiasm, because they believe these projects will go ahead in any event.” There are other problems as well, he says. “It can be quite difficult to work with Chinese counterparties on BRI projects for a number of reasons. First, compared to Western counterparties, there is less transparency. Second, Chinese parties can rush to get a project to completion and then have second thoughts only at the signing.” Finally, he says, different perspectives on the value lawyers add can be another problem. “Lawyers are also considered a commodity,” he says, “and they are not always appreciated for the experience and quality they can bring to a project. It is also worth noting that *WeChat* is the standard communication channel. For CEE lawyers, this can be confusing to begin with, but the platform is in fact very user-friendly.”

Besides, it’s not as if there are only negative considerations, Sirlishtov says. “Chinese clients are more hands-on, and much faster, with a more decisive approach. They also have a keener focus and issues can be escalated for quick decision-making. In addition, the Chinese move into new countries very quickly.”

While there is no denying the enormous potential that BRI 2.0 offers, it remains to be seen if companies in CEE can overcome their skepticism. Progress in Russia and the CIS region may generate great optimism, and CEE companies can expect Chinese investors to bring a vast range of projects to the region as part of BRI 2.0. ■

# THE NEW FOREIGN DIRECT INVESTMENT SCREENING REGIME UNDER AUSTRIAN AND SLOVENIAN LAW

By Jasna Zwitter-Tehovnik, Partner, Kevin Luiki, Associate, and Ursa Brinovec, Erasmus Trainee, DLA Piper Weiss-Tessbach

After many years of liberalization and globalization, recent years have shown a reversal of the European Union's approach concerning foreign direct investment from third countries. As in much of the world, the EU has taken a more restrictive view than in the past, and this view is reflected on the legislative level with the FDI Screening Regulation.

## The Legal Framework of EU Foreign Direct Investment Screening Regulation

In March 2019, the European legislator introduced the so-called "FDI Screening Regulation" (EU 2019/452 or FDI-R) establishing a European framework for screening foreign direct investments into the bloc in an effort to balance the EU's openness to foreign investment with the need for caution about the ultimate sources and purposes of that investment.

The applicability of the FDI-R and the requirements stipulated therein will not alter the existing discretion of each Member State to put in place FDI screening mechanisms on a national level. However, where a Member State has implemented national control or screening mechanisms, they must ensure that those mechanisms are compliant with the principles set forth in the FDI-R.

In the wake of the COVID-19 pandemic, the European Commission has also published guidelines warning the

Member States of an increased risk of foreign entities attempting to acquire stakes in strategic industries such as healthcare or R&D. In its communications, the European Commission has urged the Member States to be vigilant and to make full use of existing control mechanisms to avoid the loss of critical assets and technology and to introduce or implement more rigorous investment control mechanisms.

## Implementation in Austria

Under Austria's previous FDI control regime, foreign investors were obliged to submit an application for approval only before acquiring an interest in an Austrian company operating in an area of public safety and order.

The material scope of the approval requirement under the Austrian control regime was to some extent unclear and broadly worded and therefore allowed the Austrian authorities a considerable degree of flexibility in its application. For a foreign investor, it was not always clear in advance whether the envisaged acquisition was subject to the approval requirement or not, burdening the approval procedure with legal uncertainty and a lack of transparency.

Moreover, the approval requirement only applied if the acquisition of the stake in the Austrian company was made directly by an investor located outside



Jasna Zwitter-Tehovnik

the EU, the European Economic Area (EEA), or Switzerland. In practice, third-country investors were therefore able to bypass the approval requirement relatively easily by acquiring equity stakes indirectly via EU-based subsidiaries.

On July 25, 2020, the Austrian legislator enacted a revised FDI control regime by implementing the Austrian Investment Control Act (InvCoA), significantly expanding the previous "lean" Austrian FDI control regime both in terms of scope and procedure.

Under the new Austrian FDI control regime, foreign investments in Austrian companies are subject to approval if: (a) the target company is active in a sensitive or system-relevant sector; and (b) the shares to be acquired in the target company reach or exceed certain voting rights thresholds or otherwise provide a controlling influence. In context of



Kevin Luiki

the sensitive or system-relevant sector requirement the InvCoA encompasses “particularly sensitive sectors” such as the operation of critical energy and digital infrastructure (in particular 5G infrastructure) and – largely because of the COVID-19 outbreak – research and development in the areas of pharmaceuticals, vaccines, and medical devices, as well as other sectors in which a threat to security or public order, including crisis and general interest services, may arise.

The InvCoA’s applicability thus considerably extends the material scope of the previous Austrian FDI control regime and now explicitly includes sectors which were previously practically exempt from approval requirements.

Furthermore, the possibilities of circumvention apparent in the previous Austrian FDI control regime through indirect acquisition schemes, in particular through execution via subsidiaries established in the EU, received strong criticism. In response, the Austrian legislator has extended the approval requirement to indirect acquisition schemes. As a result, acquisitions by a special purpose vehicle based in the EU/EEA and controlled by a foreign investor are now subject to approval.

#### Outlook and Implementation in Practice

As mentioned, the new Austrian FDI

control regime follows political trends requiring stricter scrutiny of investments from third countries. With the implementation of the new FDI control regime, the Austrian legislator is attempting to ensure in particular that foreign investors are prevented from having access to critical technologies and sensitive information without approval.

Due to the extension of the Austrian FDI control regime to indirect acquisitions as well as the extensive expansion of sectors that are subject to approval, a considerable influx of new approval procedures is to be expected.

The increase of approval proceedings will only be amplified by the fact that the relevant sensitive sectors are very broadly defined and therefore offer considerable margin for interpretation. As a result, the competent authority is enabled to comprehensively apply the approval requirement of the InvCoA.

It can therefore be assumed that in the future there will only be a limited number of international transactions for which the question of the InvCoA’s approval requirement does not arise or for which it can be completely ruled out.

#### Implementation in Slovenia

Unlike Austria, Slovenia did not have FDI screening mechanisms prior to the FDI-R. By its May 29, 2020 enactment and implementation of the intervention measures act (*Zakon o interventnih ukrepih za omilitve in odpravo posledic epidemije COVID-19*), it directly addressed the European Commission’s concerns. Slovenia now requires a foreign investor (regardless of which country it come from) to notify the Slovenian authorities regarding any acquisition of at least a 10% share interest in the capital or voting rights (including both direct

and indirect acquisitions). However, only investments which pose a threat to Slovenian security or public order are subject to the notification obligation. The sectors covered by the notification requirement are fully aligned with the FDI-R. Furthermore, any foreign investor or its subsidiary is subject to the notification obligation if they acquire the right to dispose of real estate or land crucial to critical infrastructure or in close proximity to such infrastructure.

From a procedural point of view, the Slovenian authorities are obliged to issue a decision within two months after receiving a notification, stating whether they approve, prohibit, or revoke the FDI or impose conditions on it. However, Slovenia’s act does not contain a standstill obligation and also does not provide for a clarification remedy, declaring whether or not the proposed investment is subject to the notification requirement.

By implementing the act, the Slovenian legislator has reacted to the warnings of the European Commission and has established strict rules for FDI.

#### Comparison and Conclusion

The entry into force of the FDI-R allowed both Austria and Slovenia to considerably reinforce their respective foreign investment control by empowering them to scrutinize indirect as well as direct investments. In this context, it seems that the Slovenian legislator exceeded the terms imposed by European Union law by requiring notification of and providing for scrutiny of acquisitions by EU entities/persons (not ultimately owned by third country entities/persons), and by allowing retroactive investigations, both of which seem not to conform to EU legislation and the constitution of the Republic of Slovenia. ■

# MARKET SPOTLIGHT POLAND



# GUEST EDITORIAL: THE TIMES THEY ARE A-CHANGIN'

By Arkadiusz Krasnodebski, Managing Partner, Dentons Poland



The legal market in Europe is ever-changing, but now, as we approach the turn of the year, there is no doubt we are at a pivotal moment. One could say that the tide has risen and the world of legal services as we know it is gone. While it would be easy to blame everything on the pandemic, the COVID-19 crisis has merely accelerated certain processes that have been swelling up and ready to burst for quite some time. The trends we have been observing have just gained momentum. It is essential that law firms accept the challenges and prudently navigate the dangers.

## Market on the Move

In the last couple of years, the environment we operate in has been reacting quickly and flexibly to the lurches and shifts of the economy. Our clients' businesses have grown exponentially, and there has been a lot of reshuffling in the market. These changes have been mirrored in the legal market, too. In Poland, we have been experiencing some key consolidations, as various competitors team up in hope of enhancing their market strength.

Simultaneously, many lawyers, tax advisors and consultants have moved from big firms to establish small, dynamic boutiques. They are challenging the narrative that only one-stop-shops can thrive on the market. Today's clients want to choose between the global reach and expertise of those who can provide virtually every kind of legal advice, everywhere, and the highly-focused specialist. The change has already come – now we are entering a stable plateau, where global firms and local boutiques are moving from competition to cooperation.

At the same time, the market has made itself heard – in Poland, many state-controlled entities have put a cap on their legal fees. This, for all intents and purposes, has blocked big player access to the public sector, and has given small firms an advantage. This stirred up the market for a while, but stimulated motivation to win new clients. Believe it or not, the market is thriving.

## The Shift of the Brand

Some international law firms have pulled out of the market, but the core of their intellectual potential – the lawyers – is still there. These major moves have undoubtedly left their mark, but have not shaken the legal business.

A strong brand is simply not enough: the lawyers themselves must support the brand experience. The brand promise is a strong and encouraging statement, but it is the daily work, engagement and reliability of the whole team – from partners, through counsels, associates, paralegals, and support staff – that delivers on the promise, day by day, doggedly and consistently.

We can also see that the rank of personal brands is growing – the achievements, commitment and ever-evolving talent of individual lawyers is what clients look out for today.

We must embrace this dichotomy. We need to keep on combining the standards of professionalism, integrity and best practices with versatile open minds. We must deliver the benefit of the reach, expertise and knowledge we have as law firms, especially those of global clout, while also bringing a human and individual approach to the client – that personal touch. Those who grasp the new order will not only survive, but profit by it.

## The Business of Trust

Adapting to our clients' needs is the bare minimum – what we need to do now is not only anticipate the change and adjust accordingly, but to go the extra mile and redefine our line of business. The change brought by the pandemic is not an ephemeral episode – it has altered our reality for good. To survive as law firms, we must help our clients survive as well. We need to support those who pay our fees – that is obvious. But in serving our fee-paying clients and our *pro bono* causes, we also have the opportunity to participate in realigning the principles upon which our society is founded.

On a personal note, for the last couple of days I have been rediscovering Bob Dylan. “You better start swimmin’, or you’ll sink like a stone, for the times they are a-changing,” he sang. How fresh and apposite the message remains. ■

# ADVISING FROM AFAR: LAWYERING IN A TIME OF SOCIAL DISTANCING

By Djordje Vesic



Within days of the coronavirus's arrival in March, the Polish government was scrambling to react, with lockdowns, subsidies and stimulus, public health requirements, and other measures coming rapidly, on an *ad hoc* basis, with the need for speed making it difficult for Polish companies (and Poles in general)

to keep up, and forming a patchwork of ideas rather than a comprehensive and coherent plan.

As a result, in Poland as in the rest of the world, for much of 2020 in-house legal teams – from Polish SMEs to local branches of giant multinationals – have

had to adapt on the fly, working to ensure compliance with the ever-changing legislative and regulatory climate while trying to help their internal clients remain competitive in a particularly challenging economy.

Meanwhile, the relationships between

the in-house counsel and the large law firms – the ways they communicate, the forms of assistance they offer – have changed as well, in some ways that are useful, and, perhaps, some that are less so.

**A Flood of Client Alerts**

In the weeks and months following the arrival of what became known as Covid-19 in Poland on March 4, 2020, the Polish government introduced a number of measures meant to slow the virus’s spread, including limitations on working hours for some businesses, prohibitions on others from operating altogether, and moratoria on some rent payments. According to Jacek Piotrowiak, General Counsel at Inter Cars, the government’s measures could be roughly grouped into two categories: Covid-related measures, such as lockdowns, and the so-called “Anti-Crisis Shield” that was aimed at providing support to businesses to ease the resulting financial hardship.

With little time to prepare, however, those measures were, perforce, more whack-a-mole than strategic – and the time pressure sometimes resulted in not-completely-clear legal drafting. “The government was adopting and updating policies and new laws almost on a day-to-day basis,” reports Dariusz Gapski, Head of Legal at Apsys Polska, and, as a result, “very often the regulations were not clear enough.”

Seeing clients – both actual and potential – struggle to keep up with the web of new regulations, and not insensitive to the business development opportunity, Polish law firms stepped in to help, sending out a massive amount of Client Alerts, newsletters, and other emails, some carefully targeted, and some

set out *en masse*. “‘Flood’ would be an accurate description of the frequency at which we were receiving these updates,” recalls Piotrowiak.

“The newsletters are mostly sent by the law firms we already have a relationship with,” Piotrowiak says, but he receives some from firms with which his company had not had previous contact. In both cases, he is aware that the firms are using the opportunity to showcase their expertise. Although he says that he has never followed up on the messages he receives from new firms, he concedes that they sometimes serve a valuable purpose as a sort of a check-list. “I usually go through them quickly and, if I spot useful information, I forward them to one of my team members.” Still, Piotrowiak reports, the lawyers on his team, use the webpages of governmental bodies rather than summaries from law firms as their primary sources of information.

Similarly, Joanna Krawczyk-Nasilowska, General Counsel at Ghelamco Poland, reports that she hasn’t followed-up on any of those emails she’s received – and admits she doesn’t go through all of them to begin with. “Since these emails are often very general, once you have read one, there is no need to read the others.”

Lukasz Szymanski, Head of Legal at Unilever Poland, says that Covid-19 has required him to spend a lot more time with his existing panel of law firms to stay up to date. “We have been cooperating with four prominent law firms in Poland for years,” Szymanski reports. “I have been communicating with them since the pandemic broke out, a bit more than I used to,” he says. “On some days, I start with conferences at half



**Jacek Piotrowiak,**  
General Counsel, Inter Cars



**Dariusz Gapski,**  
Head of Legal, Apsys Polska



**Joanna Krawczyk-Nasilowska,**  
General Counsel, Ghelamco Poland



**Lukasz Szymanski,**  
Head of Legal, Unilever Poland

past eight in the morning and end at five o'clock in the afternoon." Szymanski reports that about 50% of the topics he covers with Unilever's external legal advisors are Covid-related, and he says that his team's workload has significantly increased as well.

Of course, Szymanski also receives many emails from firms other than Unilever's regular advisors – but he says he found the information from others was not as trustworthy. And "sometimes the information was just copied from a government website," he says. "That would be just a waste of time, so, after a discussion within our legal team, we decided to stick with our partner law firms and unsubscribe from other newsletters."

Similarly, Judyta Sawicka, Head of Legal at Globalworth Poland, says that her company made the strategic decision to only review and consider alerts on policy changes received from its regular external counsel. But the useful information they received from their lawyers was not limited only to statutory and regulatory updates of significance. "Our counsel has kept us informed about the common practices the market has established with regards to the pandemic," she reports. "That information, in addition to regular briefs on regulatory updates, has helped us make decisions about how to adapt to the new situation."

Of course, email is hardly the only way law firms are communicating important information to existing or potential clients. Many firms have set up dedicated pages on their websites as well. "We were among the first ones to set up a specific part of our page dedicated to Covid-related updates," says Penteris

Partner Daniel Klementewicz, also sharing those pages in newsletters and on LinkedIn. "As lawyers, we are not really supposed to offer unsolicited advice to non-clients," he continues. "However, we are very active through LinkedIn in an informal way and we have managed to convey the contents of our webpage to ones who were not our clients before." Still, Klementewicz insists that attracting new clients was not his firm's primary focus. "We had plenty enough work coming from our regular clients, even without attracting new ones," he says.

### **If Two's Company and Three's a Crowd, What is 300?**

Meanwhile, although advanced video call technology such as Zoom, Microsoft Teams, and Google Meet predated the pandemic, their use among lawyers skyrocketed in 2020, as counsel and clients alike scrambled to keep the lines of communication alive during lockdowns and quarantines. "Starting in March, 99% of our meetings have been handled through Microsoft Teams," reports Dariusz Gapski.

The video component of has become, it seems, critical, as people increasingly request it even in situations when a traditional telephone call would seem to suffice. Of course, its proliferation has made it particularly useful when groups are involved, allowing law firms to organize webinars on different topics of interest to their clients. "We have participated in interesting and high-level webinars organized by, among others, Dentons, DLA Piper, Crido Legal, and Andrzej Lulka & Partners about, for example, the crucial and surprising change in Polish law regarding the relationship between lessors and lessees," says



**Judyta Sawicka,**  
Head of Legal, Globalworth Poland



**Daniel Klementewicz,**  
Partner, Penteris

Gapski, referring to a controversial (and, for shopping malls and business centers in particular, disruptive) new provision, which absolved lessees from paying rent for spaces of over 2000 square meters during the pandemic. “The webinars provided useful insight into the opinions of top lawyers on interpretations of the questionable new regulations.”

Marta Duraj, Head of Transactional Legal Services Office at Polenergia, agrees the video conferences can be useful. “There were some valuable webinars regarding the use of certified electronic signatures,” she says. “At the beginning, we struggled with how to use them, but it became much clearer after we attended webinars on the topic organized by Allen & Overy and Clifford Chance.”

Primarily, according to Rafal Rapala, Senior Partner at Kochanski & Partners, the webinars helped to clarify certain questions prompted by the pandemic, such as matters of restructuring or taxes. “As people strived to learn more, webinars were held almost every other day – and some were attended by up to 300 participants,” he says. “The flood of questions and remarks during the webinars was extremely high.”

Rapala points to a secondary benefit of online meetings and video calls as well. “It is a positive thing that our younger colleagues can see us online, when we are working from home in a relaxed environment,” he says. In his opinion, seeing their senior colleagues in those informal settings breaks the stereotype of dark-suit-wearing senior professionals, allowing for the creation a friendlier and closer relationship between veteran lawyers and newcomers.

Of course, not all conversations –

whether one-to-one or group – can be held online, and even though most informal meetings and social encounters have been put on hold for the time being, deal-making often still requires at least some face to face contact. “For crucial transactions, where it is more efficient, we organize in-person meetings even now, but of course we follow all safety measures, including wearing masks and sitting at a distance,” reports Judyta Sawicka of Globalworth Poland.

**The Future**

How and whether these technological and cultural changes will affect the post-crisis world is a common subject of speculation. “Companies might push for online meetings to replace direct meetings in the future, since they have realized that meeting in-person is not always necessary,” says Rafal Rapala of Kochanski & Partners, and “by cutting out meetings of this nature, companies would also reduce their costs.” Still, he insists, however cost-effective online meetings may be for negotiating and concluding existing deals, they are not as effective for starting new ones. “Without the straightforward interaction you can have over lunch, dinner, or even just a drink, it is slightly more difficult to start new transactional projects.”

Perhaps. Either way, Daniel Klementewicz of Penteris says that “the digital tools we now have at our disposal are here to stay. As an example, we can see that transferring sensitive information via email is not very safe. So, we might be doing it via specific data rooms in the future, perhaps through the use of the blockchain technology.” Accordingly, he says, “our work will change over time, as we will have to become more tech-savvy be able to manage these new tools and



**Marta Duraj, Head of Transactional Legal Services, Polenergia**



**Rafal Rapala, Senior Partner, Kochanski & Partners**

services, instead of just drafting certain documents.”

By December 23, 2020, Poland had reported a total of 1,226,833 confirmed Covid-19 cases and 26,255 deaths. Still, the light at the end of tunnel seems to be closer than it has been in almost a year, and everyone is eager to return to some version of normalcy. In the simple words of Marta Duraj, “I really like working with my team, and I miss my people a lot.” ■

# THE CUTTING EDGE: THE TECHNOLOGY TEAM AT KOCHANSKI & PARTNERS

By David Stuckey

**Blockchain, Cloud Computing, and Artificial Intelligence are more than buzzwords – they are concepts critical to the rapid technological development occurring across all industries.**

**We spoke to Partners Piotr Galka, Piotr Kaniewski, and Szymon Ciach in Kochanski & Partners' Technology team to learn more.**

**CEELM:** Szymon, let's start with you. What is the current cloud computing market status in Poland/CEE?

**Szymon:** It is growing dynamically. According to the Computerworld TOP200 report, in 2019, companies interviewed for the study reported an almost 30% increase in net revenue from the sale of cloud services. In the same report, 51% of those surveyed associated the future of their company with cloud technologies. We also notice a strong focus on adopting cloud technologies within the financial sector, as business needs and regulatory frameworks mature. Cloud datacentres are also on a rising tide in Poland. In 2019 Google announced a plan to invest up to USD 2 billion in a Polish data center, and Microsoft followed suit in 2020 by announcing a new cloud data center outside Warsaw. As data residency is a sensitive compliance topic, especially in the financial sector, we expect the new CEE cloud regions of leading suppliers to provide strong incentive for wider cloud adoption.

**CEELM:** What are the typical cloud projects you work on?

**Piotr Galka:** The Coronavirus pandemic has greatly accelerated the need to

adopt cloud computing technology. In line with this, our main role is to help our clients adopt cloud technology in a secure way.

Our experience of working with clients from regulated industries has allowed us to help large financial organizations, which operate in a regulated environment. This past year we helped financial organizations to implement Microsoft 365 and AWS services, and we are now in the process of helping a large international financial group build a European marketplace based on cloud services.

**CEELM:** What are the key obstacles to cloud computing adoption?

**Piotr Galka:** In my view, a major call is now sounding the need for rapid adoption of cloud technologies. On the other hand, there are still very few specialists on the market who are familiar with cloud technology, which causes significant challenges for organizations wishing to implement it.

**CEELM:** What are the legal challenges for an enterprise in Poland to use cloud?

**Piotr Kaniewski:** We are seeing two major legal challenges concerning cloud computing. The first is data protection – in particular, personal data protection. Although most of these problems are covered by cloud providers (they're quite common across the EU), fires break



Piotr Galka, Piotr Kaniewski and Szymon Ciach together with Lukasz Wegrzyn, Head of Technology, Kochanski & Partners

out from time to time. I'm thinking, for example, about the recent CJEU judgement in the Schrems II case, which made it very difficult to transfer personal data to the USA.

The second and even greater challenge is sectoral regulation, especially banking regulation. Polish legislation regarding liability and subcontracting chains is quite unique in Europe and requires cloud providers to take a specific approach to Polish banks. Moreover, ensuring the compliance of cloud contracts with regulatory requirements continues to pose an intellectual challenge. The Polish Financial Supervisory Authority still shows little sensitivity to the specifics of highly standardized cloud contracts. But we're not complaining; it's much better than it was two or three years ago, and the future looks very positive.

**CEELM:** What is the future regulatory landscape for cloud computing in Europe?

**Szymon:** We can expect a tsunami of regulations to arrive in the near future, as cloud computing is considered fundamental to the development of the EU's data Digital Single Market. The European Commission is working intensively to execute its Data Strategy, aiming to ensure a more secure and interoperable cloud infrastructure and services for European businesses. The idea is to set up a framework for access, transparency, and compliance for cloud services within the EU. To this end, it is planned, among other things, to facilitate European marketplaces for cloud services, where users can access EU-compliant services. Interestingly, the European Commission expects a shift by 2025 from centralized computing to 80% of all data being processed in smart devices closer to the user (edge computing). This is strongly related to the incoming

new generation of telecommunication technologies – 5G – which will multiply the computing power of small devices. Regulatory attention will be paid to the free flow of non-personal data, cybersecurity, and cloud use by the financial sector.

The financial sector and its IT suppliers should be especially vigilant, as the European Commission has recently formulated a Proposal for a Regulation on digital operational resilience for the financial sector, together with an associated directive. These regulations will set up new, common, GDPR-like rules for mitigating ICT risks by financial institutions. This regulation will certainly have a knock-on effect on cloud services within the EU as well.

**CEELM:** Are the problems of cloud computing relevant to the adoption of other technologies?

**Piotr Kaniewski:** They're key to the adoption of artificial intelligence solutions. Many of them are being offered by cloud providers as part of cloud services. Even if not, AI solutions need the cloud, which is not only an environment for AI development and training but also a source of computing power and storage for datasets analysis to be carried out by AI.

It's hard to imagine the widespread use of AI in Poland without the necessary supporting cloud infrastructure, which can mean a critical risk for the Polish economy. If participants in the market do not respond to competitors' rapid adoption of cloud and AI, they may simply be left behind as competitors gain an unreachable market advantage. So you can see how significant it is that these changes are adopted as quickly as possible. ■



Szymon Ciach



Piotr Galka



Piotr Kaniewski

# STARTING IN STYLE: INTERVIEW WITH THE PARTNERS OF THE NEW NGL SYMBIO ALLIANCE

By David Stuckey



**CEELM:** Tell us about the NGL Symbio alliance, and when it will become fully operational.

**Roman:** NGL Symbio – in simple words – is an alliance of five legal practices: Rowan Legal in the Czech Republic, NGL Legal in Poland, Erdos Katona in Hungary, HKV in Slovakia, and Biris Goran in Romania. We will be officially operational starting January 2021, although the preparations and discussions concerning its creation have been going on for some time now.

**Krzysztof:** NGL Symbio is the answer to market needs, and, at the same time, an innovative organization. We see the great interest of clients operating in the CEE region in obtaining coordinated

services at a uniformly high level. Both large multinational corporations and local companies considering expansion are looking for forms of legal support other than those that have been offered to them so far by different law firms (i.e., a country-by-country service), or integrated international networks. Companies are now looking for new and more effective cooperation models. In some law firms operating in individual CE countries, there is a need to coordinate efforts to serve these clients at a supra-national level. NGL Symbio is a solution: an alliance of law firms, which at the national level retain their existing independence and provide clients with integrated services of high quality.

**CEELM:** Why did you decide to put the

alliance together – what value will it add to its members?

**Krzysztof:** The idea of creating an alliance of independent law firms based on shared values and a simple organizational structure has been maturing in me for some time. While at my previous firm, I observed the rapid growth of the CEE market for legal services and the changes taking place there (e.g., some international law firms leaving the market, attempts to strengthen local practices by expanding, and the activity of regional firms from Germany or Austria). In my opinion, it is an excellent time to implement a new, transparent, and straightforward solution – to better serve our clients and provide the feeling of being part of a larger family. That



Krzysztof Wiater,  
NGL Legal, Poland



Gabor Erdos,  
Erdos | Katona, Hungary



Roman Hamala,  
KHV Law Firm, Slovakia



Michal Nulicek,  
Rowan Legal, Czech Republic



Gelu Goran,  
Biris Goran, Romania



Paulina Bednarczyk,  
NGL Services, Poland

was our approach from the beginning, and our partners in the region shared it.

**Michal:** We like the idea of joining forces to provide high-quality legal advice in CEE and a strong focus on winning new work and on doing what is necessary to attract it. Seasoned experts drive the member firms, whom we trust. We also enjoy transparent and honest communication among members.

**Krzysztof:** I am delighted with what my partners have said. Regardless of the hard work and packed calendar, we have a lot of reasons to be satisfied. Hence it is no coincidence that in our Rules of Cooperation there is a point stating: “The Parties shall make their commercially reasonable best efforts to have some fun along with the development of NGL Symbio project.”

**CEELM:** Krzysztof, the alliance shares its name with your firm. Does this mean

NGL Legal has a primary managerial or administrative role in it?

**Paulina:** Allow me to jump in. Grupa NGL appears in the project in two ways: through NGL Legal – the initiator and partner of NGL Symbio – and through NGL Services, supporting the project from the operational side. For several years now, Poland has been the primary destination in CEE for shared services centers built by international businesses. The NGL Services team was responsible for setting up an operational support facilities for one of the global law firms from scratch, and running it for close to three years. This experience was invaluable when we were establishing the NGL Group. We relied not only on lawyers and tax advisors, but also on a strong management team with significant experience in running large international structures. The team’s experience and its easy scalability allowed NGL Symbio to

be built from the beginning in line with large law firm operational standards. It also determines the innovation and attractiveness of our project.

**Krzysztof:** This solution has another vital feature; the clearly defined scope of support provided by NGL Services translates into a transparent system for allocating the operating costs of NGL Symbio. However, apart from the operational aspects mentioned by Paulina and the fact that the initiator of the idea was NGL Legal, our partners entrusted me with the function of the first MP of NGL Symbio, while Paulina is its COO. For all these reasons, our alliance started operating under this brand. Nevertheless, even at this initial stage, we have set up a discussion on rebranding down the road. The need to modify the name eventually may, for example, be related to the development of different regional service lines (such as tax concerns,

though this example is not exclusive).

**CEELM:** How did you identify and select the other members of the alliance? Do you expect the alliance to grow in the months and years to come?

**Gabor:** Yes, more and more companies operating in this region are looking for law firms that can serve their needs on a regional level. We are sure that our smooth operation and exceptional legal advising quality will bring us more and more opportunities. Quality never goes out of fashion.

"We do expect growth in terms of members and the amount of international work in the CEE region and adjacent countries (e.g., the Baltics, Balkans, and Adriatics). We have collectively identified several key practices, industries, and initiatives across our five firms to support that growth."

**Roman:** I think the main component in choosing the members of this alliance was a similar background and working culture. We had, in some cases, already established a good working relationship based on positive experiences in the past. One of the alliance's main goals is reliability in providing services, so it is only natural to invite firms that you have worked with previously. As for the alliance's growth, it is essential to establish ourselves as a reliable partner in the CEE region first so that we do not take on too many challenges too quickly. After that, I do believe there is ample room to grow.

**Michal:** We do expect growth in terms of members and the amount of interna-

tional work in the CEE region and adjacent countries (e.g., the Baltics, Balkans, and Adriatics). We have collectively identified several key practices, industries, and initiatives across our five firms to support that growth. The goal is to integrate our experts across the region, exchange know-how and expertise, and set up relevant offerings for our clients in the region. On January 1, 2021, we are starting with the first six – the Banking & Finance, Corporate M&A practices, the Real Estate and Energy industries, and, finally, the Cannabis Law and Investigations initiatives. We will be launching new ones on a quarterly basis.

**Gelu:** Exactly. We bring extensive experience in multijurisdictional projects to NGL Symbio. We have had the opportunity to work with many teams in the region. This should result in further geographical development, especially as several potential partners have already expressed interest in establishing cooperation. We will certainly be able to provide more information on the subject in 2021.

**CEELM:** In the first few months since the alliance's creation, has it worked on any major cross-border or multi-jurisdictional deals or other client matters you can share with us?

**Krzysztof:** We are already carrying out several cross-border projects, and we have dozens of inquiries and information about our services, but please remember: NGL Symbio officially starts operating on January 1, 2021. I must admit that we often had to repeat this to ourselves, because, on the one hand, we are working with ambitious people – we wanted to implement as much as possible before this cut-off date. On the other hand, we knew very well how great a challenge it is to quickly promote a new brand on a particular market – in

this case, the legal services market.

**CEELM:** You've obviously launched NGL Symbio in unique and challenging times. Has the ongoing Covid-19 crisis effected the process at all, or in any way limited the early effectiveness of the alliance?

**Gabor:** To the contrary. COVID-19 has changed many things on the legal market and brought new challenges, and the law firms able to give better answers to these challenges will benefit the most. The fact that we are starting our operation during such challenging times has allowed us to form our alliance in an appropriate way.

**Roman:** I think it is fair to say that you would be hard-pressed to find anyone who hasn't been at least partially negatively affected by the challenging circumstances, and we are no different in these difficult times. However, I do believe that this early setback will motivate us to push ourselves even more once the situation is under control.

**Krzysztof:** When assessing the impact of the current situation on our project, I have two thoughts. First, I feel that we have not wasted this time: during the first wave, we started selecting partners and then adopted an Action Plan with them. During the second wave, regardless of the current customer service climate, we consistently implemented the Action Plan. Second, like many of our clients, we are trying to anticipate the post-Covid economy. Being stuck mentally in the situation we see outside the window does not move us forward. We see 2021 as an excellent opportunity for alliance partners and NGL Symbio as a whole. And we wish all your readers such a balanced/reasonable optimism for 2021. Warm regards to all and keep your fingers crossed for us. ■

## MARKET SNAPSHOT: ENERGY TRANSITION AND DIGITAL INFRASTRUCTURE – THE DRIVERS OF THE POLISH LEGAL MARKET

By Patryk Figiel, Head of Energy & Infrastructure, Linklaters Warsaw



Energy transition and digital infrastructure are two areas in which clients are increasingly asking for advice in Poland – areas of the Polish economy which have thus far proved highly resilient to the COVID-19 pandemic.

Why energy transition? The shift towards a fossil-fuel-free economy is critical. For Poland,

which is one of the EU's most carbon-intensive economies, this transition will require a massive investment for years to come not only in the power sector, but also in transport and heating. Throughout 2020, Linklaters Warsaw has been busy advising leading infrastructure funds and financial institutions on how best to participate in Poland's transition towards a zero carbon economy.

The proportion of fossil fuels in the energy mix needs to be brought down, and renewables increased, as set forth in the EU Renewable Energy Directive and the Polish Energy Policy until 2040. The CEE countries have generally lagged behind other EU member states in investing in renewable technologies, but this delayed uptake has proven to be to the late-movers' advantage. Linklaters' Warsaw Energy & Infrastructure team has been involved in many of the onshore wind deals in the Polish market. Together with the firm's Banking team, we have developed an innovative financing structure through which the first fully unsubsidized onshore wind project in Poland was financed. The Polish government plans to ease onshore wind farm development restrictions, which will further boost the development, transactional, and financing advice-giving work in this very hot sector.

Poland, which has historically been dependent on cheap domestic coal for power, is now set to become one of the largest

wind centers in Europe, with the total Baltic Sea capacity of up to 12 GW to be awarded with contracts for difference (CfD) by 2028. Seeking out the opportunities that the expanding offshore wind market presents, Linklaters' Warsaw Energy & Infrastructure team advised on the first offshore wind deal ever in Poland, and we have been involved in three of the four major offshore wind transactions in Poland to date. At the end of November 2020, the Polish government adopted a draft law aimed at developing offshore wind farms, which is scheduled to enter into force in early 2021. This legislation will provide a stable legal framework for this technology and 25-year CfD support to attract investors and financiers.

The energy transition is more than developing renewable energy sources; it is also about generating power in a more efficient way and managing waste. The best example of this is showcased by the EUR 780 million PPP waste-to-energy project, which is the most valuable public-private partnership project ever in Poland. Linklaters' Warsaw team assisted the sponsors to ensure the thermal conversion of municipal waste into energy via a high-efficiency cogeneration formula. This is a landmark project on the market and paves the way for clean thermal energy in Poland.

Digitalization is another sector that keeps infrastructure lawyers busy. Poland and other countries in the CEE region need to close the digital gap and invest heavily in their digital economies. Thus, new deals are coming from the telecoms industry, where broadband infrastructure has become a core focus for the private sector. The Linklaters Warsaw team is seeking out new opportunities to assist its clients in this fast-growing sector.

Infrastructure and energy-related investment will surely play an important role in stimulating the post-pandemic recovery. Thus, the prospects for legal work in this area look promising and Linklaters Warsaw is well placed to advise its clients as they seek to develop these areas. ■

# INSIDE INSIGHT: JUDYTA SAWICKA, HEAD OF LEGAL AT GLOBALWORTH

By Andrija Djonovic

**CEELM:** Can you walk us through your career leading you up to your current role?

**Judyta:** I started my legal career in Big Law, as a transactional lawyer specializing in real estate and M&A. I worked for Linklaters, joining the firm for the first time as a Legal Intern in 2007, and then again as a permanent employee in 2010 before working my way up to Managing Associate. After eight years at an international law firm, I decided to transition to the business side of the industry and joined Globalworth as a Head of Legal in 2018.

I have always liked both mathematics and humanities. When choosing a university, I decided to pursue an Economics degree at the Warsaw School of Economics and study Law in parallel at Warsaw University. I considered law to be an excellent “generalist” study. Over time, it engaged me so much, it became my career choice.

Practicing law in commercial transactions allowed me to connect it to the business context. The in-house role provides an opportunity to be even closer to the commercial side. It provides perspective on how to address legal, regulatory, and compliance matters and to contribute to the growth of the company.

**CEELM:** Why did you decide to join Globalworth?

**Judyta:** I was invited to join a new office platform in Poland. Globalworth

was created with the aim of becoming CEE’s leading office landlord (which it quickly became). From the beginning, it had a team of genuinely good people, a strong vision, and a supportive shareholders base.

I was given the opportunity to build and lead its legal department in Poland and support its transactions, day-to-day operations, and dynamic growth. It was a challenge I could not say no to! And the role indeed proved to be a source of enormous satisfaction.

In two years, and via a number of transactions, we have acquired almost EUR 1 billion worth of assets in Poland. Globalworth has now a portfolio of 61 real estate assets in Poland and Romania with a total value of EUR 3 billion and is the partner of choice for a wide variety of high-quality tenants in the region.

**CEELM:** Tell us about Globalworth’s legal department. How big is your team, and how is it structured?

**Judyta:** When I joined the company, at the beginning of 2018, Globalworth’s Polish branch had around 30 individuals on board. In less than two years we have grown to approximately 120 professionals – and together with our Bucharest colleagues we are approximately 240. We have grown the in-house team intending to internalize the management of our assets and offer the best services to our tenants.

Heading the legal department in Poland, I lead a fantastic team of eight lawyers:

four experienced legal counsels and two junior associates, supported by two legal interns. We are responsible for all the angles of Globalworth’s operations in Poland from a legal perspective, including corporate, leasing, asset and management matters, construction, compliance, and transactions – as well as responding to digitalization opportunities and the challenges of the current pandemic.

**CEELM:** Was it always your plan to go in-house?

**Judyta:** When I was having conversations with professionals who had moved from a law firm to an in-house position, most of them repeated that “no two days are the same.” I found it very true when I made the transition myself.

I appreciated working for an international law firm very much. At the same time, I wanted to get closer to the commercial side of the industry as well as to the broad perspective and responsibility the in-house role provides for a lawyer. You should be prepared to discuss business and organizational issues as well as to have an active role in crisis management, compliance, and reputational matters.

When someone at the company comes to me with an issue, he expects a solution, and that solution should be assessed not only from the legal side but also through the lens of the business goals of the company.

In a law firm, you usually need to specialize in a particular area to excel,



whether it is M&A, IP, litigation, employment, or something else. In-house lawyers need to address all the legal needs of a company. They should roll up their sleeves and learn to understand a much broader context of law (at least to “know what they should find out”) and know the business and industry.

From my experience, the in-house role provides enormous satisfaction, especially when you can contribute to the growth of the company.

**CEELM:** What was your biggest single success or greatest achievement with Globalworth in terms of particular projects or challenges? What one thing are you proudest of?

**Judyta:** I definitely consider creating a great legal team and building legal operations in Poland from scratch as the biggest success. It was a demanding task given that, at the same time, Globalworth was growing very rapidly. We have all been involved in structuring the operations of the company, adjusting workflows, finding the best solutions to new challenges, and working hard to expand the company’s portfolio.

I am also very proud to be part of the team launching the Globalworth Foundation in Poland. It started its operations this year, with a project aimed at providing support to hospitals affected

by the COVID pandemic.

**CEELM:** How would you describe your management style? Can you give a practical example of how that manifested itself in the legal department or helped you succeed in your position?

**Judyta:** I would say “engaging.” I respect my colleagues very much, and I am focused on empowering the team.

The crucial point is to have the right people in the right place. I look for individuals with integrity, passion, intelligence, and good legal expertise. Having that as a foundation, I believe the approach of open dialogue, honest feedback, and mutual trust allows us to create a team of hard-working, talented professionals, energized about what we do, who respect and help each other.

**CEELM:** Do you have any personal habits or strategies you employ that may not be common but that really help you succeed in your role?

**Judyta:** It is crucial for every lawyer – and an in-house lawyer in particular – to have good communication skills, be cooperative, and be well-organized. They work closely with non-lawyers and should have the ability to reduce the complicated to the simple. Of course, good legal knowledge goes without saying, and, as I underlined earlier, they should get to know the very core of the company and the industry. Thus, when searching for people, I look for those with a defined set of skills.

During an interview, I like to ask for the motivation behind applying for a given position and behind past choices. You can learn a lot by asking an open-ended question and seeing the candidate’s way of thinking. Of course, as in any interview, more important than the question itself is to listen carefully to the interviewee. People create the quality

of the company. At the same time, it is important to choose the right people to fit the company and its DNA.

**CEELM:** What one person would you identify as being most important in mentoring you in your career – and what in particular did you learn from that person?

**Judyta:** I have been fortunate to have great professionals around me from the beginning of my career, who impacted my professional and personal life. It would be impossible to name just one person that was the single most important mentor to me.

Being open-minded to the views of others and learning from people – both those much more senior and experienced than I am and those younger with a fresh attitude is something which I consider fundamental for personal development.

**CEELM:** On the lighter side, what is your favorite book or movie about lawyers or lawyering, and why?

**Judyta:** Practicing law on a daily basis, and knowing many good practitioners, I must say that real-life brings much more fascinating stories than any fiction about lawyers.

In my free time, I reach rather for art history, innovation, and leadership books. I believe this is true for every profession: it is good to have a broader perspective.

There is, however, a book that comes to my mind with an inspiring legal context: *Red Notice*, by Bill Browder. It shows the story of the author itself, painting a hero character of his lawyer and documenting a memorable struggle, which led to the adoption of the so-called Magnitsky Act. It’s a book based on a true story, which you read like a Grisham thriller. ■

# EXPAT ON THE MARKET: BEN DAVEY OF WKB WIERCINSKI, KWIECINSKI, BAEHR

By David Stuckey



**CEELM:** Run us through your background, and how you ended up in your current role with WKB in Warsaw.

**Ben:** I started my legal career and worked for about 15 years in the Melbourne office of the Australian law firm Freehills (which merged with Herbert Smith a couple of years after I left). I focused on private equity and other alternative investments, including investments in infrastructure. In 2005, I assisted an Australian investment fund with the acquisition of a stake in a power station in Poland, working alongside Polish counsel. The general counsel of the client figured out that both the lead Polish lawyer and I were single, and encouraged us to stay in touch after the transaction. To make a long story short, things worked out. I moved to Warsaw in 2010, we got married a few years later, and now have two kids. On the work front, after a bit of time getting settled in Poland, I was lucky enough to find a

home in the M&A team at WKB.

**CEELM:** Was it always your goal to work outside of Australia?

**Ben:** I wouldn't say it was a top priority. Many of my colleagues went to London, Singapore, or Hong Kong for a short time when we were junior associates. At one point in the late 90s, I lined up a job in London too, but I was working on some great transactions in Melbourne and ultimately didn't follow through with the move. For quite a while, I thought the window had closed and I'd be in Melbourne for the long haul, but life has a way of throwing you curveballs.

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

**Ben:** In Melbourne, I had become very focused on private equity, not just M&A activity for private equity funds, but also



fund formation. But the private equity market in Warsaw is not as deep, and there is very little fund formation work here, so I am now more of a general M&A lawyer. Our M&A practice at WKB continues to grow year after year, and we have a great team, with some very dedicated and talented lawyers,

ranging from enthusiastic fresh-faced youngsters to some of most experienced M&A lawyers in town. Given my background, I usually work on transactions that have a cross-border element and where the working language is English.

*"In Poland, we have quite a few strong national independent firms like WKB, plus offices of numerous global and regional firms, as well as many smaller and boutique firms. In some cases, clients view us all as interchangeable, so the market feels over-crowded, and, from time to time, it is difficult to know where the bottom is in terms of price. Let's just say, it's a good place to be a client!"*

**CEELM:** How would clients describe your style?

**Ben:** I focus on delivering quality service. I think my private equity and investment fund clients in Melbourne would have described me as someone to help navigate uncharted waters. They valued the combination of my attention to detail, including my eye for potential hazards, as well as my appetite for complex equity structures and adjustment mechanisms. However, in Warsaw, where I do more work on mainstream M&A, and given my seniority, I think my experience, common sense, and project management skills are more relevant.

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

**Ben:** In Australia, there was more detail

in the legislation and supporting materials such as guidance published by regulators, plus hundreds of years of common law to draw on. If you were prepared to look long and hard enough, you could almost always find an answer or see that someone had faced the same problem before, and, even if that wasn't the case, you could get a very good sense of how a problem could be solved, and how the courts would resolve things if it came to that. In Poland, I think there are more blind spots for lawyers, and less certainty about the determinations a court might make in unusual or untrodden territory, so it's more difficult to deal with novel problems with confidence. As for the legal market, I thought things were competitive in Melbourne, but it's nothing compared to Warsaw.

**CEELM:** That's interesting. Can you elaborate on that a bit?

**Ben:** In Poland, we have quite a few strong national independent firms like WKB, plus offices of numerous global and regional firms, as well as many smaller and boutique firms. In some cases, clients view us all as interchangeable, so the market feels over-crowded, and, from time to time, it is difficult to know where the bottom is in terms of price. Let's just say, it's a good place to be a client!

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

**Ben:** At work, things are pretty similar, although I think WKB is more progressive and less formal than many Polish law firms, so maybe my experience is not representative. Outside the office, in day-to-day life, while Australians like to think of ourselves as larrikins, I think we are much more inclined to follow the rules than Poles. I think this is pretty starkly demonstrated by the approach to

the COVID-19 pandemic in each country. Also, both the surf and the coffee in Australia are much better!

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

**Ben:** Back in the 1990s, some Polish law firms had expatriates to help bring them up to speed with international best practice during the shift to a market economy. Thirty years on, that's not as relevant. Rather, I think my role says more about WKB and its open-minded attitude as to who can potentially make a valued contribution to the organization.

**CEELM:** Do you have any plans to move back to Australia?

**Ben:** Not for the foreseeable future, but I think I'll be living in Australia in my retirement, if for no other reason than my old bones might appreciate the warmer weather!

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

**Ben:** Hmm. I've had many enjoyable trips in the region, and it's hard to pick a favorite. Maybe Slovenia, which is absolutely beautiful, and I love the mountains.

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

**Ben:** For those who are interested in history, I recommend the Warsaw Uprising Museum, which is dedicated to the unsuccessful uprising by the underground resistance against German occupation in the late summer and early autumn of 1944. But, if the weather is warm, I like to go for a bike ride along the river or through the farmland south of the city in search of a place to have a grilled sausage and a beer. ■



# EXPERTS REVIEW: M&A AND PRIVATE EQUITY



Ok, stay with us here. This issue is being put together during the holiday season, and the subject of Experts Review in this issue is Corporate/M&A. And what gifts do people dream about acquiring? Cars!

That (perhaps debatable) thesis forms the basis for the ordering of the articles this time around: Road vehicles per capita. Thus, the article from Poland, which leads CEE with 719 motor vehicles for every 1000 people, comes first, and the article from Slovenia, where there are 541 motor vehicles for every 1000 people, is second. For context, the Most Serene Republic of San Marino leads both Europe and the world with a remarkable 1263 motor vehicles for every 1000 people.

■ Poland (719)	page 52
■ Slovenia (541)	page 53
■ Czech Republic (539)	page 54
■ Romania (458)	page 55
■ Slovakia (408)	page 56
■ Bulgaria (393)	page 57
■ Russia (381)	page 58
■ Hungary (355)	page 59
■ Serbia (336)	page 60
■ Montenegro (326)	page 61
■ Bosnia & Herzegovina (258)	page 62
■ Ukraine (219)	page 64

## POLAND: POLISH M&A MARKET – TIMES ARE CHANGING

By Pawel Halwa, Partner, Schoenherr



Looking back at 2020, one can draw some conclusions and identify some trends in the Polish transactional market likely to stay with us in 2021.

We have seen a lot in recent months, especially after the worldwide pandemic broke out and changed how we live and work. But those changes were not all bad, and transactions are continuing despite the uncertainty.

After an initial slowdown during the spring lockdown in most European economies, the market in Poland made a comeback, with many transactions, large, medium, and small. The market favored experienced players: buyers and sellers who had done deals in the recent past showed more confidence during that period and were more likely to close deals. In the middle and smaller sectors of the market there was some uncertainty on the side of founders who were looking to sell the companies they had built over the previous two or three decades. Also, some funds decided to delay their exits from investments in sectors that could be considered particularly vulnerable to the pandemic crisis. At the end of the year, however, some of these transactions came back.

Additionally, lower valuations have led to a fairly high number of tender offers on the Warsaw Stock Exchange. While this may mean that the WSE will lose some of its valuable companies, it also means that there are a significant number of new companies looking at the Warsaw market as a place to list, especially following the successful IPO of Allegro, which may pave the way for other large companies.

While technology-related deals were already on the rise prior to COVID-19, there was particular activity in this sector in 2020. Naspers' investment in Carismile, the acquisition of BabbleLabs by Cisco, and Smart Pharma's purchase by Chiesi clearly illustrate that investors in this area are particularly active and are gaining confidence in technology-intense areas. In addition, Illiad's recent tender offer for mobile telecom operator Play and Nets' acquisition of Polskie ePlatnosci also fit the picture. Innovative and IT infrastructure investments have clearly increased.

In real estate, logistics has proven to be a strong area in Poland throughout the year and the outlook looks promising. New players have entered the market and are teaming up with local developers for new projects. This activity also reflects the recent changes in how we live and in retail.

While many market participants positioned themselves for significantly more distressed transactions as a result of the pandemic's impact on the economy and limited access to financing, there were fewer such deals than originally expected. It is possible that distressed deals will come to the market a little later, when the protective effect of the COVID-aid packages wears out. We are already seeing increased demand in this area, and the revamped Polish legal environment for distressed transactions, including the favorable pre-pack provisions, provides a good environment for such deals.

How transactions are put together has also changed a lot. Like other professionals, M&A advisors and lawyers have learned to negotiate and make deals without holding physical meetings. Until recently, the use of video calls, especially in private M&A, seemed quite exotic, but market participants have embraced the change surprisingly quickly. In a number of transactions, we managed without the presence of clients even at signings and closings. Technology also allows us to be more efficient, both in time and travel costs. Whether or not we will be able to cope without in-person meetings in the longer run remains to be seen. While a teleconference cannot always convey the same thing as an in-person meeting, the current travel restrictions will most likely stay with us into 2021.

The M&A industry has once again proved its flexibility and vitality, and the experiences of the passing year give us reasons for cautious optimism going forward. While some businesses may face difficulties due to the unstable economic environment in the coming year, there should also be plenty of opportunities for transactions. ■

## SLOVENIA: LIFE SCIENCE M&A DEALS ON THE RISE IN SLOVENIA

By Ales Lunder, Partner, and Sasa Sodja, Attorney at Law, CMS Slovenia



Foreign investors of all types were increasingly interested in Life Science (LS) companies even before COVID-19 emerged. It is no wonder that Slovenian LS

companies are of particular appeal, since this highly innovative community significantly contributed to Slovenia being ranked 21st in this year's Bloomberg Innovation Index. Some say COVID-19 catalyzed the new deals this year, but they were more likely fostered by the new investment opportunities that keep popping up with each innovative solution offered by the relatively small (and relatively inexpensive) companies in Slovenia. The race to acquire these innovative scale-ups and start-ups has become increasingly competitive.

When structuring a deal and drafting the transaction documents, lawyers need to predict the worst-case scenarios, consider all matters, and prepare for every possible development. The current pandemic increased the need for this further and now we are expected to anticipate previously almost-unimaginable changes of circumstances. Of course, it would hardly make sense to prepare for an alien invasion or a meteor strike, but, in the current climate – which will likely last well into 2021 – the areas that buyers and sellers of LS businesses in Slovenia focus most on when making a deal seem to be:

**Financing of the Transaction.** Due to the economic downturn, buyers often face difficulties obtaining financing (even if pre-approved) and a seller will not venture into negotiations unless the buyers can provide assurance they are financially sound. This is especially important in the split exchange and completion steps.

**IP Due Diligence.** In the LS sector, especially with start-ups and scale-ups, it is the IP value that buyers most want to acquire. Due to certain pitfalls in Slovenia's IP protection system, it is no longer sufficient to limit the risks within the SPA – if IP is not protected or is insufficiently protected, the signing stage is never reached. The focus on IP assets is so strong that our office has developed specialized tools for IP vetting in LS transactions.

**Issues with Valuation.** Supply and demand for LS products and

services no longer seem to follow the usual patterns. This of course affects the valuation processes, and these effects were further magnified during the lock-down in Slovenia (and the EU) which severely disrupted supply chains.



**Adverse Material Changes.** In the current market, investor/buyer appetite is increasingly likely to change, and MAC clauses are becoming more and more complex. Buyers now want an exit strategy not just in case of lower profitability or regulatory changes, but (and this is not limited to LS) also in case the IP becomes obsolete. Even more, they wish to introduce different types and scopes of *force majeure* clauses that, before, were rarely included in a transaction. It is becoming more and more difficult for sellers (and their lawyers) to limit the cases in which buyers can terminate.

**Increasing Numbers of Asset Deals.** Rather than acquiring a distressed business, buyers seek to set up the transaction as an asset purchase, which has the advantage of allowing them to carve out liabilities and obtain only the desired assets, such as IP and tech solutions.

**Foreign Investment Regime.** Based on our communications with the Ministry of Economic Development and Technology, it is clear that it does not wish to hinder direct foreign investment in Slovenia, but the relevant notification has already become a standard condition precedent and does affect most transactions in the LS sector.

While the general situation in the market remains uncertain – some even say unstable – due to the potential fundamental economic and social changes in the air, there are clear indications that M&A activity in the LS sector will at least remain at the current level. For Slovenia, this is not only an important sector, but also a very lucrative one. Hopefully, recent transactions will incentivize innovation, and thus complete the circle. ■

# CZECH REPUBLIC: SIGNIFICANT CHANGES TO CZECH CORPORATE LAW – THE IMPACT ON THE OPERATIONS OF COMPANIES AND ONGOING TRANSACTIONS

By Lukas Janicek, Partner, and Magda Ullmann, Senior Associate, CMS



Czech corporate law has changed significantly over these past few years. In 2014, the Act on Corporations replaced the Commercial Code that had been in place since 1991. On January 1, 2021, an additional amendment to the Act on Corporations (the “Amendment”) will go into effect.

The most noteworthy changes introduced by the Amendment include the simplification of the incorporation process for limited liability companies, the re-introduction of the monistic (one-tier) management structure of joint stock companies with only one corporate body, and the introduction of new rules governing financial distributions.

## Broader Impact of the New Corporate Rules

Many companies have been busy dealing with the impact of COVID-19 and have not had the opportunity to reflect on the regulatory changes brought about by the Amendment. However, these changes not only have the potential to affect transactions and/or restructures which are currently underway, but are also likely to have a continuing impact on the operations of Czech companies going forward. Set out below are some of the more important changes being introduced by the Amendment:

*Transactions.* The Amendment broadens the spectrum of transactions which require the approval of the general meeting by the seller (and also, in some circumstances, by the buyer).

The purpose of expanding the existing category of transactions is to protect shareholders against the undesired dispossession of company assets by management and requires that any such dispossession be appropriately reflected in the relevant transaction documentation. This change is likely to increase the administrative burden and costs associated with approving and closing certain transactions.

*Personal Implications for Directors and Other Persons.* If a corporate director contributed to a company’s insolvency by way of breaching his/her obligations, the insolvency court may order the director to return any benefit obtained from the company in the up-to-two years prior to the commencement of insolvency proceedings.

In addition, the Amendment stipulates that if a corporate director is repeatedly or materially breaching his/her duties, the court may disqualify that director from performing that position for up to three years, even if the director does not cause or contribute to the company’s insolvency. This strict rule also applies to other persons who are in a similar position. The application of this new rule may have special relevance in terms of the unpredictable impact caused by the COVID-19 outbreak in cases where a corporate director remains engaged by a company after a change in the company’s shareholders.



*Distribution of Profit and Other Equity.* In line with their duty of due managerial care, directors are ultimately responsible for taking all necessary and reasonably foreseeable steps to prevent a company’s insolvency, including making an assessment of whether the distribution of the company’s financial sources could lead to financial difficulties. The Amendment has introduced new balancing tests – an insolvency test and an equity test – which should be applied by directors prior to any distribution in order to comply with their duties and preserve the financial stability of the company.

Additionally, the Amendment requires that any shareholder of a limited liability company who received distributions contrary to applicable legal requirements must return such distributions to the company and shall no longer be protected by the defense of good faith (while shareholders of joint stock companies remain protected unless they knew or should have known that the distribution broke the law).

Beyond the changes introduced by the Amendment, it is also noteworthy that in late 2020 the Czech Republic abolished the property acquisition tax, which amounted to 4% of the purchase price and was applicable to all transfers of real estate (asset deals). The effectiveness of the abolishment was made retroactive to December 1, 2019, and buyers who paid the acquisition property tax after that date can demand repayment. The abolishment of the acquisition property tax may make asset deals more attractive, in particular in the real estate and hotel and leisure sectors, where share deals were traditionally more popular. ■

# ROMANIA: CORPORATE CHANGES THAT MAKE ROMANIA MORE ATTRACTIVE FOR HOLDING COMPANIES

By Dana Radulescu, Partner, and Daniel Alexie, Senior Associate, Maravela, Popescu & Asociatii



Back in July 2020, the Romanian Companies Law was amended to allow entrepreneurs to hold the position of sole shareholder in more than one Romanian limited liability company.

Previously, legal restrictions existed that prevented individuals from being a sole shareholder in more than one Romanian limited liability company and prevented limited liability companies (including those from abroad) with a sole shareholder from becoming a sole shareholder in Romanian limited liability companies.

These restrictions made little-to-no sense, especially to foreign investors, particularly holding companies, which were forced to include an additional shareholder in their corporate structures in order to establish or acquire shares in Romanian limited liability companies.

This made corporate transactions, mergers and acquisitions, and simple share transfer assignments a hassle for holding companies and their legal advisors, often led to delays in transaction closings, and in some cases deterred holding companies from starting business in Romania altogether.

While Romania does not have any specific legislation in place regulating holding companies, the elimination of these restrictions will likely make the Romanian business market much more attractive to foreign holding companies, as the incorporation or share acquisition processes are now more flexible and the relevant Romanian company will be easy to set-up, organize, and manage in a similar manner to other subsidiaries of the holding company.

## Main Advantages for Holding Companies

In addition to the changes making the incorporation, merger and acquisition transactions, and share acquisition processes much more efficient and easy to implement, holding companies that decide to start doing business in Romania will now also be able to fully benefit from, among other things: (i) the ability to have an integrated, streamlined, and identical corporate structure throughout the relevant countries of interest; (ii) a simplified decision-making process, without the need to involve additional shareholders or to adhere to rigid quorums and convening formalities specific to shareholder assemblies; (iii) the ability to establish separate limited liability companies for each line of business (so that, in other words, the same holding company may be a sole shareholder in multiple entities, each assigned to a different

business line); (iv) a simplified sale of business process; and (v) the ability to work within a familiar business structure, applicable to all subsidiaries.

In addition to these organizational advantages, holding-type structures, although not expressly regulated under Romanian law, do benefit from certain corporate, financial, geographical, and tax advantages, including: (i) an incorporation process that takes only three working days from submission of the incorporation documents to the competent trade registry; (ii) a low minimum share capital requirement of only RON 200 (approximately EUR 40); (iii) a low 1% to 3% revenue tax for microenterprises; (iv) a flat 16% profit tax for medium and large enterprises; (v) a low flat 10% income rate for individuals; (vi) a fairly large population that could prove attractive to consumer-driven businesses; (vii) the absence of dividend taxes on shareholder entities fiscally registered in other European Union member states, subject to payment of corporate tax in those member states; and (viii) the extensive Double Taxation Treaties to which Romania is a part.

## More to Come

The new corporate changes pave the way for holding companies to operate under a “business-as-usual” scheme on the Romanian market.

The above-mentioned flexible taxation rates specific to Romanian companies – among the lowest in the European Union – make the Romanian market attractive to large and small enterprises, while consumer-driven businesses will have a large population pool to cater their products and services to.

In light of the elimination of the sole shareholder-related restrictions and the other advantages detailed above, the Romanian market will very likely see an increase in the number of holding companies setting up subsidiaries in Romania and even local companies adapting their structures to that specific to holding companies.

These facts will also likely lead the Romanian legislator to finally enact legislation specifically tailored for the organization and operation of holding companies, which will likely result in additional corporate and tax advantages in the future, such as extended capital gains tax exemptions and the consolidation of financial statements at the mother company level. ■



## SLOVAKIA: THE PITFALL NAMED 59A – STILL AN ISSUE?

By Juraj Fuska, Partner, and Alex Medek, Associate, White & Case Bratislava



One could argue that transparency and safeguard regulations in related-party transactions of companies should be well established and should not be an issue in M&As in the current environment.

However, this is not the case with Section 59a of the Slovak Commercial Code, which found its way into the Code via the implementation of the Second Council Directive 77/91/EEC.

This Slovak implementation is an example of a narrow-minded approach, where formalistic requirements placed on related-party transactions carry serious and occasionally irreversible legal consequences, regardless of whether the transactions were made for a fair value.

The purpose of Section 59a is to introduce transparency to certain transactions between a company and its related parties. When a company acquires assets with a value exceeding 10% of its registered capital for a consideration based on an agreement (e.g., a purchase agreement or potentially even a contract for works) with its shareholder, founder, or a person directly or indirectly controlling or controlled by such persons, the company is obliged to have the value of such assets determined by means of an expert appraisal. The agreement will not become effective until it is filed in the publicly available Collection of Deeds along with the expert appraisal. Otherwise, the assets at stake and the price paid based on the agreement shall be considered unjust enrichment and must be returned. Furthermore, where registration in a special register (such as the Cadastral Register for real estate) is required for the transfer of the ownership title to become effective, the filing must occur prior to the registration.

The issue of Section 59a usually arises in real estate projects involving developers who acquire the real estate at the outset through an existing entity and then transfer it to their SPVs at a later stage (such as prior to initiation of the building permit process or when developed and ready for sale). The developers often fail to exhibit due care when carrying out such intragroup transfers and overlook the potential applicability of Section 59a. They also tend to believe that because they have executed the transaction at arm's length and for a fair value, any formal deficiencies can be rectified. As a result, it is not uncommon to discover historic transfers in due diligence processes

that do not fulfil the requirements imposed under Section 59a.



Unfortunately, the formal requirements tend to prevail over substance, and if they are not fulfilled before the transfer of real property is registered in the Cadastral Register, the deadline will have been missed. Unlike other jurisdictions which allow the remedying of such formal deficiencies by the subsequent producing of proof showing the fair value of the underlying transaction, there are judgments of Slovak courts rejecting late attempts to remedy and basically hold such transactions invalid. By neglecting this obligation in the Slovak corporate environment, a real estate SPV may thus not in fact be the owner in part or whole of its core assets. This may raise a serious red flag for further divestment that could jeopardize the entire transaction. There can be also severe side effects, particularly if numerous third party relations are attached to the property (e.g., through leases or secured financing). The issue is complex and often irreversible. In some cases, it may only be remedied by a reverse transfer of the defective property or by a merger between the affected entities. In other situations, where a realistic remedy would be achieved with difficulty, title insurance was procured.

The situation with Section 59a was partially improved in 2016 when limited liability companies were no longer required to comply with the regulation, leaving it applicable only to joint stock companies. However, historical transactions with LLCs remain affected, and certain investment structures (such as real estate entities used by collective investment schemes) may still only be pursued via JSCs.

In light of the above, when assessing the title of an SPV in M&A transactions, attention should be paid to Section 59a during the legal due diligence process. We also advise taking a conservative approach in structuring transactions with exposure to related parties, as unjustified efforts to avoid the application of the regulation (e.g., by claiming the exemption of having the transaction executed in the ordinary course of business) may frustrate the future disposition with the property. ■

## BULGARIA: BULGARIA'S M&A MARKET – THE CALM BEFORE THE STORM OR SIMPLY THE “NEW NORMAL?”

By Dimitrinka Metodieva, Senior Partner, Gugushev & Partners



It has been a challenging year for the Bulgarian M&A market, with limited activity, just like in 2019. Undoubtedly, one of the reasons for the slowdown is that business is overshadowed by the coronavirus pandemic. Many acquirers abandoned

expansion plans in order to focus on protecting both their financial stability and their employees, while waiting to assess the market environment and evaluate potential next steps. Many planned or already-started deals were cancelled at early stages (such as following a letter of intent or during preliminary due diligence) as uncertainty about the fulfilment of potential goals made the transactions risky.

Acquirers are cautious, as the prospects for many businesses remain vague. According to recent forecasts, the risk of bankruptcy has increased by about 20% since 2019. The sectors which are most severely affected by the crisis are transport, tourism and leisure, manufacturing, and non-essential retail/consumer accommodation and food service activities. It seems probable that the series of measures undertaken by the state to mitigate the impact of the coronavirus crisis on businesses will only temporarily postpone bankruptcy filings for some companies. In addition, a domino effect, with bankruptcies of some companies leading to the bankruptcy of others in the chain, is also a real possibility.

The telecommunications, media, technology and innovation, and essential retail sectors have proven to be COVID-19 resistant and are likely to recover first.

Regardless of the turbulence in the year for both companies and investors caused by the pandemic, deals are still happening, although they remain modest in number and value, with investors who are mainly regional or local. In July the First Investment Bank announced a successful capital increase, which was a condition for Bulgaria to apply for accession to the Eurozone's waiting room (ERM II) and the Banking Union. The new shareholders in the bank – which now ranks fifth in the country in terms of assets – are the Valea Foundation (owned by Czech entrepreneur Karel Komarek) and the Bulgarian Development Bank, which subscribed all the shares of the new issue. Also in July, the Bulgarian government finally signed a concession

agreement for Sofia Airport, which will be handed over to the Sof Connect consortium for a period of 35 years. In September, the Bulgarian Commission for Protection of Competition approved another consolidation on the media market: the national broadcaster Nova TV will acquire another three TV channels and four commercial radio broadcast stations.

The Bulgarian IT sector continues to perform really well and attracts most of the investments on the market, as Bulgaria is becoming a more and more vibrant hub. The number of deals in this sector is relatively large, but the transaction values are not high. Some of the deals are the result of a long-awaited distribution of European funds intended to stimulate the Bulgarian economy, while others represent a genuine interest in Bulgarian innovative companies and the development of the IT ecosystem in the country. A notable event during the pandemic was Eleven Capital's listing on the Bulgarian Stock Exchange – the first venture capital company to do so. The achieved result of over BGN 2.1 million of raised capital, which will be transferred on to Eleven Capital's portfolio companies, is quite impressive considering the time of listing and the situation on the domestic and global capital markets. Furthermore, the number of venture capital funds investing in high growth Bulgarian SMEs with the support of EU investment initiatives continues to grow. The fourth alternative investment fund has been established with the participation of the Fund of Funds, which is managing BGN 1.2 billion under four EU operational programs, and the fifth one is currently at the contract award stage. The Fund of Fund's allocations will create a new wave of funding for start-ups and technology companies with growth potential over the next few years.

The M&A environment has changed, and dealmakers will have to adapt, as it is evident that they will be forced to operate under enhanced uncertainty for a prolonged time. Despite these challenges, the current situation is generating opportunities for companies wishing to strengthen their businesses through consolidation, or for those with strong balance sheets that are looking to make acquisitions at depressed asset prices. Skilled acquirers may gain an advantage while other prospective buyers are still figuring out the next steps. The M&A market, however, will most likely continue to be predominantly domestic-focused. ■

## RUSSIA: “WITH GREAT POWER COMES GREAT RESPONSIBILITY...”

By Svetlana Seregina, Partner, and Polina Savvina, Senior Associate, Peterka & Partners

Several years ago, certain amendments concerning the status of a CEO in Russia (in Russian corporate law, as a rule, this position is called General Director) were introduced to the Russian Civil Code as a part of a major reform of Russian civil legislation. Among these changes was the introduction of the ability to limit the liability of a CEO for damages he or she inflicted on the company, although this is still not widespread and is untested in practice. In this article, we address certain key issues regarding the civil liability of CEOs in Russia, including its potential limitation.

Russian legislation establishes the obligation of the director to act in the interests of the company, reasonably and in good faith. The concepts are not fully defined in Russian legislation and are only touched upon in guidelines provided by the Highest Court of the Russian Federation.

In particular, the CEO may be held liable if by his/her actions or misconduct the company incurred losses (damages) or if he/she concluded a transaction to the detriment of the interests of the company.

In order to hold a CEO liable, a number of issues need to be established: fault must be proven; the company must have incurred losses/damages, and a cause-effect relationship between the actions/misconduct of the CEO and the incurred losses/damages has to be established. In practice it is often difficult to prove all three factors in court and thus to hold the CEO liable.

Moreover, a CEO shall not be deemed at fault if all measures for the proper performance of duties were taken with such care and diligence as are required by the nature of the obligation and conditions of doing business. Specifically, in ambiguous situations involving entering into a transaction or acting on behalf of the company, a CEO shall collect evidence confirming that he/she has sufficient powers to proceed with the action/transaction and is acting in the interests of the company, reasonably and in good faith. For example, the following evidence may be provided during disputes: unlawful actions of third parties, misconduct of counterparties, the CEO voted against the relevant corporate decision resulting in damages, etc.

In addition, prior to stepping into his/her position, a company's CEO can execute an agreement with the company (with the exception of public companies) limiting his/her liability with respect to unreasonable actions, although it is not possible to limit the

CEO's liability for actions taken in bad faith or representing willful breaches of his/her obligations, or where the CEO is considered to be controlling the company (with the definition of “controlling” established by Russia's Insolvency Law). However, based on limited court practice, it appears that it can be difficult to draw a distinction between “unreasonable” actions and actions taken “in bad faith,” as such concepts are interconnected (see, e.g., Resolutions of the Arbitration Court of Western-Siberia of November 22, 2018, case No. A45-8908/2018 and of Eastern-Siberia of December 8, 2014, case No. A10-825/2014). In practice, cases concerning the liability of a CEO are rather complex and courts generally make decisions on a case-by-case basis, taking into account the existence of limited liability agreements as one of the factors.

It should also be noted that Russian law contains no rules on the indemnification of the CEO by the company. It seems that due to the above limitations and the Russian interpretation of “indemnity” the existing legal framework leaves little space for indemnification, though in practice indeed some companies may enter into indemnity agreements with their CEOs.

The concept of limiting the liability of a CEO is not tested and in practice there are still many issues which would require the further attention of legislators and practitioners with respect to the type of agreement, the necessity of corporate approval for releases from liability, accession of the issue of whether the release of the liability “option” is attributed to a specific person or can be in general implemented in the corporate set-up of the company, and so on.

Director's liability insurance is an available tool for minimizing the losses of both director and company, already common in many other countries. However, due to legislative uncertainty, such insurance is not widespread in Russia. The terms and conditions of insurance need to be specifically observed.

Though there are uncertainties with respect to legal options for limiting liability under Russian law, it is clear that the limitations of liability begin with understanding it. ■

# HUNGARY: M&A TRENDS ON CEE MARKETS IN 2020 – IMPACT OF COVID-19

By Gabor Molnar, Partner, and Biborka Jojart, Senior Associate, DLA Piper Hungary



Every spring DLA Piper publishes its annual M&A intelligence report. This past spring, we could only speculate on the effects of the pandemic as COVID-19 had just hit Europe. Informed by our experience of the past few months, we have recently published our updated M&A Global Report. Below we highlight a couple of trends that are impacting CEE.

## General

COVID-19 has affected businesses in many different ways. The vast majority of deals have been adversely affected (usually by being delayed or postponed), causing a significant slowdown. However, in certain rare cases the pandemic has actually accelerated deals. The recently announced consolidation in the Hungarian banking sector is a prime example.

## Conditional Deals

Most of us predicted in spring that the number of conditions to closing would increase. Parties involved in deals chose the opposite: they have tended to opt for deal certainty, and where possible, have chosen simultaneous signing and closing. Where there is split signing and closing, new types of conditions appeared, with the introduction of new/extended foreign investment screening regimes being the most obvious. These often catch intra-EU transactions as well – a somewhat unexpected development. Given that approval conditions are often vaguely worded in the makeshift laws, the new screening procedures often cause delays in transactions (and sometimes even incentivize parties to try to find a transaction structure where screening can be lawfully avoided).

## Active Sectors: IT, Food and Beverages

The pandemic has required all businesses to adopt to new requirements, with home office/flexible working becoming the norm in several segments. Web-driven sales/distribution have also been on a constant rise. It's no surprise that technology has been our most active sector. We have also seen increased activity in the food and beverages sector. Recently we have seen growing investor interest in the private healthcare segment – most likely as a reaction to the struggle of national healthcare systems with capacity constraints.

## Deal Types: Increase in Asset Deals

The vast majority of transactions continue to be structured as share

deals, where the buyer acquires all or the majority of the shares of the target. Nevertheless, we have come across a significant increase in minority share deals, too (with investors sometimes contemplating a gradual investment to manage the heightened uncertainty). We have also seen an increase in the proportion of asset sales over the 2019 numbers, although not as much as we anticipated in the spring

(this may be explained by the fact that despite the challenging market conditions, target businesses are not (yet) in such a critical situation that would justify buyers taking the usually much more complex asset transaction route).

## MAC Clauses

Although global statistics show that there is no material change in the use of Material Adverse Change (MAC) clauses, we have definitely seen that parties spend much more time negotiating over them, including their consequences. Given that several points of the “boilerplate” MAC clauses have become reality in the past few months (from export restrictions to curfew and protests), it's no wonder that parties are reading these clauses much more closely.

## Pricing: Completion Accounts

We predicted that the uncertainty associated with the pandemic would result in a significant shift from the locked box pricing mechanism to completion accounts. Our experience shows that there has been a perceivable increase in the use of completion accounts – it appears that the volatile market circumstances make the use of locked box arrangements too risky for buyers.

## Security and Limitation of Sellers' Liability

Escrow and purchase price retention is still in the minority. However, where an escrow mechanism is used, we see that the amounts are larger and the escrow periods are longer than before. This also seems to be true of the limitations on seller liability: we have seen longer periods, higher caps, and lower thresholds.

The above is, of course, only a middle of the road snapshot of our COVID-19 experience. It would be good, though, if it soon turned out that in fact this was an *end* of the road experience and things can get back to normal. ■



## SERBIA: COVID-19 IMPACT ON M&A TRANSACTIONS IN SERBIA – CRISIS AS A STIMULUS FOR CHANGE

By Ivan Nonkovic, Partner, and Bela Prendivoj, Associate, independent Attorneys at Law in cooperation with Karanovic & Partners



COVID-19 has changed so many things in our lives. Nothing has remained untouched, from social relations to business. Naturally, it has also heavily affected M&A activity in Serbia, just as across the entire SEE region.

At the very beginning, uncertainty fell on global markets and stock exchanges took a nosedive. While some certainty has since returned, things are still far from stable (especially in light of the new resurgence in numbers and new lockdowns, both in this region and across Europe). These fluctuations and recurring instability have obviously impacted all planned investments, including M&As.

The volume of transactions in Serbia decreased significantly. While most deals were not cancelled (although that happened as well by invoking material adverse change clauses (MAC), which regulate the ability of the buyer to terminate the contract due to significant change in business between signing and closing), they were either put on hold or continued at a much slower pace. Almost no deal was closed during the first wave of the pandemic, as contracting parties became increasingly cautious. However, a significant number resumed later.

Certain preventative measures introduced by the Serbian government have affected the implementation of transactions. A lot had to be done more flexibly and creatively – but also very often with delays. This was mostly because government and bank employees worked from home and communication with them took place exclusively by e-mail (which in many situations was not efficient and prompt) and even registered mail. However, some institutions adapted. For example, in Serbia the Registers Agency was able to continue to register corporate changes within the five-working-day deadline, even in the middle of the lockdown. In addition, the Registers Agency enabled electronic registration of entities during the crisis, which was great news.

The scope of due diligence of Serbian targets has also changed. Aside from the usual issues, the focus has somewhat shifted to risk

management procedures, fiscal benefits & direct payments from the government, employment structures, protection from cyber-attacks, and so on. Diligence reports now also focus not only on the impact of COVID-19 on business, but also on various governmental measures.



As for the SPA, specific COVID-19-related clauses became mandatory. MAC clauses have seen a rebirth both in wording and significance, with special attention given to the scope and applicability of different *force majeure* events. Since the practice of Serbian courts cannot provide a general answer to the question of whether contracting parties are obliged to adhere to their obligations under a SPA due to the COVID-19 crisis, the specific wording of *force majeure* clauses has come into the spotlight of the transaction process, as have warranties on the non-existence or non-triggering of such clauses in the material contracts of the target.

While in the past we have seen both price adjustments and locked box mechanisms, price adjustments are not as common as they were before, which is unsurprising given the fact that in a world of uncertainty the buyers will try to avoid taking over the risks as of the signing.

Since negotiations are held predominantly online, the lack of face-to-face meetings is a significant challenge. Personal touch and coffee-break small-talk can break the ice and resolve many issues. On the other hand, negotiations have become increasingly efficient.

We also see changes in transaction structures, going from share to asset acquisition, with buyers trying to minimize risk and focus their investments on the most relevant part of the target.

At this moment, it is not possible to estimate what the consequences of the pandemic in Serbia will be, especially as the new wave is already at our door. However, what is indisputable is that this crisis has led Serbian legal advisors to fundamentally re-examine and reconsider both future plans and past behaviors in the field of M&A transactions. ■

# MONTENEGRO: M&A TRANSACTIONS IN A NUTSHELL

By Milica Popovic, Partner, and Tamara Samardzija, Attorney-at-law, CMS Podgorica



In our legal work in Montenegro, CMS has been engaged in a number of major mergers & acquisitions, representing both buyers and sellers, including Monte Rock's acquisition of HIT Montenegro in connection with the Hotel Maestral in

Budva-Przno, the Delhaize Group's acquisition of food retailer Delta Maxi, KKR's acquisition of SBB/Telemach Group, and OTP Bank's acquisition of Societe Generale Montenegro.

Based on our extensive experience, this short overview represents a guide to the stages of a typical M&A transaction in Montenegro.

The principal phases of an M&A transaction in Montenegro are: (1) Legal due diligence; (2) Signing of the sale purchase agreement; and (3) Closing.

## Legal Due Diligence

A legal due diligence represents the initial step in the vast majority of M&A processes. After the analysis of legal documentation, advisors prepare a report, representing a comprehensive overview of the targeted company/business/assets to identify risks and provide recommendations to potential buyers and/or bidders, so they can decide: (i) whether to proceed with the transaction; and, if so, (ii) under which terms, conditions, and protection mechanisms.

The purpose of a legal due diligence depends on its type (e.g., (i) corporate vs. others (project financing, real estate development, etc.), (ii) share deal vs. assets/business deal, (iii) sell-side vs. buy-side, (iv) broader vs. red-flag), and the client and his/her instructions (e.g., (i) type of client (in particular, the industry in which the target operates, investment funds, foreign/domestic entities); and (ii) the client's instructions concerning the form of the legal due diligence required, specific areas to be covered, thresholds, applicable legal framework, etc.). We recommend that the instructions related to the scope of work be set out in writing with full understanding between the advisors and the client.

In our practice in Montenegro, we have identified the following questions to be addressed during a (buy-side) legal due diligence:

(a) *What are you buying?* (To obtain a description of significant assets,

titles, permits, including any lack of them and possible encumbrances, existing, potential or contingent liabilities); (b) *Is it acceptable?* (To learn of potential deal breakers or significant obstacles (existing or triggered by a transaction)); (c) *And under which terms and conditions?* (Are there ways to handle the obstacles or not? At what cost?); (d) *Do we have all necessary information?* (The scope of the necessary information; can we obtain it (in the course of the legal due diligence, before the closing)? Can we rely on representation?); (e) *What do we need to close the deal?* (Conditions precedent (approvals, restructuring, completion of the procedures, etc.); and (f) *What do we recommend?* (Disclosure, indemnities, representation & warranties, conditions precedent, price adjustments, retention of the purchase price, etc.).



## Signing of the SPA

The SPA in an M&A transaction is a master agreement that regulates all rights and obligations related to the transaction. The following provisions are of relevance to the buyer in an M&A transaction: (a) *Commercial clauses and conditions* (subject matter of the agreement, i.e. transfer of shares/assets); (b) *Conditions precedent/closing actions*: (i) all actions that need to be performed or all documents that need to be executed in order that the M&A transaction can close successfully (e.g. merger clearance, corporate approvals, other regulatory approvals); and (ii) all actions that need to be performed and all documents that need to be executed at the closing meeting (transfer deed, payment of the price, registration of the title, waiver of certain rights, etc.); (c) *Transitional provisions* (definition of the acts and activities of the target and the management in the period from the signing to the closing in order to preserve the value of the target and its business operations (usually limited to day-to-day business operations); (d) *Representations and warranties*: (i) referring to the issues that do not present identified risks, and (ii) breaches of representations and warranties are subject to indemnification mechanisms; (e) *Specific indemnity matters*: (i) referring to the issues that present identified risks; and (ii) indemnification mechanisms in the case of occurrence of events identified as risks.

## Closing

An M&A transaction is deemed to be closed when (i) all conditions precedent are fulfilled or waived; (ii) when shares and/or assets are transferred; and (iii) the purchase price is paid. ■

## BOSNIA AND HERZEGOVINA: SQUEEZE-OUT OF MINORITY SHAREHOLDERS – ONE COUNTRY, TWO DIFFERENT REGIMES, THREE SETS OF LEGISLATION

By Nedzida Salihovic-Whalen, Partner, and Zlatan Balta, Senior Associate, CMS Reich-Rohrwig Hainz, Bosnia and Herzegovina



Squeeze-out of minority shareholders is an important concept for joint stock companies in Bosnia and Herzegovina (BiH). In the previous socialist system, many then-state-owned joint stock companies issued employee stocks as a form of partial privatization, leading to some companies having hundreds of minority shareholders with miniscule amounts of shares. This complicated the management

of these companies, as majority ownership changed from state to private, since many small shareholders are unreachable, as they may be deceased or have relocated with unknown addresses. This situation often makes squeeze-outs essential for majority shareholders in order to efficiently manage these companies.

BiH is a complex state, consisting of the entities of the Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS), and the self-governing Brčko District (BD). As each has competence for regulating securities in their jurisdictions, BiH has three securities regulators and three sets of laws on squeeze-outs, with application depending on the company seat.

The regulation of squeeze-outs is fairly similar in FBiH and BD, but it is substantially different in RS.

FBiH and BD regulate squeeze-outs by the Laws on Takeover of Joint Stock Companies (the “Law on Takeover”), and a squeeze-out can be conducted only within three months after expiry of the takeover bid. This can be a mandatory or voluntary takeover bid, and the necessary shareholding threshold for squeeze-out is that the majority shareholder holds at least 95% of the shares with voting rights of the target after the takeover bid.

Although RS also has a Law on Takeover, squeeze-outs are regulated by the Companies Act and are not tied to a prior public takeover bid. A squeeze-out can be performed at any time, provided that the majority shareholder holds at least 90% of the shares of the target, regardless of how they were acquired.

The regulations in FBiH, RS, and BD differ in terms of the kinds of joint stock companies to which they apply. In FBiH they apply to: (a) companies that have made an initial public offering; (b) listed

companies (provided that shares were traded in the previous six months); and (c) companies with a share capital of at least BAM 2 million (approximately EUR 1 million) and at least 30 shareholders. In the BD they apply to companies whose shares are traded on regulated markets. In the RS the squeeze-out right belongs to all joint stock companies.



Moreover, in FBiH and BD, the squeeze-out is performed by the relevant securities registries following the majority’s shareholder request and based on a contract with the majority shareholder. The advantage of this approach is that it significantly reduces the ability of minority shareholders to challenge the squeeze-out.

In RS, however, the majority shareholder must obtain a prior decision on squeeze-out, adopted by the general assembly of the target company. After this decision is registered with the companies’ register of the relevant court, the registration with the securities registry and the transfer of the shares may occur. Minority shareholders can thus potentially challenge the decision on the squeeze-out. However, challenges from the minority shareholders based only on dissatisfaction with the amount of compensation cannot prevent the squeeze-out.

In all three jurisdictions, the majority shareholder must secure fair consideration to the minority shareholders and deposit the funds or provide a bank guarantee to conduct the procedure.

Therefore, as seen in this brief overview, within BiH three sets of laws and two different regimes on squeeze-out exist. While such regulatory differences provide challenges, they can also constitute an opportunity. For example, companies seated in FBiH or BD which cannot achieve the necessary 95% shareholding to conduct a squeeze-out procedure in these jurisdictions could potentially move their seat to RS to fall within the jurisdiction of the RS Companies Act, which allows a squeeze-out with only a 90% shareholding.

Although this would be a complex and time-consuming operation, if the squeeze-out is of strategic importance, it may offer an option to companies which would otherwise not be able to conduct a squeeze-out. ■



C/M/S/

Law . Tax

# Local insight, global perspective

Committed to CEE for over 30 years, CMS delivers excellence through its 17 offices in the region. With more lawyers in CEE than any other law firm, our clients can rely on quality advice in the commercial context of every matter.

CMS is an international law firm that helps clients to thrive through technical rigour, strategic expertise and a deep focus on partnerships.

**cms.law**

# UKRAINE: OVERVIEW OF THE CORPORATE GOVERNANCE CODE OF UKRAINE

By Maria Orlyk, Partner, and Oleksandra Prysiazniuk, Senior Associate, CMS RRH Ukraine



Good corporate governance contributes significantly to increasing company value and strengthening the confidence of investors. It has been promoted in Ukraine, as across the world, in the past few decades, and in March 2020, the Core Code of Corporate Governance, which was based on the work of over 50 Ukrainian and international experts, was

adopted by the National Securities and Stock Market Commission of Ukraine (NSSMC).

The Code is built on international standards as well as best corporate governance practices, and incorporates the G20/OECD principles for corporate governance. In Ukraine, the Code is an instrument of soft law, i.e., it is recommended rather than mandatory. At the same time, the implementation of the Code is highly advisable both for listed companies and those entering the capital markets. The Code is also an important reference point for listed companies making annual corporate governance disclosures. Other public and private companies may benefit from the Code when building an effective management system.

What are the major recommendations contained in the Code?

**Company Objectives:** The Code provides guidance on setting company goals and objectives. In particular, it contains recommendations on how to achieve long-term sustainable value and maximize returns to the shareholders, depending on the company's type and business.

**Shareholders Rights:** Some shareholder's rights are provided by law, which should be generally respected. In practice, however, due to gaps in the law, shareholder's rights may be just superficially acknowledged. The Code provides recommendations regarding the establishment of a system of management that ensures the equitable and fair treatment of all shareholders. One of the suggested innovations is the adoption of a Shareholder Engagement Policy that facilitates the interaction between the company and its shareholders as well as the shareholders' participation in any decision that fundamentally impacts the company or their interests. The NSSMC plans to develop a model Shareholder Engagement Policy as part of its future work.

**Supervisory Boards:** The ultimate responsibility for ensuring that companies achieve their objectives lies with the Boards, which should be fully accountable to shareholders. The Boards are thus expected to oversee implementations of strategic objectives while supervising the company's management. In order to do so, they should be composed

of professionals with impeccable reputations.

The Code regulates Board composition and selection requirements in detail and recommends trainings to help a company build and maintain a well-informed and effective Board. It also provides guidance as to effective leadership by the Board's Chair, and optimization of the Board's work through committees. The Code stresses the special role of a corporate secretary and provides recommendations as to best performance of its functions.



**Cooperation Between Management and the Board:** Management is responsible for the daily operations of the company, staffing, goal setting, administration, enforcing policy, and so on, under the supervision of the Board. It is thus of utmost importance that an open and constructive dialogue exists between Management and the Board. The Code suggests that in organizations with good governance practices, both the Board and Management are well-informed of their distinct roles and do not infringe on each other's responsibilities.

**Disclosure and Transparency:** The Code suggests that companies should have a Disclosure Policy that describes what information the company will disclose and how it intends to communicate with shareholders and the markets. A company is expected to disclose all information that could have an effect on its share price or stewardship decisions, including information about its financial performance and position.

**Control, Environment and Ethical Standards:** The Code recommends that companies should have adequate internal controls over operations, financial reporting, and compliance matters, and that they should establish a risk management framework, and formal internal audit and compliance functions. The Code also substantiates the necessity for companies to introduce Ethics Codes, Anti-Corruption Policies, and Conflict of Interest Policies. The Code lays special emphasis on the sustainable management of environmental and social risks.

Good governance demands significant effort, corporate transparency, and accountability. It is defined by a large number of practices and structures, and may be found only if the Code's recommendations are properly reflected in company charters and internal policies. Once in place, however, good corporate governance policies will significantly contribute to business efficiency, competitiveness, and trustworthiness, and will definitely increase company value. ■

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

---

MARIĆ & CO

Bosnia & Herzegovina

schönherr

Bulgaria

C·B  
ČIPIĆ-BRAGADIN-MEŠIĆ  
AND ASSOCIATES  
LAW FIRM

Croatia

HAVEL & PARTNERS  
CONNECTED THROUGH SUCCESS

Czech Republic

NAGY & TRÓCSÁNYI

Hungary

Vujacic  
law offices

Montenegro

PENTERIS

Poland

M  
MPR PARTNERS  
MARAVELA, POPESCU & ASOCIAȚII

Romania

karanovic/partners

Serbia

NAZALI  
Tax & Legal

Turkey

AVELLUM  
INTERNATIONALLY  
UKRAINIAN

Ukraine

# DEALER'S CHOICE LAW FIRM SUMMIT & 2021 CEE DEAL OF THE YEAR AWARDS

# SAVE THE DATE JUNE 3, 2021, LONDON

DEALER'S CHOICE  
CO-HOSTED BY:

## ReedSmith

Driving progress  
through partnership

SPONSORED BY:

REGIONAL SPONSOR

**PONTES** the CEE lawyers

BULGARIA SPONSOR

**KAMBOUROV & PARTNERS**  
ATTORNEYS AT LAW

CROATIA SPONSOR

**C.B.** ČIPIČ-BRAGADIN-MEŠIĆ  
AND ASSOCIATES  
LAW FIRM

HUNGARY SPONSOR

**NAGY & TRÓCSÁNYI**

POLAND SPONSOR

**PENTERIS**

ROMANIA SPONSOR

**IJDELEA MIHĂILESCU**  
Attorneys & Advisors

UKRAINE SPONSOR

**AVELLUM**  
INTERNATIONALLY  
UKRAINIAN